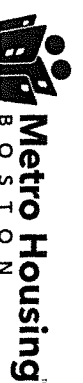


Voucher Program Comparison
CHAPA Public Housing and Rental Assistance Committee
November 21, 2019



	<i>MRVP (As proposed)</i>	<i>MRVP (Current)</i>	<i>DHCD Section 8</i>
Income Eligibility & Targeting	To be eligible to receive assistance under this section, a household shall have a net income that does not exceed 80 percent of the area median income. Not less than 75 percent of the vouchers shall be targeted to households whose income at initial occupancy does not exceed 30 percent of the area median income.	At admission a Household's net income shall be no more than 80% Area Medium Income (AMI). <i>DHCD MRVP Administrative Plan 4.1.1</i>	Very Low-Income (50% AMI) 75% of vouchers to households under 30% AMI; remaining vouchers to under 50% AMI. <i>DHCD Housing Choice Voucher Program Administrative Plan 3.3.1</i>
<i>Example</i>	<i>April 2019 HUD Income Limits</i> Family of 3 (Boston) 80% of AMI = \$80,300 30% AMI = \$32,000	<i>April 2019 HUD Income Limits</i> Family of 3 (Boston) 80% of AMI = \$80,300	<i>April 2019 HUD Income Limits</i> Family of 3 (Boston) 50% of AMI = \$53,350 30% AMI = \$32,000
Maximum Rent Limit Level Voucher Payment Standard	... the payment standard for each size of a dwelling unit in a market area shall not exceed 110 percent of the fair market rent, or Small Area Fair Market Rent as established annually by the H.U.D., for the same size of dwelling unit in the same market area and shall be not less than 100 percent of that fair market rent...	Prior to October 1, 2019 maximum rent was set at 100% of the 2005 FMR (waivers could be requested to exceed that). As of October 1, 2019, maximum rent is set at 100% of the Current Area-Wide FMR.	110% of current FMR as published by HUD
<i>Example</i>	2 Bedroom Minimum (100% FMR) = \$2,311 Maximum (110% FMR) = \$2,413	2 Bedroom 100% of 2005 FMR = \$1,392 100% of Current Area-Wide FMR = \$2,311	2 Bedroom Voucher Payment Standard (VPS) = \$2,413

<p>*HIGHER RENT LIMIT</p>	<p>... an administering agency may establish a payment standard of not more than 120 percent of the fair market rent where necessary as a reasonable accommodation for a person with a disability, without approval of the department. An administering agency may use a payment standard that is greater than 120 percent of the fair market rent as a reasonable accommodation for a person with a disability, but only with the approval of the department.</p>	<p>Prior to October 1, 2019, DHCD would consider waiver requests, on a case by case basis, up to 100% of current FMR, for contract rents that exceeded the Maximum Rent Level that was in effect at that time.</p> <p>Effective October 1, 2019 with the new maximum rent limit being set at 100% of current FMR, there is no higher rent policy.</p>	<p>As a Reasonable Accommodation, cannot exceed 110% without DHCD Approval. DHCD, due to MTW authority, no longer needs to seek HUD approval to exceed 110% of FMR.</p>
<p>Tenant Rent Share (Tenant Based)</p>	<p>A household that receives tenant-based assistance under this section, with respect to any dwelling unit, shall not pay for rent more than forty percent of the monthly adjusted net income of the household.</p>	<p>Between 30% and 40% of monthly net income</p> <p><i>*Project Based rent share is between 30%-40% depending on heat utility and any applicable waiver.</i></p>	<p>Initial lease term: At least 30% but no more than 40% of adjusted gross income at initial lease-up.</p> <p>Subsequent lease term: At least 30% of adjusted gross income with no cap on maximum tenant share.</p> <p><i>*Project Based rent share is based on 30% of adjusted gross income.</i></p>
<p>Rent Reasonableness</p>	<p>The rent for dwelling units for which a housing assistance payment contract is established under this subsection shall be reasonable in comparison with rents charged for comparable dwelling units in the private, unassisted local market.</p>	<p>Regardless of maximum allowable Contract Rent, the rent requested for any unit must be reasonable (although it may not exceed the maximum allowable Contract Rent). The AA may determine rent reasonableness by comparing the unit to other non-assisted units in the area.</p> <p><u>DHCD MRVP Administrative Plan 9.2.6</u></p>	<p>No HAP contract can be approved until the PHA has determined that the rent for the unit is reasonable. The purpose of the rent reasonableness test is to ensure that a fair rent is paid for each unit rented under the HCV program.</p> <p><u>DHCD Housing Choice Voucher Program Administrative Plan 9.1.1</u></p>

	<p>For each dwelling unit for which a housing assistance payment contract is established under this section, the administering agency shall inspect the unit before any assistance payment is made to determine whether the dwelling unit meets the minimum standards of fitness for human habitation as required by the State Sanitary Code. These requirements cannot be waived. Each administering agency providing assistance under this section shall, for each assisted dwelling unit, make inspection not less often than biennially during the term of the housing assistance payments contract for the unit to determine whether the unit is maintained in accordance with the requirements of this paragraph.</p>	<p><u>DHCD MRVP Administrative Plan 9.3</u> Highlights: All MRVP units must meet the minimum standards of fitness for human habitation as outlined in the State Sanitary Code. All verifications of inspections must be valid and not expired. All units must be inspected between tenancies, regardless of the expiration date (which can vary by municipality and type of inspection) of the previous inspection, including SROs and ESROs. All MRVP units must meet the minimum standards of fitness for human habitation as outlined in the State Sanitary Code.</p>	<p><u>DHCD Housing Choice Voucher Program Administrative Plan Chapter 8</u> Highlights: HUD requires that all units occupied by families receiving Housing Choice Voucher (HCV) assistance meet HUD's Housing Quality Standards (HQS) and permits the PHA to establish additional requirements. The use of the term "HQS" in this plan refers to the combination of both HUD and PHA-established requirements. HQS inspections are required before the Housing Assistance Payments (HAP) Contract is signed and at least annually during the term of the contract. Using its MTW authority, the PHA will provide owners with incentive to maintain their units in compliance with Housing Quality Standards by offering the possibility of a biennial HQS inspection schedule based on the results of the unit's previous HQS inspections.</p>
<p>Administrative Fee</p>	<p>Effective as of January 1, 2021, the monthly administrative fee for all vouchers administered under this section shall be not less than \$80.00 per voucher, per month.</p>	<p>\$40 per voucher per month</p>	<p>\$84.37 per voucher per month. *DHCD receives a higher Admin Fee from HUD but keeps a portion of it to cover their administrative costs.</p>
<p>Data Tracking</p>	<p>Single Voucher Management System to collect data on utilization, location, and household demographics.</p>	<p>Currently no system.</p>	<p>DHCD has a software system that we are required to use for Section 8 that provides all information. In addition, Metro Housing submits data to HUD's PIC system.</p>

with disabilities. LHAs receive funds directly from the Commonwealth to support MRVP and/or state-aided public housing. Some also receive Federal funds to support Federal public housing and/or Housing Choice Voucher Program rental assistance. There are approximately 240 LHAs in Massachusetts. Approximately 105 LHAs administer some type of MRVP Voucher.

1.3.2 Regional Administering Agencies

Regional Administering Agencies (RAAs) are eight private, non-profit agencies that administer rental assistance programs throughout the state. DHCD subcontracts the administration of its Housing Choice Voucher Program (HCVP or Section 8) Vouchers to these agencies. All eight RAAs also administer MRVP on behalf of DHCD.

1.4 MRVP Overview

MRVP provides a rental subsidy to eligible low-income Participants. MRVP Vouchers are divided into two basic categories—mobile and project based. Mobile, also called “tenant based,” Vouchers are awarded to a Participant and can be used by the Participant throughout the state in any eligible unit. The Participant is responsible for finding a unit. Project Based Vouchers, on the other hand, are awarded to a specific Contract Unit. A Participant receives the benefit of an MRVP subsidy only when occupying that particular Contract Unit. If the Participant leaves the Contract Unit, they also lose the benefits of the MRVP rental assistance.

Both types of Vouchers have benefits and weaknesses. Mobile Vouchers allow very low-income Participants to select housing in a wide range of communities that fit their individual needs and preferences. With the rising cost of housing, though, it can be hard for Participants to find and secure eligible units. Project Based Vouchers, on the other hand, can be a useful tool to support the development of affordable housing, because the subsidy can provide a steady, dependable income to Owners. Project Based Vouchers can also be particularly useful in supporting the development of mixed income housing and supportive housing serving special populations in a supportive community.

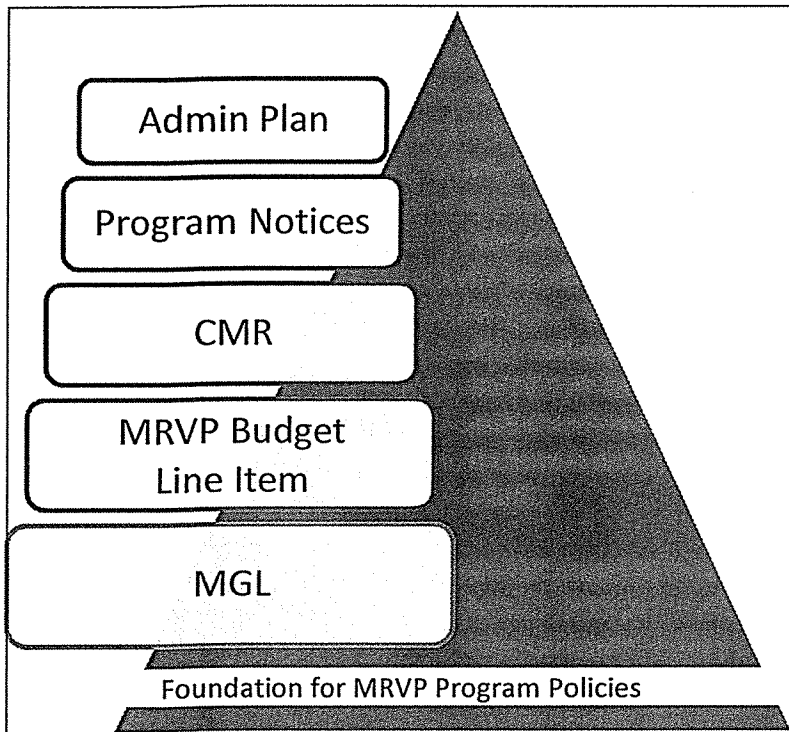
Mobile and Project Based Vouchers are administered largely the same way. Except where differences are specifically noted, the information in this plan applies to both types of Vouchers.

1.4.1 History

Chapter 707, created in 1966, was the first state-funded rental assistance program. It pre-dates the Section 8 program and was reportedly a model for the federal program. Effective November 1, 1992, Chapter 707 was revised and renamed MRVP. Today, DHCD believes MRVP is the largest (by funding) state-funded rental assistance program in the country. At the program’s height, it assisted almost 20,000 Households.

Over several years, MRVP experienced multiple funding cuts, ultimately shrinking the portfolio to approximately 5,500 Vouchers in the mid-2000s. In FY12 the state began unfreezing Vouchers and issuing major awards of new Mobile and Project Based Vouchers. This expansion continues in FY16 and the current contracted and awarded Vouchers stands at approximately 9,400.

1.4.2 Applicable Laws and Regulations Governing MRVP [Budget Line Item 7004-9024; 760 CMR 49.00]



Unlike many other DHCD programs, MRVP’s legislative authorization is not codified in the Massachusetts General Law (MGL). Instead, MRVP is authorized by the legislature through Budget Line Item 7004-9024 in the annual state budget. This Administrative Plan includes citations from the MRVP Budget Line Item and also from the Code of Massachusetts Regulations (CMR).

DHCD’s regulation governing MRVP, 760 CMR 49.00, was originally promulgated on September 4, 1992, amended on September 18, 1992, and effective October 23, 1992.

Further permanent amendments to 760 CMR 49.00 were effective on September 1, 1998, November 13, 1998, and July 14, 2017. Changes to the regulations made in 2017 and this Administrative Plan supersede all program-wide administrative guidance previously issued. Individual waivers granted for a specific project or initiative shall remain in effect.

In general, MRVP’s regulations take priority over administrative guidance, including this plan. However, because the MRVP Budget Line Item language is subject to change on an annual basis, as part of the state budget process, regulations may not always keep up with legislative change. The MRVP Budget Line Item language will always take priority over conflicting regulations and administrative guidance, including this plan. Because budget language changes take effect immediately, program notices may be used to implement legislative changes. Those notices will take priority over both the regulations and this plan until the regulations and/or this plan can be updated.

In the past when there were circumstances not covered by the MRVP Budget Line Item language, MRVP regulations, or program notices, MRVP followed procedures used by DHCD's Public Housing programs. The MRVP regulation also used to heavily reference public housing regulations (760 CMR 4.00–6.00) and public housing is a much larger program with set policies, so this practice was adopted. The 2017 revision to MRVP regulation recognizes that MRVP is an independent program and aims to follow best practices. Careful consideration was used when determining what policies to include in this plan.

This administrative plan attempts to consolidate information contained in current MRVP Budget Line Item language, MRVP regulations, and program guidelines and standard DHCD procedures in a format that can be referred to easily. However, all agencies and staff administering MRVP are required to be fully knowledgeable of the underlying MRVP Budget Line Item language and regulations referenced in this plan, as they remain the key sources of legal authority governing MRVP.

1.4.3 Special Programs within MRVP

While it is important to have uniformity and consistency in the administration of MRVP, as a state-funded and regulated program, from time to time it has been adapted for special programs and initiatives that federal programs have been unable to accommodate. Some of these special programs and initiatives have received waivers or special legislative authorization, including changes to the MRVP Budget Line Item language that allow them to deviate from MRVP regulations. Other programs and initiatives have used the flexibility of MRVP to focus on specific groups at tenant selection.

For example, MRVP has been used in supportive housing initiatives by attaching funding for supportive services Project Based Vouchers serving a variety of special populations, including homeless individuals and families. This allows the Owner or its representative to offer services to the Participant to help the Participant maintain a successful tenancy.

In addition, new Mobile Vouchers may be issued directly to special populations or to Participants enrolled in special programs, such as Home and Healthy for Good and the Social Innovation Finance Pay for Success initiative.

Additional special programs and brief descriptions are listed below.

811—Mobile

DHCD awarded 25 MRVP Mobile Vouchers for Households set aside under the 811 program (but not receiving Federal rental subsidies). The 811 program targets disabled Households that are institutionalized or at risk of being institutionalized, but can live independently with limited supports. Leasing of these Vouchers began in FY15.

Low-Income Set Aside Units—Project Based

Set Aside units are units in developments which originally received funds from certain state programs. These units have below market rate rents and are specifically intended for rental by mobile voucher holders, including Section 8 participants. If the Owner cannot find a mobile voucher holder to rent a unit, the Owner may request that the unit be leased as an MRVP Project Based Unit.

Funding programs that have low-income set aside units with MRVP Project Based Vouchers include, but are not limited to:

RDAL (Rental Development Action Loan Program): A program administered by MassHousing that encouraged the development of mixed-income rental housing and cooperatives. While no new RDAL units are being created, MassHousing continues to oversee projects that remain subject to RDAL requirements.

SHARP (State Housing Assistance for Rental Production): A program administered by MassHousing that provided permanent financing to developments to encourage the creation of low-income units. Developers were required to set aside no less than 25% of units in a development for recipients of state and federal rental assistance. While no new SHARP units are being created, MassHousing continues to oversee projects that remain subject to SHARP requirements.

Section 13A and Section 236 Programs—Project Based

13A and 236 are affordable housing loan programs administered by MassHousing and HUD, respectively. Project based MRVP units in developments with these funding types have special procedures for rent increases because of the specific requirements of the 13A and 236 programs.

USDA Rural Development—Project Based

Several rural MRVP Project Based sites have funding through the United States Department of Agriculture (USDA) Rural Development, formally known as the Farmer's Home Administration (FmHA). These loans are typically used to develop housing in rural areas. Because it's a federal program, there are special procedures for rent increases.

Project Based Consolidated Vouchers

Large groups of properties with MRVP Project Based Vouchers are administered under the heading of "Project Based Consolidated." These Vouchers were awarded under Section 707 in the 1980s under a few separate initiatives. In the

1990s, once MRVP was formed, the projects were grouped together to ease in their administration. Initiatives that have been grouped into Project Based Consolidated include:

Core Focus: Core Focus targeted funds for renovations to mixed-use housing/commercial developments.

MHP: Massachusetts Housing Partnership, a quasi-public agency that funds affordable housing development and preservation, awarded its own funds to properties that needed rehabilitation. DHCD made MRVP Project Based Vouchers available to accompany the funds awarded by MHP.

Mod-Rehab: Mod-Rehab provided funds and Vouchers to a number of properties that needed moderate rehabilitation.

New Project Based

New Project Based refers to MRVP Project Based Vouchers that have been awarded since 2006. Between the mid-1980s and 2006, very few new Vouchers were issued for MRVP, hence the “new” designation. Many of these projects are referred to by the individual development’s name and the fiscal year of the award. Additionally, some of the projects focus on specific populations, but none have an attached subsidy for supportive services (although services may be offered). Note that these projects are separate from the New Lease program (see below).

New Lease—Project Based

New Lease for Homeless Families is a private non-profit organization that works directly with Owners to identify housing units that will be offered on a priority basis to homeless families in Emergency Assistance shelter. Beginning in FY15, New Lease has received an allocation of Project Based Vouchers which it can offer to Owners to encourage participation in the New Lease program. The New Lease program utilizes a DHCD-approved tenant selection plan when making referrals of families to Owners to occupy Contract Units with these Project Based Vouchers.

MRVP Supportive Housing Units—Project Based

Project Based Vouchers with supportive services attached have been authorized under two main categories—an early Supportive Housing Initiative (SHI) and, more recently, through competitive funding rounds combining MRVP and supportive service funding with capital funding. Capital funding was first awarded under the Housing Preservation and Stabilization Trust Fund (HPSTF)

and then utilizing a combination of National Housing Trust (NHT) and additional DHCD resources.

SHI for Families was part of the MRVP expansion in FY13. Under this initiative, 142 Project Based Vouchers were awarded together with funding for \$2,500 per unit per year for supportive services. A waiver was issued to lower the Tenant Rent Share for all Participants served under SHI to 30% of their adjusted net income. SHI was part of a larger state-wide initiative to move families out of homelessness. SHI units continue to receive MRVP funding, although there have been no new awards under this program since FY13.

The Housing Preservation and Stabilization Trust Fund (HPSTF) was established by the legislature in FY14. DHCD used HPSTF funds for housing-related programs and special initiatives, including funding rounds specifically for supportive housing projects. These funding rounds also allowed Owners to request MRVP Project Based Vouchers together with a supportive service subsidy of varying amounts up to \$2,500 per unit per year. No HPSTF is available in FY17, but DHCD is continuing to offer capital funding including NHT and other DHCD resources in combination with MRVP and supportive service subsidies.

With these supportive housing units and any others subsidized with an MRVP Voucher, it is important that participation in supportive services is not a requirement of tenant selection and/or continued occupancy. DHCD believes in an active engagement model in supportive housing and its service provider's abilities to engage Participants. MRVP Vouchers also provide permanent housing and related legal protections through the Lease Addendum. DHCD believes that permanent housing and these legal protections are key to long-term housing stability for MRVP Participants.

Project Based Vouchers Administered with Other Government Agencies

MRVP Project Based Vouchers are sometimes layered with housing programs run by other state agencies. These agencies use the MRVP subsidy to help offset their program costs, helping them provide needed services for special populations. Many of the funded projects are group homes. These Vouchers differ in administration only in tenant selection, which is typically done by the partner agency.

Partner agencies include the Departments of Children and Families, Developmental Services, Mental Health, Public Health, and Veteran Services and the Massachusetts Rehabilitation Commission. MRVP Project Based Vouchers can also be layered with funds from the Facilities Consolidation Fund and Community Based Housing.