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**PUBLIC HOUSING AUTHORITY COMMISSION**
Regular Meeting Minutes
Monday, April 5, 2021

MINUTES OF THE PUBLIC HOUSING AUTHORITY COMMISSION (PHAC) OF THE CITY OF CHANDLER, ARIZONA, held in the Council Chambers, 88 E. Chicago St., on Monday, April 5, 2021.

CHAIRMAN KEVIN HARTKE CALLED THE MEETING TO ORDER at 6:00 p.m.

The following members answered roll call:

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| Kevin Hartke | Chairman |
| Mark Stewart | Vice Chairman |
| OD Harris | Commissioner |
| René Lopez | Commissioner |
| Terry Roe | Commissioner |
| Christine Ellis | Commissioner |
| Matt Orlando | Commissioner |
| Vanessa Dearmon | Commissioner |

Also in attendance:

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| Joshua Wright | Acting City Manager |
| Kelly Schwab | City Attorney |
| Dana DeLong | Recording Secretary |

UNSCHEDULED PUBLIC APPEARANCES

None.

CONSENT AGENDA – DISCUSSION

COMMISSIONER ELLIS asked for a presentation on Consent Agenda Item No. 2.

AMY JACOBSON, Housing and Redevelopment Manager, presented the following presentation.

- Public Housing Authority 2021 Annual Plan
- PHA Plan
    - Required by HUD due April 17, 2021
    - Annual Plan July 1, 2021 – June 30, 2022
    - Administrative Plan for Housing Choice Voucher (HCV)
    - Admissions and Continued Occupancy Policy for Public Housing (ACOP)
    - 2021 Capital Fund Plan

- Public Process
    - Requires 45 day public comment period Jan 24 through March 8, 2021
    - Public Hearing February 10, 2021
    - Resident Advisory Board Meetings December 17, 2020 and February 25, 2021
    - Housing and Human Services Commission February 10 and March 3, 2021
- Chandler Housing and Redevelopment
    - Serving low income public housing residents since 1972
    - 303 public housing and 486 Housing Choice Vouchers
    - Family Self-Sufficiency Program
    - High Performing Public Housing Authority
    - Update policy annually – regulatory and discretionary
- Summary of Annual Policy Changes
    - HCV
        - Briefing (Virtual or In-person)
        - Foreclosure Prevention
    - Public Housing
        - Repeated Late Payment
        - Over Income
        - Assistance Animals
        - Updated Utility Allowance 2021

COMMISSIONER HARRIS asked how income is verified and if that includes overtime.

MS. JACOBSON said they verify income on an annual basis. If a family increases their income or decreases their income they are required within 10 days to notify the housing authority who then would adjust their rent based on the situation so it is 30% income to housing.

COMMISSIONER HARRIS asked if they made more money as overall income because of overtime or a bonus but the base is the same and if that was separated.

MS. JACOBSON said in that situation they look at adjusted income. There could be reasons why they would not include certain income. If there is an increase because of seasonal jobs that would be categorized as all income earned and would be a change of income.

COMMISSIONER HARRIS clarified they calculate the total income.

MS. JACOBSON said yes.

COMMISSIONER HARRIS said they have call centers who have a low base pay and someone may make additional commission, but that may not be consistent. Councilmember Harris said in two years because they consistently made that they may be evicted or told to leave.

MS. JACOBSON said they would be in consultation with that family. If they are over income staff would ask how they are gaining that additional income. If it is not consistent in the next year, staff would reevaluate their income and they may not terminate services because it was not a consistent income. In the third year if they are over income it may be different, but staff is looking at longevity of the income stream over the next few years.

COMMISSIONER HARRIS asked if that was a current policy for certain exceptions. Councilmember Harris asked if people should be told to leave if they made an abnormal amount of income during those two years. Councilmember Harris said if there are going to be exceptions they need to be clear. Councilmember Harris said HUD already regulates this and we would be adding additional regulations as a City. Councilmember Harris said their over income may not be enough for them to be total self-sufficient depending on their situation.

MS. JACOBSON said they currently do not have anyone over income in public housing. Ms. Jacobson said the over income is calculated on an annual basis and a family of two would be over income if they made $74,760 living in public housing. Ms. Jacobson said if they are consistently going over income then the housing authority has an option to terminate assistance at that time. Ms. Jacobson said they are really looking into specific circumstances for each family. They want to make sure they are housing eligible people based on HUD regulations and they have over 1,000 people on the wait list.

COMMISSIONER HARRIS said they want to help people in the situation now. Councilmember Harris said $74,000 is a lot of money, but it is not a lot of money once it is taxed.

COMMISSIONER ELLIS said she wanted to ensure there was an exit plan for those who entered public housing. Commissioner Ellis said HUD has their own rules that the City follows and the City is putting in guidelines to help more people. The program is meant to empower people to get out of poverty. Commissioner Ellis said there are services to help them do that. This City thrives on communication and staff would communicate with the tenants to navigate their contract and then transitioning out of housing. Commissioner Ellis asked how people are exiting the program.

MS. JACOBSON said since the Public Housing Family Self Sufficiency Program established in 2017, there have been 26 graduates, and six of them are buying homes. Ms. Jacobson said the program is in the voucher program as well which has an even higher number of successes. Ms. Jacobson said they do counseling with families at least four times a year, but it is often a lot more. Chandler is a high performing PHAs and other jurisdictions look to us.

COMMISSIONER ELLIS asked if someone needs to be over income for three years before they do anything.

MS. JACOBSON said it is two years and they monitor them each year and see if it is consistent and the correct income. Ms. Jacobson said they do third party verification of the income with the employer.

COMMISSIONER ELLIS said this program was meant to help people out of poverty and over the years this program became a place where people just state in order to not move out. Councilmember Ellis said they need to look into a safety net and reexamine the contract verbiage.

COMMISSIONER LOPEZ said they need to be in compliance with HUD and that was the reason for making these changes.

MS. JACOBSON said the regulatory requirement is HUD requires a PHA to monitor the over income family for two years. The discretionary piece is that there could be a termination of services after two years or the family can pay fair market rent and live in public housing until they chose to leave. Ms. Jacobson said even in that scenario staff is still working with families to reach the next step.

COMMISSIONER LOPEZ said according to HUD requirements in Section 8 it does include all income and that should be considered. Commissioner Lopez said they look at this by a case by case basis and it does allow staff discretion to continue to work with them on that third year since they are over income. Commissioner Lopez said the policy states they would terminate services, but did not go down the path of offering fair market rent.

MS. JACOBSON said they did not.

COMMISSIONER HARRIS asked about late payments in the new policy. Commissioner Harris said if someone is late six times within the duration of time then staff could move forward with eviction. The policy would change the six times to four times. Commissioner Harris asked how many people have violated the six times.

MS. JACOBSON said she did not have the numbers. Ms. Jacobson said after the fifth day, if a resident has not paid their rent, then staff issues a 14 day notice to pay their rent. If they communicate and ask for a rent extension then it is granted up to the 15th day of the month. If they do not pay on the 15th day then another 14 day notice is issued for the late payment. Ms. Jacobson said in this policy that could be done four times and the fifth time would be a non-negotiable incurable lease violation. Ms. Jacobson said if there is a change in income then the family could be evaluated to have the rent amount changed. Ms. Jacobson said there are multiple times for a family to communicate with staff to work with them.

COMMISSIONER HARRIS asked why the Commission should update the policy to bring it from six to four if there is no data to prove that it would help other people who are waiting for a spot. These details are important to the residents and they should not change a policy there are not issues with.

MS. JACOBSON said with this policy it is discretionary. If the recommendation is to maintain it at the six times then staff could do a substantial amendment because this plan is due to HUD on April 17, 2021. Ms. Jacobson said staff works with the families and they do not want them to get to that fifth time and staff works with them so they do not get to that point. In public housing, they could live there and not have income but if they do have income it is their responsibility to notify income changes so their rent could be adjusted accordingly. There is something not working in terms of communication if someone were to get to the sixth time.

COMMISSIONER HARRIS said there is not sufficient information to make the policy change.

COMMISSIONER ORLANDO asked how many people are on the public housing waiting list not including vouchers.

MS. JACOBSON said 1,096 families.

COMMISSIONER ORLANDO asked if they had to be Chandler residents.

MS. JACOBSON said no, it is an open waitlist.

COMMISSIONER ORLANDO asked how many people have been asked to leave in the last 10 years.

MS. JACOBSON said unless they are not eligible income wise or they violate the lease they are not asked to leave. Evictions do not happen often.

COMMISSIONER ORLANDO said they do not want them to be evicted. Staff works with them to get to the next step of their lives. Commissioner Orlando asked where the six times comes from.

MS. JACOBSON said it has been historically in the policy. Ms. Jacobson said they consult with industry professionals and the change from six to four was a recommendation from them to stay on top of policy changes to monitor programs.

COMMISSIONER ORLANDO asked if other cities are doing the same.

MS. JACOBSON said she would have to look for the policy. For the over income policy, it varies across the PHAs.

COMMISSIONER ORLANDO asked if this was reviewed each year.

MS. JACOBSON said yes.

COMMISSIONER ORLANDO asked if this would be brought to Council next year.

MS. JACOBSON said yes.

COMMISSIONER ORLANDO asked if they would have additional metrics to see how this policy has done.

MS. JACOBSON said yes.

COMMISSIONER ORLANDO asked staff if the evictions increase because of this policy that it is brought back to Council to inform them of the situation.

MS. JACOBSON said yes.

COMMISSIONER ORLANDO asked if this was to be modified back it would be done next year.

MS. JACOBSON said yes.

COMMISSIONER ELLIS asked what is being done to help people to exit out of the program. With this policy, notice after notice is being sent and they need to identify the bad actors so they can help the people that really need help and if that was the point of these changes.

MS. JACOBSON said that was correct.

<u>CONSENT AGENDA – MOTION AND VOTE</u>

COMMISSIONER ROE MOVED TO APPROVE THE CONSENT AGENDA OF THE APRIL 5TH, 2021, PUBLIC HOUSING AUTHORITY COMMISSION MEETING; SECONDED BY COMMISSIONER ELLIS.

MOTION CARRIED BY MAJORITY (7-1), COMMISSIONER HARRIS DISSENTING.

CONSENT AGENDA ITEMS

1. March 2021 Public Housing Authority Commission Minutes
Move to approve the Public Housing Authority Commission meeting minutes of the Regular Meeting of March 22, 2021.

2. 2021 Annual Plan and Capital Fund Approval
Move the Public Housing Authority Commission pass and adopt Resolution No. HO160 approving the submission of the City of Chandler Housing and Redevelopment 2021 Annual Plan and Capital Fund for the Fiscal Year beginning July 1, 2021, and certifying compliance with related regulations.

BACKGROUND FROM COUNCIL MEMO:
The City's Housing and Redevelopment Division (the Public Housing Agency/PHA) administers 303 units of Low Rent Public Housing and 486 Housing Choice Vouchers (HCV) (formerly known as Section 8). Each year, on or before April 17th, the Public Housing Agency (PHA) is required to submit an Annual Plan to the U.S. Department of Housing and Urban Development (HUD) for its housing programs, which includes public housing and housing choice voucher programs. The Annual Plan is a comprehensive guide to the PHA policies, programs, operations, and strategies for meeting local housing needs and goals. Each year, staff reviews policies and revises supporting documents, as needed. The Annual Plan process is part of the Five-Year PHA plan. This Annual Plan represents the second year of the Five-Year Plan.

This year, the City will be submitting to HUD the 2021 Annual Plan and Capital Fund. The process allows for community input from program participants and the general public. The 45-day comment period ran from January 24, 2021, through March 8, 2021, and a public hearing was conducted on February 10, 2021. Four Resident Advisory Board (RAB) meetings were held, where the 2021 Annual Plan and Capital Fund documents and policies were presented and discussed. Meetings were held on December 17, 2020, and February 25, 2021, in both English and Spanish.
The Housing Choice Voucher Administrative Plan and Public Housing Admissions and Continued Occupancy Policy (ACOP) were revised to incorporate policy changes. A summary of the substantive updates is outlined below:

Lease Termination Due to Repeated Late Payments
Currently, repeated late payment of rent in the Public Housing program constitutes a lease violation and, on the sixth (6th) late payment, the City of Chandler Housing and

Redevelopment Division (COCHRD) will proceed with termination of assistance. The new proposed policy will change the six (6) late payments to four (4) late payments, where on the fourth (4th) late payment, COCHRD will proceed with termination of assistance.

Over-Income Families
PHAs have the discretion to allow for tenants to remain in public housing if they are over income, and recently HUD provided guidance that allows for the family to pay fair market rent if they continue to be housed. It has been COCHRD's long-standing policy to allow families that exceed the over-income threshold to remain in housing while providing them community resources for a move-on strategy. The revised policy states that COCHRD will monitor the family's over-income status for the entire two years and the family will be notified of their status at each point of the process during the two years. If they continue to be over-income at the end of the two-year over-income limit, then the family will be given a final 30-day notice of termination of assistance based on the income information on file. If the family's income should change before the termination date to the point where the family is no longer over-income, COCHRD will void the termination. The over-income limits are updated when the new income limits are announced by HUD each year. COCHRD does not currently have any public housing families that have met the over-income threshold.

Earned Income Disallowance
Earned Income Disregard (EID) encourages tenants to enter the workforce by excluding earned income from the calculation of rent for a specific period of time. EID does not apply at move-in. The period of time a family is eligible for EID has changed from 24 months of exclusion within a 48-month period, to 24 months within a 24-month period.

The Federal Regulation Streamlining Final Rule contained changes to streamline regulatory requirements for HCV and Public Housing programs to incentivize persons with disabilities to obtain employment. The current change is an update to the policy to remove the previous lifetime maximum of 48 months in which a family may take the opportunity to receive the EID. During the first year of EID, earned income would be 100 percent excluded for the first 12 consecutive months. During the second year of EID, earned income would be 50 percent excluded for the last 12 months. No extensions are allowed.

Income and Assets
HUD changed the temporary provision of allowing families to self-certify assets less than $5,000 in order to give PHAs the option to accept it as a permanent policy. COCHRD has revised both the HCV Administrative Plan and ACOP to reflect this new policy. Verification of assets $5,000 and above requires third party verification or the submission of bank statements. The temporary provision expired, but HUD allowed PHAs to continue using this as a policy.

Utility Allowance
The utility allowance is the amount that a housing authority determines is necessary to cover

the resident's reasonable utility costs. The utility allowance schedules are reviewed annually for both housing programs and are recommended for adjustment when a cumulative change of 10% or more occurs. Prior to beginning this update, a consultant was hired to do a comparison of the existing utility rates and charges and Housing's current utility rate schedules in the Housing Choice Voucher and Public Housing Programs. A revised utility allowance for 2021 will be established for both programs effective July 1, 2021.

Financial Implications:
HUD funds the costs associated with the Public Housing and Housing Choice Voucher Programs.

ADJOURNMENT

The meeting was adjourned at 6:39 p.m.

ATTEST:

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Dana DeLong, Recording Secretary Kevin Hartke, Chairman

Approved: _________________, 2021