

**Summary of the Proposed Discretionary Policy Changes to the Public Housing Authority (PHA) Plan
for Fiscal Years 2025-2026**

The Annual Plan provides updates for the five-year goals, major program policies, and financial resources for both the Santa Monica Housing Authority (SMHA) rental assistance programs and City initiatives. Additionally, the Annual Plan updates information on housing needs, housing strategies, and other City program information.

This attachment includes the following sections:

- Proposed discretionary policy changes to the Administrative Plan, which governs the administration of SMHA’s voucher programs,
- Summary updates from HUD related to the implementation of the Housing Opportunity through Modernization Act of 2016 (HOTMA)
- Compliance with HUD’s National Standards for the Physical Inspection of Real Estate (NSPIRE) inspection protocols

Annual Plan Timeline

- The SMHA must provide a proposed PHA Plan for public review and comment for 45 days: January 10, 2025, through February 15, 2025
- Public comments are received, memorialized, and considered in developing the Annual Plan
- Public hearing during the Housing Commission meeting on February 6, 2025
- Housing Authority Board consideration, Public Hearing and approval on April 8, 2025
- Annual Plan submission due to HUD by April 17, 2025
- HUD approval 75 days after submission
- Annual/Administrative Plan becomes effective July 1, 2025

The Administrative Plan includes language changes that are statutory, regulatory, and/or that clarify existing policy. Additionally, the SMHA is providing the last Annual update to the Agency Plan for FY 2020-2025, Proposed Five-Year plan FY 2025-2030 proposing the following discretionary changes to the proposed Administrative Plan for Fiscal Year (FY) 2025-2026.

Section Page #	Proposed Policy	Explanation
3-I.M. P 3-12 LIVE-IN AIDE	<p><u>PHA POLICY</u></p> <p>A family's request for a live-in aide must may be made either orally or in writing using a live-in aide form. The PHA will verify the need for a live-in aide with Written verification will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or case worker, unless the disability-related need is apparent or known to the PHA that the live-in aide is essential for the care and well-being of the elderly, near-elderly, or disabled family member. For continued approval, the family must may be required to submit a new, written request-subject to PHA verification - at each annual reexamination.</p> <p>In addition, the family and live-in aide will be required to submit a certification stating that the live-in aide is (1) not obligated for the support of the person(s) needing the care, and (2) would not be living in the unit except to provide the necessary supportive services.</p>	<p>This policy has been revised to enhance accessibility for requesting a Live-in Aide.</p>

Section Page #	Proposed Policy	Explanation
3-III.C. P 3-33 RESTRICTION ON ASSISTANCE BASED ON ASSETS	<p><u>PHA Policy</u></p> <p><i>In general, the PHA defines a geographic hardship to include when a family members' work, school, health care provider, or other necessary service is located an unreasonable distance from the real property or there is a lack of adequate transportation options for the family to access work, school, health care, or other necessary services. The PHA will consider circumstantial details a family faces when determining whether a geographic hardship is present.</i></p>	<p>The PHA clarifying a geographic hardship to decide if a property is suitable for a family when checking eligibility for assistance based on assets.</p>
4-I.D. P 4-4 PLACEMENT ON THE WAITLIST	<p><u>PHA Policy</u></p> <p><u>If the PHA can determine, from based on the information provided, that an applicant is ineligible, the applicant will not be placed on be removed from the waitlist. Where an applicant is determined to be ineligible, the PHA will send written notification of the ineligibility determination. The notice will specify the reasons for ineligibility and will inform the applicant of their right to request an informal review and explain the process for doing so (see Chapter 16). If the applicant wants to provide additional documentation, it must be submitted at the time the informal review is requested.</u></p> <p><i>Applicants are initially placed on the waitlist based on minimal information, which the applicant family is required to certify as true and accurate during the preliminary application process. Once openings for</i></p>	<p>This clarifies the procedure for how the Housing Authority reviews applications for initial eligibility. It will help the Housing Authority respond more effectively to Santa Monica residents and members of the local workforce.</p>

	<p><u>housing assistance become available, applicants are notified to proceed with the full application and eligibility process. At that stage, all information provided by the applicant is subject to verification.</u></p> <p><u>If the PHA determines during this verification process that a family is ineligible, the family will be removed from the active waitlist. Additionally, as the PHA reviews the waitlist to assess preferences and ensure it remains appropriately sized. An appropriate waitlist size is based on the program funding that is available during the 12-month period following the closing of the waitlist.</u></p>	
<p>4-III.C. P 4-12 SELECTION METHOD</p>	<p><u>PHA POLICY</u></p> <p><u>TEIR 1 PREFERENCES:</u></p> <ul style="list-style-type: none"> • The Santa Monica Housing Authority (SMHA) will allocate up to 50% of voucher attrition to assist Santa Monica residents who are experiencing homelessness or are at risk of homelessness. Eligibility for the Housing Choice Voucher (HCV) program requires individuals or families to be referred by an approved City of Santa Monica social service agency or community organization. These referrals must be screened and approved by the Santa Monica Housing Authority before being accepted, at which point applicants will receive priority placement on the waitlist. • Additionally, the City of Santa Monica Human Services Division, or a designated representative 	<p>This is a revision and expansion of the Tier 1 Policy Pilot Program, which has been highly effective in preventing homelessness and supporting vulnerable Santa Monica families. The revision aims to strengthen the Housing Authority's connections within the city to better serve Santa Monica residents.</p> <p>The Housing Authority will build and maintain relationships with local organizations and the Human Services Department to focus on assisting vulnerable residents. Through active community engagement, the Housing Authority will provide training, establish</p>

	<p>approved by the Housing Division, may submit referrals on behalf of other social service agencies or community organizations that have been approved by the City of Santa Monica.</p> <p><u>TEIR 2 PREFERENCES:</u></p> <ul style="list-style-type: none"> • Live: Applicants who live in Santa Monica (Chronically homeless applicants on the Santa Monica Service Registry are considered residents of Santa Monica) <p>Tier 3: Applicants who do not qualify for the Tier 1-2 preferences</p> <p>Tier 4 removed</p>	<p>procedures, and implement systems to reach residents in need, including those relying on support from both city services and the broader Santa Monica community.</p>
<p>5-I.B. P 5-8 BRIEFING [24 CFR 982.301]</p>	<p><u>PHA Policy</u></p> <p>The PHA will provide the following additional materials in the briefing packet:</p> <p>The grounds on which the PHA may terminate assistance for a participant family because of family action or failure to act</p> <p>Requirements for notifying the PHA of any changes in income or family composition</p> <p>Information on how to fill out and file a housing discrimination complaint form</p> <p>The publication <i>Things You Should Know (HUD-1140-OIG)</i> that explains the types of actions a family must avoid and the penalties for program abuse</p> <p>The form HUD-5380 domestic violence certification form and the form HUD-5382 notice of occupancy rights, which contain information on VAWA protections for victims of</p>	

	domestic violence, dating violence, sexual assault, and stalking “Is Fraud Worth It?” (form HUD-1141-OIG), which explains the types of actions a family must avoid and the penalties for program abuse “What You Should Know about EIV,” a guide to the Enterprise Income Verification (EIV) system published by HUD as an attachment to Notice PIH 2017-12	
6B-II.C. P6B-38 ASSET INCLUSIONS AND EXCLUSIONS	<p><u>PHA Policy</u></p> <p>In determining the value of non-necessary, non-financial personal property, the PHA will use the family’s estimate of the value. The PHA may obtain an appraisal if there is reason to believe that the family’s estimated value is off by \$50 or more. The family must cooperate with the appraiser but cannot be charged any costs related to the appraisal.</p>	<p>New policy to determine the value of non-necessary, non-financial personal property:</p> <ol style="list-style-type: none"> 1. Based on the family’s estimate of the value; 2. Obtain an appraisal if PHA believes the estimation is off by \$50 or more
6B-III.D P6B-51 HEALTH AND MEDICAL CARE EXPENSES DEDUCTION	<p><u>PHA Policy</u></p> <p>The PHA will use the most current IRS Publication 502 as a standard for determining if expenses claimed by eligible families qualify as health and medical care expenses. However, under no circumstances will the PHA deduct any expenses listed in IRS Publication 502 that do not conform with HUD’s definition of <i>health and medical care expenses</i>.</p>	<p>Policy refers IRS Publication 502 as a standard to define qualified health and medical care expense</p>

<p>6B-IV.C.</p> <p>P6B-71 APPLYING PAYMENT STANDARDS</p>	<p><u>PHA Policy</u></p> <p>If the family unit size (voucher size) changes during the term of a HAP contract, the new family unit size will be used to determine the payment standard at the family's first regular reexamination following the change in family unit size.</p>	<p>New policy to reflect the changes in family unit size and payment standard during the term of a HAP contract</p>
<p>7B-I.B.</p> <p>P7B-5</p> <p>OVERVIEW OF VERIFICATION REQUIREMENTS</p>	<p><u>PHA Policy</u></p> <p>When available and applicable, the PHA will accept other programs' Safe Harbor determinations of income at annual reexamination to determine the family's total annual income. The PHA will still require third-party verification of all deductions such as the health and medical care expense or childcare expense deductions. Further, if the family is eligible for and claims the disability assistance expense or childcare expense deductions, where applicable, the PHA will obtain third-party verification of the amount of employment income of the individual(s) enabled to work in order to cap the respective expenses as required.</p> <p>Prior to using any Safe Harbor determination from another program, the PHA will ask the family if they agree with the income amounts listed. If the family disputes the income amounts on the Safe Harbor determination, the PHA will obtain third-party verification of all sources of income and assets (as applicable).</p> <p>The PHA may at its discretion accept other programs' determinations of income for any new admission or interim reexamination.</p>	

	<p>The PHA will accept Safe Harbor determinations from any of the programs listed above.</p> <p>In order to be acceptable, the income determination must:</p> <ul style="list-style-type: none">Be dated within 12 months of the dates listed above;State the family sizeBe for the entire family (i.e., the family members listed in the documentation must match the family's composition in the assisted unit, except for household members); andMust state the amount of the family's annual income. <p>The determination need not list each source of income individually. If the PHA does not receive any acceptable income determination documentation or is unable to obtain documentation, then the PHA will revert to third-party verification of income for the family.</p> <p>When families present multiple verifications from the same or different acceptable Safe Harbor programs, the PHA will use the most recent income determination, unless the family presents acceptable evidence that the PHA should consider an alternative verification from a different Safe Harbor source.</p> <p>When the PHA uses a Safe Harbor income determination from another program, and the family's income subsequently changes, the family is required to report the change to the PHA. Depending on when the change occurred, the change may or may not impact the PHA's calculation of the family's total annual income. Changes that occur between the time the PHA receives the Safe</p>	
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	<p>Harbor documentation, and the effective date of the family’s annual reexamination will not be considered. If the family has a change in income that occurs after the annual reexamination effective date, the PHA will conduct an interim reexamination if the change meets the requirements for performing an interim reexamination as outlined in Chapter 11. In this case, the PHA will use third-party verification to verify the change.</p>	
<p>8A-I.D. P 8A-9 OWNER AND FAMILY RESPONSIBILITIES</p>	<p><u>PHA Policy</u></p> <p>The owner is responsible for all housing quality violations not listed as a family responsibility above, even if the violation is caused by the family’s living habits (e.g., vermin infestation). However, if the family’s actions constitute a serious or repeated lease violation, the owner may take legal action to evict the family.</p> <p>The owner will be required to repair an inoperable smoke detector unless the PHA determines that the family has intentionally disconnected it (by removing batteries or other means). In this case, the family will be required to repair the smoke detector within 24 hours.</p> <p>If an owner fails to correct life-threatening conditions as required by the PHA, the PHA will enforce the housing quality standards in accordance with HUD requirements. See 8-II.G.</p>	<p>New policy about owner responsibilities:</p> <p>The owner is responsible for all housing quality issues not caused by the family, must repair broken smoke detectors unless the family intentionally disconnects it, and will face PHA enforcement if life-threatening conditions aren't fixed as required.</p>

<p>8A-I.D.</p> <p>P 8A-10 OWNER AND FAMILY RESPONSIBILITIES</p>	<p><u>PHA Policy</u></p> <p>The PHA will waive the owner’s responsibility for housing quality standards deficiencies that have been determined to have been caused by the tenant, any member of the household, or any guest or other person under the tenant’s control, to the extent the tenant can be held responsible for ensuring that the deficiencies are corrected: the tenant must take all necessary steps permissible under the lease and state and local law to remedy the deficiency. This may include paying the owner for the cost of the necessary repairs in accordance with the lease.</p>	<p>The PHA will relieve the owner of responsibility for housing quality standard deficiencies caused by the tenant or their household, but the tenant must take action, including paying for repairs if required by the lease, to correct the deficiencies.</p>
<p>8A-I.D.</p> <p>P 8A-10 OWNER AND FAMILY RESPONSIBILITIES</p>	<p>Family Responsibilities</p> <p>The family may be held responsible for a breach of housing quality standards caused by any of the following:</p> <ul style="list-style-type: none"> • Tenant-paid utilities not in service; • Failure to provide or maintain appliances owned by the family; and • Damage to the dwelling unit or premises caused by a household member or guest beyond ordinary wear and tear. <p><u>PHA Policy</u></p> <p>Damages beyond ordinary wear and tear will be considered to be damages which could be assessed against the security deposit under state law or in court practice.</p>	<p>New policy regarding family responsibilities for damages beyond ordinary wear and tear</p>

<p>8A-II.B. P 8A-17 INITIAL HQS INSPECTION</p>	<p><u>PHA Policy</u></p> <p>The PHA will not use the Non-Life-Threatening (NLT) option on a case-by-case basis. All units must pass the initial inspection on or before the effective date of the HAP contract or as noticed by the PHA to the owner and family.</p>	<p>New policy that PHA will not use the NLT option. All units must pass the initial inspection on or before the effective date of the HAP contract</p>
<p>8A-II.B. P 8A-17 INITIAL HQS INSPECTION</p>	<p><u>PHA Policy</u></p> <p>➤ The PHA will use both the Non-Life-Threatening (NLT) option and rely on alternative inspections when readily available and known to the PHA.</p> <p>The PHA will rely on alternative inspections that meet the criteria listed in the administrative plan for initial inspections only. The PHA will rely on alternative inspections conducted under low-income housing tax credit (LIHTC) and HOME programs, as well as inspections performed by HUD, provided the unit passed inspection in the last 24 months. In this case, the PHA will approve the assisted tenancy and execute the HAP contract on or before the beginning of the lease term but prior to the PHA conducting an initial inspection.</p> <p>Upon receipt of the Request for Tenancy Approval (RTA), the PHA will determine if the unit passed an alternative inspection within the previous 24 months. The PHA will review the alternative inspection to ensure it meets all requirements listed in 24 CFR 982.406 (c) and (d). If an alternative inspection method employs sampling, the PHA will only use the inspection if units occupied by voucher program participants are included in the population of units forming the basis of the sample. If a property</p>	<p>New policy regarding the NLT option and alternative inspections</p>

inspected under an alternative inspection method receives a “pass” score, then the PHA will rely on that inspection. If a property inspected under an alternative inspection method receives a “fail” score, the PHA will not rely on that inspection. If a property does not employ a pass/fail determination, then the PHA will review the list of deficiencies to determine whether any cited deficiency would have resulted in a “fail” score. If no such deficiency exists, then the PHA will rely on the inspection. If such a deficiency does exist, then the PHA will not rely on the inspection. If the PHA is unable to rely on an alternative inspection, the PHA will conduct its own inspection within a reasonable period of time, not to exceed 14 calendar days.

The PHA will notify the owner that an alternative inspection will be used at the time of scheduling the PHA’s inspection. The PHA will confirm with the owner that they agree with this method. The PHA will notify the family of the alternative inspections as part of the briefing and will provide the family with a list of life-threatening deficiencies as part of the briefing packet so that the family may immediately notify the PHA of any life-threatening deficiencies found in the unit.

If the owner and family agree to the use of this option, the PHA approves the assisted tenancy, allows the family to enter into the lease agreement with the owner, and executes the HAP contract on the basis of the alternative inspection. The PHA will enter into the HAP contract with the owner before conducting the inspection. The PHA will not make housing assistance payments to the owner until the PHA has inspected the unit.

	<p>If the family reports a deficiency to the PHA prior to the PHA's inspection, the PHA will inspect the unit within the time period required under 24 CFR 982.405(d) or within 30 days of the effective date of the HAP contract, whichever time period ends first.</p> <p>The PHA will conduct the initial inspection within 30 days of receiving the RTA.</p> <p>If the unit passes inspection, the PHA will pay HAP retroactive to the effective date of the HAP contract and the start of the assisted lease term.</p> <p>If the unit fails but has no life-threatening deficiencies, the PHA will pay HAP retroactive to the effective date of the HAP contract. The owner must correct all non-life-threatening deficiencies within 30 days from the effective date of the HAP contract. If the owner fails to correct the deficiencies within the 30-day cure period, the PHA must withhold the housing assistance payments until the owner makes the repairs and the PHA verifies the correction. Once the deficiencies are corrected, the PHA will use the withheld housing assistance payments to make payments for the period that payments were withheld. If the severe and moderate deficiencies are not corrected within the notice period, the PHA will abate follow abatement policies listed in Section 8-II.G., Enforcing Owner Compliance.</p> <p>The owner may be in abatement for a maximum of 60 days before the PHA terminates the HAP contract in accordance with Section 8-II.G., Enforcing Owner Compliance.</p>	
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	<p>If the unit does not pass inspection and has life-threatening deficiencies, the PHA will not pay HAP to the owner until all the deficiencies have been corrected. The owner must correct all life-threatening deficiencies within 24 hours of notification from the PHA. For other deficiencies, the owner must correct the deficiency within 30 days (or any PHA-approved extension) of notification from the PHA. If the owner corrects the deficiencies within the required cure period, the PHA will pay HAP retroactive to the effective date of the HAP contract. If the severe and moderate deficiencies are not corrected within the notice period, the PHA will follow abatement policies listed in Section 8-II.G., Enforcing Owner Compliance.</p> <p>The owner may be in abatement for a maximum of 60 days before the PHA terminates the HAP contract in accordance with Section 8-II.G., Enforcing Owner Compliance.</p>	
<p>8A-II.F. P 8A-23 INSPECTION RESULTS AND REINSPECTIONS FOR UNITS UNDER CONTRACT</p>	<p><u>PHA Policy</u></p> <p>The owner and the family will be notified in writing of the results of all inspections. When an inspection identifies housing quality standards failures, the PHA will determine (1) whether or not the failure is a life-threatening condition and (2) whether the family or owner is responsible.</p>	<p>New policy that the owner and family will be notified in writing regarding the inspection results.</p>

<p>8A-II.G. P 8A-28 ENFORCING OWNER COMPLIANCE</p>	<p><u>PHA Policy</u> The PHA will not withhold assistance payments upon notification to the owner of the deficiencies</p>	<p>New policy that PHA will continue assistance payments even after notifying the owner of the deficiencies</p>
<p>8A-II.G. P 8A-28 ENFORCING OWNER COMPLIANCE</p>	<p><u>PHA Policy</u> The PHA will make all HAP abatements effective the first of the month following the expiration of the PHA-specified correction period (including any extension). The PHA will inspect abated units within five business days of the owner’s notification that the work has been completed. Payment will resume effective on the day the unit passes inspection.</p>	<p>New policy that payments will be paused if repairs are not completed within a set time, but once the owner notifies the PHA that the repairs are done, the unit will be inspected. If the unit passes the inspection, payments will resume.</p>
<p>10-I.B. P 10-3 FAMILY MOVES DUE TO UNIT DEFICIENCIES</p>	<p><u>PHA Policy</u> Upon receipt of a family’s written notification that it wishes to move, the PHA will issue a voucher within 10 business days of the PHA’s written approval to move. No briefing is required for these families. The PHA will follow the policies set forth in Chapter 5 on voucher term, extension, and expiration.</p>	<p>New policy regarding family moving due to unit deficiencies</p>

<p>10-I.B. P 10-4 FAMILY MOVES DUE TO UNIT DEFICIENCIES</p>	<p><u>PHA Policy</u></p> <p>The PHA will issue a family whose HAP contract is being terminated due to an owner failing to make required repairs within the required time frame a voucher no later than 30 days prior to the termination of the HAP contract. The initial term of the voucher will be 120 calendar days. No briefing is required for these families.</p> <p>To continue under the tenant-based HCV program, the family must submit a Request for Tenancy Approval and proposed lease within the 180-day period unless the PHA grants an extension. The PHA will follow the policies set forth in Chapter 5 on voucher extension and expiration.</p>	<p>Policy for contracts after 6/6/24: The PHA will issue a voucher to families whose HAP contract is terminated due to owner repair failure, with a 120-day initial term, and to continue in the HCV program, the family must submit a Request for Tenancy Approval and lease within that period, unless an extension is granted.</p>
<p>10-I.B. P 10-4 FAMILY MOVES DUE TO UNIT DEFICIENCIES</p>	<p><u>PHA Policy</u></p> <p>The PHA does operate a public housing program and will provide a preference for HCV families whose HAP contract is being terminated due to an owner failing to make required repairs within the required time frame, and who were unable to lease a new unit within the term of the voucher.</p> <p>Thirty days prior to the expiration date of the voucher, the PHA will provide written notice to the family stating that the PHA does provide such a preference and providing an estimation of availability for the appropriate-sized public housing unit.</p>	<p>We don't provide public housing programs in Santa Monica</p>

<p>10-I.B.</p> <p>P 10-4 FAMILY MOVES DUE TO UNIT DEFICIENCIES</p>	<p><u>PHA Policy</u></p> <p>The PHA will assist families with disabilities with locating available accessible units in accordance with program requirements.</p> <p>The PHA will use on a case-by-case basis up to two months of withheld and abated payment to assist with any required security deposit at the new unit. Funds will not be used for any other relocation assistance.</p> <p>If the family receives a refund of a security deposit for the new unit, the PHA will not require any amount to be remitted to the PHA.</p>	<p>New policy regarding assisting families with disabilities in finding accessible units</p>
<p>12-I.E.</p> <p>P 12-8 & 12-10</p> <p>MANDATORY POLICIES AND OTHER AUTHORIZED TERMINATIONS</p>	<p><u>PHA Policy</u></p> <p>The PHA will terminate a family's assistance if:</p> <p>The family has failed to comply with any family obligations under the program and they cannot provide sufficient evidence that violation was caused by mitigating circumstances, will not likely to be repeated again, and/or has taken verifiable actions to maintain compliance with the family obligations. See Exhibit 12-1 for a listing of family obligations and related PHA policies.</p> <p>In making its decision to terminate assistance, the PHA will consider alternatives to termination and any verifiable evidence that the family will maintain compliance with the family obligations. The PHA will also consider alternative as described in Section 12-II.C and other</p>	<p>Policy was revised to clarify the consequences when the PHA make decisions to terminate a family's assistance</p>

	<p>factors described in Sections 12-II.D and 12-II.E. Upon consideration of such alternatives and factors, the PHA will choose whether to terminate assistance on a case-by-case basis.</p>	
<p>12-I.E. P 12-10 MANDATORY POLICIES AND OTHER AUTHORIZED TERMINATIONS</p>	<p>Upon the PHA’s HOTMA 102/104 compliance date, the below section on the asset limitation is added:</p> <p>Asset Limitation [24 CFR 5.618; Notice PIH 2023-27]</p> <p>The PHA has discretion with respect to the application of the asset limitation at annual and interim reexamination. The PHA may adopt a written policy of total nonenforcement, enforcement, or limited enforcement as well as adopting exception policies.</p> <p><u>PHA Policy</u></p> <p>The PHA has adopted a policy of total nonenforcement of the asset limitation for all program participants. The asset limitation only applies to initial eligibility determinations for new admissions to the PHA’s HCV program.</p>	<p>New policy about asset limitation</p>

<p>17-V.B. P17-26 HAP CONTRACT REQUIREMENTS</p>	<p><u>PHA Policy</u></p> <p><u>For existing housing, the HAP contract will generally be executed within 10 business days of the PHA determining that all units pass inspection.</u></p> <p><u>For rehabilitated or newly constructed housing, the HAP contract will generally be executed within 10 business days of the PHA determining that the units have been completed in accordance with the AHAP, all units meet housing quality standards, and the owner has submitted all required evidence of completion.</u></p>	<p>The HAP contract is executed within 10 business days after inspection for existing housing or after confirming completion and standards for rehabilitated/new housing.</p>
<p>21-I.C. P 21-6 HCV PROGRAM ELIGIBILITY</p>	<p>Minimum Rent [FR Notice 8/13/24]</p> <p>PHAs must consider hardship circumstances before charging a minimum rent in accordance with 24 CFR 5.630(b). The PHA may choose to charge a lower minimum rent (including a minimum rent of \$0) specifically for their VASH program regardless of the minimum rent policies established in their administrative plan for other HCV families.</p> <p><u>PHA Policy</u></p> <p>The PHA will establish a minimum rent of \$50 for VASH families.</p>	<p>Policy for minimum rent for VASH applicants</p>

PROPOSED CHANGES TO SMHA POLICY TO COMPLY WITH THE HOUSING OPPORTUNITIES THROUGH MODERNIZATION ACT of 2016

Proposed Changes to SMHA Policy for FY 2025-26 to Comply with HUD Guidelines and Updates

Overview of Key Changes

The Santa Monica Housing Authority (SMHA) has incorporated updates to its Administrative Plan to align with new guidelines and regulations issued by the U.S. Department of Housing and Urban Development (HUD). These changes ensure compliance with the Housing Opportunities Through Modernization Act of 2016 (HOTMA) and other recent HUD provisions.

HOTMA Sections 102 and 104 Compliance

The Housing Opportunity Through Modernization Act (HOTMA) was enacted on July 29, 2016, and includes reforms to the Section 8 rental assistance program. While HOTMA's Sections 102 and 104 final rules were initially set for a compliance date of January 1, 2024, HUD has postponed this deadline, and a new compliance date has not been established. Until that time, the SMHA will operate under pre-HOTMA policies while preparing for an immediate transition once the compliance date is announced.

What Participants Need to Know:

- **Recertification Notifications:** During annual reexaminations, participants will be informed whether they are being recertified under the "New Rules" (post-HOTMA) or the "Old Rules" (pre-HOTMA).
- **HOTMA Compliance Timeline:** SMHA will notify all participants when full compliance with HOTMA 102/104 is achieved.

For More Information:

Participants can review HOTMA's official notices and rules at [HUD's HOTMA Resources](#).



Texts in red represent proposed revisions/new policies, and texts in black indicate the existing language

HOTMA Voucher Final Rule (May 2024)

HUD released the HOTMA Voucher Final Rule in May 2024. While full compliance is not required until June 2025, SMHA has proactively updated relevant policies to reflect these changes. This ensures program operations align with new requirements as they take effect.

Key Updates:

- **Applicability to Voucher Programs:** Updates address both immediate and future implementation of rule provisions throughout 2024 and 2025.
- **Participant Impact:** Participants may notice minor procedural changes in how eligibility, income, and other program aspects are assessed.

Project-Based Voucher (PBV) Program Updates for Chapter 17

The Project-Based Voucher (PBV) program has undergone significant revisions as mandated by HUD. These changes are reflected in Chapter 17 of the Administrative Plan.

Summary of Administrative Plan Updates

The following chapters have been updated as part of the FY 2025-26 Administrative Plan revision:

- **2 Versions of Chapter 6:** Income and Rent Determination (Chapter 6A: Pre-HOTMA and Chapter 6B: HOTMA versions provided)
- **2 Versions of Chapter 7:** Verification (Chapter 7A: Pre-HOTMA and Chapter 7B: HOTMA versions provided)
- **2 Versions Chapter 11:** Reexaminations (Chapter 11A: Pre-HOTMA and Chapter 11B: HOTMA versions provided)
- **Updated Chapter 17:** Project-Based Voucher (PBV) Program

The SMHA is committed to a smooth transition and will work to ensure participants are informed of any changes that may impact their housing assistance. If you have questions or need assistance, please contact our office.