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| LOCAL COMMISSIONERS MEMORANDUM |
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Transmittal No: 91 LCM-46

Date: March 25, 1991

Division: Income Maintenance

TO: Local District Commissioners

SUBJECT: Section 8: Proposed Change to Department Regulation 352.3(d)
to Establish a Shelter Schedule for Public Assistance Tenants
Who Participate In the Section 8 Certificate Program

ATTACHMENTS: Attachment A - "Important Notice to Public Assistance
Households Who Participate in the Section 8
Rent Subsidy Programs" - available on-line.
Attachment B - "Take This To Your HUD (Section 8) Worker"-
available on-line.
Attachment C - Proposed Amendment to 18 NYCRR 352.3 - not
available on-line.
Attachment D - List of Your County's Cases Coded "08 -
Subsidized Housing" - not available
on-line.

Purpose

The purpose of this memorandum is to inform districts of a pending regulatory change which will require a coordinated effort between the State Department of Social Services, local district social services agencies, the local Public Housing Authority (PHA) administering the Section 8 Certificate Program and public assistance tenants who participate in Section 8 programs. The change will produce a substantial savings for social services districts. Although the new procedure is designed to present the least possible administrative difficulty, it may require considerable effort initially to properly identify affected cases.

This memorandum is intended to give districts the maximum opportunity to identify cases in advance of the effective date of the change.

Section 8 Programs

PHA's that administer Section 8 rent subsidy programs may grant rent subsidies under several programs, the largest of which is known as the "finders - keepers" program. The finders-keepers program includes the

Certificate Program and the Voucher Program. The difference between these two programs is that the PHA uses a different method to calculate the household's Section 8 benefit under the Voucher Program (this is a specific Section 8 term and should not be confused with the similar social services term) than it uses under the Certificate Program. The change we are proposing will not apply to vouchers or any other HUD subsidy program.

Changes to the Rent Schedule for the Certificate Program

The proposed regulatory change will establish a separate rent schedule for persons using Section 8 Certificates. The new schedule is approximately the same as the amount paid by most persons not in receipt of public assistance, that is, 30% of adjusted gross income. Since this new amount will be the most that social services can pay, it will also be the maximum the PHA can legally charge.

Public assistance tenants holding Section 8 Certificates currently pay rents considerably higher than other Section 8 tenants not in receipt of public assistance.

The proposed regulatory change makes a distinction between the Section 8 Certificate Program and all other HUD rent subsidy programs. The regulatory amendment would still allow rent as paid up to the agency maximum for participants in the Voucher Programs other than the Certificate Program.

Regulatory Change

Once the amended regulation has been filed, an Administrative Directive will follow containing complete details about the new shelter schedule for public assistance applicants/recipients residing in Section 8 Housing under a certificate.

Since the proposed regulation has been previously published in the State Register and comments received have been addressed, it is fully expected that the proposed change will be adopted and it is further expected that the effective date will be June 1, 1991. When the regulation is filed and has an effective date, workers must then adjust public assistance budgets where the shelter code is "08: Subsidized Housing" if the household participates in the Certificate Program.

Need for Immediate Action

There are three potential problems unless clients, PHA's and local districts understand the impact of this regulatory amendment and take the necessary action prior to the implementation date.

First, public assistance recipients who participate in the Section 8 Program are coded with shelter type 08 on ABEL regardless of whether they are in the Voucher Program, the Certificate Program or other types of HUD housing. It is essential to distinguish the certificate holders from other Section 8 tenants, since the public assistance grants of participants may otherwise be reduced even though this change does not affect them.

Second, if the district fails to properly code Section 8 cases, it will not be able to identify all affected cases and will lose potential savings and cause errors.

Third, unless the public assistance recipients have their Section 8 rent recalculated, the PHA will charge the old, higher rent even though the tenant will only be eligible to receive rent based on the reduced schedule in the amended regulation.

Identification of Cases

In some districts, there is already the capability for the PHA and the social services agency to identify Section 8 households that apply for or are in receipt of benefits. That process is often used to identify Section 8/HEAP cases.

Each district should contact the PHA(s) that serve the district as soon as possible to discuss the available or potential processes that can be used to identify Section 8 households and to further distinguish between Certificate, Voucher and other program participants.

PHA's may prefer to deal directly with DSS in the identification and rebudgeting process rather than with each affected household.

If the PHA is unwilling or unable to assist in the identification of households, the following actions and suggestions will assist in helping with the manual identification of households and should reduce potential problems.

1. We have drafted two mailouts which districts will send to affected households and to households when documentation of Certificate participation is lacking.

Attachment A informs the household of the change and what they must do. Attachment B is a referral form for the client to use as notification to the PHA and to DSS of the result of the PHA review.

The mailouts should not be sent to clients identified as affected or potentially affected Section 8 participants until the Administrative Directive is issued. The Administrative Directive will be issued after the regulation has been filed.

- 2a. Upstate: Attached is a list of all cases coded on ABEL with Shelter Type "08 - Subsidized Housing" as of the February 23, 1991 ABEL flat file for your agency.

Workers should review these case records to see if verification of participation in the Certificate Program is present.

These Section 8 households should have previously presented the agency with documentation of their eligibility for the rent subsidy program. That documentation is most often a copy of the HUD contract. Workers should be able to determine from that contract if the household is participating in the Certificate Program. The term "certificate" is used in the Certificate Program contract and the word "voucher" is used in the Voucher Program contract. Other types of Section 8 Housing, generally known as "project based", may be referred to as moderate rehabilitation, substantial rehabilitation, or new construction programs. Another HUD rent subsidy program is Section 236.

Three new shelter type codes are being made available on ABEL: 38 - "Subsidized Housing (Project Based, Voucher Section 8 Program and Section 236)"; 39 - "HUD Certificate Program without earnings; and 40 - "HUD Certificate Program with earnings".

It is anticipated that these codes and related shelter calculations will be available on ABEL in mid-April 1991. All cases currently coded with Shelter Type code 08 will need to be recoded and rebudgeted using one of these new shelter type codes. Use of Shelter Type Codes 39 or 40 will also require an entry in a new data element labelled "HC" to indicate the number of PA children less than 18 years old in the household.

Complete details concerning the availability and use of these codes are provided in ABEL Transmittal 91-4.

- b. NYC: A new shelter type will be developed to accommodate the budgeting methodology resulting from the proposed regulatory change.
3. Not all PHA's administer a Voucher Program or other programs in addition to the Certificate Program.

When a local district knows which PHA(s) administers Section 8 programs in the district, the PHA(s) can be contacted to find out if they administer both the Certificate and other programs or only the Certificate Program.

That information may assist the local districts in their determination of which cases will be affected by the regulatory change, since if a PHA administers only the Certificate Program, then all PA households which have Section 8 benefits issued by that PHA must be affected because all must be Certificate Program participants.

Informing Staff

Please advise your staff about this potential change. Kindly impress on them the importance of correctly identifying the shelter type for all Section 8 participants. Public Housing should continue to be coded 02 Upstate or in NYC 02 (NYCHA Apartment - Utilities Included) and 24 (NYCHA Apartment - Utilities Not Included).

As we have stated, there will be new WMS shelter codes to identify Section 8 participants. But at this time, all Section 8 participants should have the shelter type code "08". It will be helpful for the workers to review their cases at the next contact to be sure the shelter type code in WMS is correct so that all cases that should be identified as "Subsidized Housing" will be properly coded.

We hope that by giving information about this potential change far in advance, your staff will be able to identify active cases and new cases which will be affected and will be able to identify those cases where clear verification of participation in the Certificate Program is lacking.

If the cases are identified and verification is present by the time the regulation is filed, or if social services to PHA matches can be arranged, the impact on agency staff and on the Section 8 households in receipt of public assistance should be minimal.

Administrative Directive

An Administrative Directive will be forthcoming once the regulation is filed. The Administrative Directive will address ways of protecting Section 8 public assistance households from hardship in cases where there is a delay in the recalculation of the household's Section 8 rent obligation by the PHA.

Contact Person

Any questions concerning this memorandum should be directed to Dottie O'Brien at 1-800-342-3715, extension 4-6853 or Pat Monks at 4-9348.

Oscar R. Best, Jr.
Deputy Commissioner
Division of Income Maintenance

IMPORTANT NOTICE TO PUBLIC ASSISTANCE HOUSEHOLDS
WHO PARTICIPATE IN SECTION 8 RENT SUBSIDY PROGRAMS

Please be sure to read this!

If you are in the Section 8 Certificate Program your Public Assistance rent allowance will go down!!!

This is because the Social Services regulation which tells local district social services offices how much of a rent allowance can be included in your budget has changed.

Section 8 bases your rent on your income. Since your public assistance shelter allowance will go down, the amount you have to pay for rent will also go down.

If you are not in the Section 8 Certificate Program your public assistance shelter allowance should not go down because of the new schedule.

The information in your case tells social services that you participate in a Section 8 rent subsidy program. But it does not tell if you are in the Certificate or one of the other Section 8 Rent Subsidy Programs.

THIS IS WHAT YOU MUST DO

- o You must contact the HUD office that handles your Section 8 benefit and tell them that social services is going to lower your shelter allowance and that you need to have your rent obligation adjusted. Bring or send the attached notice to your HUD office.
- o If you are not in the Section 8 Certificate Program and you get this notice, your public assistance worker might think you are in the Certificate Program. You should contact your worker right away to talk about why you got this notice.

You might have to give your public assistance worker proof that you are not in the Certificate Program. If you don't your public assistance rent allowance may go down.

- o To have HUD change your budget or to get proof you are not in a Certificate Program bring or send the attached notice and budget to your HUD office.
- o Then you must let your public assistance worker know what HUD tells you. Call your public assistance worker _____ at _____ by _____ to let her/him know what HUD said.

Client's Name _____ Client's Address _____

TAKE THIS TO YOUR HUD (SECTION 8) WORKER

REQUEST FOR HUD (SECTION 8) INFORMATION AND ACTION

Dear Section 8 Worker:

Social Services has told me that my allowance for rent might go down because of a new public assistance regulation that you have been told about.

- o If I am in the Certificate Program, please refigure my rent subsidy benefit starting June 1, 1991.
- o If I am not in the Certificate Program, I need proof for my public assistance worker.

Attached is a copy of my public assistance budget showing what my new shelter allowance will be (if I am in Section 8 Certificate Program).

Please complete the information below and send it back to me as soon as possible.

Thank you.

NOTIFICATION OF ACTION TAKEN ON YOUR SECTION 8 BENEFIT

_____ You are in a Certificate Program and your total tenant payment (TTP) has been adjusted.

This change does not affect you because you are not in the Certificate Program. You are in:

_____ the Section 8 Voucher Program

_____ the Section 8 Project Based Program

_____ the Section 236 Program

Take this information to your worker at social services.

Signature of Section 8 Worker

Telephone #

Name/Address of Section 8 Agency

Date

Section 8/DSS Client Name

Residence/address