Chapter 1
OVERVIEW OF THE PROGRAM AND PLAN

INTRODUCTION
The Muskegon Housing Commission (MHC) receives its funding for the Housing Choice Voucher (HCV) and VASH (Veteran Affairs Supportive Housing) programs from the Department of Housing and Urban Development. MHC is not a federal department or agency. MHC is a governmental or public body, created and authorized by state law to develop and operate housing and housing programs for low-income families. MHC enters into an Annual Contributions Contract with HUD to administer the program requirements on behalf of HUD. MHC must ensure compliance with federal laws, regulations and notices and must establish policy and procedures to clarify federal requirements and to ensure consistency in program operation.

This chapter contains information about MHC and its programs with emphasis on the Housing Choice Voucher (HCV) program. It also contains information about the purpose, intent and use of the plan and guide.

There are three parts to this chapter:

Part I: The Housing Authority: MHC. This part includes a description of MHC, its jurisdiction, its programs, and its mission and intent.

Part II: The HCV Program. This part contains information about the Housing Choice Voucher program operation, roles and responsibilities, and partnerships.

Part III: The HCV Administrative Plan. This part discusses the purpose and organization of the plan and its revision requirements.
PART I: THE HOUSING AUTHORITY

1-I.A. OVERVIEW

This part explains the origin of the Muskegon Housing Commission's creation and authorization, the general structure of the organization, and the relationship between the Muskegon Housing Commission Board and staff.

1-I.B. ORGANIZATION AND STRUCTURE OF THE MHC

The Section 8 Housing Choice Voucher (HCV) program is funded by the federal government and administered by the Muskegon Housing Commission for the jurisdiction of Muskegon County.

The officials of MHC are known as Commissioners or, collectively, as the Board of Commissioners. Commissioners are appointed in accordance with state housing law and generally serve in the same capacity as the directors of a corporation, establishing policies under which MHC conducts business, ensuring that policies are followed by MHC staff and ensuring that MHC is successful in its mission. The board is responsible for preserving and expanding the agency's resources and assuring the agency's continued viability.

Formal actions of MHC are taken through written resolutions, adopted by the board of commissioners and entered into the official records of MHC.

The principal staff member of MHC is the director, hired and appointed by the board of commissioners. The director is directly responsible for carrying out the policies established by the board and is delegated the responsibility for hiring, training and supervising MHC's staff in order to manage the day-to-day operations of the agency. The director is responsible for ensuring compliance with federal and state laws and, regulations, and directives for the programs managed. In addition, the director's duties include budgeting and financial planning for the agency.

1-I.C. MUSKEGON HOUSING COMMISSION'S MISSION

The purpose of a mission statement is to communicate the purpose of the agency to people inside and outside of the agency. It provides guiding direction for developing strategy, defining critical success factors, searching out key opportunities, making resource allocation choices, satisfying clients and stakeholders, and making decisions.

MHC Policy

MHC's mission is to assist the people of the County of Muskegon in obtaining and maintaining quality affordable housing and services suitable to their housing needs. Housing Choice Vouchers assist very low income individuals and families to choose and lease decent, safe and affordable rental housing and to achieve and maintain housing stability and self-sufficiency.
PART II: THE HOUSING CHOICE VOUCHER (HCV) PROGRAM

1-II.A. OVERVIEW AND HISTORY OF THE PROGRAM

The intent of this section is to provide the public and staff with information related to the overall operation of the program. There have been many changes to the program since its inception in 1974 and a brief history of the program will assist the reader to better understand the program.

The United States Housing Act of 1937 (the “Act”) is responsible for the birth of federal housing program initiatives. The Act was intended to provide financial assistance to states and cities for public works projects, slum clearance and the development of affordable housing developments for low-income residents.

The Housing and Community Development (HCD) Act of 1974 created a new federally assisted housing program – the Section 8 Existing program (also known as the Section 8 Certificate program). The HCD Act represented a significant shift in federal housing strategy from locally owned public housing to privately owned rental housing. Under the Certificate program, federal housing assistance payments were made directly to private owners of rental housing, where this housing was made available to lower-income families. Eligible families were able to select housing in the private rental market. Assuming that the housing met certain basic physical standards of quality (“housing quality standards”) and was within certain HUD-established rent limitations (“fair market rents”), the family would be able to receive rental assistance in the housing unit. Family contribution to rent was generally set at 30 percent of the family’s adjusted income, with the remainder of the rent paid by the program.

Another unique feature of the Certificate program was that the rental assistance remained with the eligible family, if the family chose to move to another privately-owned rental unit that met program requirements (in contrast to the public housing program where the rental assistance remains with the unit, should the family decide to move). Consequently, the Certificate program was characterized as tenant-based assistance, rather than unit-based assistance.

The Housing and Community Development (HCD) Act of 1987 authorized a new version of tenant-based assistance – the Section 8 Voucher program. The Voucher program was very similar to the Certificate program in that eligible families were able to select housing in the private rental market and receive assistance in that housing unit.

However, the Voucher program permitted families more options in housing selection. Rental housing still had to meet the basic housing quality standards, but there was no fair market rent limitation on rent. In addition, family contribution to rent was not set at a limit of 30 percent of adjusted income. Consequently, depending on the actual rental cost of the unit selected, a family might pay more or less than 30 percent of their adjusted income for rent.

From 1987 through 1999, public housing agencies managed both the Certificate and Voucher tenant-based assistance programs, with separate rules and requirements for each. From 1994 through 1998, HUD published a series of new rules, known as “conforming” rules, to more closely combine and align the two similar housing programs, to the extent permitted by the law.
In 1998, the Quality Housing and Work Responsibility Act (QHWRA) – also known as the Public Housing Reform Act – was signed into law. QHWRA eliminated all statutory differences between the Certificate and Voucher tenant-based programs and required that the two programs be merged into a single tenant-based assistance program, now known as the Housing Choice Voucher (HCV) program.

The HCV program was modeled closely on the pre-merger Voucher program. However, unlike the pre-merger Voucher program, the HCV program requires an assisted family to pay at least 30 percent of adjusted income for rent.

The transition of assistance from the Certificate and Voucher programs to the new HCV program began in October 1999. By October 2001, all families receiving tenant-based assistance were converted to the HCV program.

1-II.B. HCV PROGRAM BASICS

The purpose of the HCV program is to provide rental assistance to eligible families. The rules and regulations of the HCV program are determined by the U.S. Department of Housing and Urban Development. The MHC is afforded choices in the operation of the program which are included in the MHC’s administrative plan, a document approved by the board of commissioners of the MHC.

The HCV program offers mobility to eligible families because they may search for suitable housing anywhere in the MHC’s jurisdiction and may also be eligible to move under portability to other PHAs’ jurisdictions.

When a family is determined to be eligible for the program and funding is available, the MHC issues the family a housing voucher. When the family finds a suitable housing unit and funding is available, the MHC will enter into a contract with the owner and the family will enter into a lease with the owner. Each party makes their respective payment to the owner so that the owner receives full rent.

Even though the family is determined to be eligible for the program, the owner has the responsibility of approving the family as a suitable renter. The MHC continues to make payments to the owner as long as the family is eligible and the housing unit continues to qualify under the program.

1-II.C. THE HCV PARTNERSHIPS

To administer the HCV program, the MHC enters into a contractual relationship with HUD (Consolidated Annual Contribution Contract). The MHC also enters into contractual relationships with the assisted family and the owner or landlord of the housing unit.

For the HCV program to work and be successful, all parties involved – HUD, the MHC, the owner, and the family – have important roles to play. The roles and responsibilities of all parties are defined in federal regulations and in legal documents that parties execute to participate in the program.

What Does HUD Do?

HUD has the following major responsibilities:

- Develop regulations, requirements, handbooks, notices and other guidance to implement HCV housing program legislation passed by Congress;
• Allocate HCV program funds to PHAs;
• Provide technical assistance to PHAs on interpreting and applying HCV program requirements;
• Monitor PHA compliance with HCV program requirements and PHA performance in program administration.

What Does the MHC Do?
The MHC administers the HCV program under contract with HUD and has the following major responsibilities:

• Establish local policies to administer the program;
• Review applications from interested applicants to determine whether they are eligible for the program;
• Maintain waiting list and select families for admission;
• Issue vouchers to eligible families and provide information on how to lease a unit;
• Conduct outreach to owners, with special attention to owners outside areas of poverty or minority concentration;
• Approve the rental unit (including assuring compliance with housing quality standards and rent reasonableness), the owner, and the tenancy;
• Make housing assistance payments to the owner in a timely manner;
• Recertify families for continued eligibility under the program;
• Ensure that owners and families comply with their contractual obligations;
• Provide families and owners with prompt, professional service;
• Comply with all fair housing and equal opportunity requirements, HUD regulations and requirements, the Annual Contributions Contract, HUD-approved applications for funding, the MHC’s administrative plan, and other applicable federal, state and local laws.

What Does the Owner Do?
The owner has the following major responsibilities:

• Screen families who apply for tenancy, to determine suitability as renters.
  □ The MHC can provide some information to the owner, but the primary responsibility for tenant screening rests with the owner.
  □ The owner should consider family background factors such as rent and bill-paying history, history of caring for property, respecting the rights of others to peaceful enjoyment of the property, compliance with essential conditions of tenancy, whether the family is engaging in drug-related criminal activity or other criminal activity that might threaten others.
• Comply with the terms of the Housing Assistance Payments contract, executed with the MHC;
• Comply with all applicable fair housing laws and discriminate against anyone;
• Maintain the housing unit in accordance with Housing Quality Standards (HQS) and make necessary repairs in a timely manner;
• Collect rent due from the assisted family and otherwise comply with and enforce provisions of the dwelling lease.

What Does the Family Do?
The family has the following responsibilities:
• Provide the MHC with complete and accurate information, determined by the MHC to be necessary for administration of the program;
• Make their best and most timely efforts to locate qualified and suitable housing;
• Attend all appointments scheduled by the MHC;
• Allow the MHC to inspect the unit at reasonable times and after reasonable notice;
• Take responsibility for care of the housing unit, including any violations of housing quality standards caused by the family;
• Comply with the terms of the lease with the owner;
• Comply with the family obligations of the voucher;
• Not commit serious or repeated violations of the lease;
• Not engage in drug-related or violent criminal activity;
• Notify the MHC and the owner before moving or terminating the lease;
• Use the assisted unit only for residence and as the sole residence of the family. Not sublet the unit, assign the lease, or have any interest in the unit;
• Promptly notify the MHC of any changes in family composition;
• Not commit fraud, bribery, or any other corrupt or criminal act in connection with any housing programs.

1-II.D. APPLICABLE REGULATIONS

Applicable regulations include:

  24 CFR Part 5: General Program Requirements
  24 CFR Part 8: Nondiscrimination
  24 CFR Part 35: Lead-Based Paint
  24 CFR Part 982: Section 8 Tenant-Based Assistance: Housing Choice Voucher Program
  24 CFR Part 983: Project-Based Vouchers
  24 CFR Part 985: The Section 8 Management Assessment Program (SEMAP)
PART III: THE HCV ADMINISTRATIVE PLAN

1-III.A. OVERVIEW AND PURPOSE OF THE PLAN

The administrative plan is required by HUD. The purpose of the administrative plan is to establish policies for carrying out the programs in a manner consistent with HUD requirements and local goals and objectives contained in the MHC’s agency plan. This administrative plan is a supporting document to the MHC agency plan, and is available for public review as required by CFR 24 Part 903.

This administrative plan is set forth to define the MHC’s local policies for operation of the housing programs in accordance with federal laws and regulations. All issues related to the HCV program not addressed in this document are governed by such federal regulations, HUD handbooks and guidebooks, notices and other applicable law. The policies in this administrative plan have been designed to ensure compliance with the consolidated ACC and all HUD-approved applications for program funding.

The MHC is responsible for complying with all changes in HUD regulations pertaining to the HCV program. If such changes conflict with this plan, HUD regulations will have precedence.

Administration of the HCV program and the functions and responsibilities of MHC staff shall be in compliance with the MHC’s personnel policy and HUD regulations as well as all federal, state and local fair housing laws and regulations.

1-III.B. CONTENTS OF THE PLAN [24 CFR 982.54]

The HUD regulations at 24 CFR 982.54 define the policies that must be included in the administrative plan. They are as follows:

- Selection and admission of applicants from the MHC waiting list, including any MHC admission preferences, procedures for removing applicant names from the waiting list, and procedures for closing and reopening the MHC waiting list (Chapter 4);
- Issuing or denying vouchers, including MHC policy governing the voucher term and any extensions or suspensions of the voucher term. ‘Suspension’ means stopping the clock on the term of a family’s voucher after the family submits a request for approval of the tenancy. If the MHC decides to allow extensions or suspensions of the voucher term, the MHC administrative plan must describe how the MHC determines whether to grant extensions or suspensions, and how the MHC determines the length of any extension or suspension (Chapter 5);
- Any special rules for use of available funds when HUD provides funding to the MHC for a special purpose (e.g., desegregation), including funding for specified families or a specified category of families (Chapter 4);
- Occupancy policies, including definition of what group of persons may qualify as a 'family', definition of when a family is considered to be 'continuously assisted'; standards for denying admission or terminating assistance based on criminal activity or alcohol abuse in accordance with 24 CFR 982.553 (Chapters 3 and 12);
- Encouraging participation by owners of suitable units located outside areas of low income or minority concentration (Chapter 13);
- Assisting a family that claims that illegal discrimination has prevented the family from leasing a suitable unit (Chapter 2);
• Providing information about a family to prospective owners (Chapters 3 and 9);
• Disapproval of owners (Chapter 13);
• Subsidy standards (Chapter 5);
• Family absence from the dwelling unit (Chapter 12);
• How to determine who remains in the program if a family breaks up (Chapter 3);
• Informal review procedures for applicants (Chapter 16);
• Informal hearing procedures for participants (Chapter 16);
• The process for establishing and revising voucher payment standards (Chapter 16);
• The method of determining that rent to owner is a reasonable rent (initially and during
the term of a HAP contract) (Chapter 8);
• Special policies concerning special housing types in the program (e.g., use of shared
housing) (Chapter 15);
• Policies concerning payment by a family to the MHC of amounts the family owes the MHC
(Chapter 16);
• Interim redeterminations of family income and composition (Chapter 11);
• Restrictions, if any, on the number of moves by a participant family (Chapter 10);
• Approval by the board of commissioners or other authorized officials to charge the
administrative fee reserve (Chapter 16);
• Procedural guidelines and performance standards for conducting required housing
quality standards inspections (Chapter 8); and
• PHA screening of applicants for family behavior or suitability for tenancy (Chapter 3).

Mandatory vs. Discretionary Policy

HUD makes a distinction between:

• Mandatory policies: those driven by legislation, regulations, current
handbooks, notices, and legal opinions, and

• Optional, non-binding guidance, including guidebooks, notices that have expired
and recommendations from individual HUD staff.

HUD expects the MHC to adopt local policies and procedures that are consistent with
mandatory policies in areas where HUD gives the MHC discretion. The MHC’s
administrative plan is the foundation of those policies and procedures. HUD’s directions
require the MHC to make policy choices that provide guidance to staff and ensure
consistency to program applicants and participants.

Creating policies based upon HUD guidance is not mandatory, but provides the MHC with a
“safe harbor.” HUD has already determined that the recommendations and suggestions it
makes are consistent with mandatory policies. If the MHC adopts an alternative strategy, it
must make its own determination that the alternative approach is consistent with
legislation, regulations, and other mandatory requirements. There may be very good
reasons for adopting a policy or procedure that is different than HUD’s safe harbor, but the
MHC should carefully think through those decisions.

1-III.C. ORGANIZATION OF THE PLAN

The plan is organized to provide information to users in particular areas of operation.
1-III.D. UPDATING AND REVISING THE PLAN

The MHC will revise this administrative plan as needed to comply with changes in HUD regulations. The original plan and any changes must be approved by the board of commissioners of the agency, the pertinent sections included in the Agency Plan, and a copy provided to HUD.

The MHC will review and update the plan as often as needed, to reflect changes in regulations, agency operations, or when needed to ensure staff consistency in operation.