Leveraging the Housing Choice Voucher Program to Improve Housing Quality

April 27, 2016
Agenda

- Housing Choice Voucher Program
- Housing Stock - HCV Program
- Housing Quality Standards - HQS
- Fresno Housing Inspection Process
- Policy and Procedures Update
- Case Studies
Housing Choice Voucher (HCV) Program

- Formerly called Section 8
- Approx. 13,000 total combined vouchers (City and County)
- Over 38,000 program participants
- Participants must be income-eligible
  - Limit is approximately 30% Area Median Income or $24,300 for a family of four
- Participants pay roughly 30% of their monthly income toward rent
  - Agency pays the balance directly to landlord in form of a HAP payment
HCV Housing Stock

• Average age of all units was 41 years (1973)
• Multi-family - 69% of the units
  – Average age is 37 years (1977)
• Single-family - 31% of the units
  – Average age is 51 years (1963)
Housing Stock by Zip Code

Mean Year Built

1948 - 2000
Housing Stock by Zip Code - City

Zip Code Pass Rate

50% 73%

93710 62%
93720 67%
93711 62%
93722 63%
93723 64%
93724 60%
93725 62%
93726 62%
93701 52%
93702 58%
93703 61%
93704 60%
93705 63%
93706 59%
93612 71%
93611 67%
93610 62%
93612 71%
93737 100%
## Housing Stock by Zip Code

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<td>1955</td>
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Pass rates by Zip Code

• The six zip codes with the highest pass rates had an average pass rate of 67.7%

• The six zip codes with the lowest pass rates had an average pass rate of 56.4%
  – ~11.3% difference in the six highest zip codes
Geographic Areas of Concern
“Housing Quality Standards (HQS) are set in place to ensure that the assisted housing is decent, safe and sanitary.

HQS standards apply to the building and premises, as well as the unit.”
HUD provides guidance and forms

**Inspection Form**

**Housing Choice Voucher Program**

Public reporting burden for this collection of information is estimated to average 0.25 hours per response. This estimate includes the time to review existing data, gather and maintain the data, and complete and submit the form. It does not include time for reading instructions, gathering the data, and completing and submitting the form. The collection of information is authorized by the U.S. Housing Act of 1937 (42 U.S.C. 1437f). Collection of the name and address of both the family and the unit is required to identify and locate the owner of the property. Requests for information are necessary for the operation of HUD agencies. If the person completing the form does not have the information necessary for completion, the person is not required to respond to a collection of information unless a form is specifically marked as official. If the person marking the form as official, the person is not required to provide information unless the form is specifically marked as official. Failure to provide any of the information may result in delay or rejection of the application. Privacy Act Statement. The Department of Housing and Urban Development (HUD) is authorized to collect the information contained in the U.S. Housing Act of 1937 (42 U.S.C. 1437f) from the U.S. Housing and Urban Development programs. The data collected will be used to perform the functions of the programs, including maintaining records and preparing reports. The information will be used to perform the functions of the programs, including maintaining records and preparing reports. The data collected will be used to perform the functions of the programs, including maintaining records and preparing reports.

This collection of information is authorized under Section 8 of the U.S. Housing Act of 1937 (42 U.S.C. 1437f) and a unit must meet the housing quality standards of the section 8 rental assistance program.

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<tr>
<th>FRA</th>
<th>Tenant</th>
<th>Inspector</th>
<th>Date Inspect</th>
</tr>
</thead>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
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</table>

**Neighborhood/Census Tract**

<table>
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<tr>
<th>Type of Inspection</th>
<th>Initial</th>
<th>Spec</th>
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<tbody>
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**A. General Information**

**Street Address of Inspected Unit**

<table>
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<tr>
<th>City</th>
<th>County</th>
<th>State</th>
<th>Zip</th>
</tr>
</thead>
<tbody>
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<td></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Home of Family</th>
<th>Current Telephone of Family</th>
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</thead>
<tbody>
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<td></td>
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</tr>
</tbody>
</table>

**1. Living Room**

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<th>Item</th>
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<tbody>
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<td></td>
</tr>
</tbody>
</table>

1.1 Living Room Present
Is there a living room?

1.2 Electricity
Are there at least two working outlets or one working light fixture?

1.3 Electrical Hazards
Is the room free from electrical hazard?

1.4 Security
Are all windows and doors that are not the outside lockable?

1.5 Window Condition
Is there at least one window, and are there signs of severe deterioration or broken out panes?

1.6 Ceiling Condition
Is the ceiling sound and free from hazards?

1.7 Wall Condition
Are the walls sound and free from hazards?

2. Kitchen

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<tbody>
<tr>
<td></td>
<td></td>
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</tbody>
</table>

2.1 Kitchen Area Present
Is there a kitchen?

2.2 Electricity
Are there at least one working outlet and one working, permanently installed light fixture?

2.3 Electrical Hazards
Is the kitchen free from electrical hazards?

2.4 Security
Are all windows and doors that are accessible from the outside lockable?

2.5 Window Condition
Are all windows free of signs of deterioration or missing or broken out panes?

2.6 Ceiling Condition
Is the ceiling sound and free from hazardous defects?

2.7 Wall Condition
Are the walls sound and free from hazardous defects?

2.8 Floor Condition
Is the floor sound and free from hazardous defects?

2.9 Load-Based Paint
Are all painted surfaces free of deteriorated paint?
If no, no deteriorated surfaces exceed ten square feet.
Types of Inspections

- Initial/Move-in
- Annual
  - Pass – See you next year
  - Fail – Re-inspections and potential Abatement
- Special/Complaint
- Quality Control
Inspections Analysis

• HQS staff scheduled over 32,000 initial, annual and complaint inspections
  – 60.2% of physical inspections passed
• Initial Inspections – 5000 annually
  – 67.7% passed, a 3% decrease from the 2013
• Complaint Inspections - nearly 350 annually
  – 26.4% of these inspections passed and the unit was HQS-complaint
Commonly Failed Items

• 11% of fails were a result of electrical hazards
  – Inoperable electrical outlets, missing outlet cover plates, inoperable light switches, improperly grounded three-prong outlets
• 9% of fails were a result of poor floor conditions
  – Damaged flooring and potential tripping hazards
• 9% of fails were a result of poor site and neighborhood conditions
  – Poor yard, tree, gate, patio and shed conditions, lighting
• 8% of fails pertained to failed security items
  – All accessible windows and doors accessible must be lockable
• 7% of fails were tied to poor tub or shower conditions
Abatement

• The unit has failed two inspections for owner-related items
  – The owner is at risk of losing HAP $
  – These items may be cured, result in an abatement, or a contract cancellation
  – A third inspection is required to clear the abatement
  – If unit fails again, HAP contract will be cancelled and resident will be required to move
Common Abatement Reasons

- Electrical Hazards: 25%
- Exterior Condition: 22%
- Plumbing: 21%
- Floor Condition: 19%
- Pest Control: 13%
May – December 2015 Abatement Data

<table>
<thead>
<tr>
<th></th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Abatement Status</strong></td>
<td>78</td>
<td>81</td>
<td>80</td>
<td>119</td>
<td>83</td>
<td>72</td>
<td>60</td>
<td>48</td>
<td>621</td>
</tr>
<tr>
<td><strong>Passed HQS</strong></td>
<td>60</td>
<td>61</td>
<td>64</td>
<td>92</td>
<td>59</td>
<td>44</td>
<td>32</td>
<td>32</td>
<td>434</td>
</tr>
<tr>
<td><strong>Pass before abatement</strong></td>
<td>39</td>
<td>37</td>
<td>18</td>
<td>20</td>
<td>28</td>
<td>24</td>
<td>20</td>
<td>20</td>
<td>206</td>
</tr>
<tr>
<td><strong>Pass after abatement</strong></td>
<td>21</td>
<td>14</td>
<td>46</td>
<td>72</td>
<td>31</td>
<td>20</td>
<td>12</td>
<td>12</td>
<td>228</td>
</tr>
<tr>
<td><strong>Cancellations</strong></td>
<td>18</td>
<td>20</td>
<td>16</td>
<td>27</td>
<td>24</td>
<td>28</td>
<td>19</td>
<td>16</td>
<td>168</td>
</tr>
<tr>
<td><strong>HAP Abated</strong></td>
<td>$7,400</td>
<td>$10,000</td>
<td>$12,800</td>
<td>$24,200</td>
<td>$4,600</td>
<td>$6,500</td>
<td>$14,500</td>
<td>$9,800</td>
<td>$89,800</td>
</tr>
</tbody>
</table>

- Approximately $90,000 in HAP was abated from May to December
Jan-Mar 2016 Abatement Data

<table>
<thead>
<tr>
<th></th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Abatements Status</strong></td>
<td>107</td>
<td>83</td>
<td>120</td>
<td>310</td>
</tr>
<tr>
<td><strong>Passed HQS</strong></td>
<td>76</td>
<td>67</td>
<td>94</td>
<td>237</td>
</tr>
<tr>
<td><strong>Pass before abatement</strong></td>
<td>23</td>
<td>20</td>
<td>28</td>
<td>71</td>
</tr>
<tr>
<td><strong>Pass after abatement</strong></td>
<td>53</td>
<td>47</td>
<td>66</td>
<td>166</td>
</tr>
<tr>
<td><strong>Cancellations</strong></td>
<td>31</td>
<td>16</td>
<td>26</td>
<td>73</td>
</tr>
<tr>
<td><strong>HAP Abated</strong></td>
<td>$19,048</td>
<td>$15,246</td>
<td>$20,884</td>
<td>$55,178</td>
</tr>
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- Approximately $55,000 in HAP was abated from January through March 2016
### Costs of Abatements

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<th>Annual Costs for Abatements</th>
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<tbody>
<tr>
<td>1015 Abatements</td>
</tr>
<tr>
<td>~ 3 inspections/abatement</td>
</tr>
<tr>
<td>~3045 Inspections</td>
</tr>
<tr>
<td>$33,400 Admin Expenses (Inspector salaries, scheduling + admin, fuel, maintenance)</td>
</tr>
<tr>
<td>$106,575 Annual Admin Expenses (projected)</td>
</tr>
<tr>
<td><strong>Estimated Cost per Inspection:</strong> $35</td>
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<tr>
<td>$154,000 Annual HAP abated (projected)</td>
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Abatement Analysis

• Repeat Owners
  – These 600+ abatements represent 450 different owners or landlords
  – 81 owners had multiple abatements
    • 8 of which had 5 or more abatements
      – 3 of the 8 had 10 or more abatements
    • 12 owners had multiple contract cancellations
      – 2 of which had 5 or more contract cancellations
  – 5 of the 81 owners are on our hot list
Impacts of Abatement

- Additional time for inspectors, accounting staff, HCV staff
- 2-3 inspections per occurrence on abatement list multiply the impact on both staff and residents
- If contract cancels, residents must move burdening residents
- Additional admin burden to staff due to processing of new “move-in”
- Lost admin fees during time between contracts
Potential Solutions

• Landlord Support and Training Program
  – Underway and delivery anticipated to start in June (collaboration with CAA)
• Recovery of some financial losses through a waiver allowing us to charge fees for excessive inspections
  – Waiver submitted; potential HUD rule change
• Additional landlord outreach to increase the number of quality housing options for residents
  – New positions to support outreach
• Disallowance of landlords with repetitive issues
  – Three landlords in disallowance process
Support for Residents

- Cancellations due to inspections failure have adverse impact on residents
- Resident concerns
  - Funds to move not readily available
  - Poor credit history limits options
  - Moving is difficult and time consuming
  - Approx ½ were more concerned w/criminal activity in area and wanted to relocate if possible
  - Rent rates in North Fresno (and acceptance of voucher) limited mobility to this area
- Housing Navigator position developed and will be hired by the end of the week
Policy and Procedure Updates
Discretionary Owner Disapproval

- Applies to: owners, representatives, property management companies
  - Can apply to individual properties
- Overview of Causes
  - History of non-compliance with HQS
  - History of failing to terminate tenancy where appropriate
  - History of renting units that fail to meet State or local code
  - Has not paid State or local real estate taxes, fines or assessments
From the Eyes of an Inspector
From the Eyes of an Inspector
Joint Inspections and Collaborations

• Fresno Housing collaborated with City Code Enforcement to better understand how the agencies can work together
• Code Enforcement provided a list of owners whose properties received the most calls for service
• These owners and properties were cross-referenced with FH data and collaborative quality review inspections were performed at these properties
• Also working with POP Officers in each of the four policing districts to pinpoint some key areas in need of attention
• Participate on Mayor’s Code Enforcement Task Force
• Participate on the STOPP Team (Strike Team Overseeing problem Properties)
Inspection Results

• Examples of “Owner” Fails
  - Pests/Roaches; Eaves and overhang in front of units were in disrepair; A/C issues and electrical cord overhang, garbage disposal and faucet issues, refrigerator seal broken, door knob/locks loose, Refrigerator seal broken, Front door not weatherized, cutting hazard on counter top, security door in disrepair, caulk around toilet, open ground in kitchen outlet
Inspection Results

• Examples of “Tenant” Fails
  - Writing on walls, cable tripping hazard, dirty carpet, unsanitary shower, poor housekeeping
Common Deficiencies
Common Deficiencies
Common Deficiencies
Common Deficiencies
Common Deficiencies
Common Deficiencies
Case Studies
Scenario 1 - Owner Disallowance

- Two properties affected/Same Owner:
  - Property 1:
    - Started with 11 Contracts out of 24 Units
    - Currently 3 Active Contracts; will cancel soon
  - Property 2:
    - Started with 14 Contracts out of 60 Units
    - 6 Contract Cancellations
    - 8 Active Contracts in process of cancelling
Scenario 1 – Owner Disallowance

Unpermitted balcony repair

Vacant unit left unsecured garbage and debris
Scenario 1 – Owner Disallowance

Raw sewage impacting common areas

Raw sewage impacting common areas
Scenario 1 – Owner Disallowance

Car crash
Scenario 1 – Owner Disallowance

Improper balcony repair

Exposed Wiring
Scenario 2 -
No Owner Disallowance

- One Property affected
  - HCV Staff and Management Observations
  - Outreach to Code Enforcement
  - Started with 5 Contracts out of 12 Units
- All cancelled or voluntarily moved
Scenario 2 - No Owner Disallowance

Dead trees and broken fencing - Before
Scenario 2 - No Owner Disallowance

Dead trees and broken fencing - After
Scenario 2 - No Owner Disallowance

Trash and debris in alley

Before

After
Scenario 2 - No Owner Disallowance

Dangling wires throughout complex

Before

After
Scenario 2 - No Owner Disallowance

Deteriorating balconies

Before

After
Questions/Comments?
STOPP Update

• Collaboration with City Manager, Code, Police, Fire, Housing Authority, City Attorney
• Meet every Friday
• Approximately 30 properties on list with immediate focus on seven (7) with action by City
  – Three of the seven had Section 8 contracts
  – Two properties/owners have been disallowed by FH since team began
  – One in process of being disallowed by FH
• Fresno Housing is working on an additional property/owner that has over 70 contracts and six properties and will be added to the STOPP team action list soon
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Ongoing Process Improvement

• Training and “alignment” with Inspections Team
• Quality Assurance – HQS Enforcement Specialist
• Daily property updates with entire inspections team
• “Senior” Inspectors assigned to special projects
  – POP Officer or Code Enforcement Teams
  – STOPP Team
  – Geographic Area Focus
• Market Specialist – Focus on appropriate rent comparisons and support landlord outreach efforts
• Housing Navigator – Work with Leasing Team to support resident unit selection; support resident “moves”
Resident Support

- Improve initial briefings
- Develop neighborhood information sheets
- Monitor GoSection8
- Implement Social Move Site???
- Individual counseling sessions
  – Housing Navigator
- Collaborate with Ed Corps to consider support for barriers like security deposits and credit reports
Landlord Communication and Support

• Implement Landlord Outreach efforts
  – Assistant Manager, Housing Navigator, Market Specialist
  – Collaboration with California Apartment Association (CAA) – June Meeting
  – Develop informational packet especially for landlords
  – Create preventative maintenance training and offer to landlords (NAHRO members)