

LMIH Process for Counting Federal Vouchers Toward 10% Affordable Housing Goal

Background:

During the 2024 General Assembly session, legislation (S2089-aa/HB8336-aa) was passed which requires that any rental property secured with a federal governmental rental assistance voucher that does not otherwise meet the requirements to qualify as low- or moderate-income housing under RIGL 45-53-3 shall be counted as one whole low and moderate income housing unit effective July 1, 2024. Essentially this means that federal rental assistance vouchers will count toward a community's 10% affordable housing goal beginning with the 2024 Low and Moderate Income Housing (LMIH) chart.

Current process for updating the LMIH chart annually:

In the first quarter of the year, RIHousing staff collect information on developments financed by RIHousing for which certificates of occupancy were issued in the previous calendar year, and new developments submitted by monitoring agents over the course of the year to our <u>on-line portal</u>. We also go through the existing developments on the LMIH chart to determine if the affordability periods for any of those units has expired. Once we have a draft updated LMIH chart, we circulate that draft to municipal officials, public housing authorities (PHAs) and approved monitoring agencies requesting information on any additions or corrections to the draft chart. That public comment period extends for 30 days, after which RIHousing staff incorporate documented edits to the draft chart and release the final annual LMIH chart.

Methodology for counting federal vouchers:

To accurately calculate the number of federal vouchers in use in each municipality, we must have a consistently applied methodology for determining which vouchers to count, who should be reporting the information and how to avoid double counting vouchers that are being used in existing LMIH units. Since any information on voucher utilization represents a single point in time, we must also pull the information for all municipalities at the same time. The methodology for calculating this information is outlined below.

- Pull date: December 31, 2024 and annually thereafter. This date is consistent with the
 deadline for certificates of occupancy to count LMIH units on the annual chart.
- Eligible federal vouchers: Housing Choice Voucher Program tenant (HCVP) and project based vouchers (HCVP-PB), Veterans Affairs Supportive Housing (VASH) vouchers, Family Unification Program (FUP) vouchers, Foster Youth Initiative (FYI) vouchers, Continuum of Care Permanent Supportive and Rapid Rehousing vouchers, Emergency Solutions Grants and any other rental assistance vouchers funded through the federal government.
- Vouchers to be reported by a PHA: PHAs should provide information on their own vouchers (including vouchers they have absorbed from other PHAs, and vouchers being

utilized in another PHA's jurisdiction through a shared jurisdiction agreement) and vouchers that they are administering for another PHA in their jurisdiction. (Note- PHAs would not be reporting on their vouchers being administered by a different PHA in that PHA's jurisdiction) Only vouchers with a signed lease agreement that are occupied by a voucher recipient on 12/31/24 should be counted.

- De-duplicating vouchers being utilized in existing LMIH housing: Many voucher holders lease units in developments that are already counted on the LMIH chart, therefore the physical addresses rented by voucher holders must be cross-checked against the addresses of LMIH units in a community to ensure that any duplicates are removed.
 Vouchers being utilized in units that are already counted as LMIH units in a community may NOT also be counted toward a community's 10% affordable housing goal. This cross-check may be completed by the PHA or by RIHousing. If the PHA chooses to complete the cross-check themselves, they must provide RIHousing with information on the vouchers that were not counted due to overlap with existing LMIH units and the developments in which those units are located. If the PHA chooses to have RIHousing conduct the cross-check, they must provide RIHousing with the addresses of all eligible vouchers. RIHousing staff will conduct the cross-check and provide the PHA with the information on any vouchers that were not counted due to overlap with existing LMIH units. No information on the addresses of voucher holders will be made public regardless of whether the cross-check is conducted by the PHA or by RIHousing staff.
- Process for providing information on federal vouchers to count as LMIH: We recommend that all PHAs pull the information on eligible vouchers in active use on December 31. RIHousing will notify municipalities, PHAS, monitoring agents and other federal rental assistance voucher administrators when the draft LMIH charts for each municipality with addresses is available on its website. Once the municipality and PHAs receive the draft LMIH chart notification from RIHousing, they can conduct the cross-check of the vouchers that were active on December 31 against the LMIH units on the draft chart, or provide RIHousing with the addresses of those vouchers to be cross-checked by RIHousing staff. PHAs that need more time to conduct the cross-check can do so any time after December 31 based on the LMIH units in the previous year's LMIH chart, so long as they also cross-check against any new units that may have been added once the new draft chart is released. The information on federal vouchers in use in the municipality and any of those vouchers that cannot be counted due to overlap with existing LMIH units must be entered into the attached form. (If a PHA has chosen to have RIHousing conduct the crosscheck, they would only fill out the information on the total vouchers in use and provide RIHousing with the address list for those vouchers.) For vouchers to be counted on the annual LMIH chart, this information must be submitted to RIHousing by the end of the 30day comment period. RIHousing will provide any PHAs that requested it to conduct the cross-check with details on the vouchers that were not counted due to overlap with existing LMIH units prior to publishing the final LMIH chart.