

5 YEAR AND ANNUAL PLAN 2025 – ATTACHMENT ITEM B.3

Lakewood Tenants Organization, Inc., (LTO) in its administration of the Lakewood Township Residential Assistance Program, on behalf of the Township of Lakewood, is a well-established community-based organization with a history since 1972, of successfully providing counseling and representation for Lakewood’s tenants, in addition to its administration of over 1200 Section 8 HCV units.

LTO as the Township’s contract administrator of the Lakewood Township Residential Assistance Program (LTRAP), has been administering Section 8 programs in Lakewood for over 45 years. LTRAP has consistently maintained a leasing rate of close to 100% and consistently receives High Performance ranking on the SEMAP score. LTRAP’s SEMAP score for 2023 was again 100%.

LTRAP has met all the goals set forth in the last Annual and 5 Year Plan. LTRAP re-opened its Waiting List online from March 29, 2022-April 12, 2022. A total of 3,000 applications were selected by random computerized lottery from all the applications submitted. These 3,000 applications were immediately placed on the Waiting List and LTRAP has made significant progress on the Waiting List.

Over the past four decades, LTRAP has become well-known in the area. Local property owners are very familiar with our agency and are comfortable dealing with the Section 8 program. LTRAP’s website at www.ltrap.org has much useful information for both tenants and landlords. Landlords can find out information about leasing units as well as the procedures that must be followed. Additionally, they can post their units directly from the website. Our Agency has switched our landlord payments to direct deposit. This was highly successful. Landlords are thrilled to have their HAP payments in their account within the first few operating days of the month. Additionally, we have added the Landlord Access program to our website, where the landlord can view the payment history online. Recently, LTRAP has offered the direct deposit option to the tenants who are receiving a utility allowance payment. Several tenants have already signed up for this option. Tenants can also use our website to find out a lot of useful information that pertain to the rental and homeownership program, including how to apply when applications intake is open, whether their application was selected in the lottery, and general information about the Section 8 programs we administer. Last year, we added a participant portal. When using this portal the applicants/participants can upload documents straight to their file and can also view documents that LTRAP has loaded to their file. This ensures that no documents are lost in transit, and that precious time is not lost waiting for receipt of documents. This year we have added a payment option through the portal. If a tenant owes money to the agency, the funds can be paid online by credit card, direct debit or any other method chosen by the tenant.

LTRAP no longer has a mandatory Family Self-Sufficiency Program, however, it still has a voluntary, growing program. We have had many successful participants in this program, many of which have gone on to purchase their own homes. LTRAP maintains a strong FSS Escrow Account and makes monthly deposits on behalf of all eligible FSS participants. Year end statements are sent to the participants detailing the activity of their account. Due to this agency’s involvement in the FSS Program, we have developed strong connections and agreements with other local agencies. We have worked together and developed interagency agreements to assist these participants. The FSS Final Rule which became effective June 17, 2022, required us to update our FSS Action Plan and adjust policies now required under the new regulations. As described previously, LTRAP updated and submitted the Action Plan to HUD and has since received HUD approval. Current FSS families had the option of staying on their old contract or updating to the new Contract. Our FSS Coordinator reached out to each participant family to ensure their Contract had been reviewed

and/or updated as necessary. LTRAP has begun enrolling new families to the program under the new regulations. LTRAP has never limited its FSS Program, nor does it intend to in the future.

LTRAP has successfully launched the HomeRun™ Program which was developed in accordance with the Homeownership Final Rule, published on September 12, 2000. To date we have helped over 200 families close on their first home. Unfortunately, the housing prices have soared and it has become more difficult for low income families to afford a home even with the subsidy. Despite, the difficult market the Homeownership Program is still active, and FSS participants are now again eligible to join this program.

Additionally, LTRAP offers a down-payment assistance program. A qualifying family wishing to purchase a home will be given the option of either 1) entering the HomeRun™ Program, where monthly payments are paid by this agency, towards the mortgage or 2) receiving one lump sum payment to be used for a down-payment or for reasonable and customary closing costs. The second option is a one time payment equal to one year of homeownership assistance payments. A family may choose only one of the above options, and may not receive the other form of homeownership assistance at any other time. A family choosing the down-payment assistance method, may later apply for and receive tenant based assistance so long as no family member owns any title or interest in the property, and at least 18 months have elapsed since the down-payment grant was paid.

LTRAP participants have enjoyed the portability feature of the Section 8 program. We have successfully transferred participants throughout the U.S. and Puerto Rico, and are also administering units for other jurisdictions. LTRAP is in full compliance with all portability regulations. Currently, LTRAP is administering approximately 130 portable units.

In all local areas of LTRAP's Section 8 Voucher Program where there are significant concentrations of low income and/or minority families, additional efforts will be taken to recruit and retain owners in non-impacted areas. In each affected local area, LTRAP will clearly delineate areas of concentration and neighboring areas outside these areas of concentration. These efforts by LTRAP will include establishing maps that show various areas and information about facilities and services in neighboring areas such as schools, transportation and supportive and social services.

LTRAP will utilize the following measures as appropriate to increase owner participation in areas outside of minority or poverty concentration:

1. Making direct contact with landlords;
2. Providing written information promoting the benefits of owner participation in the Section 8 Housing Choice Voucher Program;
3. Providing historical evidence of overall community benefits derived via deconcentration efforts;
4. Holding formal and/or informal discussions and meetings with landlord groups;
5. Meeting with rental referral companies or agencies; and
6. Meeting with fair housing groups or agencies.

LTRAP prides itself in promoting integrity in the Section 8 program. Fraud and abuse in the program is dealt with immediately by prompt termination of benefits. An informal hearing is always offered to the participant prior to termination. Erroneous misrepresentation made by participants (not in a fraudulent manner), such as failure to report increases in income in a timely fashion must be repaid to this agency. Repayment agreements are offered to the participants in

accordance with the policies set forth in our Administrative Plan. Enforcement of any repayment agreement is imperative in ensuring program integrity and dealing with program constraints.

LTRAP's Voucher Payment Standards are analyzed annually to ensure that our participants are not paying too much (rent burdened) as a result of too low of a payment standard, nor too little. If the payment standard is too high we may not be able to help as many families. At the same time, we ensure that the payment standard is at least 90% of the current Fair Market Rent even if the participants are not rent burdened. As of April 1, 2018, LTRAP is now required to use the Small Area Fair Market Rents (SAFMRs) to determine payment standards. Payment standards are reviewed for each zip code in the area and we ensure that the payment standard is at least 90% of the SAFMR for that zip code. Unfortunately, the recent FMRs have not been reflective of the area market. Rents have soared and are way above the FMRs, and our clients are having a very difficult time finding units that are affordable with these rates. We therefore, have actually increased our payment standards in Lakewood to 110% of the SAFMR. Fortunately, with the significant increase in the 2024 FMRs and continued increase for 2025 the Payment Standards set at 110% of the FMR have helped many of our Voucher holders find suitable housing. For other zip codes we use the same payment standard, but we ensure that the payment standard is at least 90% of the SAFMR and does not exceed 110% of the SAFMR. LTRAP's anticipates full lease up by year end despite the extremely difficult rental market.

Additional changes to payment standard calculation and application have been adopted per PIH Notice 2024-19.

In approving any lease, rent reasonableness is verified and documented before a lease is approved. In addition, no family will be allowed to rent a unit over the payment standard if they will be paying over 40% of their adjusted income for rent. This policy has been adopted per the regulations governing the merger rule as well as the amendment to this part printed in the Federal Register on November 3, 1999.

Before any unit is approved our agency conducts a thorough Housing Quality Standards (HQS) Inspection. Inspections are then done on a biennial basis in accordance with the Federal Register change made on June 25, 2014. Additionally, National Standards for the Physical Inspection of Real Estate (NSPIRE) will be adopted as required by HUD. These changes are effective October 1, 2023 but agencies had a year to implement them. Most recently, the implementation date has been extended to Oct 2025 and LTRAP will make use of this extension. Certain mandatory are effective as of September 4, 2024 or December 29, 2024. These changes include classification of life threatening failures and correction timelines, as well as changes to smoke and carbon monoxide detector requirements. Participating owners were notified of these changes and enforcement of these regulations has been adopted and implemented.

Family rent is calculated in accordance with HUD regulations. HUD has authorized use of a "minimum rent" of up to \$50. Due to the drastic budget cuts, LTRAP implemented a \$50 minimum rent effective January 1, 2005.

Utility allowances are reviewed annually and updated when necessary. The utility allowance used will be based on the lower of the family size or the unit size. This change was implemented beginning October 1, 2014, based on the regulations printed in the Federal Register on June 25, 2014 and to ensure adequate 60 day notice to the participants. Any family which includes a person with disabilities may request the higher utility allowance as a reasonable accommodation to the person with disabilities. Under HOTMA changes effective September 4, 2024, the utility allowance for homeownership participants is based on the unit size. Furthermore, as per HUD Notice 2024-19, flat rate utility allowances can be offered as long as they don't exceed the calculated utility allowance.

LTRAP instituted a criminal check policy. Before admitting anyone to the program a criminal history check is performed. Policies for denial of assistance are explained in the Administrative Plan. Anyone denied assistance based on a criminal history report is given a copy of the report and is entitled to a hearing. Final determinations regarding admission to the program are made by the hearing officer.

In May 2022, LTRAP was awarded 23 Emergency Housing Vouchers. These EHV's were part of the American Rescue Plan of 2021 and are specifically for the "homeless" population defined by HUD in PIH Notice 2021-15. The participants for this program must be submitted to us from the Coordinated Entry System for homeless people. We have partnered with homeless organizations, to provide us with eligible households for this program. In order to fully lease this program LTRAP reached out to over 130 homeless households, Approximately,65 EHV vouchers were issued and all 23 slots have been successfully leased. Effective September 30, 2023 turnover EHV units may not be reissued to new participants, and therefore the program size has gone to 20 households.

Currently, LTRAP has updated its Administrative Plan to incorporate changes required under Section 102 and 104 of the Housing Opportunity through Modernization Act (HOTMA), as published in the federal register on February 14, 2023. Although the effective date of these changes were originally set for January 1, 2024 HUD has delayed the compliance of most of these changes until January 1, 2025 at the earliest, other than the ones listed in PIH Notice 2024-19, which have been implemented. As per HUD Notice PIH 2023-27, the Administrative Plan no longer needs to be updated at this time. The changes incorporated in the updated Administrative Plan will not be effective until the new compliance date. Current administrative policies will still be in effect until that time. These sections of the Administrative Plan contain both the current policy and the proposed new policies which will be reviewed and formally adopted before the next Plan is submitted. LTRAP is also getting ready for the switch to HIP from PIC although this has also been delayed.