ADMINISTRATIVE PLAN

FOR THE HOUSING AUTHORITY OF CLACKAMAS COUNTY

HOUSING CHOICE VOUCHER PROGRAM

Approved by the HA Board of Commissioners: April 2016
Submitted to HUD: April 2016

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Introduction
ABOUT THE REFERENCES CITED IN THE MODEL ADMINISTRATIVE PLAN

Chapter 1
OVERVIEW OF THE PROGRAM AND PLAN

PART I: THE PHA 1-1
- 1-I.A. Overview 1-1
- 1-I.B. Organization and Structure of the PHA 1-1
- 1-I.C. PHA Mission 1-2
- 1-I.D. The PHA's Programs 1-2
- 1-I.E. The PHA's Commitment to Ethics and Service 1-3
- 1-I.F Code of Conduct 1-3

PART II: THE HOUSING CHOICE VOUCHER (HCV) PROGRAM 1-5
- 1-II.A. Overview and History of the Program 1-5
- 1-II.B. HCV Program Basics 1-6
- 1-II.C. The HCV Partnerships 1-7
  - The HCV Relationships: 1-7
  - What does HUD do? 1-8
  - What does the PHA do? 1-8
  - What does the Owner do? 1-8
  - What does the Family do? 1-9
- 1-II.D. Applicable Regulations 1-9

PART III: THE HCV ADMINISTRATIVE PLAN 1-10
- 1-III.A. Overview and Purpose of the Plan 1-10
- 1-III.B. Contents of the Plan (24CFR 982.54) 1-10
  - Mandatory vs. Discretionary Policy 1-11
- 1-III.C. Organization of the Plan 1-12
- 1-III.D. Updating and Revising the Plan 1-12

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Chapter 2
FAIR HOUSING AND EQUAL OPPORTUNITY

PART I: NONDISCRIMINATION 2-1
2-I.A. Overview 2-1
2-I.B. Nondiscrimination 2-2
Providing Information to Families and Owners 2-3
Discrimination Complaints 2-3

PART II: POLICIES RELATED TO PERSONS WITH DISABILITIES 2-4
2-II.A. Overview 2-4
2-II.B. Definition of Reasonable Accommodation 2-4
Types of Reasonable Accommodations 2-4
2-II.C. Request for an Accommodation 2-5
2-II.D. Verification of Disability 2-5
2-II.E. Approval/Denial of a Requested Accommodation [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act, Notice PIH 2010-26] 2-6
2-II.F. Program Accessibility for Persons with Hearing or Vision Impairments 2-7
2-II.G. Physical Accessibility 2-8
2-II.H. Denial or Termination of Assistance 2-9

PART III: IMPROVING ACCESS TO SERVICES FOR PERSONS WITH LIMITED ENGLISH PROFICIENCY (LEP) 2-9
2-III.A. Overview 2-9
2-III.B. Oral Interpretation 2-10
2-III.C. Written Translation 2-10
2-III.D. Implementation Plan 2-10

Exhibit 2-1: Definition of a Person with a Disability Under Federal Civil Rights Laws [24 CFR Parts 8.3, and 100.201] 2-11
Exhibit 2-1: Addendum 1: Affirmatively Furthering Fair Housing Requirements for all Federal Grant Funded Programs 2-13

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Chapter 3

ELIGIBILITY

PART I: DEFINITIONS OF FAMILY AND HOUSEHOLD MEMBERS 3-2
3-I.A. Overview..... 3-2
3-I.B. Family and Household [24 CFR 982.201(c), HUD-50058 IB, p. 13] 3-2
Family 3-3
Household 3-3
3-I.C. Family Breakup and Remaining Member of Tenant Family..... 3-3
Family Breakup [24 CFR 982.315] 3-3
Remaining Member of a Tenant Family [24 CFR 5.403] 3-4
3-I.D. Head of Household [24 CFR 5.504(b)] 3-4
3-I.E. Spouse, Cohead, and Other Adult 3-5
3-I.F. Dependent [24 CFR 5.603]..... 3-5
Joint Custody of Dependents 3-5
3-I.G. Full-Time Student [24 CFR 5.603, HVC GB p. 5-29] 3-6
3-I.H. Elderly and Near-Elderly Persons, and Elderly Family
[24 CFR 5.100 and 5.403] 3-6
Elderly Persons 3-6
Near-Elderly Persons 3-6
Elderly Family 3-6
3-I.I. Persons with Disabilities and Disabled Family [24 CFR 5.403] 3-6
Persons with Disabilities..... 3-6
Disabled Family..... 3-6
3-I.J. Guests [24 CFR 5.100] 3-7
3.I.K. Foster Children and Foster Adults..... 3-7
3-I.L. Absent Family Members..... 3-8
Definitions of Temporarily and Permanently Absent..... 3-8
Absent Students 3-8
Absences Due to Placement in Foster Care [24 CFR 5.403]..... 3-9
Absences Due to Incarceration…….....3-9
Absent Head, Spouse, or Cohead 3-9
Family Members Permanently Confined for Medical Reasons
[HCV GB, p. 5-22] 3-9
Return of Permanently Absent Family Members 3-10
3-I.M. Live-In Aide..... 3-10

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PART II: BASIC ELIGIBILITY CRITERIA 3-12
3-II.A. Income Eligibility and Targeting 3-12
Income Limits 3-12
Types of Low-Income Families [24 CFR 5.603(b)] 3-12
Using Income Limits for Eligibility [24 CFR 982.201] 3-12
Using Income Limits for Targeting [24 CFR 982.201] 3-13
3-II.B. Citizenship or Eligible Immigration Status [24 CFR 5, Subpart E] 3-13
Declaration [24 CFR 5.508] 3-13
Mixed Families 3-15
Ineligible Families [24 CFR 5.514(d), (e), and (f)] 3-15
Timeframe for Determination of Citizenship Status [24 CFR 5.508(g)] 3-15
3-II.C. Social Security Numbers [24 CFR 5.216 and 5.218] 3-15
3-II.D. Family Consent to Release of Information [24 CFR 5.230, HCV GB, p. 5-13] 3-16
3-II.E. Students Enrolled In Institutions of Higher Education [24 CFR 5.612 and FR Notice 4/10/06] 3-16
Definitions 3-17
Determining Student Eligibility 3-18

PART III: DENIAL OF ASSISTANCE 3-19
3-III.A. Overview 3-19
Forms of Denial [24 CFR 982.552(a)(2); HCV GB, p. 5-35] 3-19
Prohibited Reasons for Denial of Program Assistance [24 CFR 982.202(b), 24 CFR 5.2005(b)] 3-19
3-III.B. Mandatory Denial of Assistance [24 CFR 982.553(a)] 3-20
3-III.C. Other Permitted Reasons for Denial of Assistance 3-21
Criminal Activity [24 CFR 982.553] 3-21
Previous Behavior in Assisted Housing [24 CFR 982.552(c)] 3-22
3-III.D. Screening 3-23
Screening for Eligibility 3-23
Screening for Suitability as a Tenant [24 CFR 982.307] 3-24
3-III.E. Criteria for Deciding to Deny Assistance 3-25
Evidence [24 CFR 982.553(c)] 3-25
Consideration of Circumstances [24 CFR 982.552(c)(2)] 3-25
Removal of a Family Member's Name from the Application [24 CFR 982.552(c)(2)(ii)] 3-26
Reasonable Accommodation [24 CFR 982.552(c)(2)(iv)] 3-26
3-III.F. Notice of Eligibility or Denial 3-27

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3-III.G. Prohibition Against Denial of Assistance to Victims of Domestic Violence, Dating Violence, and Stalking 3-28
Notification 3-28
Documentation 3-28

Exhibit 3-1: Detailed Definitions Related to Disabilities 3-29
Person with Disabilities [24 CFR 5.403] 3-29
Individual with Handicaps [24 CFR 8.3] 3-30

Exhibit 3-2: Definition of Institution of Higher Education [20 U.S.C 1001 and 1002] 3-32
Eligibility of Students for Assisted Housing Under Section 8 of the U.S. Housing Act of 1937; Supplementary Guidance; Notice [Federal Register, April 10, 2006] 3-32

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Chapter 4
APPLICATIONS, WAITING LIST AND TENANT SELECTION

PART I: THE APPLICATION PROCESS 4-2
- 4-I.A. Overview 4-2
- 4-I.B. Applying for Assistance [HCV GB, pp. 4-11 – 4-16, Notice PIH 2009-36] 4-2
- 4-I.C. Accessibility of the Application Process 4-2
  - Elderly and Disabled Populations [24 CFR 8 and HCV GB, pp. 4-11 – 4-13] 4-2
  - Limited English Proficiency 4-3
- 4-I.D. Placement on the Waiting List 4-3

PART II: MANAGING THE WAITING LIST 4-3
- 4-II.A. Overview 4-3
- 4-II.B. Organization of the Waiting List [24 CFR 982.204 and 205] 4-3
- 4-II.C. Opening and Closing the Waiting List [24 CFR 982.206] 4-4
  - Closing the Waiting List 4-4
  - Reopening the Waiting List 4-5
- 4-II.D. Family Outreach [HCV GB, pp. 4-2 to 4-4] 4-5
- 4-II.E. Reporting Changes in Family Circumstances 4-6
- 4-II.F. Updating the Waiting List [24 CFR 982.204] 4-6
  - Purging the Waiting List 4-6
  - Removal from the Waiting List 4-6

PART III: SELECTION FOR HCV ASSISTANCE 4-7
- 4-III.A. Overview 4-7
- 4-III.B. Selection and HCV Funding Sources 4-7
  - Special Admissions [24 CFR 982.203] 4-7
  - Targeted Funding [24 CFR 982.204(e)] 4-7
  - Regular HCV Funding 4-8
- 4-III.C. Selection Method 4-8
  - Local Preferences [24 CFR 982.207; HCV p. 4-16] 4-8
  - Income Targeting Requirement [24 CFR 982.201(b)(2)] 4-11
  - Order of Selection 4-11
- 4-III.D. Notification of Selection 4-11
- 4-III.E. The Application Interview 4-12
- 4-III.F. Completing the Application Process 4-13

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Chapter 5
BRIEFINGS AND VOUCHER ISSUANCE

PART I: BRIEFINGS AND FAMILY OBLIGATIONS 5-1
5-I.A. Overview 5-1
5-I.B. Briefing [24 CFR 982.301] 5-2
Notification and Attendance 5-2
Oral Briefing [24 CFR 982.301(a)] 5-3
Briefing Packet [24 CFR 982.301(b)] 5-4
Additional Items to be Included in the Briefing Packet 5-4
5-I.C. Family Obligations 5-5
Time Frames for Reporting Changes Required by Family Obligations 5-5
Family Obligations [24 CFR 982.551] 5-5

PART II: SUBSIDY STANDARDS AND VOUCHER ISSUANCE 5-8
5-II.A. Overview 5-8
5-II.B. Determining Family Unit (Voucher) Size [24 CFR 982.402] 5-8
5-II.C. Exceptions to Subsidy Standards 5-9
5-II.D. Voucher Issuance [24 CFR 982.302] 5-10
5-II.E. Voucher Term, Extensions, and Suspensions 5-11
Voucher Term [24 CFR 982.303] 5-11
Extensions of Voucher Term [24 CFR 982.303(b)] 5-12
Suspensions of Voucher Term [24 CFR 982.303(c)] 5-13
Expiration of Voucher Term 5-13

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Chapter 6
INCOME AND SUBSIDY DETERMINATIONS
[24 CFR Part 5, Subparts E and F; 24 CFR 982]

PART I: ANNUAL INCOME 6-2
- 6-I.A. Overview 6-2
- 6-I.B. Household Composition and Income 6-3
  - Summary of Income Included and Excluded by Person 6-3
  - Temporarily Absent Family Members 6-3
  - Family Members Permanently Confined for Medical Reasons 6-4
  - Joint Custody of Dependents 6-4
  - Caretakers for a Child 6-5
- 6-I.C. Anticipating Annual Income 6-5
  - Basis of Annual Income Projection 6-5
  - Projecting Income 6-7
- 6-I.D. Earned Income 6-7
  - Types of Earned Income Included in Annual Income 6-7
  - Types of Earned Income Not Counted in Annual Income 6-7
- 6-I.E. Earned Income Disallowance for Persons with Disabilities [24 CFR 5.617] 6-10
  - Eligibility 6-10
  - Calculation of the Disallowance 6-10
- 6-I.F. Business Income [24 CFR 5.609(b)(2)] 6-11
  - Business Expenses 6-11
  - Business Expansion 6-12
  - Capital Indebtedness 6-12
  - Negative Business Income 6-12
  - Withdrawal of Cash or Assets from a Business 6-12
  - Co-owned Businesses 6-13
- 6-I.G. Assets [24 CFR 5.609(b)(3) and 24 CFR 5.603(b)] 6-13
  - Overview 6-13
  - General Policies 6-13
  - Types of Assets 6-17
- 6-I.H. Periodic Payments 6-20
  - Periodic Payments Included in Annual Income 6-20
  - Lump-Sum Payments for the Delayed Start of a Periodic Payment 6-21
  - Treatment of Overpayment Deductions from Social Security Benefits 6-21
  - Periodic Payments Excluded from Annual Income 6-21
- 6-I.I. Payments In Lieu of Earnings 6-22
- 6-I.J. Welfare Assistance 6-22
  - Overview 6-22
  - Sanctions Resulting in the Reduction of Welfare Benefits [24 CFR 5.615] 6-22

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6-I.K. Periodic and Determinable Allowances [24 CFR 5.609(b)(7)] 6-23
Alimony and Child Support 6-23
Regular Contributions or Gifts 6-23
6-I.L. Student Financial Assistance [24 CFR 5.609(b)(9)] 6-24
Student Financial Assistance Included in Annual Income [24 CFR 5.609(b)(9) and FR 4/10/06] 6-24
Student Financial Assistance Excluded from Annual Income [24 CFR 5.609(c)(6)] 6-24
6-I.M. Additional Exclusions From Annual Income 6-25

PART II: ADJUSTED INCOME 6-27
6-II.A. Introduction 6-27
Overview 6-27
Anticipating Expenses 6-28
6-II.B. Dependent Deduction 6-28
6-II.C. Elderly or Disabled Family Deduction 6-28
6-II.D. Medical Expenses Deduction [24 CFR 5.611(a)(3)(i)] 6-28
Definition of *Medical Expenses* 6-28
Summary of Allowable Medical Expenses from IRS Publication 502 6-29
Families That Qualify for Both Medical and Disability Assistance Expenses 6-29
6-II.E. Disability Assistance Expenses Deduction [24 CFR 5.603(b) and 24 CFR 5.611(a)(3)(ii)] 6-30
Earned Income Limit on the Disability Assistance Expense Deduction 6-30
Eligible Disability Expenses 6-30
Necessary and Reasonable Expenses 6-31
Families That Qualify for Both Medical and Disability Assistance Expenses 6-31
6-II.F. Child Care Expense Deduction 6-32
Clarifying the Meaning of *Child* for This Deduction 6-32
Qualifying for the Deduction 6-32
Earned Income Limit on Child Care Expense Deduction 6-33
Eligible Child Care Expenses 6-34

PART III: CALCULATING FAMILY SHARE AND PHA SUBSIDY 6-35
6-III.A. Overview of Rent and Subsidy Calculations 6-35
TTP Formula [24 CFR 5.628] 6-35
Family Share [24 CFR 982.305(a)(5)] 6-35
PHA Subsidy [24 CFR 982.505(b)] 6-35
Utility Reimbursement [24 CFR 982.514(b)] 6-36
6-III.B. Financial Hardships Affecting Minimum Rent [24 CFR 5.630] 6-36
Overview 6-36
HUD-Defined Financial Hardship 6-36
Implementation of Hardship Exemption 6-36
6-III.C. Applying Payment Standards [24 CFR 982.505] 6-38
Overview 6-38

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Changes in Payment Standards 6-38
Reasonable Accommodation 6-39
6-III.D. Applying Utility Allowances [24 CFR 982.517] 6-40
Overview 6-40
Reasonable Accommodation 6-40
Utility Allowance Revisions 6-40
6-III.E. Prorated Assistance for Mixed Families [24 CFR 5.520] 6-40

Exhibit 6-1: Annual Income Inclusions 6-41
HHS Definition of "Assistance" 6-42

Exhibit 6-2: Annual Income Exclusions 6-44

Exhibit 6-3: Treatment of Family Assets 6-46

Exhibit 6-4: Earned Income Disallowance for Persons with Disabilities 6-47

Exhibit 6-5: The Effect of Welfare Benefit Reduction 6-49

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Chapter 7
VERIFICATION
[24 CFR 982.516, 24 CFR 982.551, 24 CFR 5.230, Notice PIH 2010-19]

PART I: GENERAL VERIFICATION REQUIREMENTS 7-1
7-I.A. Family Consent to Release of Information [24 CFR 982.516 and 982.551, 24 CFR 5.230] 7-1
Consent Forms 7-2
Penalties for Failing to Consent [24 CFR 5.232] 7-2
7-I.B. Overview of Verification Requirements 7-2
HUD's Verification Hierarchy [Notice PIH 2010-19] 7-2
Requirements for Acceptable Documents 7-2
File Documentation 7-3
7-I.C. Up-Front Income Verification (UIV) 7-3
Upfront Income Verification Using HUD's Enterprise Income Verification (EIV) System (Mandatory) 7-4
Upfront Income Verification Using Non-HUD Systems (Optional) 7-5
7-I.D. Third-Party Written and Oral Verification 7-5
Written Third-Party Verification [Notice PIH 2010-19] 7-5
Written Third-Party Verification Form 7-6
Oral Third-Party Verification [Notice PIH 2010-19] 7-6
When Third-Party Verification is Not Required [Notice PIH 2010-19] 7-7
7-I.E. Self-Certification 7-7

PART II: VERIFYING FAMILY INFORMATION 7-8
7-II.A. Verification of Legal Identity 7-8
7-II.B. Social Security Numbers [24 CFR 5.216 and Notice PIH 2010-19] 7-8
7-II.C. Documentation of Age 7-10
7-II.D. Family Relationships 7-10
Marriage 7-11
Separation or Divorce 7-11
Absence of Adult Member 7-11
Foster Children and Foster Adults 7-11
7-II.E. Verification of Student Status 7-11
General Requirements 7-12
Restrictions on Assistance to Students Enrolled in Institutions of Higher Education 7-12
7-II.F. Documentation of Disability 7-13
Family Members Receiving SSA Disability Benefits 7-13
Family Members Not Receiving SSA Disability Benefits 7-14
7-II.G. Citizenship or Eligible Immigration Status [24 CFR 5.508] 7-14
Overview 7-14
U.S. Citizens and Nationals 7-14
Eligible Immigrants 7-15
7-II.H. Verification of Preference Status 7-15

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PART III: VERIFYING INCOME AND ASSETS 7-15
7-III.A. Earned Income 7-15
Tips 7-15
Wages 7-16
7-III.B. Business and Self Employment Income 7-16
7-III.C. Periodic Payments and Payments In Lieu of Earnings 7-16
Social Security/SSI Benefits 7-16
7-III.D. Alimony or Child Support 7-17
7-III.E. Assets and Income From Assets 7-17
Assets Disposed of for Less than Fair Market Value 7-17
7-III.F. Net Income From Rental Property 7-18
7-III.G. Retirement Accounts 7-18
7-III.H. Income From Excluded Sources 7-19
7-III.I. Zero Annual Income Status 7-19
7-III.J. Student Financial Assistance 7-19
7-III.K. Parental Income of Students Subject to Eligibility Restrictions 7-20

PART IV: VERIFYING MANDATORY DEDUCTIONS 7-21
7-IV.A. Dependent and Elderly/Disabled Household Deductions 7-21
Dependent Deduction 7-21
Elderly/Disabled Family Deduction 7-21
7-IV.B. Medical Expense Deduction 7-21
Amount of Expense 7-21
Eligible Household 7-22
Qualified Expenses 7-22
Unreimbursed Expenses 7-22
Expenses Incurred in Past Years 7-22
7-IV.C. Disability Assistance Expenses 7-22
Amount of Expense 7-22
Family Member is a Person with Disabilities 7-23
Family Member(s) Permitted to Work 7-23
Unreimbursed Expenses 7-24
7-IV.D. Child Care Expenses 7-24
Eligible Child 7-24
Unreimbursed Expense 7-24
Pursuing an Eligible Activity 7-24
Allowable Type of Child Care 7-25
Reasonableness of Expenses 7-25

Exhibit 7-1: Summary of Documentation Requirements for Noncitizens [HCV GB, pp. 5-9 and 5-10] 7-27

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Chapter 8
HOUSING QUALITY STANDARDS AND RENT REASONABLENESS DETERMINATIONS
[24 CFR 982 Subpart I and 24 CFR 982.507]

PART I: PHYSICAL STANDARDS 8-1
8-I.A. General HUD Requirements 8-1
HUD Performance and Acceptability Standards 8-1
Tenant Preference Items 8-2
Modifications to Provide Accessibility 8-2
8-I.B. Additional Local Requirements 8-3
Thermal Environment [HCV GB p.10-7] 8-3
Clarifications of HUD Requirements 8-3
8-I.C. Life Threatening Conditions [24 CFR 982.404(a)] 8-4
8-I.D. Owner and Family Responsibilities [24 CFR 982.404] 8-5
Family Responsibilities 8-5
Owner Responsibilities 8-5
8-I-E. Special Requirements for Children with Environmental Intervention Blood Lead Level [24 CFR 35.1225] 8-5
8-I-F. Violation of HQS Space Standards [24 CFR 982.403] 8-6

PART II: THE INSPECTION PROCESS 8-6
8-II.A. Overview [24 CFR 982.405] 8-6
Types of Inspections 8-6
Inspection of PHA-owned Units [24 CFR 982.352(b)] 8-6
Inspection Costs 8-6
Notice and Scheduling 8-7
Owner and Family Inspection Attendance 8-7
8-II.B. Initial HQS Inspection [24 CFR 982.401(a)] 8-7
Timing of Initial Inspections 8-7
Inspection Results and Reinspections 8-8
Utilities 8-8
Appliances 8-8
8-II.C. Annual HQS Inspections [24 CFR 982.405(a)] 8-8
Scheduling the Inspection 8-8
8-II.D. Special Inspections [HCV GB p. 10-30] 8-9
8-II.E. Quality Control Inspections [24 CFR 982.405(b), HCV GB p. 10-32] 8-9
8-II.F. Inspection Results and Reinspections for Units Under HAP Contract 8-9
Notification of Corrective Actions 8-9
Extensions 8-10
Reinspections 8-10
8-II.G. Enforcing Owner Compliance 8-11
HAP Abatement 8-11
HAP Contract Termination 8-12
8-II.H. Enforcing Family Compliance with HQS [24 CFR 982.404(b)] 8-12

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PART III: RENT REASONABLENESS [24 CFR 982.507] 8-12
8-III.A. Overview 8-12
PHA-owned Units [24 CFR 982.352(b)] 8-13
8-III.B. When Rent Reasonableness Determinations Are Required 8-13
Owner-initiated Rent Determinations 8-13
PHA- and HUD-Initiated Rent Reasonableness Determinations ... 8-13
8-III.C. How Comparability Is Established 8-13
Factors to Consider 8-14
Units that Must Not be Used as Comparables 8-14
Rents Charged for Other Units on the Premises 8-15
8-III.D. PHA Rent Reasonableness Methodology 8-15
How Market Data is Collected 8-15
How Rents are Determined 8-15

Exhibit 8-1: Overview of HUD Housing Quality Standards 8-17

Exhibit 8-2: Summary of Tenant Preference Areas Related to Housing Quality 8-20

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Chapter 9
GENERAL LEASING POLICIES

9-I.A. Tenant Screening 9-1
9-I.B. Requesting Tenancy Approval [Form HUD-52517] 9-1
9-I.C. Owner Participation 9-3
9-I.D. Eligible Units 9-3
Ineligible Units [24 CFR 982.352(a)] 9-3
PHA-Owned Units [24 CFR 982.352(b)] 9-4
Special Housing Types [24 CFR 982 Subpart M] 9-4
Duplicative Assistance [24 CFR 982.352(c)] 9-4
Housing Quality Standards (HQS) [24 CFR 982.305 and 24 CFR 982.401] 9-5
Unit Size 9-5
Rent Reasonableness [24 CFR 982.305 and 24 CFR 982.507] 9-5
Rent Burden [24 CFR 982.508] 9-5
9-I.E. Lease and Tenancy Addendum 9-5
Lease Form and Tenancy Addendum [24 CFR 982.308] 9-6
Lease Information [24 CFR 982.308(d)] 9-6
Term of Assisted Tenancy 9-6
Security Deposit [24 CFR 982.313 (a) and (b)] 9-7
Separate Non-Lease Agreements between Owner and Tenant 9-7
PHA Review of Lease 9-8
9-I.F. Tenancy Approval [24 CFR 982.305] 9-8
9-I.G. HAP Contract Execution [24 CFR 982.305] 9-9
9-I.H. Changes in Lease or Rent [24 CFR 982.308] 9-10

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Chapter 10
MOVING WITH CONTINUED ASSISTANCE AND PORTABILITY

PART I: MOVING WITH CONTINUED ASSISTANCE 10-1
10-I.A. Allowable Moves 10-1
10-I.B. Restrictions On Moves 10-2
Denial of Moves 10-2
Restrictions on Elective Moves [24 CFR 982.314(c)] 10-4
10-I.C. Moving Process 10-5
Notification 10-5
Approval 10-5
Reexamination of Family Income and Composition 10-5
Voucher Issuance and Briefing 10-5
Housing Assistance Payments [24 CFR 982.311(d)] 10-6

PART II: PORTABILITY 10-6
10-II.A. Overview 10-6
10-II.B. Initial PHA Role 10-7
Allowable Moves under Portability 10-7
Determining Income Eligibility 10-8
Reexamination of Family Income and Composition 10-8
Briefing 10-8
Voucher Issuance and Term 10-9
Voucher Extensions and Expiration 10-9
Preapproval Contact with the Receiving PHA 10-9
Initial Notification to the Receiving PHA 10-10
Sending Documentation to the Receiving PHA 10-10
Initial Billing Deadline [Notice PIH 2011-3] 10-11
Monthly Billing Payments [24 CFR 982.355(e), Notice PIH 2011-3] 10-11
Annual Updates of Form HUD-50058 10-11
Denial or Termination of Assistance [24 CFR 982.355(c)(9)] 10-11
10-II.C. Receiving PHA Role 10-12
Responding to Initial PHA's Request 10-12
Initial Contact with Family 10-12
Briefing 10-12
Income Eligibility and Reexamination 10-13
Voucher Issuance 10-13
Notifying the Initial PHA 10-14
Administering a Portable Family's Voucher 10-14
Absorbing a Portable Family 10-16

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Chapter 11
REEXAMINATIONS

PART I: ANNUAL REEXAMINATIONS [24 CFR 982.516] 11-1
11-I.A. Overview 11-1
11-I.B. Scheduling Annual Reexaminations 11-1
Notification of and Participation in the Annual Reexamination Process 11-2
11-I.C. Conducting Annual Reexaminations 11-2
11-I.D. Determining Ongoing Eligibility of Certain Students [24 CFR 982.552(b)(5)] 11-3
11-I.E. Effective Dates 11-4

PART II: INTERIM REEXAMINATIONS [24 CFR 982.516] 11-5
11-II.A. Overview 11-5
11-II.B. Changes In Family and Household Composition 11-5
New Family Members Not Requiring Approval 11-5
New Family and Household Members Requiring Approval 11-5
Departure of a Family or Household Member 11-6
11-II.C. Changes Affecting Income or Expenses 11-7
PHA-Initiated Interim Reexaminations 11-7
Family-Initiated Interim Reexaminations 11-7
11-II.D. Processing the Interim Reexamination 11-9
Method of Reporting 11-9
Effective Dates 11-9

PART III: RECALCULATING FAMILY SHARE AND SUBSIDY AMOUNT 11-10
11-III.A. Overview 11-10
11-III.B. Changes In Payment Standards and Utility Allowances 11-10
Payment Standards [24 CFR 982.505] 11-10
Subsidy Standards [24 CFR 982.505(c)(4)] 11-11
Utility Allowances [24 CFR 982.517(d)] 11-11
11-III.C. Notification of New Family Share and HAP Amount 11-11
11-III.D. Discrepancies 11-12

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Chapter 12
TERMINATION OF ASSISTANCE AND TENANCY

PART I: GROUNDS FOR TERMINATION OF ASSISTANCE 12-1
12-I.A. Overview..... 12-1
12-I.B. Family No Longer Requires Assistance [24 CFR 982.455] 12-1
12-I.C. Family Chooses to Terminate Assistance..... 12-2
12-I.D. Mandatory Termination of Assistance..... 12-2
Eviction [24 CFR 982.552(b)(2) , 24 CFR 5.2005(c)(1)]..... 12-2
Failure to Provide Consent [24 CFR 982.552(b)(3)]..... 12-2
Failure to Document Citizenship [24 CFR 982.552(b)(4) and 24 CFR 5.514(c)] 12-3
Failure to Disclose and Document Social Security Numbers [24 CFR 5.218(c), Notice PIH 2010-3] 12-3
Methamphetamine Manufacture or Production [24 CFR 983.553(b)(1)(ii)]..... 12-3
Lifetime Registered Sex Offendors [Notice PIH 2012-28]……..12-3
Failure of Students to Meet Ongoing Eligibility Requirements [24 CFR 982.552(b)(5) and FR 4/10/06]..... 12-4
Death of the Sole Family Member [24 CFR 982.311(d) and Notice PIH 2010-3]..... 12-4
12-I.E. Mandatory Policies and Other Authorized Terminations..... 12-4
Mandatory Policies [24 CFR 982.553(b) and 982.551(l)]..... 12-4
Other Authorized Reasons for Termination of Assistance [24 CFR 982.552(c), , 24 CFR 5.2005(c)]..... 12-5

PART II: APPROACH TO TERMINATION OF ASSISTANCE..... 12-8
12-II.A. Overview..... 12-8
12-II.B. Method of Termination [24 CFR 982.552(a)(3)] 12-8
12-II.C. Alternatives to Termination of Assistance 12-9
Change in Household Composition..... 12-9
Repayment of Family Debts 12-9
12-II.D. Criteria for Deciding to Terminate Assistance 12-9
Evidence 12-9
Consideration of Circumstances [24 CFR 982.552(c)(2)(i)]..... 12-9
Reasonable Accommodation [24 CFR 982.552(c)(2)(iv)] 12-10
12-II.E. Terminations Related to Domestic Violence, Dating Violence, or Stalking..... 12-10
VAWA Protections against Terminations 12-10
Limitations on VAWA Protections [24 CFR 5.2005(d) and (e)] 12-11
Documentation of Abuse [24 CFR 5.2007]..... 12-12
Terminating the Assistance of a Domestic Violence Perpetrator 12-13
PHA Confidentiality Requirements [24 CFR 5.2007(a)(1)(v)] 12-13

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12-II.F. Termination Notice 12-14

PART III: TERMINATION OF TENANCY BY THE OWNER 12-15
12-III.A. Overview 12-15
12-III.B. Grounds for Owner Termination of Tenancy [24 CFR 982.310, 24 CFR 5.2005(c), and Form HUD-52641-A, Tenancy Addendum] 12-15
Serious or Repeated Lease Violations 12-15
Violation of Federal, State, or Local Law 12-15
Criminal Activity or Alcohol Abuse 12-15
Other Good Cause 12-16
12-III.C. Eviction [24 CFR 982.310(e) and (f) and Form HUD-52641-A, Tenancy Addendum] 12-17
12-III.D. Deciding Whether to Terminate Tenancy [24 CFR 982.310(h), 24 CFR 982.310(h)(4)] 12-17
12-III.E. Effect of Tenancy Termination on the Family's Assistance 12-18

Exhibit 12-1: Statement of Family Obligations 12-21

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Chapter 13
OWNERS

PART I: OWNERS IN THE HCV PROGRAM 13-1
13-I.A. Owner Recruitment and Retention [HCV GB, pp. 2-4 to 2-6] 13-1
Recruitment 13-1
Retention 13-1
13-I.B. Basic HCV Program Requirements 13-2
13-I.C. Owner Responsibilities [24 CFR 982.452] 13-4
13-I.D. Owner Qualifications 13-4
Owners Barred from Participation [24 CFR 982.306(a) and (b)] ... 13-4
Leasing to Relatives [24 CFR 982.306(d), HCV GB p. 11-2] 13-4
Conflict of Interest [24 CFR 982.161; HCV GB p. 8-19] 13-5
Owner Actions That May Result in Disapproval of a Tenancy Request [24 CFR 982.306(c)] 13-6
Legal Ownership of Unit 13-7
13-I.E. Non-Discrimination [HAP Contract – Form HUD-52641] 13-7

PART II: HAP CONTRACTS 13-7
13-II.A. Overview 13-7
13-II.B. HAP Contract Contents 13-8
13-II.C. HAP Contract Payments 13-9
General 13-9
Owner Certification of Compliance 13-10
Late HAP Payments [24 CFR 982.451(a)(5)] 13-10
Termination of HAP Payments [24 CFR 982.311(b)] 13-10
13-II.D. Breach of HAP Contract [24 CFR 982.453] 13-11
13-II.E. HAP Contract Term and Terminations 13-12
13-II.F. Change In Ownership / Assignment of the HAP Contract [HUD-52641] 13-13
13-II.G. Foreclosure (HUD-52641 and Notice PIH 2010-49] 13-14

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Chapter 14
PROGRAM INTEGRITY

PART I: PREVENTING, DETECTING, AND INVESTIGATING ERRORS AND PROGRAM ABUSE 14-1
14-I.A. Preventing Errors and Program Abuse 14-1
14-I.B. Detecting Errors and Program Abuse 14-2
Quality Control and Analysis of Data 14-2
Independent Audits and HUD Monitoring 14-2
Individual Reporting of Possible Errors and Program Abuse 14-3
14-I.C. Investigating Errors and Program Abuse 14-3
When the PHA Will Investigate 14-3
Consent to Release of Information [24 CFR 982.516] 14-3
Analysis and Findings 14-3
Consideration of Remedies 14-4
Notice and Appeals 14-4

PART II: CORRECTIVE MEASURES AND PENALTIES 14-4
14-II.A. Subsidy Under- or Overpayments 14-4
Corrections 14-4
Reimbursement 14-5
14-II.B. Family-Caused Errors and Program Abuse 14-5
Family Reimbursement to PHA [HCV GB pp. 22-12 to 22-13] 14-5
PHA Reimbursement to Family [HCV GB p. 22-12] 14-5
Prohibited Actions 14-5
Penalties for Program Abuse 14-6
14-II.C. Owner-Caused Error or Program Abuse 14-6
Owner Reimbursement to the PHA 14-7
Prohibited Owner Actions 14-7
Remedies and Penalties 14-7
14-II.D. PHA-Caused Errors or Program Abuse 14-8
Repayment to the PHA 14-8
PHA Reimbursement to Family or Owner 14-8
Prohibited Activities 14-8
14-II.E. Criminal Prosecution 14-8
14-II.F. Fraud and Program Abuse Recoveries 14-9

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Chapter 15
SPECIAL HOUSING TYPES
[24 CFR 982 Subpart M]

PART I: SINGLE ROOM OCCUPANCY [24 CFR 982.602 through 982.605] 15-2
15-I.A. Overview 15-2
15-I.B. Payment Standard, Utility Allowance, and HAP Calculation 15-2
15-I.C. Housing Quality Standards (HQS) 15-2

PART II: CONGREGATE HOUSING [24 CFR 982.606 through 982.609] 15-3
15-II.A. Overview 15-3
15-II.B. Payment Standard, Utility Allowance, and HAP Calculation 15-3
15-II.C. Housing Quality Standards 15-3

PART III: GROUP HOME [24 CFR 982.610 through 982.614 and HCV GB p. 7-4] 15-4
15-III.A. Overview 15-4
15-III.B. Payment Standard, Utility Allowance, and HAP Calculation 15-4
15-III.C. Housing Quality Standards 15-5

PART IV: SHARED HOUSING [24 CFR 982.615 through 982.618] 15-6
15-IV.I. Overview 15-6
15-IV.B. Payment Standard, Utility Allowance and HAP Calculation 15-6
15-IV.C. Housing Quality Standards 15-7

PART V: COOPERATIVE HOUSING [24 CFR 982.619] 15-7
15-V.A. Overview 15-7
15-V.B. Payment Standard, Utility Allowance and HAP Calculation 15-7
15-V.C. Housing Quality Standards 15-8

PART VI: MANUFACTURED HOMES [24 CFR 982.620 through 982.624] 15-8
15-VI.A. Overview 15-8
15-VI.B. Special Policies for Manufactured Home Owners Who Lease A Space 15-8
Family Income 15-8
Lease and HAP Contract 15-8
15-VI.C. Payment Standard, Utility Allowance and HAP Calculation 15-8
Payment Standards 15-8
Utility Allowance 15-8
Space Rent 15-9
Housing Assistance Payment 15-9
Rent Reasonableness 15-9
15-VI.D. Housing Quality Standards 15-9

PART VII: HOMEOWNERSHIP [24 CFR 982.625 through 982.643] 15-17

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Chapter 16
PROGRAM ADMINISTRATION

PART I: ADMINISTRATIVE FEE RESERVE [24 CFR 982.155] 16-2

PART II: SETTING PROGRAM STANDARDS AND SCHEDULES 16-2
16-II.A. Overview..... 16-2
16-II.B. Payment Standards [24 CFR 982.503; HCV GB, Chapter 7]..... 16-3
Updating Payment Standards..... 16-3
Exception Payment Standards [982.503(c)] 16-3
Unit-by-Unit Exceptions [24 CFR 982.503(c)(2)(ii), 24 CFR 982.505(d), Notice PIH 2010-26] 16-4
"Success Rate" Payment Standard Amounts [24 CFR 982.503(e)]..... 16-5
Decreases in the Payment Standard Below the Basic Range [24 CFR 982.503(d)] 16-5
16-II.C. Utility Allowances [24 CFR 982.517]..... 16-5
Air Conditioning..... 16-6
Reasonable Accommodation 16-6
Utility Allowance Revisions..... 16-6

PART III: INFORMAL REVIEWS AND HEARINGS 16-6
16-III.A. Overview..... 16-6
16-III.B. Informal Reviews..... 16-7
Decisions Subject to Informal Review 16-7
Notice to the Applicant [24 CFR 982.554(a)] 16-7
Scheduling an Informal Review 16-8
Informal Review Procedures [24 CFR 982.554(b)] 16-8
Informal Review Decision [24 CFR 982.554(b)] 16-8
16-III.C. Informal Hearings for Participants [24 CFR 982.555] 16-9
Decisions Subject to Informal Hearing..... 16-9
Informal Hearing Procedures..... 16-10
16-III.D. Hearing and Appeal Provisions for Noncitizens [24 CFR 5.514] 16-15
Notice of Denial or Termination of Assistance [24 CFR 5.514(d)] 16-15
USCIS Appeal Process [24 CFR 5.514(e)]..... 16-15
Informal Hearing Procedures for Applicants [24 CFR 5.514(f)] 16-16
Informal Hearing Procedures for Residents [24 CFR 5.514(f)] 16-17
Retention of Documents [24 CFR 5.514(h)] 16-17

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PART IV: OWNER OR FAMILY DEBTS TO THE PHA 16-18
16-IV.A. Overview 16-18
16-IV.B. Repayment Policy 16-18
Owner Debts to the PHA 16-18
Family Debts to the PHA 16-18
Repayment Agreement [24 CFR 792.103] 16-18
General Repayment Agreement Guidelines for Families 16-18
Repayment Agreements Involving Improper Payments 16-20

PART V: MANAGEMENT ASSESSMENT (SEMAP) 16-21
16-V.A. Overview 16-21
16-V.B. SEMAP Certification [24 CFR 985.101] 16-21
HUD Verification Method 16-21
16-V.C. SEMAP Indicators [24 CFR 985.3 and form HUD-52648] 16-21
SEMAP Indicators Chart 16-21

PART VI: RECORD KEEPING 16-25
16-VI.A. Overview 16-25
16-VI.B. Record Retention [24 CFR 982.158] 16-25
16-VI.C. Records Management 16-26
Privacy Act Requirements [24 CFR 5.212 and Form-9886] 16-26
Upfront Income Verification (UIV) Records 16-26
Criminal Records 16-27
Medical/Disability Records 16-27
Documentation of Domestic Violence,
Dating Violence, or Stalking 16-27

PART VII: REPORTING AND RECORD KEEPING FOR CHILDREN WITH
ENVIRONMENTAL INTERVENTION BLOOD LEAD LEVEL 16-27
16-VII.A. Overview 16-28
16-VII.B. Reporting Requirement [24 CFR 35.1225(e)] 16-28
16-VII.C. Data Collection and Record Keeping [24 CFR 35.1225(f)] 16-28

PART VIII: DETERMINATION OF INSUFFICIENT FUNDING 16-28
16-VIII.A. Overview 16-28
16-VIII.B. Methodology 16-28

PART IX: VIOLENCE AGAINST WOMEN ACT (VAWA): NOTIFICATION,
DOCUMENTATION, CONFIDENTIALITY 16-29
16-IX.A. Overview 16-29
16-IX.B. Definitions [24 CFR 5.2003] 16-29
16-IX.C. Notification [24 CFR 5.2005(a)] 16-30
Notification to Public 16-30
Notification to Program Applicants and Participants
[24 CFR 5.2005(a)(1)] 16-31
Notification to Owners and Managers
[24 CFR 5.2005(a)(2)] 16-31
16-IX.D. Documentation [24 CFR 5.2007] 16-31
Conflicting Documentation [24 CFR 5.2007(e)] 16-32

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Discretion to Require No Formal Documentation
[24 CFR 5.2007(d)] 16-33
16-IX.E. CONFIDENTIALITY [24 CFR 5.2007(b)(4)] 16-33

PART X: Family Self Sufficiency Program…….16-33
16-X.A. Overview……16-33
16-X.B. FSS Program Administration…….16-33
16-X.C. Affirmatively Furthering Fair Housing in the Housing Choice Voucher Family Self Sufficiency Program Addendum……..16-35

Exhibit 16-1: Sample Notice to Housing Choice Voucher Applicants and Tenants Regarding the Violence Against Women Act (VAWA) 16-40

Exhibit 16-2: Sample Notice to Housing Choice Voucher Owners and Managers Regarding the Violence Against Women Act (VAWA) 16-43

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Chapter 17
PROJECT-BASED VOUCHERS

PART I: GENERAL REQUIREMENTS 17-2
17-I.A. Overview [24 CFR 983.5] 17-2
17-I.B. Tenant-Based vs. Project-Based Voucher Assistance [24 CFR 983.2] 17-2
17-I.C. Relocation Requirements [24 CFR 983.7] 17-2
17-I.D. Equal Opportunity Requirements [24 CFR 983.8] 17-3

PART II: PBV OWNER PROPOSALS 17-3
17-II.A. Overview 17-3
17-II.B. Owner Proposal Selection Procedures [24 CFR 983.51] 17-3
Solicitation and Selection of PBV Proposals [24 CFR 983.51(c)] 17-3
PHA-owned Units [24 CFR 983.51(e) and 983.59] 17-5
PHA Notice of Owner Selection [24 CFR 983.51(d)] 17-6
17-II.C. Housing Type [24 CFR 983.52] 17-7
17-II.D. Prohibition of Assistance for Certain Units 17-7
Ineligible Housing Types [24 CFR 983.53] 17-7
Subsidized Housing [24 CFR 983.54] 17-7
17-II.E. Subsidy Layering Requirements [24 CFR 983.55, FR Notice 11/24/08, and FR Notice 7/9/10] 17-8
17-II.F. Cap On Number of PBV Units in Each Project 17-8
25 Percent per Project Cap [24 CFR 983.56(a) , FR Notice 11/24/08] 17-8
Exceptions to 25 Percent per Project Cap [24 CFR 983.56(b) , FR Notice 11/24/08] 17-8
Promoting Partially-Assisted Buildings [24 CFR 983.56(c)] 17-9
17-II.G. Site Selection Standards 17-10
Compliance with PBV Goals, Civil Rights Requirements, and HQS Site Standards [24 CFR 983.57(b)] 17-10
Existing and Rehabilitated Housing Site and Neighborhood Standards [24 CFR 983.57(d)] 17-11
New Construction Site and Neighborhood Standards [24 CFR 983.57(e)] 17-11
17-II.H. Environmental Review [24 CFR 983.58] 17-12

PART III: DWELLING UNITS 17-12
17-III.A. Overview 17-12
17-III.B. Housing Quality Standards [24 CFR 983.101] 17-12
Lead-based Paint [24 CFR 983.101(c)] 17-12
17-III.C. Housing Accessibility for Persons with Disabilities 17-13
17-III.D. Inspecting Units 17-13
Pre-selection Inspection [24 CFR 983.103(a)] 17-13
Pre-HAP Contract Inspections [24 CFR 983.103(b)] 17-13
Turnover Inspections [24 CFR 983.103(c)] 17-13

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Annual Inspections [24 CFR 983.103(d)] 17-13
Other Inspections [24 CFR 983.103(e)] 17-13
Inspecting PHA-owned Units [24 CFR 983.103(f)] 17-14

PART IV: REHABILITATED AND NEWLY CONSTRUCTED UNITS 17-14
17-IV.A. Overview [24 CFR 983.151] 17-14
17-IV.B. Agreement to Enter into HAP Contract 17-14
Content of the Agreement [24 CFR 983.152(c)] 17-14
Execution of the Agreement
[24 CFR 983.153, FR Notice 11/24/08] 17-14
17-IV.C. Conduct of Development Work 17-15
Labor Standards [24 CFR 983.154(b)] 17-15
Equal Opportunity [24 CFR 983.154(c)] 17-15
Owner Disclosure [24 CFR 983.154(d) and (e)] 17-15
17-IV.D. Completion of Housing 17-16
Evidence of Completion [24 CFR 983.155(b)] 17-16
PHA Acceptance of Completed Units [24 CFR 983.156] 17-16

PART V: HOUSING ASSISTANCE PAYMENTS CONTRACT (HAP) 17-16
17-V.A. Overview 17-16
17-V.B. HAP Contract Requirements 17-17
Contract Information [24 CFR 983.203, FR Notice 11/24/08] 17-17
Execution of the HAP Contract [24 CFR 983.204] 17-17
Term of HAP Contract [FR Notice 11/24/08] 17-17
Remedies for HQS Violations [24 CFR 983.207(b)] 17-18
17-V.C. Amendments to the HAP Contract 17-19
Substitution of Contract Units [24 CFR 983.206(a)] 17-19
Addition of Contract Units [24 CFR 983.206(b)] 17-19
17-V.D. HAP Contract Year, Anniversary and Expiration Dates
[24 CFR 983.206(c) and 983.302(e)] 17-19
17-V.E. Owner Responsibilities Under the HAP [24 CFR 983.209] 17-20
17-V.F. Additional HAP Requirements 17-20
Housing Quality and Design Requirements
[24 CFR 983.101(e) and 983.207(a)] 17-20
Vacancy Payments [24 CFR 983.352(b)] 17-21

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PART VI: SELECTION OF PBV PROGRAM PARTICIPANTS 17-21
17-VI.A. Overview 17-21
17-VI.B. Eligibility for PBV Assistance [24 CFR 983.251(a) and (b)] 17-21
In-Place Families [24 CFR 983.251(b)] 17-21
17-VI.C. Organization of the Waiting List [24 CFR 983.251(c)] 17-22
17-VI.D. Selection From the Waiting List [24 CFR 983.251(c)] 17-22
Income Targeting [24 CFR 983.251(c)(6)] 17-22
Units with Accessibility Features [24 CFR 983.251(c)(7)] 17-22
Preferences [24 CFR 983.251(d), FR Notice 11/24/08] 17-22
17-VI.E. Offer of PBV Assistance 17-23
Refusal of Offer [24 CFR 983.251(e)(3)] 17-23
Disapproval by Landlord [24 CFR 983.251(e)(2)] 17-23
Acceptance of Offer [24 CFR 983.252] 17-23
17-VI.F. Owner Selection of Tenants 17-24
Leasing [24 CFR 983.253(a)] 17-24
Filling Vacancies [24 CFR 983.254(a)] 17-24
Reduction in HAP Contract Units Due to Vacancies [24 CFR 983.254(b)] 17-24
17-VI.G. Tenant Screening [24 CFR 983.255] 17-25
PHA Responsibility 17-25
Owner Responsibility 17-25

PART VII: OCCUPANCY 17-26
17-VII.A. Overview 17-26
17-VII.B. Lease [24 CFR 983.256] 17-26
Form of Lease [24 CFR 983.256(b)] 17-26
Lease Requirements [24 CFR 983.256(c)] 17-26
Tenancy Addendum [24 CFR 983.256(d)] 17-27
Initial Term and Lease Renewal [24 CFR 983.256(f) and 983.257(b)] 17-27
Changes in the Lease [24 CFR 983.256(e)] 17-27
Owner Termination of Tenancy [24 CFR 983.257] 17-27
Security Deposits [24 CFR 983.258] 17-28
17-VII.C. Moves 17-28
Overcrowded, Under-Occupied, and Accessible Units [24 CFR 983.259] 17-28
Family Right to Move [24 CFR 983.260] 17-29
17-VII.D. Exceptions to the Occupancy Cap [24 CFR 983.261, FR Notice 11/24/08] 17-29

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PART VIII: DETERMINING RENT TO OWNER 17-30
17-VIII.A. Overview 17-30
17-VIII.B. Rent Limits [24 CFR 983.301] 17-30
Certain Tax Credit Units
[24 CFR 983.301(c) , FR Notice 11/24/08] 17-31
Use of FMRs, Exception Payment Standards,
and Utility Allowances [24 CFR 983.301(f)] 17-31
Redetermination of Rent
[24 CFR 983.302, FR Notice 11/24/08] 17-32
PHA-owned Units [24 CFR 983.301(g)] 17-33
17-VIII.C. Reasonable Rent [24 CFR 983.303] 17-33
When Rent Reasonable Determinations are Required 17-33
How to Determine Reasonable Rent 17-33
PHA-owned Units 17-34
Owner Certification of Reasonable Rent 17-34
17-VIII.D. Effect of Other Subsidy and Rent Control 17-34
Other Subsidy [24 CFR 983.304] 17-34
Rent Control [24 CFR 983.305] 17-34

PART IX: PAYMENTS TO OWNER 17-34
17-IX.A. Housing Assistance Payments [24 CFR 983.351] 17-35
17-IX.B. Vacancy Payments [24 CFR 983.352] 17-35
17-IX.C. Tenant Rent to Owner [24 CFR 983.353] 17-35
Tenant and PHA Responsibilities 17-36
Utility Reimbursements 17-36
17-IX.D. Other Fees and Charges [24 CFR 983.354] 17-36
Meals and Supportive Services 17-36
Other Charges by Owner 17-37

TEMPORARY ADDENDUM DOCUMENT

GLOSSARY

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Introduction

ABOUT THE REFERENCES CITED IN THE MODEL ADMINISTRATIVE PLAN

AUTHORITIES FOR POLICIES IN THE MODEL ADMINISTRATIVE PLAN

The authority for PHA policies is derived from many sources. Primary among these sources are federal statutes, federal regulations, and guidance issued by HUD. State law also directs PHA policy. State law must be followed where such law exists and does not conflict with federal regulations. Industry practice may also be used to develop policy as long as it does not conflict with federal requirements or prohibitions.

HUD

HUD provides the primary source of PHA policy through federal regulations, HUD notices, and handbooks. Compliance with federal regulations, current HUD notices, and current HUD handbooks is mandatory.

HUD also provides guidance to PHAs through other means such as HUD-published guidebooks, expired HUD notices, and expired handbooks. Basing PHA policy on HUD guidance is optional, as long as PHA policies comply with federal law, federal regulations and mandatory policy. Because HUD has already determined that the guidance it provides is consistent with mandatory policies, PHA reliance on HUD guidance provides the PHA with a "safe harbor."

Material posted on the HUD website can provide further clarification of HUD policies. For example, FAQs on the HUD website can provide direction on the application of federal regulations in various aspects of the program.

State Law

Where there is no mandatory federal guidance, PHAs must comply with state law, if it exists. Where state law is more restrictive than federal law, but does not conflict with it, the PHA should follow the state law.

Industry Practice

Where no law or HUD authority exists on a particular subject, industry practice may support PHA policy. Industry practice refers to a way of doing things or a policy that has been adopted by a majority of PHAs.

RESOURCES CITED IN THE MODEL ADMINISTRATIVE PLAN

The model administrative plan cites several documents. Where a document or resource is cited frequently, it may be abbreviated. Where it is cited only once or twice, the model administrative plan may contain the entire name of the document or resource. Following is a key to abbreviations used for various sources that are frequently cited in the administrative plan and a list of references and document locations that are referenced in the model administrative plan or that may be helpful to you.

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Abbreviations

Throughout the model administrative plan, abbreviations are used to designate certain documents in citations. The following is a table of abbreviations of documents cited in the model administrative plan.

Abbreviation	Document
CFR	Code of Federal Regulations
HCV GB	Housing Choice Voucher Program Guidebook (7420.10G), April 2001.
HUD-50058 IB	HUD-50058 Instruction Booklet
RHIIP FAQs	Rental Housing Integrity Improvement Program (RHIIP) Frequently Asked Questions.
VG	PIH Notice 2004-01 Verification Guidance, March 9, 2004.
HB 4350.3	Occupancy Requirements of Subsidized Multifamily Housing Programs

Resources and Where to Find Them

Following is a list of resources helpful to the PHA or referenced in the model administrative plan, and the online location of each.

Document and Location
Code of Federal Regulations http://www.gpoaccess.gov/cfr/index.html
Earned Income Disregard FAQ www.hud.gov/offices/pih/phr/about/ao_faq_eid.cfm
Eligibility of Students for Assisted Housing Under Section 8 of the U.S. Housing Act of 1937; Final Rule http://edocket.access.gpo.gov/2008/pdf/E8-19435.pdf
Enterprise Income Verification (EIV) System, Security Procedures for Upfront Income Verification data http://www.hud.gov/offices/pih/programs/ph/rhiip/docs/eivsecguidepha.pdf
Executive Order 11063 http://www.hud.gov/offices/fheo/FHLaws/EXO11063.cfm

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Federal Register http://www.access.gpo.gov/su_docs/aces/fr-cont.html
General Income and Rent Determination FAQs www.hud.gov/offices/pih/programs/ph/rhiip/faq_gird.cfm
Housing Choice Voucher Program Guidebook (7420.10G), April 2001 www.hud.gov/offices/pih/programs/hcv/forms/guidebook.cfm
HUD-50058 Instruction Booklet http://portal.hud.gov/hudportal/documents/huddoc?id=50058i.pdf
Joint Statement of the Department of Housing and Urban Development and the Department of Justice, issued May 17, 2004 http://www.hud.gov/offices/fheo/library/huddojstatement.pdf
Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons, published January 22, 2007 http://www.hud.gov/offices/fheo/promotingfh/FederalRegistepublishedguidance.pdf
Notice PIH 2012-10, Verification of Social Security Numbers (SSNs) and Supplemental Security Income (SSI) Benefits; and Effective Use of the Enterprise Income Verification (EIV) System's Identity Verification Report http://portal.hud.gov/huddoc/pih2012-10.pdf
Notice PIH 2010-19, Administrative Guidance for Effective and Mandated Use of the Enterprise Income Verification (EIV) System http://www.hud.gov/offices/pih/publications/notices/10/pih2010-19.pdf
Notice PIH 2010-26 (HA), Nondiscrimination and Accessibility Notice http://www.hud.gov/offices/pih/publications/notices/10/pih2010-26.pdf
OMB Circular A-133 http://www.whitehouse.gov/omb/circulars/a133_compliance_supplement_2010
Project-Based Voucher Program; Final Rule http://www.gpo.gov/fdsys/pkg/FR-2005-10-13/pdf/05-20035.pdf

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Rental Housing Integrity Improvement Program (RHIIP) Frequently Asked Questions. www.hud.gov/offices/pih/programs/ph/rhiip/faq.cfm
VAWA Final Rule http://www.gpo.gov/fdsys/pkg/FR-2010-10-27/pdf/2010-26914.pdf
Verification FAQ www.hud.gov/offices/pih/programs/ph/rhiip/faq_verif.cfm
Verification Guidance, March 2004 (attachment to Notice PIH 2004-1) http://www.hud.gov/offices/pih/publications/notices/04/verifguidance.pdf

The HUD Web site is http://portal.hud.gov/hudportal/HUD.

Guidebooks, handbooks and other HUD resources may be found at the HUDClips Web site: http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips

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Chapter 1

OVERVIEW OF THE PROGRAM AND PLAN

INTRODUCTION

A public housing agency (PHA) is a governmental or public body, created and authorized by state law to develop and operate housing and housing programs for low-income families. The PHA, receives its funding for the Housing Choice Voucher (HCV) program from the Department of Housing and Urban Development (HUD). The PHA is not a federal department or agency. The PHA enters into an Annual Contributions Contract with HUD to administer the program requirements on behalf of HUD. The PHA 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 the Housing Authority of Clackamas County (HACC) and its programs with emphasis on the 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: HACC. This part includes a description of HACC, its jurisdiction, its programs, and its mission and intent.
>
> Part II: The HCV Program. This part contains information about the HCV 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: HACC

1-I.A. OVERVIEW

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

1-I.B. ORGANIZATION AND STRUCTURE OF HACC

The Section 8 tenant-based Housing Choice Voucher (HCV) assistance program is funded by the federal government and administered by the **HACC** for the jurisdiction of **Clackamas County, Oregon (County)**.

The officers of HACC are known as commissioners or, collectively, as the Board of Commissioners (Board). The Board consists of the five Clackamas County elected Board of Commissioners and one Board-appointed HACC Resident Commissioner. The Board generally serves in the same capacity as the directors of a corporation, establishing policies under which HACC conducts business, ensuring that policies are followed by HACC staff and ensuring that HACC is successful in its mission. The Board is responsible for preserving and expanding HACC's resources and assuring HACC's continued viability.

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Formal actions of HACC are taken through written resolutions, adopted by the Board and entered into the official public records of HACC and the County.

The chief administrative officer of HACC is the executive director (ED). The ED is directly responsible for all aspects of the management of HACC and for carrying out the policies established by the Board. The ED is delegated the responsibility for hiring, training and supervising HACC's staff in order to manage the day-to-day operations and to ensure compliance with federal and state laws and directives for the programs managed. In addition, the ED's duties include budgeting and financial planning for the agency and coordinating HACC's efforts with the plans and programs of other local, regional, state and federal agencies, as well as the public or private agencies or organizations that may be of assistance to HACC or that HACC may assist.

1-I.C. HACC'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.

HACC Mission

HACC's mission is to provide affordable, safe, decent and sanitary housing opportunities in a fiscally responsible manner to low-income people in Clackamas County.

1-I.D. HACC's PROGRAMS

The following programs are included under this administrative plan:

HACC Policy

HACC's administrative plan is applicable to the operation of the following programs:

1. The Housing Choice Voucher (HCV) program.
2. The Main Stream Voucher program
3. The Housing Choice Voucher Family Self Sufficiency (FSS) program in conjunction with the HUD required FSS Action Plan
4. The Shelter Plus Care program (SPC) will be guided by this Administrative Plan where other specific guidance is not provided by the SPC regulations.
5. The Veterans Affairs Supportive Housing (VASH) Program.
6. The Enhanced Voucher Program where other specific guidance is not provided by the Enhanced Voucher Program regulations.
7. The HOME Tenant Based Rental Assistance Program (TBRA) where other specific guidance is not provided by the TBRA program guidelines.

1-I.E. THE HACC'S COMMITMENT TO ETHICS AND SERVICE

As a public service agency, HACC is committed to providing excellent service to HCV program participants, owners, and to the community. HACC's standards include:

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- Administer applicable federal and state laws and regulations to achieve high ratings in performance measurement indicators while maintaining efficiency in program operation to ensure fair and consistent treatment of clients served.
- Provide decent, safe, and sanitary housing – in compliance with program housing quality standards – for very low income families while ensuring that family rents are fair, reasonable, and affordable.
- Encourage self sufficiency of participant families and assist in the expansion of family opportunities which address educational, socio-economic, recreational and other human services needs.
- Promote fair housing and the equal opportunity for very low-income families of all ethnic backgrounds to experience freedom of housing choice.
- Promote a housing program which maintains quality service and integrity while providing an incentive to private property owners to rent to very low-income families.
- Promote a market-driven housing program that will help qualified low-income families be successful in obtaining affordable housing and increase the supply of housing choices for such families.
- Create positive public awareness and expand the level of family, owner, and community support in accomplishing the HACC's mission.
- Attain and maintain a high level of standards and professionalism in day-to-day management of all program components.
- Administer an efficient, high-performing agency through continuous improvement of the HACC's support systems and a high level of commitment to our employees and their development.

HACC will make every effort to keep program participants informed of HCV program rules and regulations, and to advise participants of how the program rules affect them.

1-I.F. Code of Conduct

A. <u>Employee</u>

1. Pursuant to the requirement of 24CFR84.42, Codes of Conduct, and 24CFR85.36, Procurement standards, no employee, officer or agent of the Housing Authority shall participate in selection, or in the award or administration of a contract supported by federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when the employee, officer or agent, any member of his immediate family, his or her partner, or an organization which employs, or is about to employ, any of the above, has a financial or other interest in the entity selected for award.

2. Without the prior approval of the Executive Director, employees are prohibited from:

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(a) Processing an application (or any part of an application) or any recertification for a relative, friend, co-worker, or business associate or on behalf of a relative or business associate of a co-worker;

(b) Serving as third party verification or as a reference for anyone applying or being recertified for housing assistance with HACC;

(c) Participating in an assisted housing program administered by HACC, either as a tenant or as a landlord;

(d) Entering into contracts or agreements in connection with the tenant-based programs in which any of the classes of persons outlined under 24CFR982.161, Conflict of Interest, has any interest, direct or indirect. Prior HUD approval is required if it is necessary to enter into such a contract or agreement.

(e) Inspecting units associated with the tenant-based programs if the employee has any direct or indirect interest.

3. Pursuant to 24CFR84.42, Codes of Conduct, The Housing Authority's officers, employees or agents will neither solicit nor accept gifts, gratuities, favors or anything of monetary value from parties to any agreement involving federal funds.

4. All employees shall follow the Ethical Standards Governing Employee Conduct defined in the Housing Authority's Personnel Policy, Section XIV.

5. Employees found to be in violation of any of the Code of Conduct Policy guidelines mentioned above will be disciplined according to the Housing Authority's Personnel Policy, Section XVI.

B. <u>Family</u>

Program abuse, by the participants, such as misrepresenting income, assets, deductions or family composition, or initiating and participating in bribes, or other illegal activities, will be dealt with as follows:

1. The matter shall be investigated by HACC to determine if the misrepresentation was intentional;

2. The matter shall be discussed with the participant, and they will be advised that HACC has a right to terminate assistance;

3. Administrative remedies will be sought, and may include one or more of the following: Repayment of HAP by the participant; termination of assistance; and/or requiring the family to move to an appropriate unit (in cases of falsification of family size);

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4. Where program abuse was willful and intentional, HACC will forward all pertinent information to RIGI.

C. Owner

Program abuse by owners includes collecting side payments, collecting assistance for units not occupied by Section 8 families, collecting false vacancy loss or damage claims, and bribery. Owners shall be dealt with as follows:

1. The matter shall be investigated by HACC to determine if the abuse was intentional and willful;

2. The matter will be discussed with the owner, if the abuse seems to be due to a mistake or an oversight;

3. Administrative remedies will be sought, such as repayment, termination of the HAP contract, and abatement of HAP;

4. If HACC determines that the abuse is serious, willful and intentional, HACC will forward its information to RIGI;

5. HACC may determine to restrict the owner from participating on the Section 8 program for a reasonable period of time (commensurate with the seriousness of the offense), if the abuse is considered widespread and serious;

6. If an owner has been determined to owe HACC money, and has a current contract with HACC, payment will be withheld from the existing contracts, until such outstanding amount has been collected.

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

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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 HCD Act of 1987 authorized a new version of tenant-based assistance – the Section 8 Voucher (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 HUD. HACC is afforded choices in the operation of the program which are included in the HACC's administrative plan, a document approved by the HACC Board of Commissioners.

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

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When a family is determined to be eligible for the program and funding is available, HACC issues the family a HCV. When the family finds a suitable housing unit and funding is available, HACC 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. HACC 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, HACC enters into a contractual relationship with HUD (Consolidated Annual Contributions Contract). HACC 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, HACC, 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.

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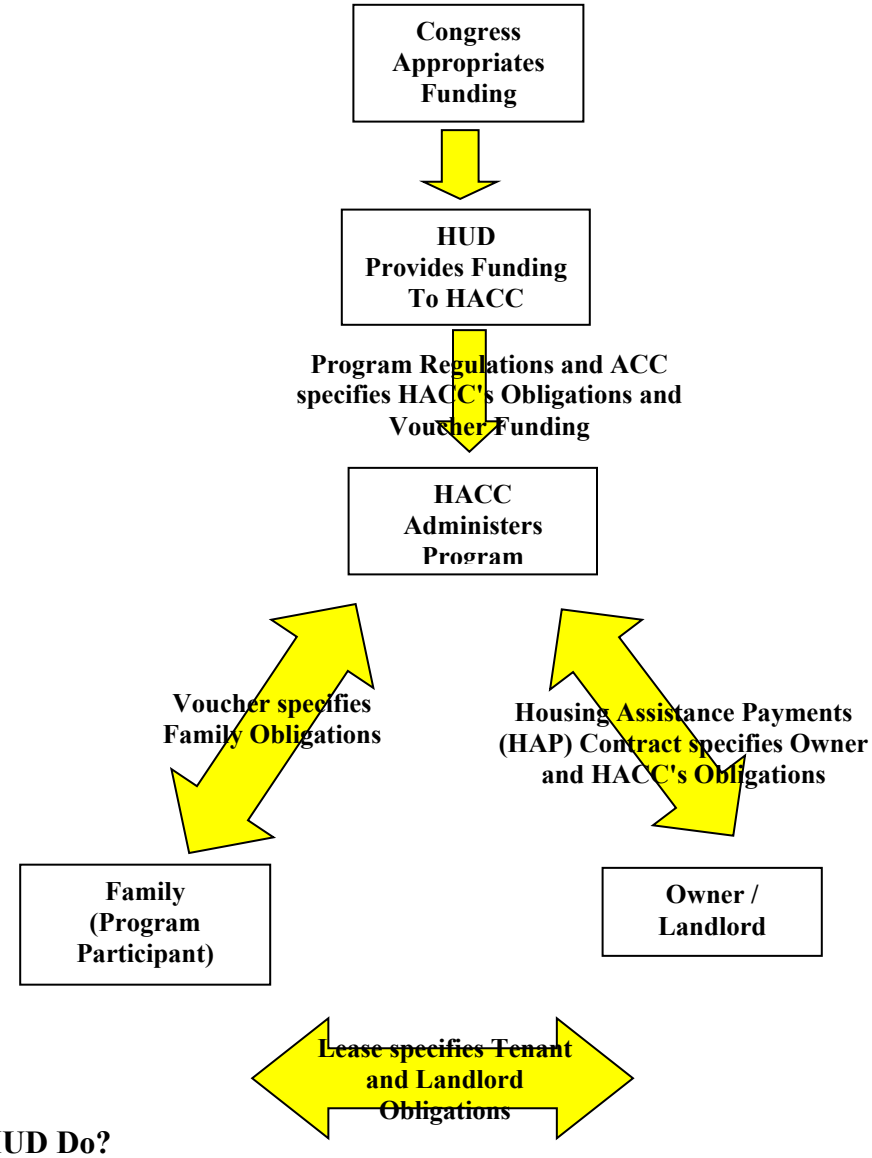
This chart illustrates key aspects of these relationships.

The HCV Relationships:



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 HACC;
- Provide technical assistance to HACC on interpreting and applying HCV program requirements;
- Monitor HACC's compliance with HCV program requirements and HACC's performance in program administration.

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What Does HACC Do?

HACC 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 a 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 PHA'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.
  - HACC 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 HACC;
- Comply with all applicable fair housing laws and do not 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.

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What Does the Family Do?

The family has the following responsibilities:

- Provide HACC with complete and accurate information, determined by HACC 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 HACC;
- Allow HACC 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 HACC 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 HACC 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 PHA's agency plan. This administrative plan is a

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supporting document to HACC's annual and five year agency plan, and is available for public review as required by CFR 24 Part 903.

This administrative plan is set forth to define HACC'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.

HACC 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 HACC staff shall be in compliance with HA'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 follow:

- Selection and admission of applicants from the HACC waiting list, including any HACC admission preferences, procedures for removing applicant names from the waiting list, and procedures for closing and reopening HACC's waiting list (Chapter 4);
- Issuing or denying vouchers, including PHA policy governing the voucher term and any extensions of the voucher term. If the PHA decides to allow extensions of the voucher term, the PHA administrative plan must describe how the PHA determines whether to grant extensions, and how the PHA determines the length of any extension (Chapter 5);
- Any special rules for use of available funds when HUD provides funding to HACC 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 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) ;

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- 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 HACC of amounts the family owes the HACC (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 to charge the administrative fee reserve (Chapter 16);
- Procedural guidelines and performance standards for conducting required housing quality standards inspections (Chapter 8); and
- HACC 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 PHAs to adopt local policies and procedures that are consistent with mandatory policies in areas where HUD gives the PHA discretion. HACC's administrative plan is the foundation of those policies and procedures. HUD's directions require PHAs to make policy choices that provide sufficient guidance to staff and ensure consistency to program applicants and participants.

Creating policies based upon HUD guidance is not mandatory, but provides HACC with a "safe harbor." HUD has already determined that the recommendations and suggestions it makes are consistent with mandatory policies. If a PHA 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 PHAs 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

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HACC will revise this administrative plan as needed to comply with changes in HUD regulations. HUD mandated policies will not require Board review as they are mandated. Any policy that is optional or requires a discretionary decision must be approved by the Board. Any changes made will be noted in the Agency Plan and a copy provided to HUD.

HACC Policy

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

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Chapter 2

FAIR HOUSING AND EQUAL OPPORTUNITY

INTRODUCTION

This chapter explains the laws and HUD regulations requiring PHAs to affirmatively further civil rights and fair housing in all federally-assisted housing programs. The letter and spirit of these laws are implemented through consistent policy and processes. The responsibility to further nondiscrimination pertains to all areas of the PHA's housing choice voucher (HCV) operations.

This chapter describes HUD regulations and HACC's policies related to these topics in three parts:

Part I: Nondiscrimination. This part presents the body of laws and regulations governing the responsibilities of HACC regarding nondiscrimination.

Part II: Policies Related to Persons with Disabilities. This part discusses the rules and policies of the HCV program related to reasonable accommodation for persons with disabilities. These rules and policies are based on the Fair Housing Act (42.U.S.C.) and Section 504 of the Rehabilitation Act of 1973, and incorporate guidance from the Joint Statement of The Department of Housing and Urban Development and the Department of Justice (DOJ), issued May 17, 2004.

Part III: Prohibition of Discrimination Against Limited English Proficiency Persons. This part details the obligations of the PHA to ensure meaningful access to the HCV program and its activities by persons with limited English proficiency (LEP). This part incorporates the Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition against National Origin Discrimination Affecting Limited English Proficient Persons published January 22, 2007, in the *Federal Register.*

PART I: NONDISCRIMINATION

2-I.A. OVERVIEW

Federal laws require PHAs to treat all applicants and participants equally, providing the same opportunity to access services, regardless of family characteristics and background. Federal law prohibits discrimination in housing on the basis of race, color, religion, sex, national origin, age, familial status, and disability. In addition, HUD regulations provide for additional protections regarding sexual orientation, gender identity, and marital status. HACC will comply fully with all federal, state, and local nondiscrimination laws, and with rules and regulations governing fair housing and equal opportunity in housing and employment, including:

- Title VI of the Civil Rights Act of 1964
- Title VIII of the Civil Rights Act of 1968 (as amended by the Community Development Act of 1974 and the Fair Housing Amendments Act of 1988)

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- Executive Order 11063
- Section 504 of the Rehabilitation Act of 1973
- The Age Discrimination Act of 1975
- Title II of the Americans with Disabilities Act (to the extent that it applies, otherwise Section 504 and the Fair Housing Amendments govern)
- Violence Against Women Reauthorization Act of 2013 (VAWA)
- The Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity Final Rule, published in the *Federal Register* February 3, 2012 and further clarified in Notice PIH 2014-20

When more than one civil rights law applies to a situation, the laws will be read and applied together.

Any applicable state laws or local ordinances and any legislation protecting individual rights of tenants, applicants, or staff that may subsequently be enacted will also apply.

HACC Policy

HACC will apply any and all fair housing state laws and local city and county codes that apply including but not limited to: ORS659A-145 & 421, Lake Oswego City Code Chapter 34.22.060 and Portland City Code Chapter 23.01

2-I.B. NONDISCRIMINATION

Federal regulations prohibit discrimination against certain protected classes and other groups of people. State and local requirements, as well as PHA policies, can prohibit discrimination based on other factors.

The PHA shall not discriminate because of race, color, sex, religion, familial status, age, disability or national origin (called "protected classes")

Familial status includes children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18.

HACC Policy

In addition to Federal protected classes, HACC will not discriminate on the basis of legal sources of income, sexual orientation, gender identity, domestic partnership, marital status, gender identity, and age.

HACC will not use any of these factors to:

- Deny to any family the opportunity to apply for housing, nor deny to any qualified applicant the opportunity to participate in the housing choice voucher program
- Provide housing that is different from that provided to others
- Subject anyone to segregation or disparate treatment
- Restrict anyone's access to any benefit enjoyed by others in connection with the housing program

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- Treat a person differently in determining eligibility or other requirements for admission
- Steer an applicant or participant toward or away from a particular area based any of these factors
- Deny anyone access to the same level of services
- Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program
- Discriminate in the provision of residential real estate transactions
- Discriminate against someone because they are related to or associated with a member of a protected class
- Publish or cause to be published an advertisement or notice indicating the availability of housing that prefers or excludes persons who are members of a protected class.

Providing Information to Families and Owners

HACC must take steps to ensure that families and owners are fully aware of all applicable civil rights laws. As part of the briefing process, HACC must provide information to HCV applicant families about civil rights requirements and the opportunity to rent in a broad range of neighborhoods [24 CFR 982.301]. The Housing Assistance Payments (HAP) contract informs owners of the requirement not to discriminate against any person because of race, color, religion, sex, national origin, age, familial status, or disability in connection with the contract.

Discrimination Complaints

If an applicant or participant believes that any family member has been discriminated against by HACC or an owner, the family should advise HACC. HUD requires HACC to make every reasonable attempt to determine whether the applicant's or participant's assertions have merit and take any warranted corrective action. In addition, HACC is required to provide the applicant or participant with information about how to file a discrimination complaint [24 CFR 982.304].

- Upon receipt of a housing discrimination complaint, the PHA is required to:
- Provide written notice of the complaint to those alleged and inform the complainant that such notice was made
- Investigate the allegations and provide the complainant and those alleged with findings and either a proposed corrective action or an explanation of why corrective action is not warranted
- Keep records of all complaints, investigations, notices, and corrective actions [Notice PIH 2014-20]

<u>HACC Policy</u>

Applicants or participants who believe that they have been subject to unlawful discrimination may notify HACC in writing. They may contact HACC in person, by email or through regular mail. Complaints should be submitted to the HACC Administrative Office (P.O. Box 1510) 13930 S. Gain Street, Oregon City, OR 97045 or emailed to HACC@co.clackamas.or.us.

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Within 10 business days of receiving the complaint, the PHA will provide a written notice to those alleged to have violated the rule. The PHA will also send a written notice to the complainant informing them that notice was sent to those alleged to have violated the rule, as well as information on how to complete and submit a housing discrimination complaint form to HUD's Office of Fair Housing and Equal Opportunity (FHEO).

HACC will attempt to remedy discrimination complaints made against HACC and will conduct an investigation into all allegations of discrimination.

Within 10 business days following the conclusion of the PHA's investigation, the PHA will provide the complainant and those alleged to have violated the rule with findings and either a proposed corrective action plan or an explanation of why corrective action is not warranted.

The PHA will keep a record of all complaints, investigations, notices, and corrective actions. (See Chapter 16.)

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PART II: POLICIES RELATED TO PERSONS WITH DISABIILITIES

2-II.A. OVERVIEW

One type of disability discrimination prohibited by the Fair Housing Act is the refusal to make reasonable accommodation in rules, policies, practices, or services when such accommodation may be necessary to afford a person with a disability the equal opportunity to use and enjoy a program or dwelling under the program. HACC must ensure that persons with disabilities have full access to HACC's programs and services. This responsibility begins with the first contact by an interested family and continues through every aspect of the program.

HACC Policy

Information of the availability of reasonable accommodation will be provided to all families at the time of application. HACC will also ask all applicants and participants if they require any type of accommodations, in writing, on the intake application, reexamination documents, and notices of adverse action by HACC. HACC will keep an updated Reasonable Accommodation Procedure in place for staff to rely upon for uniformity in treatment.

The Occupancy Specialist will be the primary contact for a client to request a reasonable accommodation. This will be posted in the Notice for Reasonable Accommodation. The Housing Services Manager will act as the 504/Reasonable Accommodation Coordinator for the Tenant-Based rental assistance programs. All Reasonable accommodation requests will be forwarded to the Coordinator for review and determination of status.

The PHA will display posters and other housing information and signage in locations throughout the PHA's office in such a manner as to be easily readable from a wheelchair.

2-II.B. DEFINITION OF REASONABLE ACCOMMODATION

A reasonable accommodation is an adjustment made to a rule, policy, practice, or service that allows a person with a disability to have equal access to the HCV program. For example, reasonable accommodations may include making home visits, extending the voucher term, or approving an exception payment standard in order for a participant to lease an accessible dwelling unit.

Federal regulations stipulate that requests for accommodations will be considered reasonable if they do not create an "undue financial and administrative burden" for HACC, or result in a "fundamental alteration" in the nature of the program or service offered. A fundamental alteration is a modification that alters the essential nature of a provider's operations.

Types of Reasonable Accommodations

When needed, HACC will modify normal procedures to accommodate the needs of a person with disabilities. Examples include:

- Permitting applications and reexaminations to be completed by mail
- Conducting home visits
- Using higher payment standards (either within the acceptable range or with HUD approval of

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a payment standard outside HACC's range) if HACC determines this is necessary to enable a person with disabilities to obtain a suitable housing unit

HACC Policy

- When a family that includes a person with disabilities requires an exception payment standard as a reasonable accommodation, HACC may approve or deny requests for exceptions not to exceed 120% of the applicable FMR.
- Requests for exception payment standards over 120% of FMR will be forwarded to HUD headquarters, with supporting documentation as described in Notice PIH 2010-11.
- HACC will maintain file documentation as required by HUD, including documentation of rent reasonableness and documentation of unit features required by the disabled family member.

- Providing time extensions for locating a unit when necessary because of lack of availability of accessible units or special challenges of the family in seeking a unit
- Permitting an authorized designee or advocate to participate in the application or certification process and any other meetings with HACC staff

2-II.C. REQUEST FOR AN ACCOMMODATION

If an applicant or participant indicates that an exception, change, or adjustment to a rule, policy, practice, or service is needed because of a disability, HUD requires that the PHA treat the information as a request for a reasonable accommodation, even if no formal request is made [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act].

The family must explain what type of accommodation is needed to provide the person with the disability full access to the PHA's programs and services.

If the need for the accommodation is not readily apparent or known to the PHA, the family must explain the relationship between the requested accommodation and the disability. There must be an identifiable connection, or nexus, between the requested accommodation and the individual's disability.

HACC Policy

HACC will encourage the family to make its request in writing using a reasonable accommodation request form. However, HACC will consider the accommodation any time the family indicates that an accommodation is needed whether or not a formal written request is submitted. However a verification of disability will be required.

2-II.D. VERIFICATION OF DISABILITY

The regulatory civil rights definition for persons with disabilities is provided in Exhibit 2-1 at the end of this chapter. The definition of a person with a disability for the purpose of obtaining a reasonable accommodation is much broader than the HUD definition of disability which is used for waiting list preferences and income allowances.

Before providing an accommodation, HACC must determine that the person meets the definition of a person with a disability, and that the accommodation will enhance the family's access to the HACC's programs and services.

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If a person's disability is obvious, or otherwise known to HACC, and if the need for the requested accommodation is also readily apparent or known, no further verification will be required [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act].

If a family indicates that an accommodation is required for a disability that is not obvious or otherwise known to HACC, HACC must verify that the person meets the definition of a person with a disability, and that the limitations imposed by the disability require the requested accommodation.

When verifying a disability, HACC will follow the verification policies provided in Chapter 7. All information related to a person's disability will be treated in accordance with the confidentiality policies provided in Chapter 16. In addition to the general requirements that govern all verification efforts, the following requirements apply when verifying a disability:

- Third-party verification must be obtained from an individual identified by the family who is competent to make the determination. A doctor or other medical professional, a peer support group, a non-medical service agency, or a reliable third party who is in a position to know about the individual's disability may provide verification of a disability [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act]
- HACC must request only information that is necessary to evaluate the disability-related need for the accommodation. HACC will not inquire about the nature or extent of any disability.
- Medical records will not be accepted or retained in the participant file.
- In the event that the PHA does receive confidential information about a person's specific diagnosis, treatment, or the nature or severity of the disability, the PHA will dispose of it. In place of the information, the PHA will note in the file that the disability and other requested information have been verified, the date the verification was received, and the name and address of the knowledgeable professional who sent the information [Notice PIH 2010-26].

2-II.E. APPROVAL/DENIAL OF A REQUESTED ACCOMMODATION [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act,].

The PHA must approve a request for an accommodation if the following three conditions are met:

- The request was made by or on behalf of a person with a disability.
- There is a disability-related need for the accommodation.
- The requested accommodation is reasonable, meaning it would not impose an undue financial and administrative burden on the PHA, or fundamentally alter the nature of the PHA's HCV operations (including the obligation to comply with HUD requirements and regulations).

Requests for accommodations must be assessed on a case-by-case basis, taking into account factors such as the cost of the requested accommodation, the financial resources of the PHA at the time of the request, the benefits that the accommodation would provide to the family, and the

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availability of alternative accommodations that would effectively meet the family's disability-related needs.

Before making a determination whether to approve the request, the PHA may enter into discussion and negotiation with the family, request more information from the family, or may require the family to sign a consent form so that the PHA may verify the need for the requested accommodation.

HACC Policy

After a request for an accommodation is presented, the HACC will respond, in writing, within 14 business days.

HACC will notify in writing if the request is approved. Except in cases where an accommodation is requested for an extension on a voucher, the notification may only come by phone call to the client to put into immediate effect.

Any accommodation may be reviewed by HACC at annual requiring the family to again verify the need for the accommodation. Each accommodation request stands on its own and a prior accommodation does not require HACC to continue with the same accommodation year after year.

If HACC denies a request for an accommodation because it is not reasonable (it would impose an undue financial and administrative burden or fundamentally alter the nature of the PHA's operations), HACC will notify the family in writing and allow for a 10 day response for a hearing on the matter.

If HACC determines an alternate accommodation exists, it will notify the family in writing and allow for a 10 day response to discuss with the family the alternative accommodation and if it fully addresses the family's disability-related needs without a fundamental alteration to the HCV program and without imposing an undue financial and administrative burden.

If HACC believes that the family has failed to identify a reasonable alternative accommodation after interactive discussion and negotiation, HACC will notify the family, in writing, of its determination within 14 business days from the date of the most recent discussion or communication with the family.

2-II.F. PROGRAM ACCESSIBILITY FOR PERSONS WITH HEARING OR VISION IMPAIRMENTS

HUD regulations require the PHA to ensure that persons with disabilities related to hearing and vision have reasonable access to the PHA's programs and services [24 CFR 8.6].

At the initial point of contact with each applicant, the PHA shall inform all applicants of alternative forms of communication that can be used other than plain language paperwork.

HACC Policy

To meet the needs of persons with hearing impairments, TDD communication will be available and the use of 711 and email will be also used.

To meet the needs of persons with vision impairments, Braille, large-print, and audio versions of key program documents can be made available upon request. Since large

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print and audio presentation are a much more cost effective alternative accommodation, HACC reserves the right to charge direct fees for the cost of converting documents to Braille and must notify requestor of any fees that will be charged before acquiring the service to convert documents to Braille.

When visual aids are used in public meetings or presentations, or in meetings with HACC staff, one-on-one assistance will be provided upon request.

Additional examples of alternative forms of communication are sign language interpretation; having material explained orally by staff; or having a third party representative (a friend, relative or advocate, named by the applicant) to receive, interpret and explain housing materials and be present at all meetings.

2-II.G. PHYSICAL ACCESSIBILITY

The PHA must comply with a variety of regulations pertaining to physical accessibility, including the following:

- Notice PIH 2010-26
- Section 504 of the Rehabilitation Act of 1973
- The Americans with Disabilities Act of 1990
- The Architectural Barriers Act of 1968
- The Fair Housing Act of 1988

The PHA's policies concerning physical accessibility must be readily available to applicants and participants. They can be found in three key documents:

- This plan describes the key policies that govern the PHA's responsibilities with regard to physical accessibility.
- Notice PIH 2010-26 summarizes information about pertinent laws and implementing regulations related to non-discrimination and accessibility in federally-funded housing programs.
- The PHA Plan provides information about self-evaluation, needs assessment, and transition plans.

The design, construction, or alteration of PHA facilities must conform to the Uniform Federal Accessibility Standards (UFAS). Newly-constructed facilities must be designed to be readily accessible to and usable by persons with disabilities. Alterations to existing facilities must be accessible to the maximum extent feasible, defined as not imposing an undue financial and administrative burden on the operations of the HCV program.

When issuing a voucher to a family that includes an individual with disabilities, HACC will include a current list of available accessible units known to HACC.

In general, owners must permit the family to make reasonable modifications to the unit. However, the owner is not required to pay for the modification and may require that the unit be restored to its original state at the family's expense when the family moves.

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2-II.H. DENIAL OR TERMINATION OF ASSISTANCE

A PHA's decision to deny or terminate the assistance of a family that includes a person with disabilities is subject to consideration of reasonable accommodation [24 CFR 982.552 (2) (iv)].

When applicants with disabilities are denied assistance, the notice of denial must inform them of HACC's informal review process and their right to request a hearing. In addition, the notice must inform applicants with disabilities of their right to request reasonable accommodations to participate in the informal hearing process.

When a participant family's assistance is terminated, the notice of termination must inform them of HACC's informal hearing process and their right to request a hearing and reasonable accommodation.

When reviewing reasonable accommodation requests, HACC will consider whether any mitigating circumstances can be verified to explain and overcome the problem that led to HACC's decision to deny or terminate assistance. If a reasonable accommodation will allow the family to meet the requirements, HACC will make the accommodation.

PART III: IMPROVING ACCESS TO SERVICES FOR PERSONS WITH LIMITED ENGLISH PROFICIENCY (LEP)

2-III.A. OVERVIEW

Language for Limited English Proficiency (LEP) Persons can be a barrier to accessing important benefits or services, understanding and exercising important rights, complying with applicable responsibilities, or understanding other information provided by the HCV program. In certain circumstances, failure to ensure that LEP persons can effectively participate in or benefit from federally-assisted programs and activities may violate the prohibition under Title VI against discrimination on the basis of national origin. This part incorporates the Final Guidance to Federal Assistance Recipients Regarding Title VI Prohibition against National Origin Discrimination Affecting Limited English Proficient Persons, published January 22, 2007, in the *Federal Register.* The PHA will take affirmative steps to communicate with people who need services or information in a language other than English. LEP is defined as persons who do not speak English as their primary language and who have a limited ability to read, write, speak or understand English. For the purposes of this administrative plan, LEP persons are HCV applicants and participants, and parents and family members of applicants and participants.

In order to determine the level of access needed by LEP persons, HACC will balance the following four factors: (1) the number or proportion of LEP persons eligible to be served or likely to be encountered by the HCV program; (2) the frequency with which LEP persons come into contact with the program; (3) the nature and importance of the program, activity, or service provided by the program to people's lives; and (4) the resources available to HACC and costs. Balancing these four factors will ensure meaningful access by LEP persons to critical services while not imposing undue burdens on HACC.

2-III.B. ORAL INTERPRETATION

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The PHA will offer competent interpretation services free of charge, upon request, to the LEP person.

HACC Policy

HACC will utilize a language line for telephone interpreter services.

Where LEP persons desire, they will be permitted to use, at their own expense, an interpreter of their own choosing, in place of or as a supplement to the free language services offered by the PHA. The interpreter may be a family member or friend.

HACC will analyze the various kinds of contacts it has with the public, to assess language needs and decide what reasonable steps should be taken. "Reasonable steps" may not be reasonable where the costs imposed substantially exceed the benefits.

Where feasible and possible, according to its language assistance plan (LAP), the PHA will train and hire bilingual staff to be available to act as interpreters and translators, will pool resources with other PHAs, and will standardize documents.

2-III.C. WRITTEN TRANSLATION

Translation is the replacement of a written text from one language into an equivalent written text in another language.

HACC Policy

In order to comply with written-translation obligations, HACC will take the following steps:

HACC will provide written translations of vital documents for each eligible LEP language group that constitutes 5 percent or 1,000 persons, whichever is less, of the population of persons eligible to be served or likely to be affected or encountered. Translation of other documents, if needed, can be provided orally; or

If there are fewer than 50 persons in a language group that reaches the 5 percent trigger, HACC does not translate vital written materials, but provides written notice in the primary language of the LEP language group of the right to receive competent oral interpretation of those written materials, free of cost.

2-III.D. IMPLEMENTATION PLAN

After completing the four-factor analysis and deciding what language assistance services are appropriate, HACC shall determine whether it is necessary to develop a written implementation plan to address the identified needs of the LEP populations it serves.

If HACC determines that it is not necessary to develop a written implementation plan, the absence of a written plan does not obviate the underlying obligation to ensure meaningful access by LEP persons to HACC's HCV program and services.

HACC Policy

HACC has developed an agency wide LEP Policy. The Policy will be reviewed periodically and revised as needed to meet its population's needs.

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EXHIBIT 2-1: DEFINITION OF A PERSON WITH A DISABILITY UNDER FEDERAL CIVIL RIGHTS LAWS [24 CFR Parts 8.3 and 100.201]

A person with a disability, as defined under federal civil rights laws, is any person who:

- Has a physical or mental impairment that substantially limits one or more of the major life activities of an individual, or
- Has a record of such impairment, or
- Is regarded as having such impairment

The phrase "physical or mental impairment" includes:

- Any physiological disorder or condition, cosmetic or disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic and lymphatic; skin; and endocrine; or
- Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term "physical or mental impairment" includes, but is not limited to: such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism.

"Major life activities" includes, but is not limited to, caring for oneself, performing manual tasks, walking, seeing, hearing, breathing, learning, and/or working.

"Has a record of such impairment" means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities.

"Is regarded as having an impairment" is defined as having a physical or mental impairment that does not substantially limit one or more major life activities but is treated by a public entity (such as the PHA) as constituting such a limitation; has none of the impairments defined in this section but is treated by a public entity as having such an impairment; or has a physical or mental impairment that substantially limits one or more major life activities, only as a result of the attitudes of others toward that impairment.

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The definition of a person with disabilities does not include:

- Current illegal drug users
- People whose alcohol use interferes with the rights of others
- Persons who objectively pose a direct threat or substantial risk of harm to others that cannot be controlled with a reasonable accommodation under the HCV program

The above definition of disability determines whether an applicant or participant is entitled to any of the protections of federal disability civil rights laws. Thus, a person who does not meet this disability is not entitled to a reasonable accommodation under federal civil rights and fair housing laws and regulations.

The HUD definition of a person with a disability is much narrower than the civil rights definition of disability. The HUD definition of a person with a disability is used for purposes of receiving the disabled family preference, the $400 elderly/disabled household deduction, the $480 dependent deduction, the allowance for medical expenses, or the allowance for disability assistance expenses.

The definition of a person with a disability for purposes of granting a reasonable accommodation request is much broader than the HUD definition of disability. Many people will not qualify as a disabled person under the HCV program, yet an accommodation is needed to provide equal opportunity.

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EXHIBIT 2-2:

Addendum 1

Board Approved June, 2010

Affirmatively Furthering Fair Housing Requirements For all Federal Grant Funded Programs

This Addendum outlines specific procedures in place not directly addressed in the Administrative Plan or indicates where the policy is located in the Administrative Plan that meets general Affirmatively Furthering Fair Housing grant requirements.

1. Per the requirements of 24 CFR 903.7 (o), HACC examines its programs and proposed programs annually through its Annual Plan process and SEMAP certification review and identifies any impediments to fair housing choice within its programs. HACC addresses any impediments in a reasonable fashion in view of the resources available and identifies any changes to policy, procedures, facilities or programs in its Annual Plan for implementation. HACC maintains records reflecting these analyses and actions at its Administrative Building and Capital Fund Program Offices. HACC Fair Housing Policy is detailed in its Administrative Plan at Chapter 2. For example, HACC added a Limited English Proficiency (LEP) policy in 2008 and updated its entire Administrative Plan in 2010.

2. HACC actively works with local jurisdictions to implement initiatives to affirmatively further fair housing. HACC has a long-standing relationship with the Clackamas County Housing Rights and Resources Program (HRRP) - formerly known as "Fair Housing." HRRP is a partnership of Clackamas County Social Services, Legal Aid Services of Oregon, and the Fair Housing Council of Oregon. The partnership was initiated to address housing needs in Clackamas County. It represents a proactive and collaborative approach to dealing with a wide range of housing challenges and opportunities across Clackamas County. As a collaborative team, the agencies in the partnership pool resources and expertise to provide:
    - Education on Housing Discrimination and Fair Housing Laws
    - Education on Landlord/Tenant laws
    - Fair Housing Counseling
    - Legal Services related to Fair Housing, Reasonable Accommodation, and Landlord/Tenant Issues
    - Housing Information and Referral Services

Calls to HACC on the issues in the list above are referred directly to the Housing Rights and Resources Program (HRRP) located at Clackamas County Social Services. The calls are taken initially by HRRP staff that triages the calls. The types of inquiries received range from an immediate need for shelter, questions about evictions and proper notices under landlord/tenant law, to fair housing law violations. Many of the questions can be answered and referrals made directly by HRRP staff.

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As needed, however, calls are dispatched to one of the partner organizations based on the needs of the caller and the expertise of the organization. Legal Aid Services provide legal assistance to low-income residents in fair housing, reasonable accommodation, and landlord/tenant matters. The Fair Housing Council of Oregon conducts trainings on housing discrimination

3. HACC assists applicants to gain access to supportive services available within the community, but does not require eligible applicants or participants to accept such supportive services as a condition of continued participation in the program (one exception is the Shelter plus Care program in which a participant is required to have a "Care" in order to stay in the program). HACC has established working relationships with Clackamas County Community Health (CCCH), Clackamas County Social Services (CCSS), and Oregon Department of Human Services (DHS). HACC has other service providers it has established working relationships with such as Rent Well, TeleCare Act, and Northwest Housing Alternatives. HACC has in many cases formalized Memorandums of Understanding or Intergovernmental Agreements with the various agencies needed to provide services to our clients. HACC provides listings of services to clients as needed.

4. HACC works with Clackamas County Community Development Division (CCCDD) to provide participants with assistance in covering the costs of structural alterations and other accessibility features that are needed as accommodations for their disability. Specifically, HACC refers clients to the Home Access program at CCCDD. HACC has assisted clients in applying for and seen its clients successfully funded for ramps and bathroom accessibility grants.

5. HACC provides a listing of accessible units in the area. It also works with resource agencies in such as CCSS and CCCH to provide housing search assistance.

6. HACC's briefing packets include fair housing rights information and discrimination complaint information. Currently HACC distributes HUD Forms 1686 and 903.1. Fair Housing is discussed on page 117 of our Administrative Plan.

7. HACC policies address providing alternate formats for forms and communications including Fair Housing documentation for participants with disabilities start at page 55 of the Administrative Plan.

8. HACC has adopted procedures for extending or suspending housing search time for people with disability when necessary at page 124 of its Administrative Plan.

9. HACC has adopted policy to allow exceptions to payment standards when needed by participants with disabilities at page 356 of its Administrative Plan.

10. HACC has adopted policy to allow exceptions to utility allowances when needed by participants with disabilities at page 358 of its Administrative Plan.

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11. HACC has adopted standards for adding additional bedrooms to size of the HCV to accommodate disabled families at page 51 and 122 of its Administrative Plan.

12. HACC has adopted policy to allow additional bedrooms to accommodate live-in aides at page 121 of its Administrative Plan.

13. HACC has adopted policies and procedures for addressing reasonable accommodation requests and notification of availability at pages 51-56 of its Administrative Plan.

14. HACC has identified one staff member as the Section 504 Coordinator who handles the review of requests and grievances.

15. HACC works with an extensive mailing list of agencies and service providers to announce programs offerings and its outreach efforts are included in the Administrative Plan Chapter 4 Opening and Closing of Wait Lists.

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Chapter 3

ELIGIBILITY

INTRODUCTION

HACC is responsible for ensuring that every individual and family admitted to the HCV program meets all program eligibility requirements. This includes any individual approved to join the family after the family has been admitted to the program. The family must provide any information needed by HACC to confirm eligibility and determine the level of the family's assistance.

To be eligible for the HCV program:

- The applicant family must:
  - Qualify as a family as defined by HUD and HACC.
  - Have income at or below HUD-specified income limits.
  - Qualify on the basis of citizenship or the eligible immigrant status of family members.
  - Provide social security number information for household members as required.
  - Consent to HACC's collection and use of family information as provided for in PHA-provided consent forms.
- HACC must determine that the current or past behavior of household members does not include activities that are prohibited by HUD or HACC.

This chapter contains three parts:

Part I: Definitions of Family and Household Members. This part contains HUD and HACC definitions of family and household members and explains initial and ongoing eligibility issues related to these members.

Part II: Basic Eligibility Criteria. This part discusses income eligibility, and rules regarding citizenship, social security numbers, and family consent.

Part III: Denial of Assistance. This part covers factors related to an applicant's past or current conduct (e.g. criminal activity) that can cause HACC to deny assistance.

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PART I: DEFINITIONS OF FAMILY AND HOUSEHOLD MEMBERS

3-I.A. OVERVIEW

Some eligibility criteria and program rules vary depending upon the composition of the family requesting assistance. In addition, some requirements apply to the family as a whole and others apply to individual persons who will live in the assisted unit. This part provides information that is needed to correctly identify family and household members, and to apply HUD's eligibility rules.

3-I.B. FAMILY AND HOUSEHOLD [24 CFR 982.201(c), ; FR Notice 02/03/12; Notice PIH 2014-20]

The terms *family* and *household* have different meanings in the HCV program.

Family

To be eligible for assistance, an applicant must qualify as a family. A family may be a single person or a group of persons. *Family* as defined by HUD includes a family with a child or children, two or more elderly or disabled persons living together, one or more elderly or disabled persons living with one or more live-in aides, or a single person. A single person family may be an elderly person, a displaced person, a disabled person, or any other single person. The PHA has the discretion to determine if any other group of persons qualifies as a family.

HACC Policy

Multi-person Family:

A group of two or more persons who will live together on a regular basis in the same dwelling unit. (A regular basis is one where there is a present intent to live together for an indefinite period of time. The mere sharing of housing accommodations solely to qualify for rental assistance, or solely for the convenience of the parties, is not acceptable);

A family also includes:

Single-person Family:

a single person who is 62 years old of age or over; or

a single person who is disabled; or

a single person who is displaced; or

a single person who is in the process of securing legal custody of any individual under the age of 18 years; or

a single woman who is pregnant.

All other single persons may apply but will not be housed until all above listed single persons are housed.

Other Family Definitions:

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A child who is temporarily away from the home because of placement in foster care is considered a member of the family;

HACC Policy Continued:

HACC will not permit others who are currently living in independent circumstances, and have done so for a period of more than six months to move in with the participating family. Such persons may apply for housing by joining the wait list for any HACC housing program when the waiting lists are open.

Exceptions may be allowed for elderly or disabled family of the head of household or spouse who move in with the family on a permanent basis because they require the care of their family in order to maintain an existence outside of a nursing home. This requirement must be documented by a letter from a physician. The family must request written approval to add any person to the household. This written approval will come in the form of a lease rider or the approval of a new lease and execution of a new HAP contract. Additionally, the family must provide pre-approval from the landlord to add the member. HACC will conduct a pre-admission screening of the proposed new member. If the screening results are unsatisfactory, the additional person will not be allowed to be added to the lease.

If a family member moved from the unit and wishes to return, he/she will be allowed to move back in only once. Waivers to this provision may be requested from HACC.

Each family must identify the individuals to be included in the family at the time of application, and must notify HACC if the family's composition changes.

Household

Household is a broader term that includes additional people who, with the PHA's permission, live in an assisted unit and who are listed on the lease, such as live-in aides, foster children, and foster adults.

3-I.C. FAMILY BREAK-UP AND REMAINING MEMBER OF TENANT FAMILY

Family Break-up [24 CFR 982.315]

Except under the following conditions, HACC has discretion to determine which members of an assisted family continue to receive assistance if the family breaks up:

- If the family breakup results from an occurrence of domestic violence, dating violence, sexual assault or stalking, HACC must ensure that the victim retains assistance. (For documentation requirements and policies related to domestic violence, dating violence, sexual assault and stalking, see section 16-IX.D of this plan.)
- If a court determines the disposition of property between members of the assisted family in a divorce or separation decree, HACC is bound by the court's determination of which family members continue to receive assistance.

HACC Policy

When a family on the waiting list breaks up into two otherwise eligible families, only one of the new families may retain the original application date. Other former family

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members may make a new application with a new application date if the waiting list is open.

If a family breaks up into two otherwise eligible families while receiving assistance, only one of the new families will continue to be assisted.

In the absence of a judicial decision, or an agreement among the original family members, HACC will determine which family retains their placement on the waiting list, or will continue to receive assistance taking into consideration the following factors: (1) the interest of any minor children, including custody arrangements, (2) the interest of any ill, elderly, or disabled family members, (3) the interest of any family member who is the victim of domestic violence, dating violence, sexual assault or stalking, including a family member who was forced to leave an assisted unit as a result of such actual or threatened abuse; (4) any possible risks to family members as a result of criminal activity; and (5) the recommendations of social service professionals

Essential family member is defined as a person necessarily residing with an elderly or disabled person for the mental health and welfare of the family member. The income of the essential member will be counted in determining the family's rent. This person may be considered the remaining member of the family. The necessity for such an arrangement must be evidenced by a doctor's certificate, or must be deemed essential and so certified, by Mental Health or another responsible source. Under no circumstances will such an arrangement be permitted solely for the convenience of the family. This provision is applicable both for admission and continued occupancy.

Remaining Member of a Tenant Family [24 CFR 5.403]

The HUD definition of family includes the *remaining member of a tenant family,* which is a member of an assisted family who remains in the unit when other members of the family have left the unit. Household members such as live-in aides, foster children, and foster adults do not qualify as remaining members of a family.

If dependents are the only "remaining members of a tenant family" and there is no family member able to assume the responsibilities of the head of household, see Chapter 6, Section 6-I.B, for the policy on "Caretakers for a Child."

3-I.D. HEAD OF HOUSEHOLD [24 CFR 5.504(b)]

Head of household means the adult member of the family who is considered the head for purposes of determining income eligibility and rent. The head of household is responsible for ensuring that the family fulfills all of its responsibilities under the program, alone or in conjunction with a co-head or spouse.

HACC Policy

The family may designate any qualified family member as the head of household.

The head of household must have the legal capacity to enter into a lease under state and local law. A minor who is emancipated under state law may be designated as head of household.

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3-I.E. SPOUSE, CO-HEAD, AND OTHER ADULT

A family may have a spouse or co-head, but not both [HUD-50058 IB, p. 13].

Spouse means the marriage partner of the head of household.

HACC Policy

A *marriage partner* includes the partner in a "common law" marriage as defined in state law. The term “spouse” does not apply to friends, roommates, or significant others who are not marriage partners. A minor who is emancipated under state law may be designated as a spouse.

A *co-head* is an individual in the household who is equally responsible with the head of household for ensuring that the family fulfills all of its responsibilities under the program, but who is not a spouse. A family can have only one co-head.

HACC Policy

Minors who are emancipated under state law may be designated as a co-head.

Other adult means a family member, other than the head, spouse, or co-head, who is 18 years of age or older. Foster adults and live-in aides are not considered other adults.

3-I.F. DEPENDENT [24 CFR 5.603]

A *dependent* is a family member who is under 18 years of age or a person of any age who is a person with a disability or a full-time student, except that the following persons can never be dependents: the head of household, spouse, co-head, foster children/adults and live-in aides. Identifying each dependent in the family is important because each dependent qualifies the family for dependent allowances as described in Chapter 6.

Joint Custody of Dependents

HACC Policy

Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or participant family more than 50 percent of the time. In 50-50% cases, the families must decide which family will claim the child or children as family members and dependents. Only one family may claim the child or children as dependents. The dependent allowance may not be shared.

When more than one applicant or participant family is claiming the same dependents as family members or there exists a joint custody agreement, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, the PHA will make the determination based on available documents such as current court orders, or an IRS return showing which family has claimed the child for income tax purposes. In no instance will both parents be allowed to include the “joint custody dependent” as a member of each family’s household.

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3-I.G. FULL-TIME STUDENT [24 CFR 5.603; HCV GB, p. 5-29]

A *full-time student* (FTS) is a person who is attending school or vocational training on a full-time basis. The time commitment or subject load that is needed to be full-time is defined by the educational institution.

Identifying each FTS is important because: (1) each family member that is an FTS, other than the head, spouse, or co-head, qualifies the family for a dependent allowance, and (2) the earned income of such an FTS is treated differently from the income of other family members.

3-I.H. ELDERLY AND NEAR-ELDERLY PERSONS, AND ELDERLY FAMILY [24 CFR 5.100 and 5.403]

Elderly Persons

An *elderly person* is a person who is at least 62 years of age.

Near-Elderly Persons

A *near-elderly person* is a person who is 50-61 years of age.

Elderly Family

An *elderly family* is one in which the head, spouse, co-head, or sole member is an elderly person. Identifying elderly families is important because elderly families qualify for the elderly family allowance as described in Chapter 6.

3-I.I. PERSONS WITH DISABILITIES AND DISABLED FAMILY [24 CFR 5.403]

Persons with Disabilities

Under the HCV program, special rules apply to persons with disabilities and to any family whose head, spouse, or co-head is a person with disabilities. The technical definitions of individual with handicaps and persons with disabilities are provided in Exhibit 3-1 at the end of this chapter. These definitions are used for a number of purposes including ensuring that persons with disabilities are not discriminated against based upon disability.

As discussed in Chapter 2, the PHA must make all aspects of the HCV program accessible to persons with disabilities and consider reasonable accommodations requested based upon a person's disability.

Disabled Family

A *disabled family* is one in which the head, spouse, or co-head is a person with disabilities. Identifying disabled families is important because these families qualify for the disabled family allowance as described in Chapter 6.

Even though persons with drug or alcohol dependencies are considered persons with disabilities, this does not prevent the PHA from denying assistance for reasons related to alcohol and drug abuse in accordance with the policies found in Part III of this chapter, or from terminating assistance in accordance with the policies in Chapter 12.

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3-I.J. GUESTS [24 CFR 5.100]

A *guest* is a person temporarily staying in the unit with the consent of a member of the household who has expressed or implied authority to so consent.

HACC Policy

A guest can remain in the assisted unit no longer the number of days permitted by the landlord, the lease agreement or 21 days, **whichever is fewer**, during any 12-month period.

Children who are subject to a joint custody arrangement or for whom a family has visitation privileges, that are not included as a family member because they live outside of the assisted household more than 50 percent of the time, are not subject to the time limitations of guests as described above.

A family may request an exception to this policy for valid reasons (e.g., care of a relative recovering from a medical procedure is expected to last more than the allowable limit). An exception will not be made unless the family can identify and provide documentation of the residence to which the guest will return.

If a guest stays 22 days or more per year the Voucher holder is required to report and/or seek to add the guest to the household properly. Failure to report can result in termination.

3-I.K. FOSTER CHILDREN AND FOSTER ADULTS

Foster adults are usually persons with disabilities, unrelated to the tenant family, who are unable to live alone [24 CFR 5.609].

The term *foster child* is not specifically defined by the regulations.

Foster children and foster adults who are living with an applicant or who have been approved by the PHA to live with a participant family are considered household members but not family members. The income of foster children/adults is not counted in family annual income, and foster children/adults do not qualify for a dependent deduction [24 CFR 5.603; HUD-50058 IB, p. 13].

HACC Policy

A *foster child* is a child that is in the legal guardianship or custody of a state, county, or private adoption or foster care agency, yet is cared for by foster parents in their own homes, under some kind of short-term or long-term foster care arrangement with the custodial agency.

A foster child or foster adult may be allowed to reside in the unit if their presence would not result in a violation of HQS space standards according to 24 CFR 982.401.

HUD requires full name, social security number, and date of birth of each individual requested to be added to an assisted household as a foster child or adult. It is the responsibility of the custodial agency to provide this information. If the information is not provided, the foster care services may not be provided in the assisted unit.

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Children that are temporarily absent from the home as a result of placement in foster care are discussed in Section 3-I.L.

3-I.L. ABSENT FAMILY MEMBERS

Individuals may be absent from the family, either temporarily or permanently, for a variety of reasons including educational activities, placement in foster care, employment, illness, incarceration, and court order.

Family Absence from the Unit

The family may be absent from the unit for brief periods. The PHA must establish a policy on how long the family may be absent from the assisted unit. However, the family may not be absent from the unit for a period of more than 180 consecutive calendar days for any reason. Absence in this context means that no family is residing in the unit.

HACC Policy

For anticipated absences of more than 21 consecutive days, the family must notify the HACC, in writing, within the first week of the absence. Failure to do so can result in termination from the program.

Absences which leave a unit vacant longer than 30 days will not be approved except in cases of reasonable accommodation.

If the sole member of the household is confined to a nursing home or a hospital for a period of no more than 60 consecutive calendar days, HACC will request verification from a responsible medical professional and housing assistance will be paid. If the responsible medical professional provides a determination that the person will be confined for a total of more than 60 days, but not more than 180 consecutive calendar days, the client will retain the voucher but the unit will not be considered the family's principal place of residence, and the family's housing assistance will payment will be discontinued. Over 180 days of zero HAP is an automatic termination of the voucher. Notice of termination will be sent in accordance with Section 12-II.E.

Definitions of Temporarily and Permanently Absent

HACC Policy

Generally an individual who is or is expected to be absent from the assisted unit for 180 consecutive calendar days or less is considered temporarily absent and continues to be considered a family member. Generally an individual who is or is expected to be absent from the assisted unit for more than 180 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

Absent Students

HACC Policy

When someone who has been considered a family member attends school away from home, the person will continue to be considered a family member unless information becomes available to HACC indicating that the student has established a separate

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household or the family declares that the student has established a separate household. Separate household status may be verified with enrollment paperwork reflecting a different address or photo identification or drivers license address reflecting a different address.

Absences Due to Placement in Foster Care [24 CFR 5.403]

Children temporarily absent from the home as a result of placement in foster care are considered members of the family.

HACC Policy

If a child has been placed in foster care, HACC will verify with the appropriate agency whether and when the child is expected to be returned to the home. If a unification date cannot be determined, absences anticipated to be in excess of 180 days will trigger the general policy of permanently absent and HACC will subsequently reduce the voucher subsidy standard. If at move the child is not with the family, the child will not be considered a member of the family if a unification date of 180 days or less can be verified. If children are unified with parent after 180 days an interim can add back and adjust the subsidy standard accordingly.

Absent Due to Incarceration

HACC Policy

If any adult family member is incarcerated for a period of more than 30 consecutive calendar days, that person will no longer be considered a family member. The family is obligated to report this information to HACC and failure to do so can result in a termination from the program. The family must submit a document from the court or institution indicating the length of incarceration.

Absent Head, Spouse, or Co-head

HACC Policy

An employed head, spouse, or co-head absent from the unit more than 180 consecutive days due to employment will continue to be considered a family member.

Family Members Permanently Confined for Medical Reasons [HCV GB, p. 5-22]

If a family member is confined to a nursing home or hospital on a permanent basis, that person is no longer considered a family member and the income of that person is not counted [HCV GB, p. 5-22].

HACC Policy

The PHA will request verification of the family member's permanent absence from a responsible medical professional. If the responsible medical professional cannot provide a determination, the person will be considered temporarily absent. If the family certifies that the family member is confined on a permanent basis, they may present, and the PHA will consider, any additional documentation or evidence

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Return of Permanently Absent Family Members

HACC Policy

The family must request HACC approval for the return of any adult family members that HACC previously determined to be permanently absent. The individual is subject to the eligibility and screening requirements discussed elsewhere in this chapter.

3-I.M. LIVE-IN AIDE

A live-in aide is a person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who: (1) is determined to be essential to the care and well-being of the persons, (2) is not obligated for the support of the persons, and (3) would not be living in the unit except to provide the necessary supportive services [24 CFR 5.403].

HACC must approve a live-in aide if needed as a reasonable accommodation in accordance with 24 CFR 8, to make the program accessible to and usable by the family member with disabilities.

The income of a live-in aide is not counted in the calculation of annual income for the family [24 CFR 5.609(b)]. Relatives may be approved as live-in aides if they meet all of the criteria defining a live-in aide. Because live-in aides are not *family* members, a relative who serves as a live-in aide would not be considered a remaining member of a tenant family.

HACC Policy

HACC recognizes the need for fulltime and part time assistance for elderly and disabled persons. Fulltime care is 24/7 with full time residency in the household. The other allowance for assistance is the Essential Family Member as defined under Family 3-I.B.

1. Before a live-in aide may be moved into a unit, a third-party verification must be supplied that establishes the need for 24/7 care and the fact that the person cared for will be able to remain in the unit and comply with the lease terms as the result of such care;

2. A live-in aide must be required for 24-hour care and will be required to submit a certification stating that as a live-in aide they are (1) not obligated for the support of the person(s) needing the care, (2) would not be living in the unit except to provide the necessary supportive services, and (3) does not hold other full-time employment. A member of a household family cannot change and become a Live-In-Aide due to this definition. The live-in aide must provide a valid photo ID, SSN and must sign all applicable authorization forms for release of information.

3. Move-in of a live-in aide must not result in overcrowding of the existing unit except in extraordinary and temporary circumstances, as approved by the HACC (although, a reasonable accommodation for a resident with a disability may be to move the family to a larger unit);

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4. Live-in aides have no right to the voucher as a remaining member of a participant family even when the live-in aide is a relative of the tenant renting the unit;

5. To provide 24/7 care the live-in aide cannot work or attend school unless there is proof of a relief aide being present when not attending to the needs of the client.

6. The income of a live-in aide is not counted in determining the family's rent;

7. A live-in aide can be a single person. A live-in aide with a family may also be considered, provided that the addition of the live-in aide's family does not result in overcrowding of the existing unit. The family of the live-in aide will not be considered when assigning the voucher bedroom size. The members of the live-in-aide's family must meet the owner's screening criteria;

8. Relatives who satisfy the definitions and stipulations herein may qualify as a live-in aide but only if they sign a statement prior to moving in, acknowledging no rights to the unit as the remaining member of a participant family;

9. A live-in aide will be required to meet the owner's screening requirements with respect to past behavior, especially:

(a) A record of disturbance of neighbors, destruction of property, or of living or housekeeping habits, at present or at prior residences, which may adversely affect the health, safety, or welfare of other residents, neighbors or staff, or cause damage to the unit or the premises; and

(b) Criminal activity such as crimes of physical violence to persons or property and other criminal acts including drug-related criminal activity.

10. A live-in aide and any family members must pass HACC's criminal background screening.

11. For continued approval, the family may be required to submit a new, written request-subject to PHA verification-at each annual reexamination.

12. The PHA will not approve a particular person as a live-in aide, and may withdraw such approval if [24 CFR 982.316(b)]:

The person commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;

The person commits drug-related criminal activity or violent criminal activity; or

The person currently owes rent or other amounts to the PHA or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act.

HACC will notify the family of its decision in writing within 10 business days of receiving all the required documentation to a request for a live-in aide.

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PART II: BASIC ELIGIBILITY CRITERIA

3-II.A. INCOME ELIGIBILITY AND TARGETING

Income Limits

HUD establishes income limits for all areas of the country and publishes them annually in the *Federal Register*. They are based upon estimates of median family income with adjustments for family size. The income limits are used to determine eligibility for the program and for income targeting purposes as discussed in this section.

Definitions of the Income Limits [24 CFR 5.603(b)]

Low-income family. A family whose annual income does not exceed 80 percent of the median income for the area, adjusted for family size.

Very low-income family. A family whose annual income does not exceed 50 percent of the median income for the area, adjusted for family size.

Extremely low-income family. A family whose annual income does not exceed the federal poverty level or 30 percent of the median income for the area, whichever is higher.

Area median income is determined by HUD, with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than 30, 50, or 80 percent of the median income for an area if HUD finds that such variations are necessary because of unusually high or low family incomes.

Using Income Limits for Eligibility [24 CFR 982.201]

Income limits are used for eligibility only at admission. Income eligibility is determined by comparing the annual income of an applicant to the applicable income limit for their family size. In order to be income eligible, an applicant a family must be one of the following:

- A *very low-income* family
- A *low-income* family that has been "continuously assisted" under the 1937 Housing Act. A family is considered to be continuously assisted if the family is already receiving assistance under any 1937 Housing Act program at the time the family is admitted to the HCV program [24 CFR 982.4]

  <u>HACC Policy</u>

  HACC will consider a family to be continuously assisted if the family was leasing a unit under any 1937 Housing Act program at the time they were issued a voucher by HACC.

- A low-income or moderate-income family that is displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract on eligible low-income housing as defined in 24 CFR 248.101

HUD permits HACC to establish additional categories of low-income families that may be determined eligible. The additional categories must be consistent with HACC Agency plan and the consolidated plans for local governments within HACC's jurisdiction.

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HACC has established the following additional categories of eligible low-income families:

- A low income family that is displaced because of demolition or disposition of a public housing project;
- A low income family that is residing in a multifamily rental housing project when HUD sells, forecloses or demolishes a project; and
- A low income family that is residing in a project covered by a project-based Section 8 HAP contract at or near the end of the HAP contract term.

Using Income Limits for Targeting [24 CFR 982.201]

At least 75 percent of the families admitted to the HACC's program during its fiscal year must be extremely low-income families. HUD may approve exceptions to this requirement if HACC demonstrates that it has made all required efforts, but has been unable to attract an adequate number of qualified extremely low-income families. Families continuously assisted under the 1937 Housing Act and families living in eligible low-income housing that are displaced as a result of prepayment of a mortgage or voluntary termination of a mortgage insurance contract are counted for income targeting purposes..

Income targeting requirements do not apply to HUD-VASH vouchers. However, a PHA may choose to include the admission of extremely low income HUD-VASH families in its income targeting numbers for the FY of a family's admittance.

3-II.B. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5, Subpart E]

Housing assistance is available only to individuals who are U.S. citizens, U.S. nationals (herein referred to as citizens and nationals), or noncitizens that have eligible immigration status. At least one family member must be a citizen, national, or noncitizen with eligible immigration status in order for the family to qualify for any level of assistance.

All applicant families must be notified of the requirement to submit evidence of their citizenship status when they apply. Where feasible, and in accordance with the PHA's Limited English Proficiency Plan, the notice must be in a language that is understood by the individual if the individual is not proficient in English.

Declaration [24 CFR 5.508]

HUD requires each family member to declare whether the individual is a citizen, a national, or an eligible noncitizen, except those members who elect not to contend that they have eligible immigration status. Those who elect not to contend their status are considered to be ineligible noncitizens. For citizens, nationals and eligible noncitizens the declaration must be signed personally by the head, spouse, co-head, and any other family member 18 or older, and by a parent or guardian for minors. The family must identify in writing any family members who elect not to contend their immigration status (see Ineligible Noncitizens below). No declaration is required for live-in aides, foster children, or foster adults.

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U.S. Citizens and Nationals

In general, citizens and nationals are required to submit only a signed declaration as verification of their status. However, HUD regulations permit the PHA to request additional documentation of their status, such as a passport.

HACC Policy

Each family member, regardless of age, must submit the following:

1. For Citizens: A signed declaration of U.S. citizenship; and, an original U.S. Birth Certificate (or certified copy) or a U. S. Passport.

2. For Noncitizens who are 62 years of age or older and who received assistance on June 19, 1995: (i) A signed declaration of eligible immigration status and (ii) Proof of age document;

3. For all other Noncitizens: (i) A signed declaration of eligible immigration status; and, (ii) Immigration and Naturalization Service (INS) documents of eligible immigration status; and, (iii) a signed certification consent form.

For VASH there is an exception and regulations at 24 CFR 5.216(g) only require that families provide an original, government issued document that includes the social security number. The VA's DD-214 form qualifies or the document can be issued by a federal, state or local government agency.

Eligible Noncitizens

In addition to providing a signed declaration, those declaring eligible noncitizen status must sign a verification consent form and cooperate with PHA efforts to verify their immigration status as described in Chapter 7. The documentation required for establishing eligible noncitizen status varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, the person's age, and the date on which the family began receiving HUD-funded assistance.

Lawful residents of the Marshall Islands, the Federated States of Micronesia, and Palau, together known as the Freely Associated States, or FAS, are eligible for housing assistance under section 141 of the Compacts of Free Association between the U.S. Government and the Governments of the FAS [Public Law 106-504].

Ineligible Noncitizens

Those noncitizens who do not wish to contend their immigration status are required to have their names listed on a non-contending family members listing, signed by the head, spouse, or co-head (regardless of citizenship status), indicating their ineligible immigration status. The PHA is not required to verify a family member's ineligible status and is not required to report an individual's unlawful presence in the U.S. to the United States Citizenship and Immigration Services (USCIS).

Providing housing assistance to noncitizen students is prohibited [24 CFR 5.522]. This prohibition extends to the noncitizen spouse of a noncitizen student as well as to minor children who accompany or follow to join the noncitizen student. Such prohibition does not extend to the citizen spouse of a noncitizen student or to the children of the citizen spouse and noncitizen student. Such a family is eligible for prorated assistance as a mixed family.

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Mixed Families

A family is eligible for assistance as long as at least one member is a citizen, national, or eligible noncitizen. Families that include eligible and ineligible individuals are considered *mixed families*. Such families will be given notice that their assistance will be prorated and that they may request a hearing if they contest this determination. See Chapter 6 for a discussion of how rents are prorated, and Chapter 16 for a discussion of informal hearing procedures.

Ineligible Families [24 CFR 5.514(d), (e), and (f)]

A PHA may elect to provide assistance to a family before the verification of the eligibility of the individual or one family member [24 CFR 5.512(b)]. Otherwise, no individual or family may be assisted prior to the affirmative establishment by the PHA that the individual or at least one family member is eligible. Verification of eligibility for this purpose occurs when the individual or family members have submitted documentation to the PHA in accordance with program requirements [24 CFR 5.512(a)].

HACC Policy

The HACC will not provide assistance to a family before the verification of at least one family member.

When HACC determines that an applicant family does not include any citizens, nationals, or eligible noncitizens, following the verification process, the family will be sent a written notice within 10 business days of the determination.

The notice will explain the reasons for the denial of assistance, that the family may be eligible for proration of assistance, and will advise the family of its right to request an appeal to the United States Citizenship and Immigration Services (USCIS), or to request an informal hearing with the PHA. The informal hearing with the PHA may be requested in lieu of the USCIS appeal, or at the conclusion of the USCIS appeal process. The notice must also inform the applicant family that assistance may not be delayed until the conclusion of the USCIS appeal process, but that it may be delayed pending the completion of the informal hearing process.

Informal hearing procedures are contained in Chapter 16.

Timeframe for Determination of Citizenship Status [24 CFR 5.508(g)]

For new occupants joining the assisted family, the PHA must verify status at the first interim or regular reexamination following the person's occupancy, whichever comes first.

If an individual qualifies for a time extension for the submission of required documents, the PHA must grant such an extension for no more than 30 days [24 CFR 5.508(h)].

Each family member is required to submit evidence of eligible status only one time during continuous occupancy.

HACC Policy

HACC will verify the citizenship status of applicants at the time other eligibility factors are determined.

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3-II.C. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and 5.218]

The applicant and all members of the applicant's household must disclose the complete and accurate social security number (SSN) assigned to each household member, and the documentation necessary to verify each SSN. If a child under age 6 has been added to an applicant family within 6 months prior to voucher issuance, an otherwise eligible family may be admitted to the program and must disclose and document the child's SSN within 90 days of the effective date of the initial HAP contract. A detailed discussion of acceptable documentation is provided in Chapter 7.

Note: These requirements do not apply to noncitizens who do not contend eligible immigration status.

In addition, each participant who has not previously disclosed an SSN, has previously disclosed an SSN that HUD or the SSA determined was invalid, or has been issued a new SSN must submit their complete and accurate SSN and the documentation required to verify the SSN at the time of the next interim or annual reexamination or recertification. Participants age 62 or older as of January 31, 2010, whose determination of eligibility was begun before January 31, 2010, are exempt from this requirement and remain exempt even if they move to a new assisted unit.

The PHA must deny assistance to an applicant family if they do not meet the SSN disclosure and documentation requirements contained in 24 CFR 5.216.

3-II.D. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 5.230, HCV GB, p. 5-13]

HUD requires each adult family member, and the head of household, spouse, or co-head, regardless of age, to sign form HUD-9886, Authorization for the Release of Information/Privacy Act Notice, and other consent forms as needed to collect information relevant to the family's eligibility and level of assistance. Chapter 7 provides detailed information concerning the consent forms and verification requirements.

The PHA must deny admission to the program if any member of the applicant family fails to sign and submit the consent forms for obtaining information in accordance with 24 CFR 5, Subparts B and F [24 CFR 982.552(b)(3)].

3-II.E. STUDENTS ENROLLED IN INSTITUTIONS OF HIGHER EDUCATION [24 CFR 5.612 and FR Notice 4/10/06]

Section 327 of Public Law 109-115 and the implementing regulation at 24 CFR 5.612 established new restrictions on the eligibility of certain students (both part- and full-time) who are enrolled in institutions of higher education.

If a student enrolled at an institution of higher education is under the age of 24, is not a veteran, is not married, does not have a dependent child, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, the student's eligibility must be examined along with the income eligibility of the student's parents. In these cases, both the student and the student's parents must be income eligible for the student to receive HCV assistance. If, however, a student in these circumstances is determined independent from his/her parents in accordance with HACC

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policy, the income of the student's parents will not be considered in determining the student's eligibility.

The new law does not apply to students who reside with parents who are applying to receive HCV assistance. It is limited to students who are seeking assistance on their own, separately from their parents.

Definitions

In determining whether and how the new eligibility restrictions apply to a student, HACC will rely on the following definitions [FR 4/10/06, p. 18148].

Dependent Child

In the context of the student eligibility restrictions, *dependent child* means a dependent child of a student enrolled in an institution of higher education. The dependent child must also meet the definition of *dependent* in 24 CFR 5.603, which states that the dependent must be a member of the assisted family, other than the head of household or spouse, who is under 18 years of age, or is a person with a disability, or is a full-time student. Foster children and foster adults are not considered dependents.

Independent Student

HACC Policy

HACC will consider a student "independent" from his or her parents and the parents' income will not be considered when determining the student's eligibility if the following four criteria are all met:

The individual is of legal contract age under state law.

The individual has established a household separate from his/her parents for at least one year prior to application for occupancy or the individual meets the U.S. Department of Education's definition of independent student.

To be considered an *independent student* according to the Department of Education, a student must meet one or more of the following criteria:

Be at least 24 years old by December 31 of the award year for which aid is sought

Be an orphan or a ward of the court through the age of 18

Be a veteran of the U.S. Armed Forces

Have one or more legal dependents other than a spouse (for example, dependent children or an elderly dependent parent)

Be a graduate or professional student

Be married

The individual was not claimed as a dependent by his/her parents pursuant to IRS regulations, as demonstrated on the parents' most recent tax forms.

The individual provides a certification of the amount of financial assistance that will be provided by his/her parents. This certification must be signed by the

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individual providing the support and must be submitted even if no assistance is being provided.

HACC will verify that a student meets the above criteria in accordance with the policies in Section 7-II.E.

Institution of Higher Education

HACC will use the statutory definition under section 102 of the Higher Education Act of 1965 to determine whether a student is attending an *institution of higher education* (see Exhibit 3-2).

Parents

HACC Policy

For purposes of student eligibility restrictions, the definition of *parents* includes biological or adoptive parents, stepparents (as long as they are currently married to the biological or adoptive parent), and guardians (e.g., grandparents, aunt/uncle, godparents, etc).

Person with Disabilities

HACC will use the statutory definition under section 3(b) (3) (E) of the 1937 Act to determine whether a student is a *person with disabilities* (see Exhibit 3-1).

Veteran

HACC Policy

A *veteran* is a person who served in the active military, naval, or air service and who was discharged or released from such service under conditions other than dishonorable.

Determining Student Eligibility

If a student is applying for assistance on his/her own, apart from his/her parents, the PHA must determine whether the student is subject to the eligibility restrictions contained in 24 CFR 5.612. If the student is subject to those restrictions, the PHA must ensure that: (1) the student is individually eligible for the program, (2) either the student is independent from his/her parents or the student's parents are income eligible for the program, and (3) the "family" with which the student is applying is collectively eligible for the program.

HACC Policy

For any student who is subject to the 5.612 restrictions, HACC will:

Follow its usual policies in determining whether the student individually and the student's "family" collectively are eligible for the program

Determine whether the student is independent from his/her parents in accordance with the definition of *independent student* in this section

Follow the policies below, if applicable, in determining whether the student's parents are income eligible for the program

If HACC determines that the student, the student's parents (if applicable), or the student's "family" is not eligible, HACC will send a notice of denial in accordance with the

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policies in Section 3-III.F, and the applicant family will have the right to request an informal review in accordance with the policies in Section 16-III.B.

Determining Parental Income Eligibility

HACC Policy

For any student who is subject to the 5.612 restrictions and who does not satisfy the definition of *independent student* in this section, the PHA will determine the income eligibility of the student's parents as follows:

If the student's parents are married and living together, HACC will obtain a joint income declaration and certification of joint income from the parents.

If the student's parent is widowed or single, HACC will obtain an income declaration and certification of income from that parent.

If the student's parents are divorced or separated, HACC will obtain an income declaration and certification of income from each parent.

If the student has been living with one of his/her parents and has not had contact with or does not know where to contact his/her other parent, HACC will require the student to submit a certification under penalty of perjury describing the circumstances and stating that the student does not receive financial assistance from the other parent. HACC will then obtain an income declaration and certification of income from the parent with whom the student has been living or had contact.

In determining the income eligibility of the student's parents, HACC will use the income limits for the jurisdiction in which the parents live.

PART III: DENIAL OF ASSISTANCE

3-III.A. OVERVIEW

A family that does not meet the eligibility criteria discussed in Parts I and II, must be denied assistance. In this section we will discuss other situations and circumstances in which denial of assistance is mandatory for the PHA, and those in which denial of assistance is optional for the PHA.

Forms of Denial [24 CFR 982.552(a) (2); HCV GB, p. 5-35]

Denial of assistance includes any of the following:

- Not placing the family's name on the waiting list
- Denying or withdrawing a voucher
- Not approving a request for tenancy or refusing to enter into a HAP contract
- Refusing to process a request for or to provide assistance under portability procedures

Prohibited Reasons for Denial of Program Assistance [24 CFR 982.202(b), Pub.L. 109-162]

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HUD rules prohibit denial of program assistance to the program based on any of the following criteria:

- Age, disability, race, color, religion, sex, or national origin. (See Chapter 2 for additional information about fair housing and equal opportunity requirements.)
- Where a family lives prior to admission to the program
- Where the family will live with assistance under the program. Although eligibility is not affected by where the family will live, there may be restrictions on the family's ability to move outside the PHA's jurisdiction (See Chapter 10, Portability.)
- Whether members of the family are unwed parents, recipients of public assistance, or children born out of wedlock
- Whether the family includes children
- Whether a family decides to participate in a family self-sufficiency program
- Whether or not a qualified applicant is or has been a victim of domestic violence, dating violence, sexual assault or stalking if the applicant is otherwise qualified for assistance
  (See section 3-III.G.)

3-III.B. MANDATORY DENIAL OF ASSISTANCE [24 CFR 982.553(a)]

HUD requires HACC to deny assistance in the following cases:

- Any member of the household has been evicted from federally-assisted housing in the last 3 years for drug-related criminal activity. HUD permits, but does not require, HACC to admit an otherwise-eligible family if the household member has completed a HACC-approved drug rehabilitation program or the circumstances which led to eviction no longer exist (e.g., the person involved in the criminal activity no longer lives in the household).HUD-VASH clients are exempted and cannot be denied due to an eviction from federally-assisted housing.

  HACC Policy

  HACC will admit an otherwise-eligible family who was evicted from federally-assisted housing within the past 5 years for drug-related criminal activity, if HACC is able to verify that the household member who engaged in the criminal activity has completed a supervised drug rehabilitation program approved by HACC, or the person who committed the crime, is no longer living in the household.

- The HACC determines that any household member is currently engaged in the use of illegal drugs. HUD-VASH clients are exempted and cannot be denied due to current engagement in illegal drug use.

  HACC Policy

  Currently engaged in is defined as any use of illegal drugs during the previous six months. HACC shall apply the standard of illegally using a controlled substance as defined in the Controlled Substance Act 21 U.S.C. Section 81 et. Seq.

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- The PHA has reasonable cause to believe that any household member's current use or pattern of use of illegal drugs, or current abuse or pattern of abuse of alcohol, may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents. HUD-VASH clients are exempted and cannot be denied due to patterns of drug and alcohol abuse.

  HACC Policy

  In determining reasonable cause, HACC will consider all credible evidence, including but not limited to, any record of convictions, arrests, or evictions of household members related to the use of illegal drugs or the abuse of alcohol. A conviction will be given more weight than an arrest. HACC will also consider evidence from treatment providers or community-based organizations providing services to household members. HACC shall apply the standard of illegally using a controlled substance as defined in the Controlled Substance Act 21 U.S.C. Section 81 et. Seq.

- Any household member that has ever been convicted of drug-related criminal activity for the production or manufacture of methamphetamine in any location, not just federally assisted housing, will be denied assistance. HUD-VASH clients are exempted and cannot be denied due to convictions of drug-related criminal activity or manufacture of methamphetamines.
- Any household member is currently registered as a sex offender under a State registration requirement.

3-III.C. OTHER PERMITTED REASONS FOR DENIAL OF ASSISTANCE

HUD permits, but does not require, the PHA to deny assistance for the reasons discussed in this section.

Criminal Activity [24 CFR 982.553]

HUD permits, but does not require, the PHA to deny assistance if the PHA determines that any household member is currently engaged in, or has engaged in during a reasonable time before the family would receive assistance, certain types of criminal activity.

HACC Policy

If any household member is currently engaged in, or has engaged in any of the following criminal activities, within the past five years, the family will be denied assistance.

Drug-related criminal activity, defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug [24 CFR 5.100].

Violent criminal activity, defined by HUD as any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage [24 CFR 5.100].

Criminal activity that may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity; or

Criminal activity that may threaten the health or safety of property owners, management staff, and persons performing contract administration functions or other responsibilities

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on behalf of a PHA (including a PHA employee or a PHA contractor, subcontractor, or agent).

Fraudulently obtaining government assistance: a conviction or evidence of fraud in the past 5 years would result in the family being denied housing assistance.

Immediate vicinity means within a three-block radius of the premises.

Evidence of such criminal activity includes, but is not limited to:

Any conviction for drug-related or violent criminal activity within the past 5 years.

Any arrests for drug-related or violent criminal activity within the past 5 years.

Any record of eviction from public or privately-owned housing as a result of criminal activity within the past 5 years.

A conviction for drug-related or violent criminal activity will be given more weight than an arrest for such activity.

HACC may deny assistance based on a preponderance of evidence, regardless of whether the family member has been arrested or convicted of the activity in question.

In making its decision to deny assistance, HACC will consider the factors discussed in Section 3-III.E. Upon consideration of such factors, HACC may, on a case-by-case basis, decide not to deny assistance.

Previous Behavior in Assisted Housing [24 CFR 982.552(c)]

HUD authorizes HACC to deny assistance based on the family's previous behavior in assisted housing:

HACC Policy

The HACC **will not** deny assistance to an otherwise eligible family because the family previously failed to meet its obligations under the Family Self-Sufficiency (FSS) program.

The PHA will deny assistance to an applicant family if:

The family does not provide information that the PHA or HUD determines is necessary in the administration of the program.

The family does not provide complete and true information to the PHA.

Any family member has been evicted from federally-assisted housing in the last five years.

Any PHA has ever terminated assistance under the program for any member of the family.

Any family member has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.

The family owes rent or other amounts to any PHA in connection with Section 8 or other public housing assistance under the 1937 Act, unless the family repays the full amount of the debt prior to being selected from the waiting list.

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If the family has not reimbursed any PHA for amounts the PHA paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease, unless the family repays the full amount of the debt prior to being selected from the waiting list.

The family has breached the terms of a repayment agreement entered into with the PHA, unless the family repays the full amount of the debt covered in the repayment agreement prior to being selected from the waiting list.

A family member has engaged in or threatened violent or abusive behavior toward PHA personnel. Abusive or violent behavior towards PHA personnel includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior. Threatening refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

Applicants' criminal background history for the most recent 5 years will be scored based on severity of convictions. Scoring will be 1-4 with 4 being the highest level of risk crimes. Applicants who have combined score 3 and under will be approved. Applicants with a score 4 - 9 can be approved by a manager taking into consideration factors discussed in Section 3-III.E. Applicants with a score greater than 9 are denied.

In making its decision to deny assistance, the PHA will consider the factors discussed in Section 3-III.E. Upon consideration of such factors, the PHA may, on a case-by-case basis, decide not to deny assistance.

3-III.D. SCREENING

Screening for Eligibility

PHAs are authorized to obtain criminal conviction records from law enforcement agencies to screen applicants for admission to the HCV program. This authority assists HACC in complying with HUD requirements and HACC policies to deny assistance to applicants who are engaging in or have engaged in certain criminal activities. In order to obtain access to the records HACC must require every applicant family to submit a consent form signed by each adult household member [24 CFR 5.903].

<u>HACC Policy</u>

HACC will perform a criminal background check through local law enforcement and eviction record check on all applicant family members 15 years of age and older.

HACC will require proof of photo identification, such as a driver's license, school identification, etc. Other means of identification and requests to allow additional time to provide photo identification will be considered.

Family members 15 years of age and older must pass the Housing Authority's criminal history evaluation process, except if this is a transition from a successful SPC.

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If the results of the criminal background check indicate that there may be past criminal activity, but the results are inconclusive, HACC will request information from the National Crime Information Center (NCIC).

PHAs are required to perform criminal background checks necessary to determine whether any household member is subject to a lifetime registration requirement under a state sex offender program in the state where the housing is located, as well as in any other state where a household member is known to have resided [24 CFR 982.553(a)(2)(i)].

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HACC Policy

HACC will use the Dru Sjodin National Sex Offender and Local Sex Offender databases to screen applicants for admission.

Additionally, HACC must ask whether the applicant, or any member of the applicant's household, is subject to a lifetime registered sex offender registration requirement in any state [Notice PIH 2012-28].

If HACC proposes to deny assistance based on a criminal record or on lifetime sex offender registration information, HACC must notify the household of the proposed action and must provide the subject of the record and the applicant a copy of the record and an opportunity to dispute the accuracy and relevance of the information prior to a denial of admission. [24 CFR 5.903(f) and 5.905(d)].

Screening for Suitability as a Tenant [24 CFR 982.307]

The PHA has no liability or responsibility to the owner for the family's behavior or suitability for tenancy. The PHA has the authority to conduct additional screening to determine whether an applicant is likely to be a suitable tenant.

HACC Policy

HACC will not conduct additional screening to determine an applicant family's suitability for tenancy.

The owner is responsible for screening and selection of the family to occupy the owner's unit. The PHA must inform the owner that screening and selection for tenancy is the responsibility of the owner. An owner may consider a family's history with respect to factors such as: payment of rent and utilities, caring for a unit and premises, respecting the rights of other residents to the peaceful enjoyment of their housing, criminal activity that is a threat to the health, safety or property of others, and compliance with other essential conditions of tenancy.

HUD requires the PHA to provide prospective owners with the family's current and prior address (as shown in PHA records) and the name and address (if known) of the owner at the family's current and prior addresses. HUD permits the PHA to provide owners with additional information, as long as families are notified that the information will be provided, and the same type of information is provided to all owners.

HACC may not disclose to the owner any confidential information provided to HACC by the family in response to a HACC request for documentation of domestic violence, dating violence, sexual assault or stalking except at the written request or with the written consent of the individual providing the documentation
[24 CFR 5.2007(a)(4)].

HACC Policy

HACC will inform owners of their responsibility to screen prospective tenants, and will provide owners with the required known name and address information, at the time of the initial HQS inspection or before. HACC will not provide any additional information to the owner, such as tenancy history or criminal history.

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3-III.E. CRITERIA FOR DECIDING TO DENY ASSISTANCE

Evidence [24 CFR 982.553(c)]

HACC Policy

HACC will use the concept of the preponderance of the evidence as the standard for making all admission decisions.

Preponderance of the evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

Consideration of Circumstances [24 CFR 982.552(c) (2)]

HUD authorizes the PHA to consider all relevant circumstances when deciding whether to deny assistance based on a family's past history except in the situations for which denial of assistance is mandatory (see Section 3-III.B).

HACC Policy

HACC will consider the following factors prior to making its decision:

The seriousness of the case, especially with respect to how it would affect other residents

The effects that denial of assistance may have on other members of the family who were not involved in the action or failure

The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities, or (as discussed further in section 3-III.G) a victim of domestic violence, dating violence, sexual assault or stalking

The length of time since the violation occurred, the family's recent history and the likelihood of favorable conduct in the future

In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully

HACC will require the applicant to submit evidence of the household member's current participation in or successful completion of a supervised drug or alcohol rehabilitation program, or evidence of otherwise having been rehabilitated successfully.

The decision regarding approval or denial of an application to the HCV program will always be left to the sound discretion of the Housing Services Supervisor or person(s) designated by the Supervisor.

The denial of an application based on criminal activity shall be treated the same as a denial for any other reason, i.e., the applicant is entitled to a hearing.

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Evidence of any member of the applicant household having engaged criminal activities will be grounds for taking further screening action. HACC's approval or denial of an application will be based on the criminal activity engaged in, and is not dependent upon any action or inaction by any law enforcement agency, district attorney, or court. However, evidence of conviction for a crime shall be conclusive proof that a particular criminal activity was engaged in, and no denial decision shall be based solely upon the fact that an arrest was made for any particular crime.

Removal of a Family Member's Name from the Application

Should the PHA's screening process reveal that an applicant's household includes an individual subject to state lifetime registered sex offender registration, the PHA must offer the family the opportunity to remove the ineligible family member from the household. If the family is unwilling to remove that individual from the household, the PHA must deny admission to the family [Notice PIH 2012-28].

For other criminal activity, the PHA may permit the family to exclude the culpable family members as a condition of eligibility.

[24 CFR 982.552(c)(2)(ii)].

HACC Policy

As a condition of receiving assistance, a family may agree to remove the culpable family member from the application. In such instances, the head of household must certify that the family member will not be permitted to visit, stay as a guest, or reside in the assisted unit.

After admission to the program, the family must present evidence of the former family member's current address upon HACC request.

Reasonable Accommodation [24 CFR 982.552(c) (2) (IV)]

If the family includes a person with disabilities, the PHA's decision concerning denial of admission is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

HACC Policy

If the family indicates that the behavior of a family member with a disability is the reason for the proposed denial of assistance, HACC will determine whether the behavior is related to the stated disability. If so, upon the family's request, HACC will determine whether admitting the family as a reasonable accommodation is appropriate. HACC will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed denial of assistance. See Chapter 2 for a discussion of reasonable accommodation.

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3-III.F. NOTICE OF ELIGIBILITY OR DENIAL

If the family is eligible for assistance, HACC will notify the family in writing and schedule a tenant briefing, as discussed in Chapter 5.

If the PHA determines that a family is not eligible for the program for any reason, the family must be notified promptly. The notice must describe: (1) the reasons for which assistance has been denied, (2) the family's right to an informal review, and (3) the process for obtaining the informal review [24 CFR 982.554 (a)]. See Chapter 16, for informal review policies and procedures.

HACC Policy

The family will be promptly notified of a decision to deny assistance in writing.

If HACC uses a criminal record or sex offender registration information obtained under 24 CFR 5, Subpart J, as the basis of a denial, a copy of the record must precede the notice to deny, with an opportunity for the applicant to dispute the accuracy and relevance of the information before HACC can move to deny the application. In addition, a copy of the record must be provided to the subject of the record [24 CFR 5.903(f) and 5.905(d)]. HACC must give the family an opportunity to dispute the accuracy and relevance of that record, in the informal review process in accordance with program requirements [24 CFR 982.553(d)].

HACC Policy

If, based on a criminal record or sex offender registration information, an applicant family appears to be ineligible HACC will notify the family in writing of the denial and provide a copy of the record to the applicant and subject of the record. The written denial letter will give the family thirty days to request an informal review or provide information disputing the accuracy or relevance of the record. If they do not call or write to schedule a review within that 30 day time period they will lose their opportunity for housing assistance and the denial will stand. If they do not show up for a scheduled review the denial will stand. If the family is able to provide sufficient documentation that the information is inaccurate prior to a review the Housing Authority may be able to move forward with assistance without an informal review.

Notice requirements related to denying assistance to noncitizens are contained in Section 3-II.B.

Notice policies related to denying admission to applicants who may be victims of domestic violence, dating violence, sexual assault or stalking are contained in Section 3-III.G.

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3-III.G. PROHIBITION AGAINST DENIAL OF ASSISTANCE TO VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT AND STALKING

The Violence against Women Act of 2013 (VAWA) and the HUD regulation at 24 CFR 5.2005(b) prohibit PHAs from denying an applicant admission to the HCV program "on the basis that the applicant is or has been a victim of domestic violence, dating violence, sexual assault or stalking, if the applicant otherwise qualifies for assistance or admission."

Definitions of key terms used in VAWA are provided in section 16-IX of this plan, where general VAWA requirements and policies pertaining to notification, documentation, and confidentiality are also located.

Notification

VAWA 2013 expanded notification requirements to include the obligation for PHAs to provide applicants who are denied assistance with a notice of rights and the form HUD-50066 at the time the applicant is denied.

HACC Policy

HACC acknowledges that a victim of domestic violence, dating violence, sexual assault or stalking may have an unfavorable history (e.g., a poor credit history, a record of previous damage to an apartment, a prior arrest record) that would warrant denial under HACC's policies. Therefore, if HACC makes a determination to deny assistance to an applicant family, HACC will include language in its notice of denial the VAWA information described in section 16-IX.C. The family may request a form HUD-50066 as outlined in the denial letter. The PHA will request that an applicant wishing to claim protection under VAWA notify HACC within 10 business days.

Documentation

Victim Documentation [24 CFR 5.2007]

HACC Policy

If an applicant claims the protection against denial of assistance that VAWA provides to victims of domestic violence, dating violence, sexual assault or stalking, HACC will request in writing that the applicant provide documentation supporting the claim in accordance with section 16-IX.D of this plan.

Perpetrator Documentation

HACC Policy

If the perpetrator of the abuse is a member of the applicant family, the applicant must provide additional documentation consisting of one of the following:

A signed statement (1) requesting that the perpetrator be removed from the application and (2) certifying that the perpetrator will not be permitted to visit or to stay as a guest in the assisted unit

Documentation that the perpetrator has successfully completed, or is successfully undergoing, rehabilitation or treatment. The documentation must be signed by an employee or agent of a domestic violence service provider or by a medical or

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other knowledgeable professional from whom the perpetrator has sought or is receiving assistance in addressing the abuse. The signer must attest under penalty of perjury to his or her belief that the rehabilitation was successfully completed or is progressing successfully. The victim and perpetrator must also sign or attest to the documentation.

EXHIBIT 3-1: DETAILED DEFINITIONS RELATED TO DISABILITIES

Person with Disabilities [24 CFR 5.403]

The term *person with disabilities* means a person who has any of the following types of conditions:

- Has a disability, as defined in 42 U.S.C. Section 423(d)(1)(A), which reads:

  Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months; *or*

  In the case of an individual who has attained the age of 55 and is blind (within the meaning of "blindness" as defined in section 416(i) (1) of this title), inability by reason of such blindness to engage in substantial gainful activity, requiring skills or ability comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time.

- Has a developmental disability as defined in the Developmental Disabilities Assistance and Bill of Rights Act of 2000 [42 U.S.C.15002(8)], which defines developmental disability in functional terms as follows:

  (A) In General

  The term "developmental disability" means a severe, chronic disability of an individual that:

  (I) is attributable to a mental or physical impairment or combination of mental and physical impairments;

  (ii) is manifested before the individual attains age 22;

  (iii) is likely to continue indefinitely;

  (iv) results in substantial functional limitations in 3 or more of the following areas of major life activity: (I) Self-care, (II) Receptive and expressive language, (III) Learning, (IV) Mobility, (V) Self-direction, (VI) Capacity for independent living, (VII) Economic self-sufficiency; and

  (v) reflects the individual's need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated.

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(B) Infants and Young Children

An individual from birth to age 9, inclusive, who has a substantial developmental delay or specific congenital or acquired condition, may be considered to have a developmental disability without meeting 3 or more of the criteria described in clauses (i) through (v) of subparagraph (A) if the individual, without services and supports, has a high probability of meeting those criteria later in life.

- Has a physical, mental, or emotional impairment that is expected to be of long-continued and indefinite duration; substantially impedes his or her ability to live independently, and is of such a nature that the ability to live independently could be improved by more suitable housing conditions.

People with the acquired immunodeficiency syndrome (AIDS) or any conditions arising from the etiologic agent for AIDS are not excluded from this definition.

A person whose disability is based solely on any drug or alcohol dependence does not qualify as a person with disabilities for the purposes of this program.

For purposes of reasonable accommodation and program accessibility for persons with disabilities, the term person with disabilities refers to an individual with handicaps.

Individual with Handicaps [24 CFR 8.3]

Section 504 definition-the definition of "Individual with Handicaps" is not the definition used to determine program eligibility. For program eligibility, use the definition of "Person with Disabilities" as defined earlier in this section.

Individual with handicaps means any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such an impairment; or is regarded as having such an impairment. The term does not include any individual who is an alcoholic or drug abuser whose current use of alcohol or drugs prevents the individual from participating in the program or activity in question, or whose participation, by reason of such current alcohol or drug abuse, would constitute a direct threat to property or the safety of others. As used in this definition, the phrase:

(1) Physical or mental impairment includes:

(a) Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic and lymphatic; skin; and endocrine; or

(b) Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term physical or mental impairment includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism.

(2) *Major life activities* means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.

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(3) Has a record of such an impairment means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities.

(4) *Is regarded as having an impairment* means:

(a) Has a physical or mental impairment that does not substantially limit one or more major life activities but that is treated by a recipient as constituting such a limitation;

(b) Has a physical or mental impairment that substantially limits one or more major life activities only as a result of the attitudes of others toward such impairment; or

(c) Has none of the impairments defined in paragraph (1) of this section but is treated by a recipient as having such an impairment.

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EXHIBIT 3-2: DEFINITION OF INSTITUTION OF HIGHER EDUCATION [20 U.S.C. 1001 and 1002]

Eligibility of Students for Assisted Housing Under Section 8 of the U.S. Housing Act of 1937; Supplementary Guidance; Notice [Federal Register, April 10, 2006]

Institution of Higher Education shall have the meaning given this term in the Higher Education Act of 1965 in 20 U.S.C. 1001 and 1002.

Definition of ''Institution of Higher Education'' From 20 U.S.C. 1001

(a) Institution of higher education. For purposes of this chapter, other than subchapter IV and part C of subchapter I of chapter 34 of Title 42, the term ''institution of higher education'' means an educational institution in any State that

(1) Admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate;

(2) Is legally authorized within such State to provide a program of education beyond secondary education;

(3) Provides an educational program for which the institution awards a bachelor's degree or provides not less than a 2-year program that is acceptable for full credit toward such a degree;

(4) Is a public or other nonprofit institution; and

(5) Is accredited by a nationally recognized accrediting agency or association, or if not so accredited, is an institution that has been granted preaccreditation status by such an agency or association that has been recognized by the Secretary for the granting of preaccreditation status, and the Secretary has determined that there is satisfactory assurance that the institution will meet the accreditation standards of such an agency or association within a reasonable time.

(b) Additional institutions included. For purposes of this chapter, other than subchapter IV and part C of subchapter I of chapter 34 of Title 42, the term ''institution of higher education'' also includes—

(1) Any school that provides not less than a 1-year program of training to prepare students for gainful employment in a recognized occupation and that meets the provision of paragraphs (1), (2), (4), and (5) of subsection (a) of this section; and

(2) A public or nonprofit private educational institution in any State that, in lieu of the requirement in subsection (a)(1) of this section, admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located.

(c) List of accrediting agencies. For purposes of this section and section 1002 of this title, the Secretary shall publish a list of nationally recognized accrediting agencies or associations that the Secretary determines, pursuant to subpart 2 of part G of subchapter IV of this chapter, to be reliable authority as to the quality of the education or training offered.

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Definition of ''Institution of Higher Education'' From 20 U.S.C. 1002

(a) Definition of institution of higher education for purposes of student assistance programs

(1) Inclusion of additional institutions. Subject to paragraphs (2) through (4) of this subsection, the term ''institution of higher education'' for purposes of subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42 includes, in addition to the institutions covered by the definition in section 1001 of this title—

(A) A proprietary institution of higher education (as defined in subsection (b) of this section);

(B) A postsecondary vocational institution (as defined in subsection (c) of this section); and

(C) Only for the purposes of part B of subchapter IV of this chapter, an institution outside the United States that is comparable to an institution of higher education as defined in section 1001 of this title and that has been approved by the Secretary for the purpose of part B of subchapter IV of this chapter.

(2) Institutions outside the United States

(A) In general. For the purpose of qualifying as an institution under paragraph (1)(C), the Secretary shall establish criteria by regulation for the approval of institutions outside the United States and for the determination that such institutions are comparable to an institution of higher education as defined in section 1001 of this title (except that a graduate medical school, or a veterinary school, located outside the United States shall not be required to meet the requirements of section 1001 (a)(4) of this title). Such criteria shall include a requirement that a student attending such school outside the United States is ineligible for loans made, insured, or guaranteed under part B of subchapter IV of this chapter unless—

(i) In the case of a graduate medical school located outside the United States—

(I)(aa) At least 60 percent of those enrolled in, and at least 60 percent of the graduates of, the graduate medical school outside the United States were not persons described in section 1091(a) (5) of this title in the year preceding the year for which a student is seeking a loan under part B of subchapter IV of this chapter; and

(bb) At least 60 percent of the individuals who were students or graduates of the graduate medical school outside the United States or Canada (both nationals of the United States and others) taking the examinations administered by the Educational Commission for Foreign Medical Graduates received a passing score in the year preceding the year for which a student is seeking a loan under part B of subchapter IV of this chapter; or

(II) The institution has a clinical training program that was approved by a State as of January 1, 1992; or

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(ii) In the case of a veterinary school located outside the United States that does not meet the requirements of section 1001(a)(4) of this title, the institution's students complete their clinical training at an approved veterinary school located in the United States.

(B) Advisory panel

(i) In general. For the purpose of qualifying as an institution under paragraph (1) (C) of this subsection, the Secretary shall establish an advisory panel of medical experts that shall—

(I) Evaluate the standards of accreditation applied to applicant foreign medical schools; and

(II) Determine the comparability of those standards to standards for accreditation applied to United States medical schools.

(ii) Special rule if the accreditation standards described in clause (i) are determined not to be comparable, the foreign medical school shall be required to meet the requirements of section 1001 of this title.

(C) Failure to release information. The failure of an institution outside the United States to provide, release, or authorize release to the Secretary of such information as may be required by subparagraph (A) shall render such institution ineligible for the purpose of part B of subchapter IV of this chapter.

(D) Special rule. If, pursuant to this paragraph, an institution loses eligibility to participate in the programs under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42, then a student enrolled at such institution may, notwithstanding such loss of eligibility, continue to be eligible to receive a loan under part B while attending such institution for the academic year succeeding the academic year in which such loss of eligibility occurred.

(3) Limitations based on course of study or enrollment. An institution shall not be considered to meet the definition of an institution of higher education in paragraph (1) if such institution—

(A) Offers more than 50 percent of such institution's courses by correspondence, unless the institution is an institution that meets the definition in section 2471 (4) (C) of this title;

(B) Enrolls 50 percent or more of the institution's students in correspondence courses, unless the institution is an institution that meets the definition in such section, except that the Secretary, at the request of such institution, may waive the applicability of this subparagraph to such institution for good cause, as determined by the Secretary in the case of an institution of higher education that provides a 2-or 4-year program of instruction (or both) for which the institution awards an associate or baccalaureate degree, respectively;

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(C) Has a student enrollment in which more than 25 percent of the students are incarcerated, except that the Secretary may waive the limitation contained in this subparagraph for a nonprofit institution that provides a 2-or 4-year program of instruction (or both) for which the institution awards a bachelor's degree, or an associate's degree or a postsecondary diploma, respectively; or

(D) Has a student enrollment in which more than 50 percent of the students do not have a secondary school diploma or its recognized equivalent, and does not provide a 2-or 4-year program of instruction (or both) for which the institution awards a bachelor's degree or an associate's degree, respectively, except that the Secretary may waive the limitation contained in this subparagraph if a nonprofit institution demonstrates to the satisfaction of the Secretary that the institution exceeds such limitation because the institution serves, through contracts with Federal, State, or local government agencies, significant numbers of students who do not have a secondary school diploma or its recognized equivalent.

(4) Limitations based on management. An institution shall not be considered to meet the definition of an institution of higher education in paragraph (1) if—

(A) The institution, or an affiliate of the institution that has the power, by contract or ownership interest, to direct or cause the direction of the management or policies of the institution, has filed for bankruptcy, except that this paragraph shall not apply to a nonprofit institution, the primary function of which is to provide health care educational services (or an affiliate of such an institution that has the power, by contract or ownership interest, to direct or cause the direction of the institution's management or policies) that files for bankruptcy under chapter 11 of title 11 between July 1, 1998, and December 1, 1998; or

(B) The institution, the institution's owner, or the institution's chief executive officer has been convicted of, or has pled nolo contendere or guilty to, a crime involving the acquisition, use, or expenditure of funds under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42, or has been judicially determined to have committed fraud involving funds under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42.

(5) Certification. The Secretary shall certify an institution's qualification as an institution of higher education in accordance with the requirements of subpart 3 of part G of subchapter IV of this chapter.

(6) Loss of eligibility. An institution of higher education shall not be considered to meet the definition of an institution of higher education in paragraph (1) if such institution is removed from eligibility for funds under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42 as a result of an action pursuant to part G of subchapter IV of this chapter.

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(b) Proprietary institution of higher education

(1) Principal criteria. For the purpose of this section, the term ‘‘proprietary institution of higher education’’ means a school that—

(A) Provides an eligible program of training to prepare students for gainful employment in a recognized occupation;

(B) Meets the requirements of paragraphs (1) and (2) of section 1001 (a) of this title;

(C) Does not meet the requirement of paragraph (4) of section 1001 (a) of this title;

(D) Is accredited by a nationally recognized accrediting agency or association recognized by the Secretary pursuant to part G of subchapter IV of this chapter;

(E) Has been in existence for at least 2 years; and

(F) Has at least 10 percent of the school’s revenues from sources that are not derived from funds provided under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42, as determined in accordance with regulations prescribed by the Secretary.

(2) Additional institutions. The term ‘‘proprietary institution of higher education’’ also includes a proprietary educational institution in any State that, in lieu of the requirement in paragraph (1) of section 1001 (a) of this title, admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located.

(c) Postsecondary vocational institution.

(1) Principal criteria. For the purpose of this section, the term ‘‘postsecondary vocational institution’’ means a school that—

(A) Provides an eligible program of training to prepare students for gainful employment in a recognized occupation;

(B) Meets the requirements of paragraphs (1), (2), (4), and (5) of section 1001 (a) of this title; and

(C) Has been in existence for at least 2 years.

(2) Additional institutions. The term ‘‘postsecondary vocational institution’’ also includes an educational institution in any State that, in lieu of the requirement in paragraph (1) of section 1001 (a) of this title, admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located.

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Chapter 4

APPLICATIONS, WAITING LIST AND TENANT SELECTION

INTRODUCTION

When a family wishes to receive assistance under the HCV program, the family must submit an application that provides HACC with the information needed to determine the family's eligibility. HUD requires HACC to place all families that apply for assistance on a waiting list. When HCV assistance becomes available, HACC must select families from the waiting list in accordance with HUD requirements and HACC policies as stated in the administrative plan and the annual plan.

HACC is required to adopt clear policies and procedures for accepting applications, placing families on the waiting list, and selecting families from the waiting list, and must follow these policies and procedures consistently. The actual order in which families are selected from the waiting list can be affected if a family has certain characteristics designated by HUD or HACC that justify their selection. Examples of this are the selection of families for income targeting and the selection of families that qualify for targeted funding.

HUD regulations require that all families have an equal opportunity to apply for and receive housing assistance, and that HACC affirmatively further fair housing goals in the administration of the program [24 CFR 982.53, HCV GB p. 4-1]. Adherence to the selection policies described in this chapter ensures that HACC will be in compliance with all relevant fair housing requirements, as described in Chapter 2.

This chapter describes HUD and HACC policies for taking applications, managing the waiting list and selecting families for HCV assistance. The policies outlined in this chapter are organized into three sections, as follows:

> Part I: The Application Process. This part provides an overview of the application process, and discusses how applicants can obtain and submit applications. It also specifies how HACC will handle the applications it receives.
>
> Part II: Managing the Waiting List. This part presents the policies that govern how the HACC's waiting list is structured, when it is opened and closed, and how the public is notified of the opportunity to apply for assistance. It also discusses the process HACC will use to keep the waiting list current.
>
> Part III: Selection for HCV Assistance. This part describes the policies that guide HACC in selecting families for HCV assistance as such assistance becomes available. It also specifies how in-person interviews will be used to ensure that HACC has the information needed to make a final eligibility determination.

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PART I: THE APPLICATION PROCESS

4-I.A. OVERVIEW

This part describes HACC policies t for making applications available, accepting applications making preliminary determinations of eligibility, and the placement of families. This part also describes HACC's obligation to ensure the accessibility of the application process to elderly persons, people with disabilities, and people with limited English proficiency (LEP).

4-I.B. APPLYING FOR ASSISTANCE [HCV GB, pp. 4-11 – 4-16, Notice PIH 2009-36]

Any family that wishes to receive HCV assistance must apply for admission to the program. HUD permits HACC to determine the format and content of HCV applications, as well how such applications will be made available to interested families and how applications will be accepted by HACC. The PHA must include Form HUD-92006, Supplement to Application for Federally Assisted Housing, as part of the PHA's application.

HACC Policy

HACC will use a two-step application process. The HACC initially will require families to provide only the information needed to make an initial assessment of the family's eligibility and to determine the family's placement on the waiting list. The family will be required to provide all of the information necessary to establish family eligibility and level of assistance when the family is selected from the waiting list.

When the waiting list is open, application forms will be available on the HACC website, in welfare offices and other social service agencies, in other public places such as libraries and at HACC designated sites.

Completed applications must be returned to HACC by mail, electronically (if an option), or in person to the Administrative Office by the deadline determined and advertized by HACC. Special advocacy groups and community social service agencies may submit applications on behalf of their clients within the determined application period. Applications must be complete in order to be accepted HACC for processing. HACC will retain one application per family.

4-I.C. ACCESSIBILITY OF THE APPLICATION PROCESS

Elderly and Disabled Populations [24 CFR 8 and HCV GB, pp. 4-11 – 4-13]

HACC must take steps to ensure that the application process is accessible to those people who might have difficulty complying with the normal, standard HACC application process. This could include people with disabilities, certain elderly individuals, as well as persons with limited English proficiency (LEP). HACC must provide reasonable accommodation to the needs of individuals with disabilities. The application-taking facility and the application process must be fully accessible, or HACC must provide an alternate approach that provides full access to the application process. Chapter 2 provides a full discussion of HACC's policies related to providing reasonable accommodations for people with disabilities.

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Limited English Proficiency

HACC is required to take reasonable steps to ensure equal access to their programs and activities by persons with limited English proficiency [24 CFR 1]. Chapter 2 provides a full discussion on HACC's policies related to ensuring access to people with limited English proficiency (LEP).

4-I.D. PLACEMENT ON THE WAITING LIST

HACC must review each complete application received and make a preliminary assessment of the family's eligibility. HACC must accept applications from families for whom the list is open unless there is good cause for not accepting the application (such as denial of assistance or over income) for the grounds stated in the regulations [24 CFR 982.206(b)(2)]. Where the family is determined to be ineligible, HACC must notify the family in writing [24 CFR 982.201(f)]. Where the family is not determined to be ineligible, the family will be placed on a waiting list of applicants.

No applicant has a right or entitlement to be listed on the waiting list, or to any particular position on the waiting list [24 CFR 982.202(c)].

HACC Policy

HACC will not conduct a preliminary assessment of the family's eligibility at the time of initial application. The family's application will be entered into HACC's computer system. Placement on the waiting list does not indicate that the family is, in fact, eligible for assistance. A final determination of eligibility will be made when the family is selected from the waiting list.

PART II: MANAGING THE WAITING LIST

4-II.A. OVERVIEW

HACC must have policies regarding various aspects of organizing and managing the waiting list of applicant families. This includes opening the list to new applicants, closing the list to new applicants, notifying the public of waiting list openings and closings, updating waiting list information, purging the list of families that are no longer interested in or eligible for assistance, as well as conducting outreach to ensure a sufficient number of applicants.

In addition, HUD imposes requirements on how HACC may structure its waiting list and how families must be treated if they apply for assistance from HACC that administers more than one assisted housing program.

4-II.B. ORGANIZATION OF THE WAITING LIST [24 CFR 982.204 and 205]

HACC's HCV waiting list must be organized in such a manner to allow HACC to accurately identify and select families for assistance in the proper order, according to the admissions policies described in this plan.

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The waiting list must contain the following information for each applicant listed:

- Applicant name;
- Family unit size;
- Date and time of application;
- Qualification for any local preference;
- Racial or ethnic designation of the head of household.

HUD requires HACC to maintain a single waiting list for the HCV program unless it serves more than one county or municipality. HACC is permitted, but not required, to maintain a separate waiting list for each county or municipality served.

HACC Policy

HACC will maintain a waiting list for the HCV program including the Mainstream HCV program.

HACC will maintain a separate waiting list for HCV program preference voucher applications.

Clackamas County Behavior Health will maintain the wait list for SPC and Project Based Vouchers at Chez Ami.

The Portland Veteran's Administration will maintain the wait list for VASH.

HUD directs that a family that applies for assistance from the HCV program must be offered the opportunity to be placed on the waiting list for any public housing, project-based voucher or moderate rehabilitation program HACC operates if 1) the other programs' waiting lists are open, and 2) the family is qualified for the other programs.

HUD permits, but does not require, that HACC maintain a single merged waiting list for their public housing, Section 8, and other subsidized housing programs.

A family's decision to apply for, receive, or refuse other housing assistance must not affect the family's placement on the HCV waiting list, or any preferences for which the family may qualify.

HACC Policy

HACC will not merge the HCV/Mainstream Voucher waiting list with the waiting list for any other program HACC operates.

4-II.C. OPENING AND CLOSING THE WAITING LIST [24 CFR 982.206]

Closing the Waiting List

HACC is permitted to close the waiting list if it has an adequate pool of families to use its available HCV assistance. Alternatively, HACC may elect to continue to accept applications only from certain categories of families that meet particular preferences or funding criteria.

HACC Policy

HACC will close the waiting list when the estimated waiting period for housing assistance for applicants on the list exceeds 24 months. Where HACC has particular preferences or funding criteria that require a specific category of family, HACC may

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elect to continue to accept applications from these applicants while closing the waiting list to others.

Reopening the Waiting List

If the waiting list has been closed, it cannot be reopened until HACC publishes a notice in local newspapers of general circulation, minority media, and other suitable media outlets. The notice must comply with HUD fair housing requirements and must specify who may apply, and where and when applications will be received.

HACC Policy

HACC will announce the reopening of the waiting list at least 10 business days prior to the date applications will first be accepted. If the list is only being reopened for certain categories of families, this information will be contained in the notice.

HACC will give public notice by publishing the relevant information in local newspapers.

Additionally, HACC will make individual agency notifications including, but not limited to local nonprofits and government agencies.

4-II.D. FAMILY OUTREACH [HCV GB, pp. 4-2 to 4-4]

HACC must conduct outreach as necessary to ensure that HACC has a sufficient number of applicants on the waiting list to use the HCV resources it has been allotted.

Because HUD requires HACC to admit a specified percentage of extremely low-income families to the program (see Chapter 4, Part III), HACC may need to conduct special outreach to ensure that an adequate number of such families apply for assistance [HCV GB, p. 4-20 to 4-21].

HACC outreach efforts must comply with fair housing requirements. This includes:

- Analyzing the housing market area and the populations currently being served to identify underserved populations
- Ensuring that outreach efforts are targeted to media outlets that reach eligible populations that are underrepresented in the program

HACC outreach efforts must be designed to inform qualified families about the availability of assistance under the program. These efforts may include, as needed, any of the following activities:

- Submitting press releases to local newspapers, including minority newspapers
- Developing informational materials and flyers to distribute to other agencies
- Providing application forms to other public and private agencies that serve the low income population
- Developing partnerships with other organizations that serve similar populations, including agencies that provide services for persons with disabilities

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HACC Policy

HACC will monitor the characteristics of the population being served and the characteristics of the population as a whole in HACC's jurisdiction. Targeted outreach efforts will be undertaken if a comparison suggests that certain populations are being underserved.

4-II.E. REPORTING CHANGES IN FAMILY CIRCUMSTANCES

HACC Policy

While the family is on the waiting list, the family must immediately inform HACC of changes in contact information, including current residence, mailing address, and phone number. The **changes must be submitted in writing** to the Administrative Offices: PO Box 1510, Oregon City, OR 97045-0510 (13930 S. Gain Street, Oregon City, OR 97045) or fax 503-655-8676 or emailed to: HACC@co.clackamas.or.us. .

4-II.F. UPDATING THE WAITING LIST [24 CFR 982.204]

HUD requires HACC to establish policies to use when removing applicant names from the waiting list.

Purging the Waiting List

The decision to withdraw an applicant family that includes a person with disabilities from the waiting list is subject to a family's request for, and subsequent approval or denial of, a reasonable accommodation (See Chapter 2 of this policy. If the applicant did not respond to a PHA request for information or updates, and the PHA determines that the family did not respond because of the family member's disability, HACC must reinstate the applicant family to their former position on the waiting list [24 CFR 982.204(c) (2)].

HACC Policy

The waiting list will be updated periodically. To update the wait list, HACC will send an update request and/or good news letter via first class mail. A letter will be sent to the applicant's last known address. If there is no response within 10 days of the date of the attempted contact, with no returned letter, a second letter will be sent. This letter will allow 30 days from the date it is sent to reactivate the application. If the first notification is returned to HACC with a forwarding address it is resent and another 10 days is given to respond. If there is no response a second letter is sent to the new address allowing 30 days to reactivate. If the first letter is returned with no forwarding address the application is filed inactive and no further notifications are sent. However, if the family contacts HACC within 90 days of the date of the returned notice, the application will be reactivated and the family's application will be placed back on the waiting list by the original date and time applied.

Removal from the Waiting List

HACC Policy

If at any time an applicant family is on the waiting list and HACC determines that the family is not eligible for assistance (see Chapter 3), the family will be removed from the waiting list. If an applicant family experiences an increase in income that makes them

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not eligible but HACC determines that the income increase may be temporary, the family will be kept on the wait list. The family will be advised that if they are still over program income limits by the time they reach the top of the wait list, they will not be eligible to participate in the program.

If a family is removed from the waiting list because HACC has determined the family is not eligible for assistance, a notice will be sent to the family's address of record as well as to any alternate address provided on the initial application. The notice will state the reasons the family was removed from the waiting list and will inform the family how to request an informal review regarding the HACC's decision (see Chapter 16) [24 CFR 982.201(f)].

PART III: SELECTION FOR HCV ASSISTANCE

4-III.A. OVERVIEW

As vouchers become available, families on the waiting list must be selected for assistance in accordance with the policies described in this part.

The order in which families are selected from the waiting list depends on the selection method chosen by HACC and is impacted in part by any selection preferences for which the family qualifies. The availability of targeted funding also may affect the order in which families are selected from the waiting list.

HACC must maintain a clear record of all information required to verify that the family is selected from the waiting list according to HACC's selection policies [24 CFR 982.204(b) and 982.207(e)].

4-III.B. SELECTION AND HCV FUNDING SOURCES

Special Admissions [24 CFR 982.203]

HUD may award funding for specifically-named families living in specified types of units (e.g., a family that is displaced by demolition of public housing; a non-purchasing family residing in a HOPE 1 or 2 projects). In these cases, HACC may admit such families whether or not they are on the waiting list, and, if they are on the waiting list, without considering the family's position on the waiting list. These families are considered non-waiting list selections. HACC must maintain records showing that such families were admitted with special program funding.

Targeted Funding [24 CFR 982.204(e)]

HUD may award a PHA funding for a specified category of families on the waiting list. HACC must use this funding only to assist the families within the specified category. In order to assist families within a targeted funding category, the PHA may skip families that do not qualify within the targeted funding category. Within this category of families, the order in which such families are assisted is determined according to the policies provided in Section 4-III.C.

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HACC Policy

HACC administers the following types of targeted funding: Mainstream HCV dedicated to non-elderly disabled families, SPC grant funding which requires a client be homeless and disabled at time of application and VASH vouchers for qualified veterans.

Regular HCV Funding

Regular HCV funding may be used to assist any eligible family on the waiting list. Families are selected from the waiting list according to the policies provided in Section 4-III.C.

4-III.C. SELECTION METHOD

PHAs must describe the method for selecting applicant families from the waiting list, including the system of admission preferences that HACC will use [24 CFR 982.202(d)].

Local Preferences [24 CFR 982.207; HCV p. 4-16]

PHAs are permitted to establish local preferences, and to give priority to serving families that meet those criteria. HUD specifically authorizes and places restrictions on certain types of local preferences. HUD also permits HACC to establish other local preferences, at its discretion. Any local preferences established must be consistent with HACC's plan and the consolidated plan, and must be based on local housing needs and priorities that can be documented by generally accepted data sources.

HACC Policy

Those families that qualify for a preference will be placed on the waiting list above those families who do not qualify for a preference. The waiting list will be ordered by date and time of receipt of application, separated into three sections. The first section will be those families eligible for a preference as described below as 1-12 and will be maintained by time and date received. **Preference will be given to residents who are elderly, disabled, or displaced single person families over other single person families.** The waiting list will always remain open for those applicants who qualify for preferences 1-12 below. Vouchers will only be issued to those preference families who have not left any type of subsidized housing in bad standing in the last 5 years, do not owe money to any PHA or have any Public Housing or HCV program violations that would otherwise exclude them from the program. All preferences will carry the same weight and they will not be aggregated. HACC preferences are as follows:

1. Any family that has had their voucher rescinded or has been terminated from the HACC HCV program due to insufficient program funding.

2. HACC Public Housing Families who are under housed or in need of reasonable accommodation that Public Housing cannot accommodate through relocation and are active applicants on the HCV wait list.

3. Eligible families displaced from Housing Authority owned units due to rehabilitation work.

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4. Other eligible families displaced by the Housing Authority due to the acquisition or sale of property.

5. Families currently in the Public Housing program who have met the requirements for an emergency or administrative transfer but whose needs cannot be met within the Public Housing program through relocation and are active applicants on the HCV wait list.

6. Families eligible for 10 vouchers dedicated to referrals from the Bridges to Housing Program and have met the Bridges to Housing Programs participation requirements for at least 6 months and must be in the program at time of voucher issue.

7. Families eligible for a maximum of 15 dedicated vouchers per fiscal year (FY) (July 1st to June 30th) for referrals from an HACC identified transitional housing program for homeless families within Clackamas County that offer one-on-one case management for not less than 6 months following the family's exit from the transitional program, who have completed a RentWell or equivalent program, and meet the HACC screening criteria. Vouchers will be distributed in a first come, first served order with no more than 15 vouchers given to transitional housing graduates during the fiscal year. Unused Transitional Housing Vouchers do not carry over to the next fiscal year. To qualify as a transitional housing program, the program must serve Clackamas County homeless families; provide assigned one-on-one case management while in transitional housing, provide six months of follow-up case management upon leaving the facility and offer not less than one year of assistance with housing-related issues.

8. Eligible Clackamas County families who have been displaced from their homes by a natural disaster as declared by the Federal, State or County government who have not been eligible for long term assistance including but not limited to federal assistance such as Federal Emergency Management Agency (FEMA), State or local government assistance, insurance settlements, or the like, and who face long term homelessness. Those families seeking any compensation or settlement that may come in the future may not apply until all legal recourse has been resolved. Families receiving temporary assistance such as motel vouchers may apply if no other legal negotiation for compensation is under consideration. This preference is limited to 20 Families in a fiscal year (July 1st to June 30th) unless new vouchers are granted to cover a particular natural disaster. If at the time more families meet this preference than there are slots available, families will be selected within the preference category based on the date and time of their application to the Housing Authority for housing assistance. Unused Disaster Vouchers do not carry over to the next fiscal year.

9. No more than 20 Families within a fiscal year (July 1st to June 30th) who have been referred by Clackamas Women Services Shelter (CWSS), Northwest Housing Alternatives (NHA), Los Niños Cuentan, or other pre-approved HACC

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domestic violence professional counseling organization and/or shelter, and are identified as victims of domestic within the last 12 months and who have identified the abuser and who continue to be in counseling or case management through the referring agency or other professionally recognized counseling organization. Persons identified as the abuser cannot be a member of the applicant household. Anyone receiving this preference must not allow the abuser to become a member of the assisted household and they must sign a certification to this effect. A violation of this certification will be grounds for termination of rental assistance. The domestic violence program or shelter must serve Clackamas County homeless families; provide assigned one-on-one case management to the victim while in emergency or temporary housing; provide six months of follow-up case management upon victim leaving the facility and offer not less than one year of assistance with housing-related issues. Applicants will be served on a first come, first served basis.

10. This preference applies to residents of HACC owned local projects that have to be relocated due to a change in the population to be served at the units, rehabilitation, or sell of units. Residents who qualify may be given a voucher for relocation purposes.

11. No more than 15 annually renewable vouchers (including Project Based Vouchers as qualified on each wait list) for families who are graduating from a Clackamas County rental assistance program that serves homeless and disabled military veterans. To qualify the family must meet the definition of a military veteran as defined as: Any person who served for any length of time in any military service branch. The family must also have actively participated in case management and services that meet their disability needs and have shown progress and stabilization in these programs as documented by their case managers. Families must be referred by the Veteran's Administration or Clackamas County Veteran Services.

12. Chronically homeless and disabled families as defined by HUD that have completed an intake and been referred by the Clackamas County Coordinated Housing Access line. The family must at time of application provide proof of disability and chronic homelessness status by having a case manager, counselor, mentor, or other professional verify this status. The family must only meet the chronically homeless criteria at time of application. Families will be placed on the wait list and pulled based on time and date applied.

Income Targeting Requirement [24 CFR 982.201(b) (2)]

HUD requires that extremely low-income (ELI) families make up at least 75 percent of the families admitted to the HCV program during HACC's fiscal year. ELI families are those with annual incomes at or below the federal poverty level or 30 percent of the area median income, whichever is higher. To ensure this requirement is met, a PHA may skip non-ELI families on the waiting list in order to select an ELI family.

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Low-income families admitted to the program that are "continuously assisted" under the 1937 Housing Act [24 CFR 982.4(b)], as well as low-income or moderate-income families admitted to the program that are displaced as a result of the prepayment of the mortgage or voluntary termination of an insurance contract on eligible low-income housing, are not counted for income targeting purposes [24 CFR 982.201(b) (2) (v)].

HACC Policy

HACC will monitor progress in meeting the income targeting requirement throughout the fiscal year. Extremely low-income families will be selected ahead of other eligible families on an as-needed basis to ensure the income targeting requirement is met. The periods of income targeting shall coincide with the HACC's fiscal year (July 1st through June 30th). HACC will track the percentage of initial lease-up at or below 30% of the area median income. If the cumulative fiscal year percentage falls below 75%, HACC may offer vouchers only to applicants whose income is at or below 30% if necessary to meet federally mandated goals. If the household income of an applicant who receives a voucher during this period exceeds the 30% income limit at any time during the lease-up phase, the applicant will lose their voucher. The family's application will be returned to their original place on the waiting list.

Since HUD-VASH is excluded from the 75% requirement, HACC will only use those families that meet this requirement when calculating its cumulative percentage.

Order of Selection

HACC's system of preferences may select families based on local preferences according to the date and time of application or by a random selection process (lottery) [24 CFR 982.207(c)]. If HACC does not have enough funding to assist the family at the top of the waiting list, it is not permitted to skip down the waiting list to a family that it can afford to subsidize when there are not sufficient funds to subsidize the family at the top of the waiting list [24 CFR 982.204(d) and (e)].

HACC Policy

Families will be selected from the waiting list based on the targeted funding or selection preference(s) for which they qualify, and in accordance with HACC's hierarchy of preferences. Within each targeted funding or preference category, families will be selected on a first-come, first-served basis according to the date and time their complete application is received by HACC. Documentation will be maintained by HACC as to whether families on the list qualify for and are interested in targeted funding. If a higher placed family on the waiting list is not qualified or not interested in targeted funding, there will be a notation maintained so that HACC does not have to ask higher placed families each time targeted selections are made.

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4-III.D. NOTIFICATION OF SELECTION

When a family has been selected from the waiting list, HACC must notify the family [24 CFR 982.554(a)].

HACC Policy

HACC will notify the family by first class mail when it is selected from the waiting list. The notice will inform the family of the following:

Applicants are notified to call and schedule a date and time for an application interview.

Procedures for rescheduling the interview.

Who is required to attend the interview.

All documents that must be provided at the interview including information about what constitutes acceptable documentation.

If a notification letter is returned to HACC with no forwarding address, the family will be removed from the waiting list. If the family fails to respond to a notification letter, the family will be removed from the waiting list for failure to supply information needed to determine eligibility. A notice of denial (see Chapter 3) will be sent to the family's address of record, as well as to any known alternate address.

4-III.E. THE APPLICATION INTERVIEW

HUD recommends that HACC obtain the information and documentation needed to make an eligibility determination though a face-to-face interview with a HACC representative [HCV GB, pg. 4-16]. Being invited to attend an interview does not constitute admission to the program.

Assistance cannot be provided to the family until all SSN documentation requirements are met. However, if the PHA determines that an applicant family is otherwise eligible to participate in the program, the family may retain its place on the waiting list for a period of time determined by the PHA [Notice PIH 2012-10].

Reasonable accommodation must be made for persons with disabilities who are unable to attend an interview due to their disability.

HACC Policy

Families selected from the waiting list are required to participate in an eligibility interview.

The head of household and the spouse/cohead will be strongly encouraged to attend the interview together. However, either the head of household or the spouse/co-head may attend the interview on behalf of the family. Verification of information pertaining to adult members of the household not present at the interview will not begin until signed release forms are returned to HACC.

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The family must provide the information necessary to establish the family's eligibility and determine the appropriate level of assistance, as well as completing required forms, providing required signatures, and submitting required documentation. If any materials are missing, HACC will provide the family with a written list of items that must be submitted.

Any required documents or information that the family is unable to provide at the interview must be provided within 10 business days of the interview (Chapter 7 provides details about longer submission deadlines for particular items, including documentation of eligible noncitizen status). If the family is unable to obtain the information or materials within the required time frame, the family may request an extension. If the required documents and information are not provided within the required time frame (plus any extensions), the family will be sent a notice of denial (See Chapter 3).

An advocate, interpreter, or other assistant may assist the family with the application and the interview process.

Interviews will be conducted in English. For limited English proficient (LEP) applicants, HACC will provide translation services in accordance with HACC's LEP plan.

If the family is unable to attend a scheduled interview, the family should contact HACC in advance of the interview to schedule a new appointment. In all circumstances, if a family does not attend a scheduled interview, HACC will send a file inactive notification letter giving the family 30 days to respond and schedule a new appointment. If the family fails to respond, they are automatically filed inactive per the notification.

4-III.F. COMPLETING THE APPLICATION PROCESS

HACC must verify all information provided by the family (see Chapter 7). Based on verified information, HACC must make a final determination of eligibility (see Chapter 3) and must confirm that the family qualified for any special admission, targeted funding admission, or selection preference that affected the order in which the family was selected from the waiting list.

HACC Policy

If HACC determines that the family is ineligible, HACC will send written notification of the ineligibility determination within 10 business days of the determination. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal review (Chapter 16).

If a family fails to qualify for any criteria that affected the order in which it was selected from the waiting list (e.g. targeted funding, extremely low-income, preference status), the family will be returned to its original position on the waiting list. HACC will notify the family orally that it has been returned to the waiting list, and will specify the reasons for it.

If HACC determines that the family is eligible to receive assistance, HACC will invite the family to attend a briefing in accordance with the policies in Chapter 5.

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Chapter 5

BRIEFINGS AND VOUCHER ISSUANCE

INTRODUCTION

This chapter explains the briefing and voucher issuance process. When a family is determined to be eligible for the HCV program, HACC must ensure that the family fully understands the way the program operates and the family's obligations under the program. This is accomplished through both an oral briefing and provision of a briefing packet containing the HUD-required documents and other family needs to know in order to lease a unit under the program. Once the family is fully informed of the program's requirements, HACC issues the family a voucher. The voucher includes the unit size for which the family qualifies based on HACC's subsidy standards, as well as the issue and expiration date of the voucher. The voucher is the document that authorizes the family to begin its search for a unit, and limits the amount of time the family has to successfully locate an acceptable unit.

This chapter describes HUD regulations and HACC policies related to these topics in two parts:

> Part I: Briefings and Family Obligations. This part details the program's requirements for briefing families orally, and for providing written materials describing the program and its requirements. It includes a particular focus on the family's obligations under the program.
>
> Part II: Subsidy Standards and Voucher Issuance. This part discusses HACC's standards for determining how many bedrooms a family of a given composition qualifies for, which in turn affects the amount of subsidy the family can receive. It also discusses the policies that dictate how vouchers are issued, and how long families have to locate a unit.

PART I: BRIEFINGS AND FAMILY OBLIGATIONS

5-I.A. OVERVIEW

HUD regulations require HACC to conduct mandatory briefings for applicant families who qualify for a voucher. The briefing provides a broad description of owner and family responsibilities, explains HACC's procedures, and includes instructions on how to lease a unit. This part describes how oral briefings will be conducted, specifies what written information will be provided to families, and lists the family's obligations under the program.

5-I.B. BRIEFING [24 CFR 982.301]

HACC must give the family an oral briefing and provide the family with a briefing packet containing written information about the program. Families may be briefed individually or in groups. At the briefing, HACC must ensure effective communication in accordance with Section 504 requirements (Section 504 of the Rehabilitation Act of 1973), and ensure that the briefing site is accessible to individuals with disabilities. For a more thorough discussion of accessibility requirements, refer to Chapter 2.

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HACC Policy

Briefings also referred to as Orientations will be conducted in group meetings or may be done through an on-line training.

Generally, the head of household is required to complete a briefing or orientation. If the head of household is unable to attend, HACC may approve another adult family member to complete the class.

Families that attend group briefings and still need individual assistance will be referred to an appropriate HACC staff person.

Participants requesting to move to another unit are required to complete a briefing or orientation before being issued a new voucher. HACC will use its discretion when determining if a participant may be exempted from this requirement. Participants moving into Clackamas County under portability rules will be given a briefing packet and may be given a one-on-one briefing, attend a group briefing or complete an on-line briefing.

Briefings will be conducted in English. For limited English proficient (LEP) applicants, HACC will provide translation services in accordance with HACC's LEP plan (See Chapter 2).

Notification and Attendance

HACC Policy

Families will be notified of their eligibility for assistance at the time they are invited to attend a briefing. The notice will identify who is required to attend the briefing, as well as the date and time of the scheduled briefing.

If the notice is returned by the post office with no forwarding address, the applicant will be denied and their name will not be placed back on the waiting list. If the notice is returned by the post office with a forwarding address, the notice will be re-sent to the address indicated.

Applicants who fail to attend a scheduled briefing will be scheduled for another briefing automatically. HACC will notify the family of the date and time of the second scheduled briefing. Applicants who fail to attend two scheduled briefings, without prior HACC approval, will be denied assistance (see Chapter 3).

Oral Briefing [24 CFR 982.301(a)]

Each briefing must provide information on the following subjects:

- How the Housing Choice Voucher program works;
- Family and owner responsibilities;
- Where the family can lease a unit, including renting a unit inside or outside HACC's jurisdiction;
- An explanation of how portability works. HACC may not discourage the family from choosing to live anywhere in HACC's jurisdiction or outside HACC's jurisdiction under portability, unless otherwise expressly authorized by statute, regulation, PIH Notice, or court order;

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- HACC must inform the family of how portability may affect the family's assistance through screening, subsidy standards, payment standards, and any other elements of the portability process which may affect the family's assistance;
- For families living in high-poverty census tracts, an explanation of the advantages of moving to areas outside of high-poverty concentrations; and
- For families receiving welfare-to-work vouchers, a description of any local obligations of a welfare-to-work family and an explanation that failure to meet the obligations is grounds for denial of admission or termination of assistance.

HACC Policy

When HACC-owned units are available for lease, HACC will inform the family during the oral briefing that the family has the right to select any eligible unit available for lease, and is not obligated to choose a HACC-owned unit.

Briefing Packet [24 CFR 982.301(b)]

Documents and information provided in the briefing packet must include the following:

HACC Policy

To eliminate waste and copying costs, all the required briefing packet items will be made available and discussed during group briefings and on-line. It is the client's choice which items they will choose to take home or get on-line. However a packet containing the following basic materials will be given directly to each client to take home: Voucher, Request for Tenancy Approval, Tenant Rent and Subsidy Worksheet, Utility Allowance Chart, Determination of Housing Assistance Payments, and Payment Standard chart.

- The term of the voucher, and HACC's policies on any extensions or suspensions of the term. If HACC allows extensions, the packet must explain how the family can request an extension.
- A description of the method used to calculate the housing assistance payment for a family, including how HACC determines the payment standard for a family, how HACC determines total tenant payment for a family, and information on the payment standard and utility allowance schedule.
- An explanation of how HACC determines the maximum allowable rent for an assisted unit.
- Where the family may lease a unit and an explanation of how portability works, including information on how portability may affect the family's assistance through screening, subsidy standards, payment standards, and any other elements of the portability process that may affect the family's assistance.
- The HUD-required tenancy addendum, which must be included in the lease.
- The form the family must use to request approval of tenancy**,** and a description of the procedure for requesting approval for a tenancy.
- A statement of HACC policy on providing information about families to prospective owners.
- HACC subsidy standards including when and how exceptions are made.

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- Materials (e.g., brochures) on how to select a unit and any additional information on selecting a unit that HUD provides.
- Information on federal, state and local equal opportunity laws and a copy of the housing discrimination complaint form. HACC provides the toll-free number for the Fair Housing complaint Hotline: 1-800-669-9777 and TTY 1-800-887-8339 through the use of the HUD forms 1686 and 903.1.
- A list of landlords known to HACC who may be willing to lease a unit to the family or other resources (e.g., newspapers, organizations, online search tools) known to the PHA that may assist the family in locating a unit. HACC must ensure that the list of landlords or other resources covers areas outside of poverty or minority concentration.
- Notice that if the family includes a person with disabilities, the family may request a list of available accessible units known to HACC.
- The family obligations under the program, including any obligations of a welfare-to-work family.
- The grounds on which HACC may terminate assistance for a participant family because of family action or failure to act.
- HACC informal hearing procedures including when HACC is required to offer a participant family the opportunity for an informal hearing, and how to request the hearing.

If HACC is located in a metropolitan area, the following additional information must be included in the briefing packet in order to receive full points under SEMAP Indicator 7, Expanding Housing Opportunities [24 CFR 985.3(g)]:

- Maps showing areas with housing opportunities outside areas of poverty or minority concentration, both within its jurisdiction and its neighboring jurisdiction.
- Information about the characteristics of these areas including job opportunities, schools, transportation and other services.
- An explanation of how portability works, including a list of portability contact persons for neighboring HA's with names, addresses, and telephone numbers.

Additional Items to Be Included in the Briefing Packet

In addition to items required by the regulations, PHAs may wish to include supplemental materials to help explain the program to both participants and owners [HCV GB p. 8-7, Notice PIH 2010-19].

<u>HACC Policy</u>

HACC will make available the following additional materials at briefing:

Information on how to fill out and file a housing discrimination complaint form

Information about the protections afforded by the Violence against Women Act of 2013 (VAWA) to victims of domestic violence, dating violence, sexual assault and stalking (see section 16-IX.C)

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"Is Fraud Worth It?" (form HUD-1141-OIG), which explains the types of actions a family must avoid and the penalties for program abuse

Information about the protections afforded by the Protecting Tenants at Foreclosure Act (PTFA) (see section 13-II.G)

"What You Should Know about EIV," a guide to the Enterprise Income Verification (EIV) system published by HUD as an attachment to Notice PIH 2010-19.

HACC Schedule of utility allowances.

Landlord inspection checklist.

Family Self Sufficiency Information Sheet

5-I.C. FAMILY OBLIGATIONS

Obligations of the family are described in the housing choice voucher (HCV) regulations and on the voucher itself. These obligations include responsibilities the family is required to fulfill, as well as prohibited actions. HACC must inform families of these obligations during the oral briefing, and the same information must be included in the briefing packet. When the family's unit is approved and the HAP contract is executed, the family must meet those obligations in order to continue participating in the program. Violation of any family obligation may result in termination of assistance, as described in Chapter 12.

Time Frames for Reporting Changes Required By Family Obligations

HACC Policy

Unless otherwise noted below, when family obligations require the family to respond to a request or notify HACC of a change, notifying HACC of the request or change within 10 business days is considered prompt notice.

When a family is required to provide notice to HACC, the notice must be in writing.

Family Obligations [24 CFR 982.551]

The family obligations of the voucher are listed as follow:

- The family must supply any information that HACC or HUD determines to be necessary, including submission of required evidence of citizenship or eligible immigration status.
- The family must supply any information requested by HACC or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition.
- The family must disclose and verify social security numbers and sign and submit consent forms for obtaining information.
- Any information supplied by the family must be true and complete.
- The family is responsible for any Housing Quality Standards (HQS) breach by the family caused by failure to pay tenant-provided utilities or appliances, or damages to the dwelling unit or premises beyond normal wear and tear caused by any member of the household or guest.

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HACC Policy

Damages beyond normal wear and tear will be considered to be damages which could be assessed against the security deposit.

- The family must allow HACC to inspect the unit at reasonable times and after reasonable notice, as described in Chapter 8 of this plan.
- The family must not commit any serious or repeated violation of the lease.

HACC Policy

HACC will determine if a family has committed serious or repeated violations of the lease based on available evidence, including but not limited to, a court-ordered eviction, or an owner's notice to evict , police reports, and affidavits from the owner, neighbors, or other credible parties with direct knowledge.

Serious and repeated lease violations will include, but not be limited to, nonpayment of rent, disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises and criminal activity. Generally, the criteria to be used are whether the reason for the eviction was through no fault of the tenant or guests. Any incidents of, or criminal activity related to, domestic violence, dating violence, sexual assault or stalking will not be construed as serious or repeated lease violations by the victim [24 CFR 5.2005(c)(1)].

- The family must notify HACC and the owner before moving out of the unit or terminating the lease.

HACC Policy

The family must comply with lease requirements regarding written notice to the owner. The family must provide written notice to HACC at the same time the owner is notified.

- The family must promptly give HACC a copy of any owner eviction notice.
- The family must use the assisted unit for residence by the family. The unit must be the family's only residence.
- The composition of the assisted family residing in the unit must be approved by HACC. The family must promptly notify HACC in writing of the birth, adoption, or court-awarded custody of a child. The family must request PHA approval to add any other family member as an occupant of the unit.

HACC Policy

The request to add a family member must be submitted in writing and approved prior to the person moving into the unit. HACC will determine eligibility of the new member in accordance with the policies in Chapter 3.

- The family must promptly notify HACC in writing if any family member no longer lives in the unit.
- If HACC has given approval, a foster child or a live-in aide may reside in the unit. HACC has the discretion to adopt reasonable policies concerning residency by a foster child or a live-in aide, and to define when HACC consent may be given or denied. For policies related

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to the request and approval/disapproval of foster children, foster adults, and live-in aides, see Chapter 3 (Sections I.K and I.M), and Chapter 11 (Section II.B).

- The family must not sublease the unit, assign the lease, or transfer the unit.

  HACC Policy

  Subleasing includes receiving payment to cover rent and utility costs by a person living in the unit who is not listed as a family member.

- The family must supply any information requested by HACC to verify that the family is living in the unit or information related to family absence from the unit.
- The family must promptly notify HACC when the family is absent from the unit.

  HACC Policy

  Notice is required under this provision only when all family members will be absent from the unit for an extended period. An extended period is defined as any period greater than 21 calendar days. Written notice must be provided to HACC at the start of the extended absence.

- The family must pay utility bills and provide and maintain any appliances that the owner is not required to provide under the lease [Form HUD-52646, Voucher].
- The family must not own or have any interest in the unit, (other than in a cooperative and owners of a manufactured home leasing a manufactured home space).
- Family members must not commit fraud, bribery, or any other corrupt or criminal act in connection with the program. (See Chapter 14, Program Integrity for additional information).
- Family members must not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. See Chapter 12 for HUD and HACC policies related to drug-related and violent criminal activity.

  HACC Policy

  This applies to any member of the household, a guest or any other person on the property under the tenant's control. Other person under the tenant's control is defined as a person that, although not staying as a guest in the unit, is or was at the time of the activity in question, on the premises because of an invitation from the tenant or other member of the household who has express or implied authority to so consent on behalf of the tent. Absent evidence to the contrary, a person temporarily and infrequently on the premises solely for legitimate (legal) commercial purposes is not under the tenant's control.

- Members of the household must not engage in abuse of alcohol in a way that threatens the health, safety or right to peaceful enjoyment of the other residents and persons residing in the immediate vicinity of the premises. See Chapter 12 for a discussion of HUD and HACC policies related to alcohol abuse.

  HACC Policy

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This applies to any member of the household, a guest or any other person on the property under the tenant's control. Other person under the tenant's control is defined as a person that, although not staying as a guest in the unit, is or was at the time of the activity in question, on the premises because of an invitation from the tenant or other member of the household who has express or implied authority to so consent on behalf of the tent. Absent evidence to the contrary, a person temporarily and infrequently on the premises solely for legitimate (legal) commercial purposes is not under the tenant's control.

- An assisted family or member of the family must not receive HCV program assistance while receiving another housing subsidy, for the same unit or a different unit under any other federal, state or local housing assistance program.
- A family must not receive HCV program assistance while residing in a unit owned by a parent, child, grandparent, grandchild, sister or brother of any member of the family, unless HACC has determined (and has notified the owner and the family of such determination) that approving rental of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities. [Form HUD-52646, Voucher]

PART II: SUBSIDY STANDARDS AND VOUCHER ISSUANCE

5-II.A. OVERVIEW

HACC must establish subsidy standards that determine the number of bedrooms needed for families of different sizes and compositions. This part presents the policies that will be used to determine the family unit size (also known as the voucher size) a particular family should receive, and the policies that govern making exceptions to those standards. HACC must also establish policies related to the issuance of the voucher, to the voucher term, and to any extensions or suspensions of the voucher term.

5-II.B. DETERMINING FAMILY UNIT (VOUCHER) SIZE [24 CFR 982.402]

For each family, HACC determines the appropriate number of bedrooms under HACC subsidy standards and enters the family unit size on the voucher that is issued to the family. The family unit size does not dictate the size of unit the family must actually lease, nor does it determine who within a household will share a bedroom/sleeping room.

The following requirements apply when HACC determines family unit size:

- The subsidy standards must provide for the smallest number of bedrooms needed to house a family without overcrowding.
- The subsidy standards must be consistent with space requirements under the housing quality standards.
- The subsidy standards must be applied consistently for all families of like size and composition.
- A child who is temporarily away from the home because of placement in foster care is considered a member of the family in determining the family unit size.

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- A family that consists of a pregnant woman (with no other persons) must be treated as a two-person family.
- Any live-in aide (approved by HACC to reside in the unit to care for a family member who is disabled or is at least 50 years of age) must be counted in determining the family unit size;
- Unless a live-in-aide resides with a family, the family unit size for any family consisting of a single person must be either a zero- or one-bedroom unit, as determined under HACC subsidy standards.

HACC Policy

HACC will assign one bedroom for each two persons within the household. The following exceptions will apply:

- Single person families will be allocated one bedroom unless living in a studio then will be allocated a 0 bedroom payment standard.

- A child who is temporarily away from the home because of placement in foster care is considered a member of the family in demining the family unit size but documentation proving unification is anticipated is required. Absences in excess of 180 days trigger policy under Chapter 3(I)(L), Absences Due to Placement in Foster Care.

- A family that consists of a pregnant woman (with no other persons) must be treated as a two-person family.

- Any live-in aide (approved by HACC to reside in the unit) must be counted in determining the bedroom size. A live-in aide is entitled to a separate bedroom.

- A separate bedroom will be allocated for a single head of household with children. The two per bedroom will be required thereafter regardless of gender or age of the remaining household members.

- A couple with one child will be issued a two bedroom voucher. The two per bedroom will be required thereafter regardless of gender or age of of the remaining household members.

  Minimum and Maximum Occupancy chart will be used:

  The PHA will reference the following chart in determining the appropriate voucher size for a family:

Voucher Size	**Persons in Household (Minimum – Maximum)**
1 Bedroom	1-2
2 Bedrooms	2-4

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3 Bedrooms	4-6
4 Bedrooms	6-8
5 Bedrooms	8-10

5-II.C. EXCEPTIONS TO SUBSIDY STANDARDS

In determining family unit size for a particular family, HACC may grant an exception to its established subsidy standards if HACC determines that the exception is justified by the age, sex, health, handicap, or relationship of family members or other personal circumstances [24 CFR 982.402(b)(8)].

For a single person who is not elderly, disabled, or a remaining family member, an exception cannot override the regulatory limit of a zero or one bedroom [24 CFR 982.402(b) (8)].

HACC Policy

HACC will consider granting an exception for any of the reasons specified in the regulation: the age, sex, health, handicap, or relationship of family members or other personal circumstances. However, to avoid cutting families from the program due to insufficient funding, HACC will not absorb the cost of allowing an additional bedroom if other non-disabled family members are able to double up to give an extra bedroom for use by the disabled family member.

The family must request any exception to the subsidy standards in writing. The request must explain the need or justification for a larger family unit size or reasonable accommodation payment standard, and must include appropriate documentation. Requests based on health-related reasons must be verified by a knowledgeable professional source (e.g., doctor or health professional), unless the disability and the disability–related request for accommodation is readily apparent or otherwise known. The family's continued need for an additional bedroom due to special medical equipment may be re-verified at annual reexamination.

HACC will notify the family of its determination within 14 business days of receiving the family's request. If a participant family's request is denied, the notice will inform the family of their right to request an informal hearing.

5-II.D. VOUCHER ISSUANCE AND RESCISSIONS [24 CFR 982.302]

When a family is selected from the waiting list (or as a special admission as described in Chapter 4), or when a participant family wants to move to another unit, HACC issues a Housing Choice Voucher, form HUD-52646. This chapter deals only with voucher issuance for applicants. For voucher issuance associated with moves of program participants, please refer to Chapter 10.

The voucher is the family's authorization to search for housing. It specifies the unit size for which the family qualifies, and includes both the date of voucher issuance and date of expiration. It contains a brief description of how the program works and explains the family obligations under the program. The voucher is evidence that HACC has determined the family to be eligible for the program, and that HACC expects to have money available to subsidize the family if the family finds an approvable unit. However, HACC does not have any liability to any party by the

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issuance of the voucher, and the voucher does not give the family any right to participate in HACC's housing choice voucher program [Voucher, form HUD-52646]

A voucher can be issued to an applicant family only after HACC has determined that the family is eligible for the program based on verification of information received within the 60 days prior to issuance [24 CFR 982.201(e)] and after the family has attended an oral briefing [HCV 8-1].

HACC Policy

> Vouchers will be issued to eligible applicants immediately following the mandatory briefing.

HACC should have sufficient funds to house an applicant before issuing a voucher. If funds are insufficient to house the family at the top of the waiting list, HACC must wait until it has adequate funds before it calls another family from the list [HCV GB p. 8-10].

> HACC Policy
>
> Prior to issuing any vouchers, HACC will determine whether it has sufficient funding in accordance with the policies in Part VIII of Chapter 16.

If HACC determines that there is insufficient funding after a voucher has been issued, HACC may rescind the voucher and place the affected family back on the waiting list.

Although vouchers are issued on the basis that HACC will have enough money to subsidize families that locate an approvable unit within the term of their voucher, it is possible for HACC to discover after vouchers have been issued that there is not enough funding to provide subsidy to all of the applicant families that are currently searching for a unit. If this occurs, the PHA may need to rescind vouchers.

HACC Policy

> If, due to budgetary constraints, HACC must rescind vouchers that have already been issued to families, HACC will do so according to the instructions under each of the categories below. HACC will first rescind vouchers that fall under Category 1. Vouchers in Category 2 will only be rescinded after all vouchers under Category 1 have been rescinded.
>
> Category 1: Vouchers for which a Request for Tenancy Approval (RTA) and proposed lease have not been submitted to HACC. Vouchers will be rescinded in order of the date and time they were issued, starting with the most recently issued vouchers.
>
> Category 2: Vouchers for which a RTA and proposed lease have been submitted to HACC. Vouchers will be rescinded in order of the date and time the RTA was submitted to HACC, starting with the most recently submitted requests.
>
> Families who have their voucher rescinded will be notified in writing and will be reinstated to their former position on the waiting list. When funding is again available, families will be selected from the waiting list in accordance with HACC selection policies described in Chapter 4.

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5-II.E. VOUCHER TERM AND EXTENSIONS

Voucher Term [24 CFR 982.303]

The initial term of a voucher must be at least 60 calendar days. The initial term must be stated on the voucher [24 CFR 982.303(a)].

HACC Policy

The initial voucher term will be 90 calendar days for all programs except VASH initial voucher term will be 120 calendar days.

The family must submit a Request for Tenancy Approval and proposed lease within the 90 day period unless HACC grants an extension.

Extensions will be limited to no more than one 30 day extension as outlined under Extension of Voucher Term below.

HACC will not grant extensions on ports to other jurisdictions.

For families moving to HACC's jurisdiction under portability, HACC will honor extensions granted by the initial PHA only.

The voucher term will not begin until the day after the tenant's 30 day notice has ended, or the day after the tenant/landlord has mutually agreed to terminate the lease.

Any extensions to the initial 30 day notice to vacate (if the tenant did not move as notified the landlord) will not change the voucher term that was initially set after the tenant's initial 30 day notice. Failure to vacate a unit by the tenant is not grounds for an extension on the voucher.

Extensions of Voucher Term [24 CFR 982.303(b)]

HACC has the authority to grant extensions of search time, to specify the length of an extension, and to determine the circumstances under which extensions will be granted. There is no limit on the number of extensions that HACC can approve. Discretionary policies related to extension and expiration of search time must be described in HACC's administrative plan [24 CFR 982.54].

HACC may approve additional search time if needed as a reasonable accommodation to make the program accessible to and usable by a person with disabilities. The extension period must be reasonable for the purpose.

The family must be notified in writing of HACC's decision to approve or deny an extension. HACC's decision to deny a request for an extension of the voucher term is not subject to informal review [24 CFR 982.554(c) (4)].

HACC Policy

HACC will approve only one 30 day extension under the following circumstances:

It is necessary as a reasonable accommodation for a person with disabilities.

It is necessary due to reasons beyond the family's control, as determined by HACC. Following is a list of extenuating circumstances that HACC may consider in making its

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decision. The presence of these circumstances does not guarantee that an extension will be granted:

Serious illness or death in the family

Whether the family has already submitted requests for tenancy approval that were not approved by HACC

Whether family size or other special circumstances make it difficult to find a suitable unit

Any request for an additional extension must include the reason(s) an additional extension is necessary. HACC may require the family to provide documentation to support the request or obtain verification from a qualified third party.

All requests for extensions to the voucher term must be made in writing and submitted to HACC prior to the expiration date of the voucher (or extended term of the voucher).

HACC will decide whether to approve or deny an extension request within 10 business days of the date the request is received, and will immediately provide the family written notice of its decision.

Suspensions of Voucher Term [24 CFR 982.303(c)]

The PHA must provide for suspension of the initial or any extended term of the voucher from the date the family submits a request for PHA approval of the tenancy until the date the PHA notifies the family in writing whether the request has been approved or denied.

Expiration of Voucher Term

Once a family's housing choice voucher term (including any extensions) expires, the family is no longer eligible to search for housing under the program. If the family still wishes to receive assistance, HACC may require that the family reapply, or may place the family on the waiting list with a new application date but without requiring reapplication. Such a family does not become ineligible for the program on the grounds that it was unable to locate a unit before the voucher expired [HCV GB p. 8-13].

<u>HACC Policy</u>

If an applicant family's voucher term or extension expires before HACC has approved a tenancy, HACC will require the family to reapply for assistance.

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Chapter 6

INCOME AND SUBSIDY DETERMINATIONS

[24 CFR Part 5, Subparts E and F; 24 CFR 982]

INTRODUCTION

A family's income determines eligibility for assistance and is also used to calculate the family's payment and HACC's subsidy. HACC will use the policies and methods described in this chapter to ensure that only eligible families receive assistance and that no family pays more or less than its obligation under the regulations. This chapter describes HUD regulations and HACC policies related to these topics in three parts as follows:

- Part I: Annual Income. HUD regulations specify the sources of income to include and exclude to arrive at a family's annual income. These requirements and HACC policies for calculating annual income are found in Part I.
- Part II: Adjusted Income. Once annual income has been established HUD regulations require HACC to subtract from annual income any of five mandatory deductions for which a family qualifies. These requirements and HACC policies for calculating adjusted income are found in Part II.
- Part III: Calculating Family Share and HACC Subsidy. This part describes the statutory formula for calculating total tenant payment (TTP), the use of utility allowances, and the methodology for determining HACC subsidy and required family payment.

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PART I: ANNUAL INCOME

6-I.A. OVERVIEW

The general regulatory definition of *annual income* shown below is from 24 CFR 5.609.

> 5.609 Annual income.
>
> (a) Annual income means all amounts, monetary or not, which:
>
> (1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or
>
> (2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
>
> (3) Which are not specifically excluded in paragraph [5.609(c)].
>
> (4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

In addition to this general definition, HUD regulations establish policies for treating specific types of income and assets. The full texts of those portions of the regulations are provided in exhibits at the end of this chapter as follows:

- Annual Income Inclusions (Exhibit 6-1)
- Annual Income Exclusions (Exhibit 6-2)
- Treatment of Family Assets (Exhibit 6-3)
- Earned Income Disallowance for Persons with Disabilities (Exhibit 6-4)
- The Effect of Welfare Benefit Reduction (Exhibit 6-5)

Sections 6-I.B and 6-I.C discuss general requirements and methods for calculating annual income. The rest of this section describes how each source of income is treated for the purposes of determining annual income. HUD regulations present income inclusions and exclusions separately [24 CFR 5.609(b) and 24 CFR 5.609(c)]. In this plan, however, the discussions of income inclusions and exclusions are integrated by topic (e.g., all policies affecting earned income are discussed together in section 6-I.D). Verification requirements for annual income are discussed in Chapter 7.

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6-I.B. HOUSEHOLD COMPOSITION AND INCOME

Income received by all family members must be counted unless specifically excluded by the regulations. It is the responsibility of the head of household to report changes in family composition. The rules on which sources of income are counted vary somewhat by family member. The chart below summarizes how family composition affects income determinations.

Summary of Income Included and Excluded by Person	
Live-in aides	Income from all sources is excluded [24 CFR 5.609(c) (5)].
Foster child or foster adult	Income from all sources is excluded [24 CFR 5.609(c) (2)].
Head, spouse, or co-head Other adult family members	All sources of income not specifically excluded by the regulations are included.
Children under 18 years of age	Employment income is excluded [24 CFR 5.609(c) (1)]. All other sources of income, except those specifically excluded by the regulations, are included.
Full-time students 18 years of age or older (not head, spouse, or co-head)	Employment income above $480/year is excluded [24 CFR 5.609(c) (11)]. All other sources of income, except those specifically excluded by the regulations, are included.

Temporarily Absent Family Members

The income of family members approved to live in the unit will be counted, even if the family member is temporarily absent from the unit [HCV GB, p. 5-18].

HACC Policy

Generally an individual who is or is expected to be absent from the assisted unit for 180 consecutive days or less is considered temporarily absent and continues to be considered a family member. Generally an individual who is or is expected to be absent from the assisted unit for more than 180 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

Absent Students

HACC Policy

When someone who has been considered a family member attends school away from home, the person will continue to be considered a family member unless information becomes available to HACC indicating that the student has established a separate household or the family declares that the student has established a separate household.

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Absences Due to Placement in Foster Care

Children temporarily absent from the home as a result of placement in foster care are considered members of the family [24 CFR 5.403].

HACC Policy

If a child has been placed in foster care, HACC will verify with the appropriate agency whether and when the child is expected to be returned to the home. Unless the agency confirms that the child has been permanently removed from the home, the child will be counted as a family member.

Absent Head, Spouse, or Co-head

HACC Policy

An employed head, spouse, or co-head absent from the unit more than 180 consecutive days due to employment will continue to be considered a family member.

Family Members Permanently Confined for Medical Reasons

If a family member is confined to a nursing home or hospital on a permanent basis, that person is no longer considered a family member and the income of that person is not counted [HCV GB, p. 5-22].

HACC Policy

HACC will request verification from a responsible medical professional and will use this determination. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent. The family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member.

When an individual who has been counted as a family member is determined permanently absent, the family is eligible for the medical expense deduction only if the remaining head, spouse, or co-head qualifies as an elderly person or a person with disabilities.

Joint Custody of Dependents

HACC Policy

Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or participant family more than 50 percent of the time.

When more than one applicant or participant family is claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, HACC will make the determination based on available documents such as court orders, or an IRS return showing which family has claimed the child for income tax purposes.

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Caretakers for a Child

HACC Policy

The approval of a caretaker is at the owner and HACC's discretion and subject to the owner and PHA's screening criteria. If neither a parent nor a designated guardian remains in a household receiving HCV assistance, HACC will take the following actions.

(1) If a responsible agency has determined that another adult is to be brought into the assisted unit to care for a child for an indefinite period, the designated caretaker will not be considered a family member until a determination of custody or legal guardianship is made.

(2) If a caretaker has assumed responsibility for a child without the involvement of a responsible agency or formal assignment of custody or legal guardianship, the caretaker will be treated as a visitor for 90 days. After the 90 days has elapsed, the caretaker will be considered a family member unless information is provided that would confirm that the caretaker's role is temporary. In such cases HACC will extend the caretaker's status as an eligible visitor.

(3) At any time that custody or guardianship legally has been awarded to a caretaker, the housing choice voucher will be transferred to the caretaker.

(4) During any period that a caretaker is considered a visitor, the income of the caretaker is not counted in annual income and the caretaker does not qualify the family for any deductions from income.

6-I.C. ANTICIPATING ANNUAL INCOME

HACC is required to count all income "anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date" [24 CFR 5.609(a) (2)]. Policies related to anticipating annual income are provided below.

Basis of Annual Income Projection

HACC generally will use current circumstances to determine anticipated income for the coming 12-month period. HUD authorizes HACC to use other than current circumstances to anticipate income when:

- An imminent change in circumstances is expected [HCV GB, p. 5-17]
- It is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income) [24 CFR 5.609(d)]

  HACC believes that past income is the best available indicator of expected future income [24 CFR 5.609(d)]

PHAs are required to use HUD's Enterprise Income Verification (EIV) system in its entirety as a third party source to verify employment and income information, and to reduce administrative subsidy payment errors in accordance with HUD administrative guidance [24 CFR 5.233(a)(2)].

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HUD allows PHAs to use tenant-provided documents (pay stubs) to project income once EIV data has been received in such cases where the family does not dispute the EIV employer data and where the PHA does not determine it is necessary to obtain additional third-party data.

HACC Policy

When EIV is obtained and the family does not dispute the EIV employer data, HACC will use current tenant-provided documents to project annual income. When the tenant provided documents are pay stubs, HACC will make every effort to obtain current and consecutive pay stubs dated within the last 60 days.

HACC will obtain written and/or oral third-party verification in accordance with the verification requirements and policy in Chapter 7 in the following cases:

If EIV or other UIV data is not available,

If the family disputes the accuracy of the EIV employer data, and/or

If HACC determines additional information is needed.

In such cases, HACC will review and analyze current data to anticipate annual income. In all cases, the family file will be documented with a clear record of the reason for the decision, and a clear audit trail will be left as to how HACC annualized projected income.

When HACC cannot readily anticipate income based upon current circumstances (e.g., in the case of seasonal employment, unstable working hours, or suspected fraud), HACC will review and analyze historical data for patterns of employment, paid benefits, and receipt of other income and use the results of this analysis to establish annual income.

Any time current circumstances are not used to project annual income, a clear rationale for the decision will be documented in the file. In all such cases the family may present information and documentation to HACC to show why the historic pattern does not represent the family's anticipated income.

Known Changes in Income

If HACC verifies an upcoming increase or decrease in income, annual income will be calculated by applying each income amount to the appropriate part of the 12-month period.

Example: An employer reports that a full-time employee who has been receiving $8/hour will begin to receive $8.25/hour in the eighth week after the effective date of the reexamination. In such a case HACC would calculate annual income as follows: ($8/hour × 40 hours × 7 weeks) + ($8.25 × 40 hours × 45 weeks).

The family may present information that demonstrates that implementing a change before its effective date would create a hardship for the family. In such cases HACC will calculate annual income using current circumstances and then require an interim reexamination when the change actually occurs. This requirement will be imposed even if HACC's policy on reexaminations does not require interim reexaminations for other types of changes.

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When tenant-provided third party documents are used to anticipate annual income, they will be dated within the last 60 days of the reexamination interview date.

Projecting Income

In HUD's EIV webcast of January 2008, HUD made clear that PHAs are not to use EIV quarterly wages to project annual income.

6-I.D. EARNED INCOME

Types of Earned Income Included in Annual Income

Wages and Related Compensation

The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services is included in annual income [24 CFR 5.609(b)(1)].

HACC Policy

For persons who regularly receive bonuses or commissions, HACC will verify and then average amounts received for the two years preceding admission or reexamination. If only a one-year history is available, HACC will use the prior year amounts. In either case the family may provide, and HACC will consider, a credible justification for not using this history to anticipate future bonuses or commissions. If a new employee has not yet received any bonuses or commissions, HACC will count only the amount estimated by the employer. The file will be documented appropriately.

Some Types of Military Pay

All regular pay, special pay and allowances of a member of the Armed Forces are counted [24 CFR 5.609(b) (8)] except for the special pay to a family member serving in the Armed Forces who is exposed to hostile fire [24 CFR 5.609(c) (7)].

Types of Earned Income Not Counted in Annual Income

***Temporary, Nonrecurring, or Sporadic Income* [24 CFR 5.609(c) (9)]**

This type of income (including gifts) is not included in annual income. Sporadic income includes temporary payments from the U.S. Census Bureau for employment lasting no longer than 180 days [Notice PIH 2009-19]

HACC Policy

Sporadic income is income that is not received periodically and cannot be reliably predicted. For example, the income of an individual who works occasionally as a handyman would be considered sporadic if future work could not be anticipated and no historic, stable pattern of income existed. If a pattern is established and income can be reliably predicted, the income will be included.

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Children's Earnings

Employment income earned by children (including foster children) under the age of 18 years is not included in annual income [24 CFR 5.609(c) (1)]. (See Eligibility chapter for a definition of *foster children*.)

Certain Earned Income of Full-Time Students

Earnings in excess of $480 for each full-time student 18 years old or older (except for the head, spouse, or co-head) are not counted [24 CFR 5.609(c) (11)]. To be considered "full-time," a student must be considered "full-time" by an educational institution with a degree or certificate program [HCV GB, p. 5-29].

Income of a Live-in Aide

Income earned by a live-in aide, as defined in [24 CFR 5.403], is not included in annual income [24 CFR 5.609(c) (5)]. (See Eligibility chapter for a full discussion of live-in aides.)

Income Earned under Certain Federal Programs

Income from some federal programs is specifically excluded from consideration as income [24 CFR 5.609(c) (17)], including:

- Payments to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)
- Awards under the federal work-study program (20 U.S.C. 1087 uu)
- Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))
- Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))
- Allowances, earnings, and payments to participants in programs funded under the Workforce Investment Act of 1998 (29 U.S.C. 2931)

Resident Service Stipend

Amounts received under a resident service stipend are not included in annual income. A resident service stipend is a modest amount (not to exceed $200 per individual per month) received by a resident for performing a service for HACC or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of HACC's governing board. No resident may receive more than one such stipend during the same period of time [24 CFR 5.600(c) (8) (iv)].

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State and Local Employment Training Programs

Incremental earnings and benefits to any family member resulting from participation in qualifying state or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff are excluded from annual income. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the training program [24 CFR 5.609(c)(8)(v)].

HACC Policy

HACC defines *training program* as "a learning process with goals and objectives, generally having a variety of components, and taking place in a series of sessions over a period to time. It is designed to lead to a higher level of proficiency, and it enhances the individual's ability to obtain employment. It may have performance standards to measure proficiency. Training may include, but is not limited to: (1) classroom training in a specific occupational skill, (2) on-the-job training with wages subsidized by the program, or (3) basic education" [expired Notice PIH 98-2, p. 3].

HACC defines *incremental earnings and benefits* as the difference between: (1) the total amount of welfare assistance and earnings of a family member prior to enrollment in a training program, and (2) the total amount of welfare assistance and earnings of the family member after enrollment in the program [expired Notice PIH 98-2, pp. 3–4].

In calculating the incremental difference, HACC will use as the pre-enrollment income the total annualized amount of the family member's welfare assistance and earnings reported on the family's most recently completed HUD-50058.

End of participation in a training program must be reported in accordance with HACC's interim reporting requirements.

HUD-Funded Training Programs

Amounts received under training programs funded in whole or in part by HUD [24 CFR 5.609(c)(8) (i)] are excluded from annual income. Eligible sources of funding for the training include operating subsidy, Section 8 administrative fees, and modernization, Community Development Block Grant (CDBG), HOME program, and other grant funds received from HUD.

HACC Policy

To qualify as a training program, the program must meet the definition of *training program* provided above for state and local employment training programs.

Earned Income Tax Credit

Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j)), are excluded from annual income [24 CFR 5.609(c) (17)]. Although many families receive the EITC annually when they file taxes, an EITC can also be received throughout the year. The prorated share of the annual EITC is included in the employee's payroll check.

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Earned Income Disallowance

The earned income disallowance for persons with disabilities is discussed in section 6-I.E below.

6-I.E. EARNED INCOME DISALLOWANCE FOR PERSONS WITH DISABILITIES [24 CFR 5.617; Streamlining Final Rule (SFR) Federal Register 3/8/16]

The earned income disallowance (EID) encourages people with disabilities to enter the work force by not including the full value of increases in earned income for a period of time. The full text of 24 CFR 5.617 is included as Exhibit 6-4 at the end of this chapter. Eligibility criteria and limitations on the disallowance are summarized below.

Eligibility

This disallowance applies only to individuals in families already participating in the HCV program (not at initial examination). To qualify, the family must experience an increase in annual income that is the result of one of the following events:

- Employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment. *Previously unemployed* includes a person who annually has earned not more than the minimum wage applicable to the community multiplied by 500 hours. The applicable minimum wage is the federal minimum wage unless there is a higher state or local minimum wage.
- Increased earnings by a family member who is a person with disabilities and whose earnings increase during participation in an economic self-sufficiency or job-training program. A self-sufficiency program includes a program designed to encourage, assist, train, or facilitate the economic independence of HUD-assisted families or to provide work to such families [24 CFR 5.603(b)].
- New employment or increased earnings by a family member who is a person with disabilities and who has received benefits or services under Temporary Assistance for Needy Families (TANF) or any other state program funded under Part A of Title IV of the Social Security Act within the past six months. If the benefits are received in the form of monthly maintenance, there is no minimum amount. If the benefits or services are received in a form other than monthly maintenance, such as one-time payments, wage subsidies, or transportation assistance, the total amount received over the six-month period must be at least $500.

Calculation of the Disallowance

Calculation of the earned income disallowance for an eligible member of a qualified family begins with a comparison of the member's current income with his or her "baseline income." The family member's baseline income is his or her income immediately prior to qualifying for the EID. The family member's baseline income remains constant throughout the period that he or she is participating in the EID. While qualification for the disallowance is the same for all families, calculation of the disallowance will differ depending on when the family member qualified for the EID. Participants qualifying prior to May 9, 2016, will have the disallowance calculated under the "Original Calculation Method" described below which requires a maximum lifetime disallowance period of up to 48 consecutive months. Participants qualifying on or after

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May 9, 2016, will be subject to the "Revised Calculation Method" Which shortens the lifetime disallowance period to 24 consecutive months.

Under both the original and new methods, the EID eligibility criteria, the benefit amount, the single lifetime eligibility requirement and the ability of the applicable family member to stop and restart employment during the eligibility period are the same.

Original Calculation Method

Initial 12-Month Exclusion

During the initial 12-month exclusion period, the full amount (100 percent) of any increase in income attributable to new employment or increased earnings is excluded. The 12 months are cumulative and need not be consecutive.

> HACC Policy
>
> The initial EID exclusion period will begin on the first of the month following the date an eligible member of a qualified family is first employed or first experiences an increase in earnings.

Second 12-Month Exclusion and Phase-In

During the second 12-month exclusion period, the exclusion is reduced to half (50 percent) of any increase in income attributable to employment or increased earnings. The 12 months are cumulative and need not be consecutive.

Lifetime Limitation

The EID has a 24 month lifetime maximum (PIH Notice 2016-05). The two-year eligibility period begins at the same time that the initial exclusion period begins and ends 24 months later. The one-time eligibility for the EID applies even if the eligible individual begins to receive assistance from another housing agency, if the individual moves between public housing and Section 8 assistance, or if there are breaks in assistance. At the end of the 24 months, the EID ends regardless of how many months were used.

> During the 24-month eligibility period, the PHA will schedule and conduct an interim reexamination each time there is a change in the family member's annual income that affects or is affected by the EID (e.g., when the family member's income falls to a level at or below his/her prequalifying income, when one of the exclusion periods ends, and at the end of the lifetime maximum eligibility period).

Revised Calculation Method

Initial 12-Month Exclusion

During the initial exclusion period of 12 consecutive months, the full amount (100 percent) of any increase in income attributable to new employment or increased earnings is excluded.

> PHA Policy
>
> The initial EID exclusion period will begin on the first of the month following the date an eligible member of a qualified family is first employed or first experiences an increase in earnings.

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Second 12-Month Exclusion

During the second exclusion period of 12 consecutive months, the PHA must exclude at least 50 percent of any increase in income attributable to employment or increased earnings.

PHA Policy

During the second 12-month exclusion period, the PHA will exclude 100 percent of any increase in income attributable to new employment or increased earnings.

Lifetime Limitation

The EID has a two-year (24-month) lifetime maximum. The two-year eligibility period begins at the same time that the initial exclusion period begins and ends 24 months later. During the 24-month period, an individual remains eligible for EID even if they begin to receive assistance from a different housing agency, move between public housing and Section 8 assistance, or have breaks in assistance.

6-I.F. BUSINESS INCOME [24 CFR 5.609(b) (2)]

Annual income includes "the net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family" [24 CFR 5.609(b)(2)].

Business Expenses

Net income is "gross income less business expense" [HCV GB, p. 5-19].

HACC Policy

To determine business expenses that may be deducted from gross income, HACC will use current applicable Internal Revenue Service (IRS) rules for determining allowable business expenses [see IRS Publication 535], unless a topic is addressed by HUD regulations or guidance as described below.

Business Expansion

HUD regulations do not permit HACC to deduct from gross income expenses for business expansion.

HACC Policy

Business expansion is defined as any capital expenditures made to add new business activities, to expand current facilities, or to operate the business in additional locations. For example, purchase of a street sweeper by a construction business for the purpose of adding street cleaning to the services offered by the business would be considered a

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business expansion. Similarly, the purchase of a property by a hair care business to open at a second location would be considered a business expansion.

Capital Indebtedness

HUD regulations do not permit HACC to deduct from gross income the amortization of capital indebtedness.

HACC Policy

Capital indebtedness is defined as the principal portion of the payment on a capital asset such as land, buildings, and machinery. This means HACC will allow as a business expense interest, but not principal, paid on capital indebtedness.

Negative Business Income

If the net income from a business is negative, no business income will be included in annual income; a negative amount will not be used to offset other family income.

Withdrawal of Cash or Assets from a Business

HUD regulations require HACC to include in annual income the withdrawal of cash or assets from the operation of a business or profession unless the withdrawal reimburses a family member for cash or assets invested in the business by the family.

HACC Policy

Acceptable investments in a business include cash loans and contributions of assets or equipment. For example, if a member of an assisted family provided an up-front loan of $2,000 to help a business get started, HACC will not count as income any withdrawals from the business up to the amount of this loan until the loan has been repaid. Investments do not include the value of labor contributed to the business without compensation.

Co-owned Businesses

HACC Policy

If a business is co-owned with someone outside the family, the family must document the share of the business it owns. If the family's share of the income is lower than its share of ownership, the family must document the reasons for the difference.

6-I.G. ASSETS [24 CFR 5.609(b)(3); 24 CFR 5.603(b)]

Overview

There is no asset limitation for participation in the HCV program. However, HUD requires that HACC include in annual income the anticipated "interest, dividends, and other net income of any

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kind from real or personal property" [24 CFR 5.609(b) (3)]. This section discusses how the income from various types of assets is determined. For most types of assets, HACC must determine the value of the asset in order to compute income from the asset. Therefore, for each asset type, this section discusses:

- How the value of the asset will be determined
- How income from the asset will be calculated

Exhibit 6-1 provides the regulatory requirements for calculating income from assets [24 CFR 5.609(b) (3)], and Exhibit 6-3 provides the regulatory definition of *net family assets*. This section begins with a discussion of general policies related to assets and then provides HUD rules and HACC policies related to each type of asset.

Optional policies for family self-certification of assets are found in Chapter 7.

General Policies

Income from Assets

HACC generally will use current circumstances to determine both the value of an asset and the anticipated income from the asset. As is true for all sources of income, HUD authorizes HACC to use other than current circumstances to anticipate income when (1) an imminent change in circumstances is expected (2) it is not feasible to anticipate a level of income over 12 months or (3) HACC believes that past income is the best indicator of anticipated income. For example, if a family member owns real property that typically receives rental income but the property is currently vacant, HACC can take into consideration past rental income along with the prospects of obtaining a new tenant.

> HACC Policy
>
> HACC will accept a family's declaration of the amount of assets less than $5,000 and the amount of income expected to be received from those assets. HACC's reexamination documentation, which is signed by all adult family members can serve as the declaration. Where the family has net family assets equal to or less than $5,000, HACC does not need to request supporting documentation (e.g. bank statements) for the family to confirm the assets or the amount of income expected to be received from those assets.
>
> Where the family has net family assets in excess of $5,000, HACC must obtain supporting documentation to confirm assets. Anytime current circumstances are not used to determine asset income, a clear rationale for the decision will be documented in the file. In such cases the family may present information and documentation to HACC to show why the asset income determination does not represent the family's anticipated asset income.

Valuing Assets

The calculation of asset income sometimes requires HACC to make a distinction between an asset's market value and its cash value.

- The market value of an asset is its worth in the market (e.g., the amount a buyer would pay for real estate or the total value of an investment account).

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- The cash value of an asset is its market value less all reasonable amounts that would be incurred when converting the asset to cash.

  HACC Policy

  Reasonable costs that would be incurred when disposing of an asset include, but are not limited to, penalties for premature withdrawal, broker and legal fees, and settlement costs incurred in real estate transactions [HCV GB, p. 5-28].

Lump-Sum Receipts

Payments that are received in a single lump sum, such as inheritances, capital gains, lottery winnings, insurance settlements, and proceeds from the sale of property, are generally considered assets, not income. However, such lump-sum receipts are counted as assets only if they are retained by a family in a form recognizable as an asset (e.g., deposited in a savings or checking account) [RHIIP FAQs]. (For a discussion of lump-sum payments that represent the delayed start of a periodic payment, most of which are counted as income, see sections 6-I.H and 6-I.I.)

Imputing Income from Assets [24 CFR 5.609(b) (3), Notice PIH 2012-29]

When net family assets are $5,000 or less, HACC will include in annual income the actual income anticipated to be derived from the assets. When the family has net family assets in excess of $5,000, HACC will include in annual income the greater of (1) the actual income derived from the assets or (2) the imputed income. Imputed income from assets is calculated by multiplying the total cash value of all family assets by tan average passbook savings rate as determined by the PHA

- Note: The HUD field office no longer provides an interest rate for imputed asset income. The "safe harbor" is now for the PHA to establish a passbook rate within 0.75 percent of a national average.
- The PHA must review its passbook rate annually to ensure that it remains within 0.75 percent of the national average.

  HACC Policy

  HACC will initially set the imputed asset passbook rate at the national rate established by the Federal Deposit Insurance Corporation (FDIC).

  The PHA will review the passbook rate annually, in December of each year. The rate will be set at the current national rate.

  Changes to the passbook rate will take effect immediately.

Determining Actual Anticipated Income from Assets

It may or may not be necessary for HACC to use the value of an asset to compute the actual anticipated income from the asset. When the value is required to compute the anticipated income from an asset, the market value of the asset is used. For example, if the asset is a property for which a family receives rental income, the anticipated income is determined by annualizing the actual monthly rental amount received for the property; it is not based on the property's market

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value. However, if the asset is a savings account, the anticipated income is determined by multiplying the market value of the account by the interest rate on the account.

Withdrawal of Cash or Liquidation of Investments

Any withdrawal of cash or assets from an investment will be included in income except to the extent that the withdrawal reimburses amounts invested by the family. For example, when a family member retires, the amount received by the family from a retirement investment plan is not counted as income until the family has received payments equal to the amount the family member deposited into the retirement investment plan.

Jointly Owned Assets

The regulation at 24 CFR 5.609(a) (4) specifies that annual income includes "amounts derived (during the 12-month period) from assets to which any member of the family has access."

HACC Policy

If an asset is owned by more than one person and any family member has unrestricted access to the asset, HACC will count the full value of the asset. A family member has unrestricted access to an asset when he or she can legally dispose of the asset without the consent of any of the other owners.

If an asset is owned by more than one person, including a family member, but the family member does not have unrestricted access to the asset, HACC will prorate the asset according to the percentage of ownership. If no percentage is specified or provided for by state or local law, HACC will prorate the asset evenly among all owners.

Assets Disposed Of for Less than Fair Market Value [24 CFR 5.603(b)]

HUD regulations require HACC to count as a current asset any business or family asset that was disposed of for less than fair market value during the two years prior to the effective date of the examination/reexamination, except as noted below.

Minimum Threshold

The *HVC Guidebook* permits HACC to set a threshold below which assets disposed of for less than fair market value will not be counted [HCV GB, p. 5-27].

HACC Policy

HACC will not include the value of assets disposed of for less than fair market value unless the cumulative fair market value of all assets disposed of during the past two years exceeds the gross amount received for the assets by more than $1,000.

When the two-year period expires, the income assigned to the disposed asset(s) also expires. If the two-year period ends between annual recertifications, the family may request an interim recertification to eliminate consideration of the asset(s).

Assets placed by the family in nonrevocable trusts are considered assets disposed of for less than fair market value except when the assets placed in trust were received through settlements or judgments.

Separation or Divorce

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The regulation also specifies that assets are not considered disposed of for less than fair market value if they are disposed of as part of a separation or divorce settlement and the applicant or tenant receives important consideration not measurable in dollar terms.

HACC Policy

All assets disposed of as part of a separation or divorce settlement will be considered assets for which important consideration not measurable in monetary terms has been received. In order to qualify for this exemption, a family member must be subject to a formal separation or divorce settlement agreement established through arbitration, mediation, or court order.

Foreclosure or Bankruptcy

Assets are not considered disposed of for less than fair market value when the disposition is the result of a foreclosure or bankruptcy sale.

Family Declaration

HACC Policy

Families must sign a declaration form at initial certification and each annual recertification identifying all assets that have been disposed of for less than fair market value or declaring that no assets have been disposed of for less than fair market value. HACC may verify the value of the assets disposed of if other information available to HACC does not appear to agree with the information reported by the family.

Types of Assets

Checking and Savings Accounts

For regular checking accounts and savings accounts, *cash value* has the same meaning as *market value*. If a checking account does not bear interest, the anticipated income from the account is zero.

HACC Policy

In determining the value of a checking account, HACC will use the most recent (within 60 days of the request) bank statement balance provided as the verification document. HACC will rely on the current ending balance.

In determining the value of a savings account, HACC will use the most recent (within 60 days of the request) bank statement provided as the verification document.

In determining the anticipated income from an interest-bearing checking or savings account, HACC will multiply the value of the account by the current rate of interest paid on the account.

Investment Accounts Such as Stocks, Bonds, Saving Certificates, and Money Market Funds

Interest or dividends earned by investment accounts are counted as actual income from assets even when the earnings are reinvested. The cash value of such an asset is determined by deducting from the market value any broker fees, penalties for early withdrawal, or other costs of converting the asset to cash.

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HACC Policy

In determining the market value of an investment account, HACC will use the value of the account on the most recent investment report.

How anticipated income from an investment account will be calculated depends on whether the rate of return is known. For assets that are held in an investment account with a known rate of return (e.g., savings certificates), asset income will be calculated based on that known rate (market value multiplied by rate of earnings). When the anticipated rate of return is not known (e.g., stocks), HACC will calculate asset income based on the earnings for the most recent reporting period.

Reliacard

The balance of Reliacard accounts will not be verified because it is not a true asset. Reliacard accounts are a mechanism funds to be direct deposited to the recipient. The family may not deposit into these accounts and the accounts do not earn interest.

Equity in Real Property or Other Capital Investments

Equity (cash value) in a property or other capital asset is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset [HCV GB, p. 5-25].

HACC Policy

In determining the equity, HACC will determine market value to be the tax assessed value of the property.

HACC will first use the payoff amount for the loan (mortgage) as the unpaid balance to calculate equity. If the payoff amount is not available, HACC will use the basic loan balance information to deduct from the market value in the equity calculation.

Equity in real property and other capital investments is considered in the calculation of asset income except for the following types of assets:

- Equity accounts in HUD homeownership programs [24 CFR5.603(b)]
- The value of a home currently being purchased with assistance under the HCV program Homeownership Option for the first 10 years after the purchase date of the home [24 CFR 5.603(b), Notice PIH 2012-3]
- Equity in owner-occupied cooperatives and manufactured homes in which the family lives [HCV GB, p. 5-25]
- Equity in real property when a family member's main occupation is real estate [HCV GB, p. 5-25]. This real estate is considered a business asset, and income related to this asset will be calculated as described in section 6-I.F.
- Interests in Indian Trust lands [24 CFR 5.603(b)]
- Real property and capital assets that are part of an active business or farming operation [HCV GB, p. 5-25]

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The PHA must also deduct from the equity the reasonable costs for converting the asset to cash. Using the formula for calculating equity specified above, the net cash value of real property is the market value of the loan (mortgage) minus the expenses to convert to cash [Notice PIH 2012-3].

HACC Policy

For the purposes of calculating expenses to convert to cash for real property, HACC will use ten percent of the market value of the home.

A family may have real property as an asset in two ways: (1) owning the property itself and (2) holding a mortgage or deed of trust on the property. In the case of a property owned by a family member, the anticipated asset income generally will be in the form of rent or other payment for the use of the property. If the property generates no income, actual anticipated income from the asset will be zero.

In the case of a mortgage or deed of trust held by a family member, the outstanding balance (unpaid principal) is the cash value of the asset. The interest portion only of payments made to the family in accordance with the terms of the mortgage or deed of trust is counted as anticipated asset income.

HACC Policy

In the case of capital investments owned jointly with others not living in a family's unit, a prorated share of the property's cash value will be counted as an asset unless HACC determines that the family receives no income from the property and is unable to sell or otherwise convert the asset to cash.

Trusts

A *trust* is a legal arrangement generally regulated by state law in which one party (the creator or grantor) transfers property to a second party (the trustee) who holds the property for the benefit of one or more third parties (the beneficiaries).

Revocable Trusts

If any member of a family has the right to withdraw the funds in a trust, the value of the trust is considered an asset [HCV GB, p. 5-25]. Any income earned as a result of investment of trust funds is counted as actual asset income, whether the income is paid to the family or deposited in the trust.

Nonrevocable Trusts

In cases where a trust is not revocable by, or under the control of, any member of a family, the value of the trust fund is not considered an asset. However, any income distributed to the family from such a trust is counted as a periodic payment or a lump-sum receipt, as appropriate [24 CFR 5.603(b)]. (Periodic payments are covered in section 6-I.H. Lump-sum receipts are discussed earlier in this section.)

Retirement Accounts

Company Retirement/Pension Accounts

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In order to correctly include or exclude as an asset any amount held in a company retirement or pension account by an employed person, HACC must know whether the money is accessible before retirement [HCV GB, p. 5-26].

While a family member is employed, only the amount the family member can withdraw without retiring or terminating employment is counted as an asset [HCV GB, p. 5-26].

After a family member retires or terminates employment, any amount distributed to the family member is counted as a periodic payment or a lump-sum receipt, as appropriate [HCV GB, p. 5-26], except to the extent that it represents funds invested in the account by the family member. (For more on periodic payments, see section 6-I.H.) The balance in the account is counted as an asset only if it remains accessible to the family member.

IRA, Keogh, and Similar Retirement Savings Accounts

IRA, Keogh, and similar retirement savings accounts are counted as assets even though early withdrawal would result in a penalty [HCV GB, p. 5-25].

HACC Policy

When a company has verified that the monthly amount is a lifetime benefit, meaning that the pension will never increase, HACC will not require a re-verification each year.

Personal Property

Personal property held as an investment, such as gems, jewelry, coin collections, antique cars, etc., is considered an asset [HCV GB, p. 5-25].

HACC Policy

In determining the value of personal property held as an investment, HACC will use the family's estimate of the value. HACC may obtain an appraisal to confirm the value of the asset if there is reason to believe that the family's estimated value is off by $50 or more. The family must cooperate with the appraiser, but cannot be charged any costs related to the appraisal.

Generally, personal property held as an investment generates no income until it is disposed of. If regular income is generated (e.g., income from renting the personal property), the amount that is expected to be earned in the coming year is counted as actual income from the asset.

Necessary items of personal property are not considered assets [24 CFR 5.603(b)].

HACC Policy

Necessary personal property consists of only those items not held as an investment, and may include clothing, furniture, household furnishings, jewelry, and vehicles, including those specially equipped for persons with disabilities.

Life Insurance

The cash value of a life insurance policy available to a family member before death, such as a whole life or universal life policy is included in the calculation of the value of the family's assets [HCV GB 5-25]. The cash value is the surrender value. If such a policy earns dividends or

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interest that the family could elect to receive, the anticipated amount of dividends or interest is counted as income from the asset whether or not the family actually receives it.

6-I.H. PERIODIC PAYMENTS

Periodic payments are forms of income received on a regular basis. HUD regulations specify periodic payments that are and are not included in annual income.

Periodic Payments Included in Annual Income

- Periodic payments from sources such as social security, unemployment and welfare assistance, annuities, insurance policies, retirement funds, and pensions. However, periodic payments from retirement accounts, annuities, and similar forms of investments are counted only after they exceed the amount contributed by the family [24 CFR 5.609(b) (4) and (b) (3)].
- Disability or death benefits and lottery receipts paid periodically, rather than in a single lump sum [24 CFR 5.609(b)(4) and HCV, p. 5-14]

Lump-Sum Payments for the Delayed Start of a Periodic Payment

Most lump sums received as a result of delays in processing periodic payments, such as unemployment, child support or welfare assistance, are counted as income. However, lump-sum receipts for the delayed start of periodic social security or supplemental security income (SSI) payments are not counted as income. Additionally, any deferred disability benefits that are received in a lump-sum or in prospective monthly amounts from the Department of Veterans Affairs are to be excluded from annual income [24 CFR 5.609(c)(14)]

HACC Policy

When a delayed-start payment is received and reported during the period in which HACC is processing an annual reexamination, HACC will adjust the family share and HACC subsidy retroactively for the period the payment was intended to cover. The family may pay in full any amount due or request to enter into a repayment agreement with HACC.

Treatment of Overpayment Deductions from Social Security Benefits

The PHA must make a special calculation of annual income when the Social Security Administration (SSA) overpays an individual, resulting in a withholding or deduction from his or her benefit amount until the overpayment is paid in full. The amount and duration of the withholding will vary depending on the amount of the overpayment and the percent of the benefit rate withheld. Regardless of the amount withheld or the length of the withholding period, the PHA must use the reduced benefit amount after deducting only the amount of the overpayment withholding from the gross benefit amount [Notice PIH 2010-3].

Periodic Payments Excluded from Annual Income

- Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the assisted family, who are unable to live alone) [24 CFR 5.609(c) (2)]. Kinship guardianship assistance payments (Kin-GAP) and other similar guardianship

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payments are treated the same as foster care payments and are likewise excluded from annual income [Notice PIH 2008-30].

HACC Policy

HACC will exclude payments for the care of foster children and foster adults only if the care is provided through an official arrangement with a local welfare agency [HCV GB, p. 5-18].

- Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)]
- Amounts received under the Low-Income Home Energy Assistance Program (42 U.S.C. 1626(c)) [24 CFR 5.609(c)(17)]
- Amounts received under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q) [24 CFR 5.609(c)(17)]
- Earned Income Tax Credit (EITC) refund payments (26 U.S.C. 32(j)) [24 CFR 5.609(c)(17)]. *Note:* EITC may be paid periodically if the family elects to receive the amount due as part of payroll payments from an employer.
- Lump sums received as a result of delays in processing Social Security and SSI payments (see section 6-I.H.) [24 CFR 5.609(c) (14)].
- Lump-sums or prospective monthly amounts received as deferred disability benefits from the Department of Veterans Affairs (VA) [24 CFR 5.609(c)(14)].

6-I.I. PAYMENTS IN LIEU OF EARNINGS

Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay, are counted as income [24 CFR 5.609(b)(5)] if they are received either in the form of periodic payments or in the form of a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment. If they are received in a one-time lump sum (as a settlement, for instance), they are treated as lump-sum receipts [24 CFR 5.609(c) (3)]. (See also the discussion of periodic payments in section 6-I.H and the discussion of lump-sum receipts in section 6-I.G.)

6-I.J. WELFARE ASSISTANCE

Overview

Welfare assistance is counted in annual income. Welfare assistance includes Temporary Assistance for Needy Families (TANF) and any payments to individuals or families based on need that are made under programs funded separately or jointly by federal, state, or local governments [24 CFR 5.603(b)].

Sanctions Resulting in the Reduction of Welfare Benefits [24 CFR 5.615]

HACC must make a special calculation of annual income when the welfare agency imposes certain sanctions on certain families. The full text of the regulation at 24 CFR 5.615 is provided

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as Exhibit 6-5. The requirements are summarized below. This rule applies only if a family was receiving HCV assistance at the time the sanction was imposed.

Covered Families

The families covered by 24 CFR 5.615 are those "who receive welfare assistance or other public assistance benefits ('welfare benefits') from a State or other public agency ('welfare agency') under a program for which Federal, State or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance" [24 CFR 5.615(b)]

Imputed Income

When a welfare agency imposes a sanction that reduces a family's welfare income because the family commits fraud or fails to comply with the agency's economic self-sufficiency program or work activities requirement, HACC must include in annual income "imputed" welfare income. HACC must request that the welfare agency provide the reason for the reduction of benefits and the amount of the reduction of benefits. The imputed welfare income is the amount that the benefits were reduced as a result of the sanction.

This requirement does not apply to reductions in welfare benefits: (1) at the expiration of the lifetime or other time limit on the payment of welfare benefits, (2) if a family member is unable to find employment even though the family member has complied with the welfare agency economic self-sufficiency or work activities requirements, or (3) because a family member has not complied with other welfare agency requirements [24 CFR 5.615(b) (2)].

Offsets

The amount of the imputed welfare income is offset by the amount of additional income the family begins to receive after the sanction is imposed. When the additional income equals or exceeds the imputed welfare income, the imputed income is reduced to zero [24 CFR 5.615(c) (4)].

6-I.K. PERIODIC AND DETERMINABLE ALLOWANCES [24 CFR 5.609(b) (7)]

Annual income includes periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing with an assisted family.

Alimony and Child Support

HACC must count alimony or child support amounts awarded as part of a divorce or separation agreement.

> <u>HACC Policy</u>
>
> HACC will count court-awarded amounts for alimony and child support unless HACC verifies that: (1) the payments are not being made, and (2) the family has made reasonable efforts to collect amounts due, including filing with courts or agencies responsible for enforcing payments [HCV GB, pp. 5-23 and 5-47].

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Families who do not have court-awarded alimony and child support awards are not required to seek a court award and are not required to take independent legal action to obtain collection.

Regular Contributions or Gifts

HACC must count as income regular monetary and nonmonetary contributions or gifts from persons not residing with an assisted family [24 CFR 5.609(b) (7)]. Temporary, nonrecurring, or sporadic income and gifts are not counted [24 CFR 5.609(c) (9)].

HACC Policy

Examples of regular contributions include: (1) regular payment of a family's bills (e.g., utilities, telephone, rent, credit cards, and car payments), (2) cash or other liquid assets provided to any family member on a regular basis, and (3) "in-kind" contributions such as groceries and clothing provided to a family on a regular basis.

Nonmonetary contributions will be valued at the cost of purchasing the items, as determined by HACC. For contributions that may vary from month to month (e.g., utility payments), HACC will include an average amount based upon past history.

6-I.L. STUDENT FINANCIAL ASSISTANCE [24 CFR 5.609(b)(9); Notice PIH 2015-21]

In 2005, Congress passed a law (for section 8 programs only) requiring that certain student financial assistance be included in annual income. Prior to that, the full amount of student financial assistance was excluded. For some students, the full exclusion still applies.

Student Financial Assistance Included in Annual Income [24 CFR 5.609(b)(9); FR 4/10/06; Notice PIH 2015-21]

The regulation requiring the inclusion of certain student financial assistance applies only to students who satisfy all of the following conditions:

- They are enrolled in an institution of higher education, as defined under the Higher Education Act (HEA) of 1965.
- They are seeking or receiving Section 8 assistance on their own—that is, apart from their parents—through the HCV program, the project-based voucher program, or the moderate rehabilitation program.
- They are under 24 years of age **OR** they have no dependent children.

For students who satisfy these three conditions, any financial assistance in excess of tuition and any other required fees and charges received: (1) under the 1965 HEA, (2) from a private source, or (3) from an institution of higher education, as defined under the 1965 HEA, must be included in annual income.

To determine annual income in accordance with the above requirements, HACC will use the definitions of *dependent child, institution of higher education,* and *parents* in Section 3-II.E, along with the following definitions [FR 4/10/06, pp. 18148-18150]:

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- *Assistance under the Higher Education Act of 1965* includes Pell Grants, Federal Supplement Educational Opportunity Grants, Academic Achievement Incentive Scholarships, and State Assistance under the Leveraging Educational Assistance Partnership Program, the Robert G. Byrd Honors Scholarship Program, and Federal Work Study programs.
- *Assistance from private sources* means assistance from nongovernmental sources, including parents, guardians, and other persons not residing with the student in an HCV assisted unit.
- Tuition and fees are defined in the same manner in which the Department of Education defines tuition and fees [Notice PIH 2015-21].
  - This is the amount of tuition and required fees covering a full academic year most frequently charged to students.
  - The amount represents what a typical student would be charged and may not be the same for all students at an institution.
  - If tuition is charged on a per-credit-hour basis, the average full-time credit hour load for an academic year is used to estimate average tuition.
  - Required fees include all fixed -sum charges that are required of a large proportion of all students. Examples include, but are not limited to, writing and science lab fees and fees specific to the student's major or program (i.e., nursing program).
  - Expenses related to attending an institution of higher education must not be included as tuition. Examples include, but are not limited to, room and board, books, supplies, meal plans, transportation and parking, student health insurance plans, and other non-fixed-sum charges.

Student Financial Assistance <u>Excluded</u> from Annual Income [24 CFR 5.609(c) (6)]

Any student financial assistance not subject to inclusion under 24 CFR 5.609(b) (9) is fully excluded from annual income under 24 CFR 5.609(c) (6), whether it is paid directly to the student or to the educational institution the student is attending. This includes any financial assistance received by:

- Students residing with parents who are seeking or receiving Section 8 assistance
- Students who are enrolled in an educational institution that does **not** meet the 1965 HEA definition of *institution of higher education*
- Students who are over 23 **AND** have at least one dependent child, as defined in Section 3-II.E
- Students who are receiving financial assistance through a governmental program not authorized under the 1965 HEA.

6-I.M. ADDITIONAL EXCLUSIONS FROM ANNUAL INCOME

Other exclusions contained in 24 CFR 5.609(c) that have not been discussed earlier in this chapter include the following:

- Reimbursement of medical expenses [24 CFR 5.609(c)(4)]

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- Amounts received by participants in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred and which are made solely to allow participation in a specific program [24 CFR 5.609(c)(8)(iii)]
- Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS) [(24 CFR 5.609(c)(8)(ii)]
- Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era [24 CFR 5.609(c)(10)]
- Adoption assistance payments in excess of $480 per adopted child [24 CFR 5.609(c)(12)]
- Refunds or rebates on property taxes paid on the dwelling unit [24 CFR 5.609(c)(15)]
- Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)]
- Amounts specifically excluded by any other federal statute [24 CFR 5.609(c) (17), FR Notice 5/20/2014]]. HUD publishes an updated list of these exclusions periodically. It includes:
  (a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b))
  (b) Benefits under Section 1780 of the School Lunch Act and Child Nutrition Act of 1966, including WIC
  (c) Payments to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)
  (d) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c))
  (e) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e)
  (f) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f))
  (g) Payments received under programs funded in whole or in part under the Workforce Investment Act of 1998 (29 U.S.C. 2931).)
  (h) Deferred disability benefits from the Department of Veterans Affairs, whether received as a lump sum or in monthly prospective amounts
  (i) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-04)
  (j) Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (25 U.S.C. 1774f(b))
  (k) A lump sum or periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the United States District Court case entitled *Elouise*

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Cobell et al. v. *Ken Salazar et al .,* for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010

(l) The first $2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first $2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408)

(m) Benefits under the Indian Veterans Housing Opportunity Act of 2010 (only applies to Native American housing programs)

(n) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))

(o) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in *In Re Agent Orange*-product liability litigation, M.D.L. No. 381 (E.D.N.Y.)

(p) Payments received under 38 U.S.C. 1833(c) to children of Vietnam veterans born with spinal bifida, children of women Vietnam veterans born with certain birth defects, and children of certain Korean service veterans born with spinal bifida

(q) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721)

(r) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q)

(s) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j))

(t) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433)

(u) Amounts of scholarships funded under Title IV of the Higher Education Act of 1965j, including awards under federal work-study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu). For Section 8 programs, the exception found in § 237 of Public Law 109–249 applies and requires that the amount of financial assistance in excess of tuition and mandatory fees shall be considered income in accordance with the provisions codified at 24 CFR 5.609(b)(9), except for those persons with disabilities as defined by 42 U.S.C. 1437a(b)(3)(E) (Pub. L. 109–249) (See See Section 6-I.L. for exceptions.)

(v) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))

(w) Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such

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assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602)

(x) Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C. 2931)

(y) Any amounts in an "individual development account" as provided by the Assets for Independence Act, as amended in 2002

(z) Payments made from the proceeds of Indian tribal trust cases as described in Notice PIH 2013–30, "Exclusion from Income of Payments under Recent Tribal Trust Settlements" (25 U.S.C. 117b(a))

(zz) Major disaster and emergency assistance received under the Robert T. Stafford Disaster Relief and Emergency Assistance Act and comparable disaster assistance provided by states, local governments, and disaster assistance organizations

PART II: ADJUSTED INCOME

6-II.A. INTRODUCTION

Overview

HUD regulations require HACC to deduct from annual income any of five mandatory deductions for which a family qualifies. The resulting amount is the family's adjusted income. Mandatory deductions are found in 24 CFR 5.611.

> 5.611(a) Mandatory deductions. In determining adjusted income, the responsible entity [PHA] must deduct the following amounts from annual income:
>
> (1) $480 for each dependent;
>
> (2) $400 for any elderly family or disabled family;
>
> (3) The sum of the following, to the extent the sum exceeds three percent of annual income:
>
> (i) Unreimbursed medical expenses of any elderly family or disabled family;
>
> (ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed. This deduction may not exceed the earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus; and
>
> (4) Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education.

This part covers policies related to these mandatory deductions. Verification requirements related to these deductions are found in Chapter 7.

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Anticipating Expenses

HACC Policy

Generally, HACC will use current circumstances to anticipate expenses. When possible, for costs that are expected to fluctuate during the year (e.g., child care during school and non-school periods and cyclical medical expenses), HACC will estimate costs based on historic data and known future costs.

If a family has an accumulated debt for medical or disability assistance expenses, HACC will include as an eligible expense the portion of the debt that the family expects to pay during the period for which the income determination is being made. However, amounts previously deducted will not be allowed even if the amounts were not paid as expected in a preceding period. HACC may require the family to provide documentation of payments made in the preceding year.

6-II.B. DEPENDENT DEDUCTION

An allowance of $480 is deducted from annual income for each dependent [24 CFR 5.611(a)(1)]. *Dependent* is defined as any family member other than the head, spouse, or co-head who is under the age of 18 or who is 18 or older and is a person with disabilities or a full-time student. Foster children, foster adults, and live-in aides are never considered dependents [24 CFR 5.603(b)].

6-II.C. ELDERLY OR DISABLED FAMILY DEDUCTION

A single deduction of $400 is taken for any elderly or disabled family [24 CFR 5.611(a) (2)]. An *elderly family* is a family whose head, spouse, co-head, or sole member is 62 years of age or older, and a *disabled family* is a family whose head, spouse, co-head, or sole member is a person with disabilities [24 CFR 5.403].

6-II.D. MEDICAL EXPENSES DEDUCTION [24 CFR 5.611(a) (3) (i)]

Unreimbursed medical expenses may be deducted to the extent that, in combination with any disability assistance expenses, they exceed three percent of annual income.

The medical expense deduction is permitted only for families in which the head, spouse, or co-head is at least 62 or is a person with disabilities. If a family is eligible for a medical expense deduction, the medical expenses of all family members are counted [VG, p. 28].

Definition of *Medical Expenses*

HUD regulations define *medical expenses* at 24 CFR 5.603(b) to mean "medical expenses, including medical insurance premiums, that are anticipated during the period for which annual income is computed, and that are not covered by insurance."

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HACC Policy

(a) The most current IRS Publication 502, Medical and Dental Expenses, will be used as a reference to determine the costs that qualify as medical expenses.

Summary of Allowable Medical Expenses from IRS Publication 502	
Services of medical professionals Surgery and medical procedures that are necessary, legal, non-cosmetic Services of medical facilities Hospitalization, long-term care, and in-home nursing services Prescription medicines and insulin, but not nonprescription medicines even if recommended by a doctor* Improvements to housing directly related to medical needs (e.g., ramps for a wheel chair, handrails)	Substance abuse treatment programs Psychiatric treatment Ambulance services and some costs of transportation related to medical expenses The cost and care of necessary equipment related to a medical condition (e.g., eyeglasses/lenses, hearing aids, crutches, and artificial teeth) Cost and continuing care of necessary service animals* Medical insurance premiums or the cost of a health maintenance organization (HMO)
Note: This chart provides a summary of eligible medical expenses only. Detailed information is provided in IRS Publication 502. Medical expenses are considered only to the extent they are not reimbursed by insurance or some other source. *HACC will take into consideration reasonable accommodation.	

(b) **Elderly/Disabled Household Exemption**. An exemption of $400 per household.

(c) Generally cell phones will not be considered medical equipment. However, if a cell phone is verified under reasonable accommodation to be deemed necessary, HACC will limit the cost to not exceed the current lowest payphone monthly standard or not to exceed $30 whichever is less.

Families That Qualify for Both Medical and Disability Assistance Expenses

HACC Policy

This policy applies only to families in which the head, spouse, or co-head is 62 or older or is a person with disabilities.

When expenses anticipated by a family could be defined as either medical or disability assistance expenses, HACC will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

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6-II.E. DISABILITY ASSISTANCE EXPENSES DEDUCTION [24 CFR 5.603(b) and 24 CFR 5.611(a) (3) (ii)]

Reasonable expenses for attendant care and auxiliary apparatus for a disabled family member may be deducted if they: (1) are necessary to enable a family member 18 years or older to work, (2) are not paid to a family member or reimbursed by an outside source, (3) in combination with any medical expenses, exceed three percent of annual income, and (4) do not exceed the earned income received by the family member who is enabled to work.

Earned Income Limit on the Disability Assistance Expense Deduction

A family can qualify for the disability assistance expense deduction only if at least one family member (who may be the person with disabilities) is enabled to work [24 CFR 5.603(b)].

The disability expense deduction is capped by the amount of "earned income received by family members who are 18 years of age or older and who are able to work" because of the expense [24 CFR 5.611(a) (3) (ii)]. The earned income used for this purpose is the amount verified before any earned income disallowances or income exclusions are applied.

HACC Policy

The family must identify the family members enabled to work as a result of the disability assistance expenses. In evaluating the family's request, HACC will consider factors such as how the work schedule of the relevant family members relates to the hours of care provided, the time required for transportation, the relationship of the family members to the person with disabilities, and any special needs of the person with disabilities that might determine which family members are enabled to work.

When HACC determines that the disability assistance expenses enable more than one family member to work, the expenses will be capped by the sum of the family members' incomes.

Eligible Disability Expenses

Examples of auxiliary apparatus are provided in the *HCV Guidebook* as follows: "Auxiliary apparatus are items such as wheelchairs, ramps, adaptations to vehicles, or special equipment to enable a blind person to read or type, but only if these items are directly related to permitting the disabled person or other family member to work" [HCV GB, p. 5-30].

HUD advises PHAs to further define and describe auxiliary apparatus [VG, p. 30].

Eligible Auxiliary Apparatus

HACC Policy

Expenses incurred for maintaining or repairing an auxiliary apparatus are eligible. In the case of an apparatus that is specially adapted to accommodate a person with disabilities (e.g., a vehicle or computer), the cost to maintain the special adaptations (but not maintenance of the apparatus itself) is an eligible expense. The cost of service animals trained to give assistance to persons with disabilities, including the cost of acquiring the animal, veterinary care, food, grooming, and other continuing costs of care, will be included.

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Eligible Attendant Care

The family determines the type of attendant care that is appropriate for the person with disabilities.

HACC Policy

Attendant care includes, but is not limited to, reasonable costs for home medical care, nursing services, in-home or center-based care services, interpreters for persons with hearing impairments, and readers for persons with visual disabilities.

Attendant care expenses will be included for the period that the person enabled to work is employed plus reasonable transportation time. The cost of general housekeeping and personal services is not an eligible attendant care expense. However, if the person enabled to work is the person with disabilities, personal services necessary to enable the person with disabilities to work are eligible.

If the care attendant also provides other services to the family, HACC will prorate the cost and allow only that portion of the expenses attributable to attendant care that enables a family member to work. For example, if the care provider also cares for a child who is not the person with disabilities, the cost of care must be prorated. Unless otherwise specified by the care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

Payments to Family Members

No disability assistance expenses may be deducted for payments to a member of an assisted family [24 CFR 5.603(b)]. However, expenses paid to a relative who is not a member of the assisted family may be deducted if they are not reimbursed by an outside source.

Necessary and Reasonable Expenses

The family determines the type of care or auxiliary apparatus to be provided and must describe how the expenses enable a family member to work. The family must certify that the disability assistance expenses are necessary and are not paid or reimbursed by any other source.

HACC Policy

HACC determines the reasonableness of the expenses based on typical costs of care or apparatus in the locality. To establish typical costs, HACC will collect information from organizations that provide services and support to persons with disabilities. A family may present, and HACC will consider, the family's justification for costs that exceed typical costs in the area.

Families That Qualify for Both Medical and Disability Assistance Expenses

HACC Policy

This policy applies only to families in which the head or spouse is 62 or older or is a person with disabilities.

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When expenses anticipated by a family could be defined as either medical or disability assistance expenses, HACC will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

6-II.F. CHILD CARE EXPENSE DEDUCTION

HUD defines *child care expenses* at 24 CFR 5.603(b) as "amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income."

Clarifying the Meaning of *Child* for This Deduction

Child care expenses do not include child support payments made to another on behalf of a minor who is not living in an assisted family's household [VG, p. 26]. However, child care expenses for foster children that are living in the assisted family's household, are included when determining the family's child care expenses [HCV GB, p. 5-29].

Qualifying for the Deduction

Determining Who Is Enabled to Pursue an Eligible Activity

HACC Policy

The family must identify the family member(s) enabled to pursue an eligible activity. The term *eligible activity* in this section means any of the activities that may make the family eligible for a child care deduction (seeking work, pursuing an education, or being gainfully employed).

In evaluating the family's request, HACC will consider factors such as how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity. When child care is charged by the hour, an allowance will be made only for the number of hours needed to pursue the eligible activity. An allowance for reasonable travel time will also be allowed.

Seeking Work

HACC Policy

If the child care expense being claimed is to enable a family member to seek employment, the family must provide evidence of the family member's efforts to obtain employment at each reexamination. The deduction may be reduced or denied if the family member's job search efforts are not commensurate with the child care expense being allowed by HACC.

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Furthering Education

HACC Policy

If the child care expense being claimed is to enable a family member to further his or her education, the member must be enrolled in school (academic or vocational) or participating in a formal training program. The family member is not required to be a full-time student, but the time spent in educational activities must be commensurate with the child care claimed.

Being Gainfully Employed

HACC Policy

If the child care expense being claimed is to enable a family member to be gainfully employed, the family must provide evidence of the family member's employment during the time that child care is being provided. Gainful employment is any legal work activity (full- or part-time) for which a family member is compensated.

Earned Income Limit on Child Care Expense Deduction

When a family member looks for work or furthers his or her education, there is no cap on the amount that may be deducted for child care – although the care must still be necessary and reasonable. However, when child care enables a family member to work, the deduction is capped by "the amount of employment income that is included in annual income" [24 CFR 5.603(b)].

The earned income used for this purpose is the amount of earned income verified after any earned income disallowances or income exclusions are applied.

When the person who is enabled to work is a person with disabilities who receives the earned income disallowance (EID) or a full-time student whose earned income above $480 is excluded, child care costs related to enabling a family member to work may not exceed the portion of the person's earned income that actually is included in annual income. For example, if a family member who qualifies for the EID makes $15,000 but because of the EID only $5,000 is included in annual income, child care expenses are limited to $5,000.

HACC must not limit the deduction to the least expensive type of child care. If the care allows the family to pursue more than one eligible activity, including work, the cap is calculated in proportion to the amount of time spent working [HCV GB, p. 5-30].

HACC Policy

When the child care expense being claimed is to enable a family member to work, only one family member's income will be considered for a given period of time. When more than one family member works during a given period, HACC generally will limit allowable child care expenses to the earned income of the lowest-paid member. The family may provide information that supports a request to designate another family member as the person enabled to work.

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Eligible Child Care Expenses

The type of care to be provided is determined by the assisted family. HACC may not refuse to give a family the child care expense deduction because there is an adult family member in the household that may be available to provide child care [VG, p. 26].

Allowable Child Care Activities

HACC Policy

For school-age children, costs attributable to public or private school activities during standard school hours are not considered. Expenses incurred for supervised activities after school or during school holidays (e.g., summer day camp, after-school sports league) are allowable forms of child care.

The costs of general housekeeping and personal services are not eligible. Likewise, child care expenses paid to a family member who lives in the family's unit are not eligible; however, payments for child care to relatives who do not live in the unit are eligible.

If a child care provider also renders other services to a family or child care is used to enable a family member to conduct activities that are not eligible for consideration, HACC will prorate the costs and allow only that portion of the expenses that is attributable to child care for eligible activities. For example, if the care provider also cares for a child with disabilities who is 13 or older, the cost of care will be prorated. Unless otherwise specified by the child care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

Necessary and Reasonable Costs

Child care expenses will be considered necessary if: (1) a family adequately explains how the care enables a family member to work, actively seek employment, or further his or her education, and (2) the family certifies, and the child care provider verifies, that the expenses are not paid or reimbursed by any other source.

HACC Policy

Child care expenses will be considered for the time required for the eligible activity plus reasonable transportation time. For child care that enables a family member to go to school, the time allowed may include not more than one study hour for each hour spent in class.

To establish the reasonableness of child care costs, HACC will use the schedule of child care costs from the local welfare agency. Families may present, and HACC will consider, justification for costs that exceed typical costs in the area.

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PART III: CALCULATING FAMILY SHARE AND HACC SUBSIDY

6-III.A. OVERVIEW OF RENT AND SUBSIDY CALCULATIONS

TTP Formula [24 CFR 5.628]

HUD regulations specify the formula for calculating the total tenant payment (TTP) for an assisted family. TTP is the highest of the following amounts, rounded to the nearest dollar:

- 30 percent of the family's monthly adjusted income (adjusted income is defined in Part II)
- 10 percent of the family's monthly gross income (annual income, as defined in Part I, divided by 12)
- The welfare rent (in as-paid states only)
- A minimum rent between $0 and $50 that is established by HACC

HACC has authority to suspend and exempt families from minimum rent when a financial hardship exists, as defined in section 6-III.B.

The amount that a family pays for rent and utilities (the family share) will never be less than the family's TTP but may be greater than the TTP depending on the rent charged for the unit the family selects.

Welfare Rent [24 CFR 5.628]

HACC Policy

Welfare rent does not apply in this locality.

Minimum Rent [24 CFR 5.630]

HACC Policy

The minimum rent for this locality is $50. The minimum rent does not apply to SPC, PBV or VASH. Tenant Based Rental Assistance awarded with HOME funds shall follow State minimum rent $10.

Family Share [24 CFR 982.305(a) (5)]

If a family chooses a unit with a gross rent (rent to owner plus an allowance for tenant-paid utilities) that exceeds HACC's applicable payment standard: (1) the family will pay more than the TTP, and (2) at initial occupancy HACC may not approve the tenancy if it would require the family share to exceed 40 percent of the family's monthly adjusted income. The income used for this determination must have been verified no earlier than 60 days before the family's voucher was issued. (For a discussion of the application of payment standards, see section 6-III.C.)

HACC Subsidy [24 CFR 982.505(b)]

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HACC will pay a monthly housing assistance payment (HAP) for a family that is equal to the lower of (1) the applicable payment standard for the family minus the family's TTP or (2) the gross rent for the family's unit minus the TTP. (For a discussion of the application of payment standards, see section 6-III.C.)

Utility Reimbursement [24 CFR 982.514(b); 982.514(c)]

When HACC subsidy for a family exceeds the rent to owner, the family is due a utility reimbursement. HUD permits HACC to pay the reimbursement to the family or directly to the utility provider.

HACC Policy

HACC will make utility reimbursements to the family.

HACC may make all utility reimbursement payments to qualifying families on a monthly basis or may make quarterly payments when the monthly reimbursement amount is $15.00 or less. Reimbursements must be made once per calendar-year quarter and must be prorated if the family leaves the program in advance of its next quarterly reimbursement. HACC must also adopt hardship policies for families for whom receiving quarterly reimbursement would create a financial hardship.

6-III.B. FINANCIAL HARDSHIPS AFFECTING MINIMUM RENT [24 CFR 5.630]

Implementation of Hardship Exemption

This policy becomes effective July 1, 2013 and will be implemented upon Annual for every pre-existing client and at initial lease ups effective July 1, 2013.

For VASH clients only, if a Veteran is awaiting notification about receipt of VA benefits or other forms of assistance, the PHA must grant the Veteran a hardship exemption. 24 CFR 5.630(3)(b).

Determination of Hardship

When a family requests a financial hardship exemption, the PHA must suspend the minimum rent requirement beginning the first of the month following the family's request. When the minimum rent is suspended, the family share reverts to the highest of the remaining components of the calculated TTP. The PHA then determines whether the financial hardship exists and whether the hardship is temporary or long-term. Since HUD does not define temporary or long term, the PHA must decide what these term mean.

HACC Policy

HACC defines temporary hardship as a hardship expected to last 90 days or less. Long-term hardship is defined as a hardship expected to last more than 90 days.

The regulation is silent on submission requirement and only requires that the PHA make its determination promptly (24 CFR 5.630(b)(2)(ii)(B)).

HACC Policy

To qualify for a hardship exemption, a family must submit a request for a hardship exemption in writing. The request must explain the nature of the hardship and how the

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hardship has affected the family's ability to pay minimum rent. The request must also contain an explanation of all resources the family has used to try to meet the minimum rent payment (employment search, Energy Assistance, St. Vincent DePaul, etc.).

HACC will make the determination of hardship within 30 calendar days.

A hardship will be considered only if the loss of eligibility has an impact on the family's ability to pay the minimum rent.

For a family waiting for a determination of eligibility, the hardship period will end as of the first of the month following: (1) implementation of assistance, if approved, or (2) the decision to deny assistance. A family whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances.

HUD-defined hardships specified in 24 CFR 5.630(b):

(a) The family would be evicted because it is unable to pay the minimum rent. For a family to qualify under this provision, the cause of the potential eviction must be the family's failure to pay rent to the owner or tenant-paid utilities. Tenant will be required to access and exhaust all other available resources including but not limited to Energy Assistance, evidence of seeking employment and other community resources.

(b) A death has occurred in the family. In order to qualify under this provision, a family must describe how the death has created a financial hardship.

HACC has not established any additional hardship criteria.

Determination of No Financial Hardship

The regulation requires that if there is no financial hardship, the PHA must reinstate the minimum rent and require the family to repay the amounts suspended on terms and conditions set by the PHA (24 CFR 5.630(b)(2)(iii)(A)).

HACC Policy

HACC will require the family to repay the suspended amount within 30 calendars days of the PHA's notice that a hardship exemption has not been granted. A payment agreement may be put into place in accordance with Chapter 16 of this Plan.

Temporary Hardship

If the PHA determines that a qualifying financial hardship is temporary, the PHA must suspend the minimum rent for the 90 day period beginning the first of the month following the date of the family's request for hardship exemption.

At the end of the 90 day suspension period, the family must resume payment of the minimum rent and must repay the PHA the amounts suspended. HUD requires the PHA to offer reasonable repayment agreement on terms and conditions establish b the PHA. The PHA also may determine that circumstances have changed and the hardship is now a long-term hardship. The PHA will enter into a repayment schedule in accordance with its policy found in Chapter 16 of this Plan.

Long Term Hardship

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If the PHA determines that the financial hardship is long-term, the PHA must exempt the family from the minimum rent requirement so long as the hardship continues. The exemption will apply from the first of the month following the family's request until the end of the qualifying hardship. Repayment of the minimum rent for the period of the long-term hardship is not required

HACC Policy

The hardship period ends when any of the following circumstances apply:

1. At an interim or annual, the family's calculated TTP is greater than the minimum rent.
2. For hardship conditions based on loss of income, the hardship condition will continue to be recognized until new sources of income are received that are at least equal to the amount lost. For example, if a hardship is approved because a family's no longer receives a $60/month child support payment, the hardship will continue to exist until the family receives at least $60/month in income from another source or once again begins to receive the child support.
3. For hardship conditions based upon hardship-related expenses, the minimum rent exemption will continue to be recognized until the cumulative amount exempted is equal to the expense incurred. For example, funeral costs $3,000 then the exemption ends in 60 months ($3000/$50 = 60 months until paid off).

6-III.C. APPLYING PAYMENT STANDARDS [24 CFR 982.505; 982.503(b)]

Overview

HACC's schedule of payment standards is used to calculate housing assistance payments for HCV families. This section covers the application of HACC's payment standards. The establishment and revision of HACC's payment standard schedule are covered in Chapter 16.

Payment standard is defined as "the maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family)" [24 CFR 982.4(b)].

The payment standard for a family is the lower of (1) the payment standard for the family unit size, which is defined as the appropriate number of bedrooms for the family under HACC's subsidy standards [24 CFR 982.4(b)], or (2) the payment standard for the size of the dwelling unit rented by the family.

If HACC has established an exception payment standard for a designated part of an FMR area and a family's unit is located in the exception area, HACC must use the appropriate payment standard for the exception area.

HACC is required to pay a monthly housing assistance payment (HAP) for a family that is the lower of (1) the payment standard for the family minus the family's TTP or (2) the gross rent for the family's unit minus the TTP.

If during the term of the HAP contract for a family's unit, the owner lowers the rent, HACC will recalculate the HAP using the lower of the initial payment standard or the gross rent for the unit [HCV GB, p. 7-8].

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Changes in Payment Standards

When HACC revises its payment standards during the term of the HAP contract for a family's unit, it will apply the new payment standards in accordance with HUD regulations.

Decreases

If the amount on the payment standard schedule is decreased during the term of the HAP contract, the lower payment standard generally will be used beginning at the effective date of the family's second regular reexamination following the effective date of the decrease in the payment standard. Unless granted a waiver to implement effective at annual, HACC will determine the payment standard for the family as follows:

Step 1: At the first regular reexamination following the decrease in the payment standard, HACC will determine the payment standard for the family using the lower of the payment standard for the family unit size or the size of the dwelling unit rented by the family.

Step 2: HACC will compare the payment standard from step 1 to the payment standard last used to calculate the monthly housing assistance payment for the family. The payment standard used by HACC at the first regular reexamination following the decrease in the payment standard will be the higher of these two payment standards. HACC will advise the family that the application of the lower payment standard will be deferred until the second regular reexamination following the effective date of the decrease in the payment standard.

Step 3: At the second regular reexamination following the decrease in the payment standard, the lower payment standard will be used to calculate the monthly housing assistance payment for the family unless HACC has subsequently increased the payment standard, in which case the payment standard will be determined in accordance with procedures for increases in payment standards described below.

Increases

If the payment standard is increased during the term of the HAP contract, the increased payment standard will be used to calculate the monthly housing assistance payment for the family beginning on the effective date of the family's first regular reexamination on or after the effective date of the increase in the payment standard.

Families requiring or requesting interim reexaminations will not have their HAP payments calculated using the higher payment standard until their next annual reexamination [HCV GB, p. 7-8].

Changes in Family Unit Size

Irrespective of any increase or decrease in the payment standard, if the family unit size increases or decreases during the HAP contract term, the new family unit size must be used to determine the payment standard for the family beginning at the family's first regular reexamination following the change in family unit size.

Reasonable Accommodation

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If a family requires a higher payment standard as a reasonable accommodation for a family member who is a person with disabilities, the PHA is allowed to establish a higher payment standard for the family of not more than 120% of the published FMR.

HACC Policy

HACC will use 110% of payment standard for reasonable accommodations unless market conditions determine a different payment standard is required, but will not approve a payment standard exceeding 120% of the fair market rent without HUD pre-approval.

6-III.D. APPLYING UTILITY ALLOWANCES [24 CFR 982.517]

Overview

A HACC-established utility allowance schedule is used in determining family share and HACC subsidy. A family's utility allowance is determined by the size of the dwelling unit leased by a family or the voucher unit size for which the family qualifies using HACC subsidy standards, whichever is the lowest of the two [FR Notice 6/25/14]. The PHA may grant a reasonable accommodation request higher than the applicable amount if such a higher utility allowance is needed as a reasonable accommodation. See Chapter 5 for information on HACC's subsidy standards.

For policies on establishing and updating utility allowances, see Chapter 16.

Reasonable Accommodation

HCV program regulations require a PHA to approve a utility allowance amount higher than shown on HACC's schedule if a higher allowance is needed as a reasonable accommodation for a family member with a disability. The family must request the higher allowance and provide HACC with an explanation of the need for the reasonable accommodation and information about the amount of additional allowance required [HCV GB, p. 18-8].

Utility Allowance Revisions

At reexamination, HACC must use HACC current utility allowance schedule [24 CFR 982.517(d) (2)].

HACC Policy

Revised utility allowances will be applied to a family's rent and subsidy calculations at the next reexamination that is effective after the allowance is adopted. HACC will not do a re-exam solely for purposes of implementing a new Utility Allowance.

6-III.E. PRORATED ASSISTANCE FOR MIXED FAMILIES [24 CFR 5.520]

HUD regulations prohibit assistance to ineligible family members. A *mixed family* is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible family members. HACC must prorate the assistance provided to a mixed family. HACC will first determine assistance as if all family members were eligible and then prorate the assistance based upon the percentage of family members that actually are eligible. For example, if HACC subsidy for a family is calculated at $500 and two of four family members are ineligible, HACC subsidy would be reduced to $250.

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HACC Policy

Prorated families cannot move into units that require they pay more than 80% of income on rent.

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EXHIBIT 6-1: ANNUAL INCOME INCLUSIONS

24 CFR 5.609

(a) *Annual income means all amounts, monetary or not, which:*

(1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or

(2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and

(3) Which are not specifically excluded in paragraph (c) of this section.

(4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

(b) *Annual income includes, but is not limited to:*

(1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;

(2) The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;

(3) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (b) (2) of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of $5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;

(4) The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in paragraph (c)(14) of this section);

(5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in paragraph (c)(3) of this section);

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(6) Welfare assistance payments.

(i) Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income only to the extent such payments:

(A) Qualify as assistance under the TANF program definition at 45 CFR 260.31[1]; and

(B) Are not otherwise excluded under paragraph (c) of this section.

(ii) If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:

(A) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus

(B) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.

(7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling;

(8) All regular pay, special pay and allowances of a member of the Armed Forces (except as provided in paragraph (c) (7) of this section)

(9) For section 8 programs only and as provided in 24 CFR 5.612, any financial assistance, in excess of amounts received for tuition, that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), from private sources, or from an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except that financial assistance described in this paragraph is not considered annual income for persons over the age of 23 with dependent children. For purposes of this paragraph, "financial assistance" does not include loan proceeds for the purpose of determining income.

HHS DEFINITION OF "ASSISTANCE"

45 CFR: General Temporary Assistance for Needy Families

260.31 What does the term "assistance" mean?

(a)(1) The term "assistance" includes cash, payments, vouchers, and other forms of benefits designed to meet a family's ongoing basic needs (i.e., for food, clothing, shelter, utilities, household goods, personal care items, and general incidental expenses).

(2) It includes such benefits even when they are:

(i) Provided in the form of payments by a TANF agency, or other agency on its behalf, to individual recipients; and

(ii) Conditioned on participation in work experience or community service (or any other work activity under 261.30 of this chapter).

[1] Text of 45 CFR 260.31 follows.

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(3) Except where excluded under paragraph (b) of this section, it also includes supportive services such as transportation and child care provided to families who are not employed.

(b) [The definition of "assistance"] excludes: (1) Nonrecurrent, short-term benefits that:

(i) Are designed to deal with a specific crisis situation or episode of need;

(ii) Are not intended to meet recurrent or ongoing needs; and

(iii) Will not extend beyond four months.

(2) Work subsidies (i.e., payments to employers or third parties to help cover the costs of employee wages, benefits, supervision, and training);

(3) Supportive services such as child care and transportation provided to families who are employed;

(4) Refundable earned income tax credits;

(5) Contributions to, and distributions from, Individual Development Accounts;

(6) Services such as counseling, case management, peer support, child care information and referral, transitional services, job retention, job advancement, and other employment-related services that do not provide basic income support; and

(7) Transportation benefits provided under a Job Access or Reverse Commute project, pursuant to section 404(k) of [the Social Security] Act, to an individual who is not otherwise receiving assistance.

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EXHIBIT 6-2: ANNUAL INCOME EXCLUSIONS

24 CFR 5.609

(c) *Annual income does not include the following:*

(1) Income from employment of children (including foster children) under the age of 18 years;

(2) Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);

(3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in paragraph (b)(5) of this section);

(4) Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;

(5) Income of a live-in aide, as defined in Sec. 5.403;

(6) Subject to paragraph (b)(9) of this section, the full amount of student financial assistance paid directly to the student or to the educational institution;

(7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;

(8) (i) Amounts received under training programs funded by HUD;

(ii) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);

(iii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;

(iv) Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed $200 per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time;

(v) Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program;

(9) Temporary, nonrecurring or sporadic income (including gifts);

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(10) Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;

(11) Earnings in excess of $480 for each full-time student 18 years old or older (excluding the head of household and spouse);

(12) Adoption assistance payments in excess of $480 per adopted child;

(13) [Reserved]

(14) Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or prospective monthly amounts.

(15) Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit;

(16) Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or

(17) Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the Federal Register and distributed to PHAs and housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary. [See Section 6-I.M. for a list of benefits that qualify for this exclusion.]

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EXHIBIT 6-3: TREATMENT OF FAMILY ASSETS

24 CFR 5.603(b) Net Family Assets

(1) Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.

(2) In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income under Sec. 5.609.

(3) In determining net family assets, PHAs or owners, as applicable, shall include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefor. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

(4) For purposes of determining annual income under Sec. 5.609, the term "net family assets" does not include the value of a home currently being purchased with assistance under part 982, subpart M of this title. This exclusion is limited to the first 10 years after the purchase date of the home.

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EXHIBIT 6-4: EARNED INCOME DISALLOWANCE FOR PERSONS WITH DISABILITIES

24 CFR 5.617 Self-sufficiency incentives for persons with disabilities–Disallowance of increase in annual income.

(a) *Applicable programs.* The disallowance of earned income provided by this section is applicable only to the following programs: HOME Investment Partnerships Program (24 CFR part 92); Housing Opportunities for Persons with AIDS (24 CFR part 574); Supportive Housing Program (24 CFR part 583); and the Housing Choice Voucher Program (24 CFR part 982).

(b) *Definitions.* The following definitions apply for purposes of this section.

Baseline income. The annual income immediately prior to implementation of the disallowance described in paragraph (c)(1) of this section of a person with disabilities (who is a member of a qualified family).

Disallowance. Exclusion from annual income.

Previously unemployed includes a person with disabilities who has earned, in the twelve months previous to employment, no more than would be received for 10 hours of work per week for 50 weeks at the established minimum wage.

Qualified family. A family residing in housing assisted under one of the programs listed in paragraph (a) of this section or receiving tenant-based rental assistance under one of the programs listed in paragraph (a) of this section.

(1) Whose annual income increases as a result of employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment;

(2) Whose annual income increases as a result of increased earnings by a family member who is a person with disabilities during participation in any economic self-sufficiency or other job training program; or

(3) Whose annual income increases, as a result of new employment or increased earnings of a family member who is a person with disabilities, during or within six months after receiving assistance, benefits or services under any state program for temporary assistance for needy families funded under Part A of Title IV of the Social Security Act, as determined by the responsible entity in consultation with the local agencies administering temporary assistance for needy families (TANF) and Welfare-to-Work (WTW) programs. The TANF program is not limited to monthly income maintenance, but also includes such benefits and services as one-time payments, wage subsidies and transportation assistance-- provided that the total amount over a six-month period is at least $500.

(c) *Disallowance of increase in annual income—*

(1) *Initial twelve month exclusion*. During the 12-month period beginning on the date a member who is a person with disabilities of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, the responsible entity must exclude from annual income (as defined in the regulations governing the applicable program listed in paragraph (a) of this section) of a qualified family any increase in income of the family member who is a person with disabilities as a result of employment over prior income of that family member.

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(2) *Second twelve month exclusion and phase-in*. Upon expiration of the 12-month period defined in paragraph (c)(1) of this section and for the subsequent 12-month period, the responsible entity must exclude from annual income of a qualified family at least 50 percent of any increase in income of such family member as a result of employment over the family member's baseline income.

(3) *Maximum 2-year disallowance*. The disallowance of increased income of an individual family member who is a person with disabilities as provided in paragraph (c)(1) or (c)(2) of this section is limited to a lifetime 24-month period. The disallowance applies for a maximum of 12 months for disallowance under paragraph (c)(1) of this section and a maximum of 12 months for disallowance under paragraph (c)(2) of this section, during the 24- month period starting from the initial exclusion under paragraph (c)(1) of this section.

(4) *Effect of changes on currently participating families*. Families eligible for and participating in the disallowance of earned income under this section prior to May 9, 2016 will continue to be governed by this section in effect as it existed immediately prior to that date (see 24 CFR parts 0 to 199, revised as of April 1, 2016).

(d) *Inapplicability to admission.* The disallowance of increases in income as a result of employment of persons with disabilities under this section does not apply for purposes of admission to the program (including the determination of income eligibility or any income targeting that may be applicable).

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EXHIBIT 6-5: THE EFFECT OF WELFARE BENEFIT REDUCTION

24 CFR 5.615 Public housing program and Section 8 tenant-based assistance program: How welfare benefit reduction affects family income.

(a) *Applicability.* This section applies to covered families who reside in public housing (part 960 of this title) or receive Section 8 tenant-based assistance (part 982 of this title).

(b) *Definitions.* The following definitions apply for purposes of this section:

Covered families. Families who receive welfare assistance or other public assistance benefits ("welfare benefits") from a State or other public agency ("welfare agency") under a program for which Federal, State, or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance.

Economic self-sufficiency program. See definition at Sec. 5.603.

Imputed welfare income. The amount of annual income not actually received by a family, as a result of a specified welfare benefit reduction, that is nonetheless included in the family's annual income for purposes of determining rent.

Specified welfare benefit reduction.

(1) A reduction of welfare benefits by the welfare agency, in whole or in part, for a family member, as determined by the welfare agency, because of fraud by a family member in connection with the welfare program; or because of welfare agency sanction against a family member for noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

(2) "Specified welfare benefit reduction" does not include a reduction or termination of welfare benefits by the welfare agency:

(i) at expiration of a lifetime or other time limit on the payment of welfare benefits;

(ii) because a family member is not able to obtain employment, even though the family member has complied with welfare agency economic self-sufficiency or work activities requirements; or

(iii) because a family member has not complied with other welfare agency requirements.

(c) *Imputed welfare income.*

(1) A family's annual income includes the amount of imputed welfare income (because of a specified welfare benefits reduction, as specified in notice to the PHA by the welfare agency), plus the total amount of other annual income as determined in accordance with Sec. 5.609.

(2) At the request of the PHA, the welfare agency will inform the PHA in writing of the amount and term of any specified welfare benefit reduction for a family member, and the reason for such reduction, and will also inform the PHA of any subsequent changes in the term or amount of such specified welfare benefit reduction. The PHA will use this information to determine the amount of imputed welfare income for a family.

(3) A family's annual income includes imputed welfare income in family annual income, as determined at the PHA's interim or regular reexamination of family income and composition, during the term of the welfare benefits reduction (as specified in information provided to the PHA by the welfare agency).

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(4) The amount of the imputed welfare income is offset by the amount of additional income a family receives that commences after the time the sanction was imposed. When such additional income from other sources is at least equal to the imputed

(5) The PHA may not include imputed welfare income in annual income if the family was not an assisted resident at the time of sanction.

(d) *Review of PHA decision.*

(1) Public housing. If a public housing tenant claims that the PHA has not correctly calculated the amount of imputed welfare income in accordance with HUD requirements, and if the PHA denies the family's request to modify such amount, the PHA shall give the tenant written notice of such denial, with a brief explanation of the basis for the PHA determination of the amount of imputed welfare income. The PHA notice shall also state that if the tenant does not agree with the PHA determination, the tenant may request a grievance hearing in accordance with part 966, subpart B of this title to review the PHA determination. The tenant is not required to pay an escrow deposit pursuant to Sec. 966.55(e) for the portion of tenant rent attributable to the imputed welfare income in order to obtain a grievance hearing on the PHA determination.

(2) Section 8 participant. A participant in the Section 8 tenant-based assistance program may request an informal hearing, in accordance with Sec. 982.555 of this title, to review the PHA determination of the amount of imputed welfare income that must be included in the family's annual income in accordance with this section. If the family claims that such amount is not correctly calculated in accordance with HUD requirements, and if the PHA denies the family's request to modify such amount, the PHA shall give the family written notice of such denial, with a brief explanation of the basis for the PHA determination of the amount of imputed welfare income. Such notice shall also state that if the family does not agree with the PHA determination, the family may request an informal hearing on the determination under the PHA hearing procedure.

(e) *PHA relation with welfare agency.*

(1) The PHA must ask welfare agencies to inform the PHA of any specified welfare benefits reduction for a family member, the reason for such reduction, the term of any such reduction, and any subsequent welfare agency determination affecting the amount or term of a specified welfare benefits reduction. If the welfare agency determines a specified welfare benefits reduction for a family member, and gives the PHA written notice of such reduction, the family's annual incomes shall include the imputed welfare income because of the specified welfare benefits reduction.

(2) The PHA is responsible for determining the amount of imputed welfare income that is included in the family's annual income as a result of a specified welfare benefits reduction as determined by the welfare agency, and specified in the notice by the welfare agency to the PHA. However, the PHA is not responsible for determining whether a reduction of welfare benefits by the welfare agency was correctly determined by the welfare agency in accordance with welfare program requirements and procedures, nor for providing the opportunity for review or hearing on such welfare agency determinations.

(3) Such welfare agency determinations are the responsibility of the welfare agency, and the family may seek appeal of such determinations through the welfare agency's normal due process procedures. The PHA shall be entitled to rely on the welfare agency notice to the PHA of the welfare agency's

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determination of a specified welfare benefits reduction.

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Chapter 7

VERIFICATION

[24 CFR 982.516, 24 CFR 982.551, 24 CFR 5.230, Notice PIH 2010-19]

INTRODUCTION

HACC must verify all information that is used to establish the family's eligibility and level of assistance and is required to obtain written authorization from the family in order to collect the information. Applicants and program participants must cooperate with the verification process as a condition of receiving assistance. HACC must not pass on the cost of verification to the family.

HACC will follow the verification guidance provided by HUD in Notice PIH 2010-19and any subsequent guidance issued by HUD. This chapter summarizes those requirements and provides supplementary HACC policies.

Part I describes the general verification process. Part II provides more detailed requirements related to family information. Part III provides information on income and assets, and Part IV covers mandatory deductions.

Verification policies, rules and procedures will be modified as needed to accommodate persons with disabilities. All information obtained through the verification process will be handled in accordance with the records management policies of HACC.

PART I: GENERAL VERIFICATION REQUIREMENTS

7-I.A. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 982.516 AND 982.551, 24 CFR 5.230]

The family must supply any information that HACC or HUD determines is necessary to the administration of the program and must consent to HACC verification of that information [24 CFR 982.551].

HACC Policy

Per PIH Notice 2013-03, HACC may opt to streamline reexaminations of income for elderly families and disabled families when 100 percent of the family's income consists of fixed income. In a streamlined examination, HACC will recalculate family incomes by applying any published cost of living adjustments to the previously verified income amount. For purposes of this policy, the term "fixed income" includes income from:

1. Social Security payments to include Supplemental Security Income (SSI) and Supplemental Security Disability Insurance (SSDI);
2. Federal, State, local and private pension plans; and
3. Other periodic payments received from annuities, insurance policies, retirement funds, disability benefits, and other similar types of periodic receipt that are of substantially the same amounts from year to year.

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Consent Forms

It is required that all adult applicants and participants sign form HUD-9886, Authorization for Release of Information. The purpose of form HUD-9886 is to facilitate automated data collection and computer matching from specific sources and provides the family's consent only for the specific purposes listed on the form. HUD and HACC may collect information from State Wage Information Collection Agencies (SWICAs) and current and former employers of adult family members. Only HUD is authorized to collect information directly from the Internal Revenue Service (IRS) and the Social Security Administration (SSA). Adult family members must sign other consent forms as needed to collect information relevant to the family's eligibility and level of assistance.

Penalties for Failing to Consent [24 CFR 5.232]

If any family member who is required to sign a consent form fails to do so, HACC will deny admission to applicants and terminate assistance of participants. The family may request an informal review (applicants) or informal hearing (participants) in accordance with HACC procedures.

7-I.B. OVERVIEW OF VERIFICATION REQUIREMENTS

HUD's Verification Hierarchy [Notice PIH 2010-19]

HUD mandates the use of the EIV system and offers administrative guidance on the use of other methods to verify family information and specifies the circumstances in which each method will be used. In general HUD requires HACC to use the most reliable form of verification that is available and to document the reasons when HACC uses a lesser form of verification.

In order of priority, the forms of verification that HACC will use are:

- Up-front Income Verification (UIV) using HUD's Enterprise Income Verification (EIV) system
- Up-front Income Verification (UIV) using a non-HUD system
- Written Third-Party Verification (may be provided by applicant or participant)
- Written Third-party Verification Form
- Oral Third-party Verification
- Self-Certification

Each of the verification methods is discussed in subsequent sections below.

Requirements for Acceptable Documents

<u>HACC Policy</u>

Any documents used for verification generally must be dated within 60 days of the date they are provided to HACC. Original documents are preferred. The documents must not be damaged, altered or in any way illegible. Documents received by HACC will not be returned and will be kept as part of the client file; therefore, clients are responsible for copying any documents they wish to retain.

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HACC will accept documents dated up to 12 months before the effective date of the family's reexamination if the document represents the most recent scheduled report from a source. For example, if the holder of a pension annuity provides semi-annual reports, HACC would accept the most recent report.

Print-outs from Webpages are considered original documents.

Any family self-certifications must be made in a format acceptable to HACC and must be signed in the presence of a HACC representative.

File Documentation

HACC must document in the file how the figures used in income and rent calculations were determined. All verification attempts, information obtained, and decisions reached during the verification process will be recorded in the family's file in sufficient detail to demonstrate that HACC has followed all of the verification policies set forth in this plan. The record should be sufficient to enable a staff member or HUD reviewer to understand the process followed and conclusions reached.

HACC Policy

HACC will document, in the family file, the following:

Reported family annual income

Value of assets

Expenses related to deductions from annual income

Other factors influencing adjusted income

When HACC is unable to obtain third party verification, HACC will document in the family file the reason that third-party verification was not available. [24 CFR982.516(a)(2); Notice PIH 2010-19]

7-I.C. UP-FRONT INCOME VERIFICATION (UIV)

Up-front income verification (UIV) refers to HACC's use of the verification tools available from independent sources that maintain computerized information about earnings and benefits. UIV will be used to the extent that these systems are available to HACC.

There may be legitimate differences between the information provided by the family and UIV-generated information. If the family disputes the accuracy of UIV data, no adverse action can be taken until HACC has independently verified the UIV information and the family has been granted an opportunity to contest any adverse findings through the informal review/hearing process of HACC.

See Chapter 6 for HACC's policy on the use of UIV/EIV to project annual income.

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Upfront Income Verification Using HUD's Enterprise Income Verification (EIV) System (Mandatory)

HACC must use HUD's EIV system in its entirety as a third-party source to verify tenant employment and income information during mandatory reexaminations or recertifications of family composition and income in accordance with 24 CFR 5.236 and administrative guidance issued by HUD. The EIV system contains data showing earned income, unemployment benefits, social security benefits and SSI benefits for participant families. The following policies apply to the use of HUD's EIV system:

EIVIncome Reports

The data shown on income reports is updated quarterly. Data may be between 3 and 6 months old at the time reports are generated.

HACC Policy

HACC will obtain income reports for annual reexaminations on a monthly basis. Reports will be generated as part of the regular reexamination process.

Income reports will be compared to family-provided information as part of the annual reexamination process. Income reports may be used in the calculation of annual income, as described in Chapter 6-I.C. Income reports may also be used to meet the regulatory requirement for third party verification, as described above. Policies for resolving discrepancies between income reports and family-provided information will be resolved as described in Chapter 6-I.C. and in this chapter.

Income reports may be used in interim reexaminations to identify any discrepancies between reported income and income shown in the EIV system, and as necessary to verify and calculate earned income, unemployment benefits, Social Security and/or SSI benefits. EIV will also be used to verify that families claiming zero income are not receiving income from any of these sources.

Income reports will be retained in participant files with the applicable annual or interim reexamination documents.

When HACC determines through income reports and third- party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 14, Program Integrity.

EIV Identity Verification

The EIV system verifies tenant identities against SSA records. These records are compared to PIC data for a match on social security number, name, and date of birth.

PHAs are required to use EIV's *Identity Verification Report* on a monthly basis to improve the availability of income information in EIV [Notice PIH2012-10]. When identity verification for a participant fails, a message will be displayed within the EIV system and no income information will be displayed.

HACC Policy

HACC will identify participants whose identity verification has failed by reviewing EIV's *Identity Verification Report* on a monthly basis. .

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HACC will attempt to resolve PIC/SSA discrepancies by obtaining appropriate documentation from the participant. . When HACC determines that discrepancies exist due to HACC errors such as spelling errors or incorrect birth dates, the errors will be corrected promptly.

Upfront Income Verification Using Non-HUD Systems (Optional)

In addition to mandatory use of the EIV system, HUD encourages PHAs to utilize other upfront verification sources.

HACC Policy

HACC will inform all applicants and participants of its use of the following UIV resources during the admission and reexamination process:

HUD's EIV system

7-I.D. THIRD-PARTY WRITTEN AND ORAL VERIFICATION

HUD's current verification hierarchy defines two types of written third-party verification. The more preferable form, "written third-party verification," consists of an original document generated by a third-party source, which may be received directly from a third-party source or provided to the PHA by the family. If written third-party verification is not available, the PHA must attempt to obtain a "written third-party verification form." This is a standardized form used to collect information from a third party.

Written Third-Party Verification [Notice PIH 2010-19]

Written third-party verification documents must be original and authentic and may be supplied by the family or received from a third-party source.

Examples of acceptable tenant-provided documents include, but are not limited to: pay stubs, payroll summary reports, employer notice or letters of hire and termination, SSA benefit verification letters, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notices.

The PHA is required to obtain, at minimum, two current and consecutive pay stubs for determining annual income from wages.

The PHA may reject documentation provided by the family if the document is not an original, if the document appears to be forged, or if the document is altered, mutilated, or illegible.

HACC Policy

Third-party documents provided by the family must be dated within 60 days of HACC's request date.

If HACC determines that third-party documents provided by the family are not acceptable, HACC will explain the reason to the family and request additional documentation.

As verification of earned income, HACC will require the family to provide the two most current, consecutive pay stubs.

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Written Third-Party Verification Form

When upfront verification is not available and the family is unable to provide written third-party documents, the PHA must request a written third-party verification form. HUD's position is that this traditional third-party verification method presents administrative burdens and risks which may be reduced through the use of family-provided third-party documents.

PHAs may mail, fax, or e-mail third-party written verification form requests to third-party sources.

> HACC Policy
>
> HACC will send third-party verification forms directly to the third party.
>
> Third-party verification forms will be sent when third-party verification documents are unavailable or are rejected by HACC.

Oral Third-Party Verification [Notice PIH 2010-19]

For third-party oral verification, PHAs contact sources, identified by UIV techniques or by the family, by telephone or in person.

Oral third-party verification is mandatory if neither form of written third-party verification is available.

Third-party oral verification may be used when requests for written third-party verification forms have not been returned within a reasonable time—e.g., 10 business days.

PHAs should document in the file the date and time of the telephone call or visit, the name of the person contacted, the telephone number, as well as the information confirmed.

> HACC Policy
>
> In collecting third-party oral verification, HACC staff will record in the family's file the name and title of the person contacted, the date and time of the conversation (or attempt), the telephone number used, and the facts provided.
>
> When any source responds verbally to the initial written request for verification HACC will accept the verbal response as oral verification but will also request that the source complete and return any verification forms that were provided.

When Third-Party Verification is Not Required [Notice PIH 2010-19]

Third-party verification may not be available in all situations. HUD has acknowledged that it may not be cost-effective or reasonable to obtain third-party verification of income, assets, or expenses when these items would have a minimal impact on the family's total tenant payment.

> HACC Policy
>
> If the family cannot provide original documents, HACC will pay the service charge required to obtain third-party verification, unless it is not cost effective in which case a self-certification will be acceptable as the only means of verification. Staff time involved to obtain the verification is considered when determining unreasonable cost. The cost of verification will not be passed on to the family.

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The cost of postage and envelopes to obtain third-party verification of income, assets, and expenses is not an unreasonable cost [VG, p. 18].***Primary Documents***

Third-party verification is not required when legal documents are the primary source, such as a birth certificate or other legal documentation of birth.

Imputed Assets

HUD permits PHAs accept a self-certification from a family as verification of assets disposed of for less than fair market value [HCV GB, p. 5-28].

HACC Policy

> HACC will accept a self-certification from a family as verification of assets disposed of for less than fair market value

Value of Assets and Asset Income [24 CFR 982.516(a)]

For families with net assets totaling $5,000 or less, the PHA may accept the family's declaration of asset value and anticipated asset income. However, the PHA is required to obtain third-party verification of all assets regardless of the amount during the intake process and at least every three years thereafter.

> PHA Policy
>
> For families with net assets totaling $5,000 or less, the PHA will accept the family's self-certification of the value of family assets and anticipated asset income when applicable. The family's declaration must show each asset and the amount of income expected from that asset. All family members 18 years of age and older must sign the family's declaration.
>
> The PHA will use third-party documentation for assets as part of the intake process, whenever a family member is added to verify the individual's assets, and every three years thereafter.

7-I.E. SELF-CERTIFICATION

When HUD requires third-party verification, self-certification or "tenant declaration," is used as a last resort when the PHA is unable to obtain third-party verification.

Self-certification, however, is an acceptable form of verification when:

- A source of income is fully excluded
- Net family assets total $5,000 or less and the PHA has adopted a policy to accept self-certification at annual recertification, when applicable
- The PHA has adopted a policy to implement streamlined annual recertifications for fixed sources of income (See Chapter 11)

When the PHA was required to obtain third-party verification but instead relies on a tenant declaration for verification of income, assets, or expenses, the family's file must be documented to explain why third-party verification was not available.

> HACC Policy

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When information cannot be verified by a third party or by review of documents, family members will be required to submit self-certifications attesting to the accuracy of the information they have provided to HACC.

HACC may require a family to certify that a family member does not receive a particular type of income or benefit. HACC will not require families to provide self certification for changes in bank accounts.

The self-certification must be made in a format acceptable to HACC and must be signed by the family member whose information or status is being verified. All self-certifications must be signed in the presence of a HACC representative or HACC notary public.

PART II: VERIFYING FAMILY INFORMATION

7-II.A. VERIFICATION OF LEGAL IDENTITY

HACC Policy

HACC will require families to furnish verification of legal identity for each household member.

Verification of Legal Identity for Adults	Verification of Legal Identity for Children
Certificate of birth, naturalization papers Church issued baptismal certificate Current, valid driver's license or Department of Motor Vehicles identification card U.S. military discharge (DD 214) Current U.S. passport Current employer identification card	Certificate of birth Adoption papers Custody agreement Health and Human Services ID Certified school records

If a document submitted by a family is illegible for any reason or otherwise questionable, more than one of these documents may be required.

If none of these documents can be provided and at HACC's discretion, a third party who knows the person may attest to the person's identity. The certification must be provided in a format acceptable to HACC and be signed in the presence of a HACC representative or HACC notary public.

Legal identity will be verified for all applicants at the time of eligibility determination and in cases where the PHA has reason to doubt the identity of a person representing him or herself to be a participant.

7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216, Notice PIH2012-10]

The family must provide documentation of a valid social security number (SSN) for each member of the household, with the exception of individuals who do not contend eligible

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immigration status. Exemptions also include, existing program participants who were at least 62 years of age as of January 31, 2010, and had not previously disclosed an SSN.

Note that an individual who previously declared to have eligible immigration status may not change his or her declaration for the purpose of avoiding compliance with the SSN disclosure and documentation requirements or penalties associated with noncompliance with these requirements. Nor may the head of household opt to remove a household member from the family composition for this purpose.

The PHA must accept the following documentation as acceptable evidence of the social security number:

An original SSN card issued by the Social Security Administration (SSA)

An original SSA-issued document, which contains the name and SSN of the individual

An original document issued by a federal, state, or local government agency, which contains the name and SSN of the individual, along with other identifying information of the individual

Such other evidence of the SSN as HUD may prescribe in administrative instructions

The PHA may only reject documentation of an SSN provided by an applicant or participant if the document is not an original document or if the original document has been altered, mutilated, , is illegible, or appears to be forged.

HACC Policy

HACC will explain to the applicant or participant the reasons the document is not acceptable and request that the individual obtain and submit acceptable documentation of the SSN to the PHA within 90 days.

In the case of Moderate Rehabilitation Single Room Occupancy (SRO) individuals, the required documentation must be provided within 90 calendar days from the date of admission into the program. The PHA must grant one additional 90-day extension if it determines that the applicant's failure to comply was due to circumstances that were beyond the applicant's control and could not have been reasonably foreseen.

HACC Policy

HACC will grant one additional 90-day extension if needed for reasons beyond the participant's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency. If the individual fails to comply with SSN disclosure and documentation requirements upon expiration of the provided time period, HACC will terminate the individual's assistance.

If an applicant family includes a child under 6 years of age who joined the household within the 6 months prior to the date of voucher issuance, an otherwise eligible family may be admitted to the program and the family must provide documentation of the child's SSN within 90 days of the effective date of the initial HAP contract. A 90-day extension will be granted if the PHA determines that the participant's failure to comply was due to unforeseen circumstances and was outside of the participant's control.

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When a participant requests to add a new household member who is at least 6 years of age, or who is under the age of 6 and has an SSN, the participant must provide the complete and accurate SSN assigned to each new member at the time of reexamination or recertification, in addition to the documentation required to verify it. The PHA may not add the new household member until such documentation is provided.

When a participant requests to add a new household member who is under the age of 6 and has not been assigned an SSN, the participant must provide the SSN assigned to each new child and the required documentation within 90 calendar days of the child being added to the household. A 90-day extension will be granted if the PHA determines that the participant's failure to comply was due to unforeseen circumstances and was outside of the participant's control. During the period the PHA is awaiting documentation of the SSN, the child will be counted as part of the assisted household.

HACC Policy

HACC will grant one additional 90-day extension if needed for reasons beyond the participant's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency.

Social security numbers must be verified only once during continuously-assisted occupancy.

HACC Policy

HACC will verify each disclosed SSN by:

- Obtaining documentation from applicants and participants that is acceptable as evidence of social security numbers
- Making a copy of the original documentation submitted, returning it to the individual, and retaining a copy in the file folder

Once the individual's verification status is classified as "verified," the PHA may, at its discretion, remove and destroy copies of documentation accepted as evidence of social security numbers. The retention of the EIV Summary Report or Income Report is adequate documentation of an individual's SSN.

7-II.C. DOCUMENTATION OF AGE

A birth certificate or other official record of birth is the preferred form of age verification for all family members. For elderly family members an original document that provides evidence of the receipt of social security retirement benefits is acceptable.

HACC Policy

If an official record of birth or evidence of social security retirement benefits cannot be provided, HACC will require the family to submit other documents that support the reported age of the family member (e.g., school records, driver's license if birth year is recorded) and to provide a self-certification.

Age must be verified only once during continuously-assisted occupancy.

7-II.D. FAMILY RELATIONSHIPS

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Applicants and program participants are required to identify the relationship of each household member to the head of household. Definitions of the primary household relationships are provided in the Eligibility chapter.

HACC Policy

Family relationships are verified only to the extent necessary to determine a family's eligibility and level of assistance. Certification by the head of household normally is sufficient verification of family relationships.

Marriage

HACC Policy

Certification by the head of household is normally sufficient verification. If HACC has reasonable doubts about a marital relationship, HACC will require the family to document the marriage.

A marriage certificate generally is required to verify that a couple is married.

In the case of a common law marriage, the couple must demonstrate that they hold themselves to be married (e.g., by telling the community they are married, calling each other husband and wife, using the same last name, filing joint income tax returns).

Separation or Divorce

HACC Policy

Certification by the head of household is normally sufficient verification. If HACC has reasonable doubts about a separation or divorce, HACC will require the family to provide documentation of the divorce or separation.

A certified copy of a divorce decree, signed by a court officer, is required to document that a couple is divorced.

A copy of a court-ordered maintenance or other court record is required to document a separation.

If no court document is available, documentation from a community-based agency will be accepted.

Absence of Adult Member

HACC Policy

If an adult member who was formerly a member of the household is reported to be permanently absent. HACC will allow the head of household to self-certify that the adult is no longer a member the household. The family may provide evidence to support that the person is no longer a member of the family (e.g., documentation of another address at which the person resides such as a lease or utility bill).

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Foster Children and Foster Adults

HACC Policy

Third-party verification from the state or local government agency responsible for the placement of the individual with the family is required.

7-II.E. VERIFICATION OF STUDENT STATUS

General Requirements

HACC Policy

HACC requires families to provide information about the student status of all students who are 18 years of age or older. This information will be verified only if:

The family reports full-time student status for an adult other than the head, spouse, or cohead.

The family reports child care expenses to enable a family member to further his or her education.

The family includes a student enrolled in an *institution of higher education.*

Restrictions on Assistance to Students Enrolled in Institutions of Higher Education

This section applies only to students who are seeking assistance on their own, separately from their parents. It does not apply to students residing with parents who are seeking or receiving HCV assistance.

HACC Policy

In accordance with the verification hierarchy described in Section 7-1.B, HACC will determine whether the student is exempt from the restrictions in 24 CFR 5.612 by verifying any one of the following exemption criteria:

The student is enrolled at an educational institution that does not meet the definition of *institution of higher education* in the Higher Education Act of 1965 (see Section Exhibit 3-2).

The student is at least 24 years old.

The student is a veteran, as defined in Section 3-II.E.

The student is married.

The student has at least one dependent child, as defined in Section 3-II.E.

The student is a person with disabilities, as defined in Section 3-II.E, and was receiving assistance prior to November 30, 2005.

If HACC cannot verify at least one of these exemption criteria, HACC will conclude that the student is subject to the restrictions on assistance at 24 CFR 5.612. In addition to verifying the student's income eligibility, HACC will then proceed to verify either the student's parents' income eligibility (see Section 7-III.J) or the student's independence from his/her parents (see below).

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Independent Student

HACC Policy

HACC will verify a student's independence from his/her parents to determine that the student's parents' income is not relevant for determining the student's eligibility by doing all of the following:

Either reviewing or verifying previous address information to determine whether the student has established a household separate from his/her parents for at least one year or reviewing and verifying documentation relevant to determining whether the student meets the U.S. Department of Education's definition of *independent student* (see Section 3-II.E)

Reviewing prior year income tax returns to verify whether a parent has claimed the student as a dependent

Requesting and obtaining written certification directly from the student's parents identifying the amount of support they will be providing to the student, even if the amount of support is $0.

7-II.F. DOCUMENTATION OF DISABILITY

HACC must verify the existence of a disability in order to allow certain income disallowances and deductions from income. HACC is not permitted to inquire about the nature or extent of a person's disability [24 CFR 100.202(c)]. HACC may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If HACC receives a verification document that provides such information, HACC will not place this information in the tenant file. Under no circumstances will HACC request a participant's medical record(s). For more information on health care privacy laws, see the Department of Health and Human Services' website athttp://www.hhs.gov/ocr/privacy/.

The above cited regulation does not prohibit the following inquiries, provided these inquiries are made of all applicants, whether or not they are persons with disabilities [VG, p. 24]:

- Inquiry into an applicant's ability to meet the requirements of tenancy
- Inquiry to determine whether an applicant is qualified for a dwelling available only to persons with disabilities or to persons with a particular type of disability
- Inquiry to determine whether an applicant for a dwelling is qualified for a priority available to persons with disabilities or to persons with a particular type of disability
- Inquiring whether an applicant for a dwelling is a current illegal abuser or addict of a controlled substance
- Inquiring whether an applicant has been convicted of the illegal manufacture or distribution of a controlled substance

Family Members Receiving SSA Disability Benefits

Verification of the receipt of disability benefits from the Social Security Administration (SSA) is sufficient verification of disability for the purpose of qualifying for waiting list preferences (if applicable) or certain income disallowances and deductions [VG, p. 23].

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HACC Policy

For family members claiming disability who receive disability benefits from the SSA, HACC will attempt to obtain information about disability benefits through the HUD Enterprise Income Verification (EIV) system. If documentation from HUD's EIV System is not available, HACC will request a current (dated within the last 60 days) SSA benefit verification letter from each family member claiming disability status. If the family is unable to provide the document(s), HACC will ask the family to request a benefit verification letter by either calling SSA at 1-800-772-1213, or by requesting it from www.ssa.gov. Once the applicant or participant receives the benefit verification letter they will be required to provide it to HACC.

Family Members Not Receiving SSA Disability Benefits

Receipt of veteran's disability benefits, worker's compensation, or other non-SSA benefits based on the individual's claimed disability are not sufficient verification that the individual meets HUD's definition of disability in 24 CFR 5. 403.

HACC Policy

For family members claiming disability who do not receive disability benefits from the SSA, a knowledgeable professional must provide third-party verification that the family member meets the HUD definition of disability. See the Eligibility chapter for the HUD definition of disability. The knowledgeable professional will verify whether the family member does or does not meet the HUD definition.

7-II.G. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5.508]

Overview

Housing assistance is not available to persons who are not citizens, nationals, or eligible immigrants. Prorated assistance is provided for "mixed families" containing both eligible and ineligible persons. A detailed discussion of eligibility requirements is in the Eligibility chapter. This verifications chapter discusses HUD and HACC verification requirements related to citizenship status.

The family must provide a certification that identifies each family member as a U.S. citizen, a U.S. national, an eligible noncitizen or an ineligible noncitizen and submit the documents discussed below for each family member. Once eligibility to receive assistance has been verified for an individual it need not be collected or verified again during continuously-assisted occupancy. [24 CFR 5.508(g) (5)]

U.S. Citizens and Nationals

HUD requires a declaration for each family member who claims to be a U.S. citizen or national. The declaration must be signed personally by any family member 18 or older and by a guardian for minors.

HACC may request verification of the declaration by requiring presentation of a birth certificate, United States passport or other appropriate documentation.

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HACC Policy

Each family member, regardless of age, must submit the following:

1. For Citizens: A signed declaration of U.S. citizenship; and, an original U.S. Birth Certificate (or certified copy) or a U. S. Passport.

2. For Noncitizens who are 62 years of age or older and who received assistance on June 19, 1995: (i) A signed declaration of eligible immigration status and (ii) Proof of age document;

3. For all other Noncitizens: (i) A signed declaration of eligible immigration status; and, (ii) Immigration and Naturalization Service (INS) documents of eligible immigration status; and, (iii) a signed certification consent form.

Eligible Immigrants

Documents Required

All family members claiming eligible immigration status must declare their status in the same manner as U.S. citizens and nationals.

The documentation required for eligible noncitizens varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, age, and the date on which the family began receiving HUD-funded assistance. Exhibit 7-2 at the end of this chapter summarizes documents family members must provide.

HACC Verification [HCV GB, pp. 5-3 and 5-7]

For family members age 62 or older who claim to be eligible immigrants, proof of age is required in the manner described in 7-II.C of this plan. No further verification of eligible immigration status is required.

For family members under the age of 62 who claim to be eligible immigrants, HACC must verify immigration status with the United States Citizenship and Immigration Services (USCIS).

HACC will follow all USCIS protocols for verification of eligible immigration status.

7-II.H. VERIFICATION OF PREFERENCE STATUS

HACC must verify any preferences claimed by an applicant that determined placement on the waiting list.

HACC Policy

HACC will offer a preference to any family that has been terminated from its HCV program due to insufficient program funding. HACC will verify this preference using HACC's termination records.

PART III: VERIFYING INCOME AND ASSETS

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Chapter 6, Part I of this plan describes in detail the types of income that are included and excluded and how assets and income from assets are handled. Any assets and income reported by the family must be verified. This part provides HACC policies that supplement the general verification procedures specified in Part I of this chapter.

7-III.A. EARNED INCOME

Tips

HACC Policy

Unless tip income is included in a family member's W-2 by the employer, persons who work in industries where tips are standard will be required to sign a certified estimate of tips received for the prior year and tips anticipated to be received in the coming year.

Wages

PHA Policy

For wages other than tips, the family must provide originals of the two most current, consecutive pay stubs.

7-III.B. BUSINESS AND SELF EMPLOYMENT INCOME

HACC Policy

Business owners and self-employed persons will be required to provide:

An audited financial statement for the previous fiscal year if an audit was conducted. If an audit was not conducted, a statement of income and expenses must be submitted and the business owner or self-employed person must certify to its accuracy.

All schedules completed for filing federal and local taxes in the preceding year.

If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense, computed using straight-line depreciation rules.

HACC will provide a format for any person who is unable to provide such a statement to record income and expenses for the coming year. The business owner/self-employed person will be required to submit the information requested and to certify to its accuracy at all future reexaminations.

At any reexamination HACC may request documents that support submitted financial statements such as manifests, appointment books, cash books, or bank statements.

If a family member has been self-employed less than three (3) months, HACC will accept the family member's certified estimate of income and schedule an interim reexamination in three (3) months. If the family member has been self-employed for three (3) to twelve (12) months HACC will require the family to provide documentation of income and expenses for this period and use that information to project income.

7-III.C. PERIODIC PAYMENTS AND PAYMENTS IN LIEU OF EARNINGS

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For policies governing streamlined income determinations for fixed sources of income, please see Chapter 11.

Social Security/SSI Benefits

HACC Policy

To verify the SS/SSI benefits of applicants, HACC will request a current (dated within the last 60 days) SSA benefit verification letter from each family member that receives social security benefits. If the family is unable to provide the document(s), HACC will help the applicant request a benefit verification letter from SSA's Web site at www.ssa.govor ask the family to request one by calling SSA at 1-800-772-1213. Once the applicant has received the benefit verification letter they will be required to provide it to HACC.

To verify the SS/SSI benefits of participants, HACC will obtain information about social security/SSI benefits through the HUD EIV System, and confirm with the participant(s) that the current listed benefit amount is correct. If the participant disputes the EIV-reported benefit amount, or if benefit information is not available in HUD systems, HACC will request a current SSA benefit verification letter from each family member that receives social security benefits. If the family is unable to provide the document(s) HACC will help the participant request a benefit verification letter from SSA's Web site atwww.ssa.gov or ask the family to request one by calling SSA at 1-800-772-1213. Once the participant has received the benefit verification letter they will be required to provide it to HACC.

7-III.D. ALIMONY OR CHILD SUPPORT

HACC Policy

The methods the PHA will use to verify alimony and child support payments differ depending on whether the family declares that it receives regular payments.

If the family declares that it ***receives regular payments***, verification will be obtained in the following order of priority:

Copy of the receipts and/or payments for the 60 days prior to PHA request

Third –party verification form from the state or local child support enforcement agency

Third-party verification form from the person paying the support

Family's self-certification of amount received

If the family declares that it ***receives irregular or no payments***, in addition to the verification process listed above, the family must provide evidence that it has taken all reasonable efforts to collect amounts due. This may include:

A statement from any agency responsible for enforcing payment that shows the family has requested enforcement and is cooperating with all enforcement efforts

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If the family has made independent efforts at collection, a written statement from the attorney or other collection entity that has assisted the family in these efforts

Note: Families are not required to undertake independent enforcement action.

7-III.E. ASSETS AND INCOME FROM ASSETS

Assets Disposed of for Less than Fair Market Value

The family must certify whether any assets have been disposed of for less than fair market value in the preceding two years. HACC needs to verify only those certifications that warrant documentation [HCV GB, p. 5-28].

HACC Policy

HACC will verify the value of assets disposed of only if:

HACC does not already have a reasonable estimation of its value from previously collected information, or

The amount reported by the family in the certification appears obviously in error.

Example 1: An elderly participant reported a $10,000 certificate of deposit at the last annual reexamination and HACC verified this amount. Now the person reports that she has given this $10,000 to her son. HACC has a reasonable estimate of the value of the asset; therefore, reverification of the value of the asset is not necessary.

Example 2: A family member has disposed of its 1/4 share of real property located in a desirable area and has valued her share at approximately 5,000. Based upon market conditions, this declaration does not seem realistic. Therefore, HACC will verify the value of this asset.

7-III.F. NET INCOME FROM RENTAL PROPERTY

HACC Policy

The family must provide:

A current executed lease for the property that shows the rental amount or certification from the current tenant

A self-certification from the family members engaged in the rental of property providing an estimate of expenses for the coming year and the most recent IRS Form 1040 with Schedule E (Rental Income). If schedule E was not prepared, HACC will require the family members involved in the rental of property to provide a self-certification of income and expenses for the previous year and may request documentation to support the statement including: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.

7-III.G. RETIREMENT ACCOUNTS

HACC Policy

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HACC will accept written documents supplied by the family as evidence of the status of retirement accounts.

The type of document that will be accepted depends upon the family member's retirement status.

Before retirement, HACC will accept a document from the entity holding the account with a date that shows it is the most recently scheduled statement for the account but in no case earlier than 6 months from the effective date of the examination.

Upon retirement, HACC will accept a document from the entity holding the account that reflects any distributions of the account balance, any lump sums taken and any regular payments.

After retirement, HACC will accept a document from the entity holding the account dated no earlier than 12 months before that reflects any distributions of the account balance, any lump sums taken and any regular payments.

7-III.H. INCOME FROM EXCLUDED SOURCES

A detailed discussion of excluded income is provided in Chapter 6, Part I.

HUD guidance on verification of excluded income draws a distinction between income which is fully excluded and income which is only partially excluded.

For fully excluded income, the PHA is **not** required to follow the verification hierarchy, document why third-party verification is not available, or report the income on the 50058. Fully excluded income is defined as income that is entirely excluded from the annual income determination (for example, food stamps, earned income of a minor, or foster care funds) [Notice PIH 2013-04].

PHAs may accept a family's signed application or reexamination form as self-certification of fully excluded income. They do not have to require additional documentation. However, if there is any doubt that a source of income qualifies for full exclusion, PHAs have the option of requiring additional verification.

For partially excluded income, the PHA **is** required to follow the verification hierarchy and all applicable regulations, and to report the income on the 50058. Partially excluded income is defined as income where only a certain portion of what is reported by the family qualifies to be excluded and the remainder is included in annual income (for example, the income of an adult full-time student, or income excluded under the earned income disallowance).

<u>HACC Policy</u>

HACC will accept the family's self-certification as verification of fully excluded income. The PHA may request additional documentation if necessary to document the income source.

The PHA will verify the source and amount of partially excluded income as described in Part 1 of this chapter.

7-III.I. ZERO ANNUAL INCOME STATUS

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HACC Policy

HACC will check UIV sources and/or request information from third-party sources to verify that certain forms of income such as unemployment benefits, TANF, SS, SSI and earnings are not being received by families claiming to have zero annual income.

7-III.J. STUDENT FINANCIAL ASSISTANCE

Any financial assistance, in excess of amounts received for tuition, that a person attending an institution of higher education receives under the Higher Education Act of 1965, from private sources, or from an institution of higher education must be considered income unless the student is over the age of 23 with dependent children or is residing with parents who are seeking or receiving HCV assistance [24 CFR 5.609(b) (9) and FR 4/10/06].

For students over the age of 23 with dependent children or students residing with parents who are seeking or receiving HCV assistance, the full amount of student financial assistance is excluded from annual income [24 CFR 5.609(c)(6)]. The full amount of student financial assistance is also excluded for students attending schools that do not qualify as institutions of higher education (as defined in Exhibit 3-2). Excluded amounts are verified only if, without verification, HACC would not be able to determine whether or to what extent the income is to be excluded (see Section 7-III.H).

HACC Policy

For a student subject to having a portion of his/her student financial assistance included in annual income in accordance with 24 CFR 5.609(b)(9), HACC will request written third-party verification of both the source and the amount. Family provided documents from the educational institution attended by the student will be requested as well as documents generated by any other person or entity providing such assistance, as reported by the student.

In addition, HACC will request written verification regarding the student's tuition amount.

If HACC is unable to obtain third-party written verification of the requested information, HACC will pursue other forms of verification following the verification hierarchy in Section 7-I.B.

7-III.K. PARENTAL INCOME OF STUDENTS SUBJECT TO ELIGIBILITY RESTRICTIONS

If a student enrolled at an institution of higher education is under the age of 24, is not a veteran, is not married, does not have a dependent child, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, the income of the student's parents must be considered when determining income eligibility, unless the student is determined independent from his or her parents in accordance with HACC policy [24 CFR 5.612 and FR 4/10/06, p. 18146].

This provision does not apply to students residing with parents who are seeking or receiving HCV assistance. It is limited to students who are seeking or receiving assistance on their own, separately from their parents.

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HACC Policy

If HACC is required to determine the income eligibility of a student's parents, HACC will request an income declaration and certification of income from the appropriate parent(s) (as determined in Section 3-II.E). HACC will send the request directly to the parents, who will be required to certify to their income under penalty of perjury. The parents will be required to submit the information directly to HACC. The required information must be submitted (postmarked) within 10 business days of the date of HACC's request or within any extended timeframe approved by HACC.

HACC reserves the right to request and review supporting documentation at any time if it questions the declaration or certification. Supporting documentation may include, but is not limited to, Internal Revenue Service (IRS) tax returns, consecutive pay stubs, bank statements, pension benefit statements, benefit award letters, and other official and authentic documents from a federal, state, or local agency.

PART IV: VERIFYING MANDATORY DEDUCTIONS

7-IV.A. DEPENDENT AND ELDERLY/DISABLED HOUSEHOLD DEDUCTIONS

The dependent and elderly/disabled family deductions require only that HACC verify that the family members identified as dependents or elderly/disabled persons meet the statutory definitions. No further verifications are required.

Dependent Deduction

See Chapter 6 (6-II.B.) for a full discussion of this deduction. HACC must verify that:

- Any person under the age of 18 for whom the dependent deduction is claimed is not the head, spouse, or cohead of the family and is not a foster child
- Any person age 18 or older for whom the dependent deduction is claimed is not a foster adult or live-in aide, and is a person with a disability or a full time student

Elderly/Disabled Family Deduction

See Eligibility chapter for a definition of elderly and disabled families and Chapter 6 (6-II.C.) for a discussion of the deduction. HACC must verify that the head, spouse, or cohead is 62 years of age or older or a person with disabilities.

7-IV.B. MEDICAL EXPENSE DEDUCTION

Policies related to medical expenses are found in 6-II.D. The amount of the deduction will be verified following the standard verification procedures described in Part I.

Amount of Expense

HACC Policy

Medical expenses will be verified through:

Written third-party documents provided by the family, such as pharmacy printouts or receipts.

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HACC will make a best effort to determine what expenses from the past are likely to continue to occur in the future. HACC will also accept evidence of monthly payments or total payments that will be due for medical expenses during the upcoming 12 months.

HACC will use written third-party verification forms, if the family is unable to provide acceptable documentation.

In addition, HACC must verify that:

- The household is eligible for the deduction.
- The costs to be deducted are qualified medical expenses.
- The expenses are not paid for or reimbursed by any other source.
- Costs incurred in past years are counted only once.

Eligible Household

The medical expense deduction is permitted only for households in which the head, spouse, or cohead is at least 62, or a person with disabilities. HACC must verify that the family meets the definition of an elderly or disabled family provided in the Eligibility chapter and as described in Chapter 7 (7-IV.A.) of this plan.

Qualified Expenses

To be eligible for the medical expenses deduction, the costs must qualify as medical expenses. See Chapter 6 (6-II.D.) for HACC's policy on what counts as a medical expense.

Unreimbursed Expenses

To be eligible for the medical expenses deduction, the costs must not be reimbursed by another source.

HACC Policy

The family will be required to certify that the medical expenses are not paid or reimbursed to the family from any source. If expenses are verified through a third party, the third party must certify that the expenses are not paid or reimbursed from any other source.

Expenses Incurred in Past Years

HACC Policy

When anticipated costs are related to on-going payment of medical bills incurred in past years, HACC will verify:

The anticipated repayment schedule

The amounts paid in the past, and

Whether the amounts to be repaid have been deducted from the family's annual income in past years

7-IV.C. DISABILITY ASSISTANCE EXPENSES

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Policies related to disability assistance expenses are found in 6-II.E. The amount of the deduction will be verified following the standard verification procedures described in Part I.

Amount of Expense

Attendant Care

HACC Policy

HACC will accept written third-party documents provided by the family.

If family- provided documents are not available, HACC will provide a third-party verification form directly to the care provider requesting the needed information.

Expenses for attendant care will be verified through:

Written third-party documents provided by the family, such as receipts.

Third-party verification form signed by the provider, if family-provided documents are not available.

If third-party verification is not possible, written family certification as to costs anticipated to be incurred for the upcoming 12 months.

Auxiliary Apparatus

HACC Policy

Expenses for auxiliary apparatus will be verified through:

Written third-party documents provided by the family, such as billing statements for purchase of auxiliary apparatus, or other evidence of monthly payments or total payments that will be due for the apparatus during the upcoming 12 months.

Third-party verification form signed by the provider, if family-provided documents are not available.

If third-party verification is not possible, written family certification of estimated apparatus costs for the upcoming 12 months.

In addition, HACC must verify that:

- The family member for whom the expense is incurred is a person with disabilities (as described in 7-II.F above).
- The expense permits a family member, or members, to work (as described in 6-II.E.).
- The expense is not reimbursed from another source (as described in 6-II.E.).

Family Member is a Person with Disabilities

To be eligible for the disability assistance expense deduction, the costs must be incurred for attendant care or auxiliary apparatus expense associated with a person with disabilities. HACC will verify that the expense is incurred for a person with disabilities (See 7-II.F.).

Family Member(s) Permitted to Work

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HACC must verify that the expenses claimed actually enable a family member, or members, (including the person with disabilities) to work.

HACC Policy

HACC will request third-party verification from a rehabilitation agency or knowledgeable medical professional indicating that the person with disabilities requires attendant care or an auxiliary apparatus to be employed, or that the attendant care or auxiliary apparatus enables another family member, or members, to work (See 6-II.E.).This documentation may be provided by the family.

If third-party verification has been attempted and is either unavailable or proves unsuccessful, the family must certify that the disability assistance expense frees a family member, or members (possibly including the family member receiving the assistance), to work.

Unreimbursed Expenses

To be eligible for the disability expenses deduction, the costs must not be reimbursed by another source.

HACC Policy

The family will be required to certify that attendant care or auxiliary apparatus expenses are not paid by or reimbursed to the family from any source.

7-IV.D. CHILD CARE EXPENSES

Policies related to child care expenses are found in Chapter 6 (6-II.F). The amount of the deduction will be verified following the standard verification procedures described in Part I of this chapter. In addition, HACC must verify that:

- The child is eligible for care (12 or younger).
- The costs claimed are not reimbursed.
- The costs enable a family member to work, actively seek work, or further their education.
- The costs are for an allowable type of child care.
- The costs are reasonable.

Eligible Child

To be eligible for the child care deduction, the costs must be incurred for the care of a child under the age of 13. HACC will verify that the child being cared for (including foster children) is under the age of 13 (See 7-II.C.).

Unreimbursed Expense

To be eligible for the child care deduction, the costs must not be reimbursed by another source.

HACC Policy

The family (and the care provider) will be required to certify that the child care expenses are not paid or reimbursed to the family from any source.

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Pursuing an Eligible Activity

HACC must verify that the family member(s) that the family has identified as being enabled to seek work, pursue education, or be gainfully employed, are actually pursuing those activities.

HACC Policy

Information to be Gathered

HACC will verify information about how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the time required for study (for students), the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

Seeking Work

Whenever possible, HACC will use documentation from a state or local agency that monitors work-related requirements (e.g., welfare or unemployment). In such cases HACC will request family-provided verification from the agency of the member's job seeking efforts to date and require the family to submit to HACC any reports provided to the other agency.

In the event third-party verification is not available, HACC will provide the family with a form on which the family member must record job search efforts. HACC will review this information at each subsequent reexamination for which this deduction is claimed.

Furthering Education

HACC will request third-party documentation to verify that the person permitted to further his or her education by the child care is enrolled and provide information about the timing of classes for which the person is registered. The documentation may be provided by the family.

Gainful Employment

HACC will seek third-party verification of the work schedule of the person who is permitted to work by the child care. In cases in which two or more family members could be permitted to work, the work schedules for all relevant family members may be verified. The documentation may be provided by the family.

Allowable Type of Child Care

The type of care to be provided is determined by the family, but must fall within certain guidelines, as discussed in Chapter 6.

HACC Policy

HACC will verify that the type of child care selected by the family is allowable, as described in Chapter 6 (6-II.F).

HACC will verify that the fees paid to the child care provider cover only child care costs (e.g., no housekeeping services or personal services) and are paid only for the care of an eligible child (e.g., prorate costs if some of the care is provided for ineligible family members).

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HACC will verify that the child care provider is not an assisted family member. Verification will be made through the head of household's declaration of family members who are expected to reside in the unit.

Reasonableness of Expenses

Only reasonable child care costs can be deducted.

HACC Policy

The actual costs the family incurs will be compared with HACC's established standards of reasonableness for the type of care in the locality to ensure that the costs are reasonable.

If the family presents a justification for costs that exceed typical costs in the area, HACC will request additional documentation, as required, to support a determination that the higher cost is appropriate.

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EXHIBIT 7-1: SUMMARY OF DOCUMENTATION REQUIREMENTS FOR NONCITIZENS [HCV GB, pp. 5-9 and 5-10]	
• **All** noncitizens claiming eligible status must sign a declaration of eligible immigrant status on a form acceptable to the PHA. • Except for persons 62 or older, all noncitizens must sign a verification consent form • Additional documents are required based upon the person's status.	
Elderly Noncitizens • A person 62 years of age or older who claims eligible immigration status also must provide proof of age such as birth certificate, passport, or documents showing receipt of SS old-age benefits.	
All other Noncitizens • Noncitizens that claim eligible immigration status also must present the applicable USCIS document. Acceptable USCIS documents are listed below.	

• Form I-551 Alien Registration Receipt Card (for permanent resident aliens)
• Form I-94 Arrival-Departure Record annotated with one of the following:
  • "Admitted as a Refugee Pursuant to Section 207"
  • "Section 208" or "Asylum"
  • "Section 243(h)" or "Deportation stayed by Attorney General"
  • "Paroled Pursuant to Section 221 (d)(5) of the USCIS"
	• Form I-94 Arrival-Departure Record with no annotation accompanied by:
	  • A final court decision granting asylum (but only if no appeal is taken);
	  • A letter from a USCIS asylum officer granting asylum (if application is filed on or after 10/1/90) or from a USCIS district director granting asylum (application filed before 10/1/90);
	  • A court decision granting withholding of deportation; or
	  • A letter from an asylum officer granting withholding or deportation (if application filed on or after 10/1/90).

• Form I-688 Temporary Resident Card annotated "Section 245A" or Section 210".	Form I-688B Employment Authorization Card annotated "Provision of Law 274a. 12(11)" or "Provision of Law 274a.12".
• A receipt issued by the USCIS indicating that an application for issuance of a replacement document in one of the above listed categories has been made and the applicant's entitlement to the document has been verified; or • Other acceptable evidence. If other documents are determined by the USCIS to constitute acceptable evidence of eligible immigration status, they will be announced by notice published in the *Federal Register*	

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Chapter 8

HOUSING QUALITY STANDARDS AND RENT REASONABLENESS DETERMINATIONS

[24 CFR 982 Subpart I and 24 CFR 982.507]

INTRODUCTION

HUD requires that all units occupied by families receiving Housing Choice Voucher (HCV) assistance meet HUD's Housing Quality Standards (HQS) and permits HACC to establish additional requirements. The use of the term "HQS" in this plan refers to the combination of both HUD and HACC-established requirements.

All units must pass an HQS inspection prior to the approval of a lease and at least once every 24 months during the term of the contract, and at other times as needed, to determine that the unit meets HQS. Effective July 1, 2014, HACC may establish a policy for performing unit inspections biennially rather than annually. This policy could apply to some or all assisted units. HACC still has the option to inspect every unit annually. See Section 8-II G for further details.

HUD also requires HACC to determine that rents for units under the program that are reasonable when compared to comparable unassisted units in the market area.

This chapter explains HUD and HACC requirements related to housing quality and rent reasonableness as follows:

> Part I. Physical Standards. This part discusses the physical standards required of units occupied by HCV-assisted families and identifies decisions about the acceptability of the unit that may be made by the family based upon the family's preference. It also identifies life-threatening conditions that must be addressed on an expedited basis.
>
> Part II. The Inspection Process. This part describes the types of inspections HACC will make and the steps that will be taken when units do not meet HQS.
>
> Part III. Rent Reasonableness Determinations. This part discusses the policies HACC will use to make rent reasonableness determinations.

Special HQS requirements for homeownership, manufactured homes, and other special housing types are discussed in Chapter 15 to the extent that they apply in this jurisdiction.

PART I: PHYSICAL STANDARDS

8-I.A. GENERAL HUD REQUIREMENTS

HUD Performance and Acceptability Standards

HUD's performance and acceptability standards for HCV-assisted housing are provided in 24 CFR 982.401. These standards cover the following areas:

- Sanitary facilities
- Food preparation and refuse disposal
- Space and Security

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- Thermal Environment
- Illumination and electricity
- Structure and materials
- Interior Air Quality
- Water Supply
- Lead-based paint
- Access
- Site and neighborhood
- Sanitary condition
- Smoke Detectors

A summary of HUD performance criteria is provided in Attachment 8-1. Additional guidance on these requirements is found in the following HUD resources:

- Housing Choice Voucher Guidebook, Chapter 10.
- HUD Housing Inspection Manual for Section 8 Housing
- HUD Inspection Form, form HUD-52580 (3/01) and Inspection Checklist, form HUD-52580-A (9/00)
- HUD Notice 2003-31, Accessibility Notice: Section 504 of the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Architectural Barriers Act of 1968 and the Fair Housing Act of 1988.

Tenant Preference Items

HUD requires HACC to enforce minimum HQS but also recognizes that certain judgments about the acceptability of the unit are left to the family. For example, HACC must ensure that the unit contains the required sanitary facilities, but the family decides whether the cosmetic appearance of the facilities is acceptable.

Exhibit 8-2 summarizes those items that are considered tenant preferences

Modifications to Provide Accessibility

Under the Fair Housing Act of 1988 an owner must not refuse the request of a family that contains a person with a disability to make necessary and reasonable modifications to the unit. Such modifications are at the family's expense. The owner may require restoration of the unit to its original condition if the modification would interfere with the owner or next occupant's full enjoyment of the premises. The owner may not increase a customarily required security deposit. However, the landlord may negotiate a restoration agreement that requires the family to restore the unit and, if necessary to ensure the likelihood of restoration, may require the tenant to pay a reasonable amount into an interest bearing escrow account over a reasonable period of time. The interest in any such account accrues to the benefit of the tenant. The owner may also require reasonable assurances that the quality of the work will be acceptable and that any required building permits will be obtained. [24 CFR 100.203; Notice 2003-31].

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Modifications to units to provide access for a person with a disability must meet all applicable HQS requirements and conform to the design, construction, or alteration of facilities contained in the UFAS and the ADA Accessibility Guidelines (ADAAG) [28 CFR 35.151(c) and Notice 2003-31] See Chapter 2 of this plan for additional information on reasonable accommodations for persons with disabilities.

8-I.B. ADDITIONAL LOCAL REQUIREMENTS

HACC may impose variations to the HQS as long as the additional criteria are not likely to adversely affect the health or safety of participant families or severely restrict housing choices for families. HUD approval is required for variations to the HQS. HUD approval is not required if the variations are clarifications of HUD's acceptability criteria or performance standards [24 CFR 982.401(a) (4)].

Thermal Environment [HCV GB p.10-7]

HACC must define a "healthy living environment" for the local climate. This may be done by establishing a temperature that the heating system must be capable of maintaining, that is appropriate for the local climate.

HACC Policy

The heating system must be capable of maintaining an interior temperature of 65 degrees Fahrenheit between October 1 and May 1.

Clarifications of HUD Requirements

HACC Policy

As permitted by HUD, HACC has adopted the following guidance that elaborates on HUD standards.

Walls

In areas where plaster or drywall is sagging, severely cracked, or otherwise damaged, it must be repaired or replaced.

Windows

Window sashes must be in good condition, solid and intact, and properly fitted to the window frame. Damaged or deteriorated sashes must be replaced.

Windows must be weather-stripped as needed to ensure a weather-tight seal.

Window screens must be in good condition (applies only if screens are present).

Doors

All exterior doors must be weather-tight to avoid any air or water infiltration, be lockable, have no holes, have all trim intact, and have a threshold.

Floors

All wood floors must be sanded to a smooth surface and sealed. Any loose or warped boards must be resecured and made level. If they cannot be leveled, they must be replaced.

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All floors should have some type of baseshoe, trim, or sealing for a "finished look." Vinyl baseshoe is permitted.

Sinks

All sinks and commode water lines must have shut off valves, unless faucets are wall mounted.

All sinks must have functioning stoppers.

Toilets

All worn or cracked toilet seats and tank lids must be replaced and toilet tank lid must fit properly.

Security

If window security bars or security screens are present on emergency exit windows, they must be equipped with a quick release system. The owner is responsible for ensuring that the family is instructed on the use of the quick release system.

Bedroom Definition

For a room to be considered as a bedroom, it must meet the minimum definition as established by HUD. This includes, but is not limited to, the following: A room primarily designed for sleeping with a source of natural light, a minimum of which, 50% shall be openable, a minimum horizontal dimension of 7ft, a minimum height of 7'6",

code complying means of emergency egress (2 ways to get out in a fire, usually implies a window and a door), an outlet with overhead permanent light fixture or two outlets, a permanent source of heat, operable window, security, and a minimum of 70 square feet. No water heater can exist in the space nor can it be a utility area. In addition, HACC's policy states that bedrooms in units built after 1940 will include closets built into the wall units. Rooms that have been remodeled will qualify as bedrooms as long as the remodel has included the addition of a closet and window easement. HACC may use tax information to determine total number of bedrooms in the unit.

8-I.C. LIFE-THREATENING CONDITIONS [24 CFR 982.404(a)]

HUD requires HACC to define life-threatening conditions and to notify the owner or the family (whichever is responsible) of the corrections required. The responsible party must correct life-threatening conditions within 24 hours of HACC notification.

<u>HACC Policy</u>

The following are considered life-threatening conditions:

Any condition that jeopardizes the security of the unit

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Major plumbing leaks or flooding, waterlogged ceiling or floor in imminent danger of falling

Natural or LPgas or fuel oil leaks

Any electrical problem or condition that could result in shock or fire

Absence of a working heating system when outside temperature is below 60 degrees Fahrenheit.

Utilities not in service, including no running hot water

Conditions that present the imminent possibility of injury

Obstacles that prevent safe entrance or exit from the unit

Absence of a functioning toilet in the unit

If an owner fails to correct life- threatening conditions as required by HACC, HACC will enforce the HQS in accordance with HUD requirements. See 8-II-G.

If a family fails to correct a family- caused life-threatening condition as required by HACC, HACC will enforce the family obligations. See 8-II.H.

The owner will be required to repair an inoperable smoke detector unless HACC determines that the family has intentionally disconnected it (by removing batteries or other means). In this case, the family will be required to repair the smoke detector within 24 hours.

8-I.D. OWNER AND FAMILY RESPONSIBILITIES [24 CFR 982.404]

Family Responsibilities

The family is responsible for correcting the following HQS deficiencies:

- Tenant-paid utilities not in service
- Failure to provide or maintain appliances owned by the family
- Damage to the unit or premises caused by a household member or guest beyond normal wear and tear that results in a breach of the HQS. "Normal wear and tear" is defined as items which could not be charged against the tenant's security deposit under state law or court practice.

Owner Responsibilities

The owner is responsible for all HQS violations not listed as a family responsibility above, even if the violation is caused by the family's living habits (e.g., vermin infestation). However, if the family's actions constitute a serious or repeated lease violation the owner may take legal action to evict the family.

8-I.E. SPECIAL REQUIREMENTS FOR CHILDREN WITH ENVIRONMENTAL INTERVENTION BLOOD LEAD LEVEL [24 CFR 35.1225]

If a HACC is notified by a public health department or other medical health care provider, or verifies information from a source other than a public health department or medical health care provider, that a child of less than 6 years of age, living in an HCV-assisted unit has been

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identified as having an environmental intervention blood lead level, HACC must complete a risk assessment of the dwelling unit. The risk assessment must be completed in accordance with program requirements, and the result of the risk assessment must be immediately provided to the owner of the dwelling unit. In cases where the public health department has already completed an evaluation of the unit, this information must be provided to the owner.

Within 30 days after receiving the risk assessment report from HACC, or the evaluation from the public health department, the owner is required to complete the reduction of identified lead-based paint hazards in accordance with the lead-based paint regulations [24 CFR 35.1325 and 35.1330]. If the owner does not complete the "hazard reduction" as required, the dwelling unit is in violation of HQS and HACC will take action in accordance with Section 8-II.G.

HACC reporting requirements, and data collection and record keeping responsibilities related to children with an environmental intervention blood lead level are discussed in Chapter 16.

8-I.F. VIOLATION OF HQS SPACE STANDARDS [24 CFR 982.403]

A dwelling unit must:

- Provide adequate space and security for the family
- Have at least one bedroom or living/sleeping room for each two persons

A unit that does not meet these HQS space standards is defined as *overcrowded*.

A living room may be used as sleeping (bedroom) space, but no more than two persons may occupy the space [HCV GB p. 10-6]. A bedroom or living/sleeping room must have at least:

- One window
- Two electrical outlets in proper operating condition (permanent overhead or wall-mounted light fixtures may count as one of the required electrical outlets)

If HACC determines that a unit is overcrowded because of an increase in family size or a change in family composition, HACC must issue the family a new voucher, and the family and HACC must try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, HACC must terminate the HAP contract in accordance with its terms.

PART II: THE INSPECTION PROCESS

8-II.A. OVERVIEW [24 CFR 982.405]

Types of Inspections

HACC conducts the following types of inspections as needed. Each type of inspection is discussed in the paragraphs that follow.

- *Initial Inspections*. HACC conducts initial inspections in response to a request from the family to approve a unit for participation in the HCV program. The unit must pass the HQS inspection on or before the effective date of the HAP Contract.
- *Annual/ Biennial Inspections*. HUD requires HACC to inspect each unit under lease at least biennially to confirm that the unit still meets HQS. The inspection may be conducted in conjunction with the family's annual reexamination but also may be conducted separately.

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HACC Policy

HACC may conduct regular unit inspections every other year for all tenant-based HCV participants unless:

- The family had two consecutive failed inspections in the last two years;
- There is a concerning factor regarding inspections or unit status; or
- Family lives in a unit owned or managed by a landlord or property management company with a concerning inspection history.

As families are admitted onto the program, they may be placed on a biennially inspection schedule. Participated placed on a biennially schedule will remain on that schedule unless a concern arises, or HUD rules change, at which point they will be placed back on an annual schedule until the concern no longer exists.

HACC may at any time take photo's of units while doing inspections and is strongly encouraged to do so by HUD.

HACC is converting from Annual/Biennially inspections tied to Annual Recertification date to inspections based on geographic location. During the initial process, this may mean a client will get more than one inspection in a 12 month period.

- *Special Inspections.* A special inspection may be requested by the owner, the family, or a third party as a result of problems identified with a unit between annual inspections.
- *Quality Control Inspections.* HUD requires that a sample of units be inspected by a supervisor or other qualified individual to evaluate the work of the inspector(s) and to ensure that inspections are performed in compliance with the HQS.

Inspection of HACC-Owned Units [24 CFR 982.352(b)]

HACC must obtain the services of an independent entity to perform all HQS inspections in cases where an HCV family is receiving assistance in a HACC-owned unit. A HACC-owned unit is defined as a unit that is owned by HACC that administers the assistance under the consolidated ACC (including a unit owned by an entity substantially controlled by HACC). The independent agency must communicate the results of each inspection to the family and HACC. The independent agency must be approved by HUD, and may be the unit of general local government for HACC jurisdiction (unless HACC is itself the unit of general local government or an agency of such government).

Inspection Costs [Notice PIH 2016-05]

The PHA may not charge the family for unit inspections or reinspections [24 CFR 982.405(e)]. In the case of inspections of PHA-owned units, the PHA may compensate the independent agency from ongoing administrative fee for inspections performed. The PHA and the independent agency may not charge the family any fee or charge for the inspection [24 CFR.982.352(b)].

The PHA may not charge the owner for the inspection of the unit prior to the initial term of the lease or for a first inspection during assisted occupancy of the unit. However, the PHA may charge a reasonable fee to owners for reinspections in two situations: when the owner notifies the PHA that a repair has been made but the deficiency has not been corrected, and when the time

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for repairs has elapsed and the deficiency has not been corrected. Fees may not be imposed for tenant-caused damages, for cases in which the inspector could not gain access to the unit, or for new deficiencies discovered during a reinspection.

The owner may not pass the cost of a reinspection fee to the family. Reinspection fees must be added to the PHA's administrative fee reserves and may only be used for activities related to the provision of tenant-based assistance.

Notice and Scheduling

The family must allow HACC to inspect the unit at reasonable times with reasonable notice [24 CFR 982.551(d)].

> HACC Policy
>
> Both the family and the owner will be given reasonable notice of all inspections. Except in the case of a life threatening emergency, reasonable notice is considered to be not less than 48 hours. Inspections may be scheduled between 7:00 a.m. and 6:00 p.m. Generally inspections will be conducted on business days only. In the case of a life threatening emergency, HACC will give as much notice as possible, given the nature of the emergency.

Owner and Family Inspection Attendance

HUD permits HACC to set policy regarding family and owner presence at the time of inspection [HCV GB p. 10-27].

> HACC Policy
>
> When a family occupies the unit at the time of inspection an adult family member or the owner or owner's representative must be present for the inspection. The family may designate an adult who is not a member of the household to be present if employment or an emergency prevents the household adult family member from being present. The presence of the owner or the owner's representative is encouraged but is not required.
>
> At initial inspection of a vacant unit, HACC will inspect the unit in the presence of the owner or owner's representative. The presence of a family representative is permitted, but is not required.

8-II.B. INITIAL HQS INSPECTION [24 CFR 982.401(a)]

Timing of Initial Inspections

HUD requires the unit to pass HQS before the effective date of the lease and HAP Contract. HUD requires PHAs with fewer than 1,250 budgeted units to complete the initial inspection, determine whether the unit satisfies HQS, and notify the owner and the family of the determination within 15 days of submission of the Request for Tenancy Approval (RTA). For PHAs with 1,250 or more budgeted units, to the extent practicable such inspection and determination must be completed within 15 days. The 15-day period is suspended for any period during which the unit is not available for inspection [982.305(b) (2)].

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HACC Policy

HACC will complete the initial inspection, determine whether the unit satisfies HQS, and notify the owner and the family of the determination within 15 days of submission of the Request for Tenancy Approval (RTA).

In cases where HACC is not able to complete the inspection within 15 days, the file will be documented as to the reason it was not practicable.

Inspection Results and Reinspections

HACC Policy

If the unit fails the HQS inspection, the owner is notified either orally or in writing. A follow-up inspection is conducted to verify completion, except for those items that allow for owner/tenant certification. As provided by federal regulation, HACC may conditionally approve a unit where the only fail item is exterior paint.

If an owner fails to complete the necessary repairs within 30 days from notification, and the applicant's voucher has expired, additional time may be allowed to complete the repairs, if the owner is making a good faith effort to do the required work, and the request for additional time is made and approved prior to the initial deadline. In some cases the family may be eligible for suspension (See Chapter 5 II. E.)

Copies of the inspection forms are provided to the owner and participant upon their request.

Utilities

Generally, at initial lease-up the owner is responsible for demonstrating that all utilities are in working order including those utilities that the family will be responsible for paying.

HACC Policy

If utility service is not available for testing at the time of the initial inspection, HACC will allow the utilities to be placed in service after the unit has met all other HQS requirements. HACC will reinspect the unit to confirm that utilities are operational before the HAP contract is executed by HACC.

Appliances

HACC Policy

If the family is responsible for supplying the stove and/or refrigerator, HACC will allow the stove and refrigerator to be placed in the unit after the unit has met all other HQS requirements. The required appliances must be in place before the HAP contract is executed by HACC. HACC will execute the HAP contract based upon a certification from the family that the appliances have been installed and are working. A confirmatory inspection will be scheduled within 30 days of HAP contract approval.

8-II.C. ANNUAL/BIENNIAL HQS INSPECTIONS [24 CFR 982.405; 982.406, Notice PIH 2016-05]

HACC Policy

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Each unit under HAP contract must be inspected within 24 months of the last full HQS inspection.

Each unit under HAP contract must be inspected biennially within 24 months of the last full HQS inspection. If a unit is found to have a life-threatening HQS fail, the owner of that unit will be required to participate in annual inspections for all units for the period of 24 months before being returned to biennial inspections. This does not apply to life-threatening HQS fails caused by tenants. One or more substantiated complaints will also require the owner of that unit to participate in annual inspections for all units for the period of 24 months before being returned to biennial inspections. The PHA reserves the right to require annual inspections of any owner at any time.

HACC may accept the results of inspections performed by HUD or for other housing programs such as HOME or LIHTC.

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Scheduling the Inspection

HACC Policy

HACC will accept the results of inspections performed by HUD or for other housing programs such as HOME or LIHTC.

If an adult family member cannot be present on the scheduled date, the family should request that HACC reschedule the inspection. HACC and family will agree on a new inspection date that generally should take place within 5 business days of the originally-scheduled date. HACC may schedule an inspection more than 5 business days after the original date for good cause.

If the family misses the first scheduled appointment without requesting a new inspection date, HACC will automatically schedule a second inspection. If the family misses two scheduled inspections without HACC approval, HACC will consider the family to have violated its obligation to make the unit available for inspection. This may result in termination of the family's assistance in accordance with Chapter 12.

8-II.D. SPECIAL INSPECTIONS [24 CFR 982.405(g)]

If a participant or government official reports a life-threatening condition which the owner would be required to repair within 24 hours, the PHA must inspect the unit within 24 hours of notification. If the reported condition is not life-threatening, the PHA must inspect the unit within 15 days of notification.

HACC Policy

During a special inspection, HACC generally will inspect only those deficiencies that were reported. However, the inspector will record any additional HQS deficiencies that are observed and will require the responsible party to make the necessary repairs.

If the annual inspection has been scheduled or is due within 90 days of the date the special inspection is scheduled HACC may elect to conduct a full annual inspection.

8-II.E. QUALITY CONTROL INSPECTIONS [24 CFR 982.405(b); HCV GB, p. 10-32]

HUD requires a HACC supervisor or other qualified person to conduct quality control inspections of a sample of units to ensure that each inspector is conducting accurate and complete inspections and that there is consistency in the application of the HQS.

The unit sample must include only units that have been inspected within the preceding 3 months. The selected sample will include (1) each type of inspection (initial, annual, and special), (2) inspections completed by each inspector, and (3) units from a cross-section of neighborhoods.

8-II.F. INSPECTION RESULTS AND REINSPECTIONS FOR UNITS UNDER HAP CONTRACT

Notification of Corrective Actions

The owner and the family will be notified in writing of the results of all inspections. When an inspection identifies HQS failures, HACC will determine (1) whether or not the failure is a life threatening condition and (2) whether the family or owner is responsible.

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HACC Policy

When life threatening conditions are identified, HACC will immediately notify both parties by telephone, facsimile, or email. The notice will specify who is responsible for correcting the violation. The corrective actions must be taken within 24 hours of HACC's notice.

When failures that are not life threatening are identified, HACC will send the owner and the family a written notification of the inspection results within 5 business days of the inspection. The written notice will specify who is responsible for correcting the violation, and the time frame within which the failure must be corrected. Generally not more than 30 days will be allowed for the correction.

The notice of inspection results will inform the owner that if life threatening conditions are not corrected within 24 hours, and non-life threatening conditions are not corrected within the specified time frame (or any HACC-approved extension), the owner's HAP will be abated in accordance with HACC policy (see 8-II.G.). Likewise, in the case of family caused deficiencies, the notice will inform the family that if corrections are not made within the specified time frame (or any HACC-approved extension, if applicable) the family's assistance will be terminated in accordance with HACC policy (see Chapter 12).

Extensions

For conditions that are life-threatening, HACC cannot grant an extension to the 24 hour corrective action period. For conditions that are not life-threatening, HACC may grant an exception to the required time frames for correcting the violation, if HACC determines that an extension is appropriate [24 CFR 982.404].

HACC Policy

Extensions will be granted in cases where HACC has determined that the owner has made a good faith effort to correct the deficiencies and is unable to for reasons beyond the owner's control. Reasons may include, but are not limited to:

A repair cannot be completed because required parts or services are not available.

A repair cannot be completed because of weather conditions.

A reasonable accommodation is needed because the family includes a person with disabilities.

The length of the extension will be determined on a case by case basis, but will not exceed 60 days, except in the case of delays caused by weather conditions. In the case of weather conditions, extensions may be continued until the weather has improved sufficiently to make repairs possible. The necessary repairs must be made within 15 calendar days, once the weather conditions have subsided.

Reinspections

HACC Policy

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If an owner/tenant certification of repairs is not allowed and a physical re-inspection is required, HACC will conduct a reinspection immediately following the end of the corrective period as scheduled by HACC, or any HACC approved extension.

The family and owner will be given reasonable notice of the reinspection appointment. If the deficiencies have not been corrected by the time of the reinspection, HACC will send a notice of abatement to the owner, or in the case of family caused violations, a notice of termination to the family, in accordance with HACC policies. If HACC is unable to gain entry to the unit in order to conduct the scheduled reinspection, HACC will consider the family to have violated its obligation to make the unit available for inspection. This may result in termination of the family's assistance in accordance with Chapter 12.

In cases when there are no more than six deficiencies, HACC may accept, at its discretion, an owner's and tenant's certification that required repairs were made, if all deficiencies are minor items which may include but are not limited to the following:

- Replacement of burnt-out light bulbs (interior/exterior)
- Replacement of cracked or missing switch or socket plates
- Replacement of repair of windows or doors that allow air filtration
- Replacement, cleaning, or repair of stove (new knobs, burners, oven elements, drip pans)
- Minor water leaks
- Carbon Monoxide Detector/Monitor repair or placement
- Smoke Alarm repair or replacement
- Replacement, cleaning or repair of refrigerator (new handle, nor sharp edges, door seal, shelves, defrost freezer)
- Replacement of broken or destroyed interior doors (bedroom, bathroom, etc.)
- Repair of closet doors off track
- Floor covering repairs
- Removal of excess debris
- Yard cleanup (including removal of old cars, car parts, moving, weeding, etc.)
- Repair of wall or ceiling holes in units with no lead-based paint issues
- Replacement of cracked toilet seat(s)
- Replacement of missing heater knobs

In determining units qualified for an owner's and tenant self-certification of completed repairs, the PHA will consider its experience with the owner, tenant and property. The PHA is under no obligation to allow self-certification and may elect to do a re-inspection to verify the correction of any HQS deficiencies. The PHA may also elect to do an audit inspection of self-certified repairs or conduct a re-inspection at the tenant's request. If, as a result of the audit inspection or

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re-inspection, the PHA finds the deficiencies have not been corrected, the PHA will take an enforcement action, and self certification will no longer be an option.

If the PHA does not receive the completed and signed self-certification of repairs by the due date, the PHA will take an enforcement action and self-certification will no longer be an option.

8-II.G. ENFORCING OWNER COMPLIANCE

If the owner fails to maintain the dwelling unit in accordance with HQS, HACC must take prompt and vigorous action to enforce the owner obligations.

HAP Abatement

If an owner fails to correct HQS deficiencies by the time specified by HACC, HUD requires HACC to abate housing assistance payments no later than the first of the month following the specified correction period (including any approved extension) [24 CFR 985.3(f)]. No retroactive payments will be made to the owner for the period of time the rent was abated. Owner rents are not abated as a result of HQS failures that are the family's responsibility.

> HACC Policy
>
> HACC will make all HAP abatements effective the first of the month following the expiration of HACC specified correction period (including any extension).
>
> HACC will inspect abated units within 5 business days of the owner's notification that the work has been completed. Payment will resume effective on the day the unit passes inspection.

During any abatement period the family continues to be responsible for its share of the rent. The owner must not seek payment from the family for abated amounts and may not use the abatement as cause for eviction.

HAP Contract Termination

HACC must decide how long any abatement period will continue before the HAP contract will be terminated. HACC should not terminate the contract until the family finds another unit, provided the family does so in a reasonable time [HCV GB p. 10-29] and must give the owner reasonable notice of the termination. HACC will issue a voucher to permit the family to move to another unit as described in Chapter 10.

> HACC Policy
>
> The maximum length of time that HAP may be abated is 120 days. However, if the owner completes corrections and notifies HACC before the termination date of the HAP contract, HACC may rescind the termination notice if (1) the family still resides in the unit and wishes to remain in the unit and (2) the unit passes inspection.
>
> Reasonable notice of HAP contract termination by HACC is 30 days.

8-II.H. ENFORCING FAMILY COMPLIANCE WITH HQS [24 CFR 982.404(b)]

Families are responsible for correcting any HQS violations listed in paragraph 8.I.D. If the family fails to correct a violation within the period allowed by HACC (and any extensions), HACC will terminate the family's assistance, according to the policies described in Chapter 12.

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If the owner carries out a repair for which the family is responsible under the lease, the owner may bill the family for the cost of the repair.

PART III: RENT REASONABLENESS [24 CFR 982.507]

8-III.A. OVERVIEW

Except in the case of certain LIHTC and HOME assisted unit, no HAP contract can be approved until HACC has determined that the rent for the unit is reasonable. The purpose of the rent reasonableness test is to ensure that a fair rent is paid for each unit rented under the HCV program.

HUD regulations define a reasonable rent as one that does not exceed the rent charged for comparable, unassisted units in the same market area. HUD also requires that owners not charge more for assisted units than for comparable units on the premises. This part explains the method used to determine whether a unit's rent is reasonable.

HACC-Owned Units [24 CFR 982.352(b)]

In cases where an HCV family is receiving assistance in a HACC-owned unit, HACC must obtain the services of an independent entity to determine rent reasonableness in accordance with program requirements, and to assist the family in negotiating the contract rent when the family requests assistance. A HACC-owned unit is defined as a unit that is owned by HACC that administers the assistance under the consolidated ACC (including a unit owned by an entity substantially controlled by HACC). The independent agency must communicate the results of the rent reasonableness determination to the family and HACC. The independent agency must be approved by HUD, and may be the unit of general local government for HACC jurisdiction (unless HACC is itself the unit of general local government or an agency of such government).

8-III.B. WHEN RENT REASONABLENESS DETERMINATIONS ARE REQUIRED

Owner-Initiated Rent Determinations

HACC must make a rent reasonableness determination at initial occupancy and whenever the owner requests a rent adjustment.

The owner and family first negotiate the rent for a unit. HACC (or independent agency in the case of HACC-owned units) will assist the family with the negotiations upon request. At initial occupancy HACC must determine whether the proposed rent is reasonable before a HAP

Contract is signed. The owner must not change the rent during the initial lease term. Subsequent requests for rent adjustments must be consistent with the lease between the owner and the family. Rent increases will not be approved unless any failed items identified by the most recent HQS inspection have been corrected.

> HACC Policy
>
> After the initial occupancy period, the owner may request a rent adjustment in accordance with the owner's lease. For rent increase requests after initial lease term, HACC may request owners to provide information about the rents charged for other units on the premises, if the premises include more than 4 units. In evaluating the proposed rents in comparison to other units on the premises HACC will consider unit size and length of tenancy in the other units.

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HACC will determine whether the requested increase is reasonable within 10 business days of receiving the request from the owner. The owner will be notified of the determination in writing.

All rents adjustments will be effective the first of the month following 60 days after HACC's receipt of the owner's request or on the date specified by the owner, whichever is later.

If a family is offered a range of rents based on the length of lease term, HACC will require the family to choose the lowest cost option and will make adjustments to rents for this option. Families choosing to take a higher cost lease term, will have to request a waiver to do so or may have to absorb the difference.

HACC- and HUD-Initiated Rent Reasonableness Determinations

HUD requires HACC to make a determination of rent reasonableness (even if the owner has not requested a change) if there is a 5 percent decrease in the Fair Market Rent that goes into effect at least 60 days before the contract anniversary date. HUD also may direct HACC to make a determination at any other time. HACC may decide that a new determination of rent reasonableness is needed at any time.

HACC Policy

In addition to the instances described above, HACC will make a determination of rent reasonableness at any time after the initial occupancy period if: (1) HACC determines that the initial rent reasonableness determination was in error or (2) HACC determines that the information provided by the owner about the unit or other units on the same premises was incorrect.

LIHTC- and HOME-Assisted Units [24 CFR 982.507(c)]

For units receiving low-income housing tax credits (LIHTCs) or units assisted under HUD's HOME Investment Partnerships (HOME) Program, a rent comparison with unassisted units is not required if the voucher rent does not exceed the rent for other LIHTC- or HOME-assisted units in the project that are not occupied by families with tenant-based assistance.

For LIHTCs, if the rent requested by the owner does exceed the LIHTC rents for non-voucher families, the PHA must perform a rent comparability study in accordance with program regulations. In such cases, the rent shall not exceed the lesser of: (1) the reasonable rent as determined from the rent comparability study; or (2) the payment standard established by the PHA for the unit size involved.

8-III.C. HOW COMPARABILITY IS ESTABLISHED

Factors to Consider

HUD requires HACC to take into consideration the factors listed below when determining rent comparability. HACC may use these factors to make upward or downward adjustments to the rents of comparison units when the units are not identical to the HCV-assisted unit.

- Location and age
- Unit size including the number of rooms and square footage of rooms

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- The type of unit including construction type (e.g., single family, duplex, garden, low-rise, high-rise)
- The quality of the units including the quality of the original construction, maintenance and improvements made.
- Amenities, services, and utilities included in the rent

Units that Must Not be Used as Comparables

Comparable units must represent unrestricted market rents. Therefore, units that receive some form of federal, state, or local assistance that imposes rent restrictions cannot be considered comparable units. These include units assisted by HUD through any of the following programs: Section 8 project-based assistance, Section 236 and Section 221(d) (3) Below Market Interest Rate (BMIR) projects, HOME or Community Development Block Grant (CDBG) program-assisted units in which the rents are subsidized; units subsidized through federal, state, or local tax credits; units subsidized by the Department of Agriculture rural housing programs, and units that are rent-controlled by local ordinance.

Note: Notice PIH2011-46, issued August 17, 2011, provides further guidance on the issue of what constitutes an assisted unit.

Rents Charged for Other Units on the Premises

The Request for Tenancy Approval (HUD-52517) requires owners to provide information, on the form itself, about the rent charged for other unassisted comparable units on the premises if the premises include more than 4 units.

By accepting HACC payment each month the owner certifies that the rent is not more than the rent charged for comparable unassisted units on the premises. If asked to do so, the owner must give HACC information regarding rents charged for other units on the premises.

8-III.D. HACC RENT REASONABLENESS METHODOLOGY

How Market Data Is Collected

HACC Policy

HACC will collect and maintain data on market rents in HACC's jurisdiction. Information sources include newspapers, realtors, market surveys, inquiries of owners and other available sources. The data will be maintained by bedroom size and market areas. Market areas may be defined by zip codes, census tract, neighborhood, and identifiable natural or man-made boundaries. The data will be updated as available and old data will be eliminated from the database.

How Rents Are Determined

HACC Policy

The rent for a unit proposed for HCV assistance will be compared to the rent charged for comparable units in the same market area. HACC will develop a range of prices for comparable units by bedroom size within defined market areas. Units proposed for HCV

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assistance will be compared to the units within this rent range. Because units may be similar, but not exactly like the unit proposed for HCV assistance, HACC may make adjustments to the range of prices to account for these differences.

The adjustment must reflect the local market. Not all differences in units require adjustments (e.g., the presence or absence of a garbage disposal may not affect the rent in some market areas).

Adjustments may vary by unit type (e.g., a second bathroom may be more valuable in a three-bedroom unit than in a two-bedroom).

The adjustment must reflect the rental value of the difference – not its construction costs (e.g., it might cost $20,000 to put on a new roof, but the new roof might not make any difference in what a tenant would be willing to pay because rental units are presumed to have functioning roofs).

HACC will notify the owner of the rent HACC can approve based upon its analysis of rents for comparable units. The owner may submit information about other comparable units in the market area. HACC will confirm the accuracy of the information provided and consider this additional information when making rent determinations. The owner must submit any additional information within 5 business days of HACC's request for information or the owner's request to submit information.

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EXHIBIT 8-1: OVERVIEW OF HUD HOUSING QUALITY STANDARDS

Note: This document provides an overview of HQS. For more detailed information see the following documents:

- 24 CFR 982.401, Housing Quality Standards (HQS)
- Housing Choice Voucher Guidebook, Chapter 10.
- HUD Housing Inspection Manual for Section 8 Housing
- HUD Inspection Form, form HUD-52580 (3/01) and Inspection Checklist, form HUD-52580-A (9/00)

Sanitary Facilities

The dwelling unit must include sanitary facilities within the unit. The sanitary facilities must be usable in privacy and must be in proper operating condition and adequate for personal cleanliness and disposal of human waste.

Food Preparation and Refuse Disposal

The dwelling unit must have space and equipment suitable for the family to store, prepare, and serve food in a sanitary manner.

Space and Security

The dwelling unit must provide adequate space and security for the family. This includes having at least one bedroom or living/sleeping room for each two persons.

Thermal Environment

The unit must have a safe system for heating the dwelling unit. Air conditioning is not required but if provided must be in proper operating condition. The dwelling unit must not contain unvented room heaters that burn gas, oil, or kerosene. Portable electric room heaters or kitchen stoves with built-in heating units are not acceptable as a primary source of heat for units located in climatic areas where permanent heat systems are required.

Illumination and Electricity

Each room must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of occupants. The dwelling unit must have sufficient electrical sources so occupants can use essential electrical appliances. Minimum standards are set for different types of rooms. Once the minimum standards are met, the number, type and location of electrical sources are a matter of tenant preference.

Structure and Materials

The dwelling unit must be structurally sound. Handrails are required when four or more steps (risers) are present, and protective railings are required when porches, balconies, and stoops are thirty inches or more off the ground. The elevator servicing the unit must be working [if there is one]. Manufactured homes must have proper tie-down devices capable of surviving wind loads common to the area.

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Interior Air Quality

The dwelling unit must be free of air pollutant levels that threaten the occupants' health. There must be adequate air circulation in the dwelling unit. Bathroom areas must have one openable window or other adequate ventilation. Any sleeping room must have at least one window. If a window was designed to be opened, it must be in proper working order.

Water Supply

The dwelling unit must be served by an approved public or private water supply that is sanitary and free from contamination. Plumbing fixtures and pipes must be free of leaks and threats to health and safety.

Lead-Based Paint

Lead-based paint requirements apply to dwelling units built prior to 1978 that are occupied or can be occupied by families with children less than six years of age, excluding zero bedroom dwellings. Owners must:

- Disclose known lead-based paint hazards to prospective tenants before the lease is signed,
- provide all prospective families with "Protect Your Family from Lead in Your Home",
- Stabilize deteriorated painted surfaces and conduct hazard reduction activities when identified by the PHA
- Notify tenants each time such an activity is performed
- Conduct all work in accordance with HUD safe practices
- As part of ongoing maintenance ask each family to report deteriorated paint.

For units occupied by environmental intervention blood lead level (lead poisoned) children under six years of age, a risk assessment must be conducted (paid for by the PHA). If lead hazards are identified during the risk assessment, the owner must complete hazard reduction activities.

See HCV GB p. 10-15 for a detailed description of these requirements. For additional information on lead-based paint requirements see 24 CFR 35, Subparts A, B, M, and R.

Access

Use and maintenance of the unit must be possible without unauthorized use of other private properties. The building must provide an alternate means of exit in case of fire.

Site and Neighborhood

The site and neighborhood must be reasonably free from disturbing noises and reverberations, excessive trash or vermin, or other dangers to the health, safety, and general welfare of the occupants.

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Sanitary Condition

The dwelling unit and its equipment must be in sanitary condition and free of vermin and rodent infestation. The unit must have adequate barriers to prevent infestation.

Smoke Detectors

Smoke detectors must be installed in accordance with and meet the requirements of the National Fire Protection Association Standard (NFPA) 74 (or its successor standards). If the dwelling unit is occupied by any person with a hearing impairment, smoke detectors must have an appropriate alarm system as specified in NFPA 74 (or successor standards).

Hazards and Heath/Safety

The unit, interior and exterior common areas accessible to the family, the site, and the surrounding neighborhood must be free of hazards to the family's health and safety.

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EXHIBIT 8-2: SUMMARY OF TENANT PREFERENCE AREAS RELATED TO HOUSING QUALITY

Note: This document provides an overview of unit and site characteristics and conditions for which the family determines acceptability. For more detailed information see the following documents:

- Housing Choice Voucher Guidebook, Chapter 10.
- HUD Housing Inspection Manual for Section 8 Housing
- HUD Inspection Form, form HUD-52580 (3/01) and Inspection Checklist, form HUD-52580-A (9/00)

Provided the minimum housing quality standards have been met, HUD permits the family to determine whether the unit is acceptable with regard to the following characteristics.

- *Sanitary Facilities*. The family may determine the adequacy of the cosmetic condition and quality of the sanitary facilities, including the size of the lavatory, tub, or shower; the location of the sanitary facilities within the unit; and the adequacy of the water heater.
- *Food Preparation and Refuse Disposal*. The family selects size and type of equipment it finds acceptable. When the family is responsible for supplying cooking appliances, the family may choose to use a microwave oven in place of a conventional oven, stove, or range. When the owner is responsible for providing cooking appliances, the owner may offer a microwave oven in place of an oven, stove, or range only if other subsidized and unsubsidized units on the premises are furnished with microwave ovens only. The adequacy of the amount and type of storage space, the cosmetic conditions of all equipment, and the size and location of the kitchen are all determined by the family.
- *Space and Security*. The family may determine the adequacy of room sizes and room locations. The family is also responsible for deciding the acceptability of the type of door and window locks.
- *Energy conservation items*. The family may determine whether the amount of insulation, presence of absence or storm doors and windows and other energy conservation items are acceptable.
- *Illumination and Electricity*. The family may determine whether the location and the number of outlets and fixtures (over and above those required to meet HQS standards) are acceptable or if the amount of electrical service is adequate for the use of appliances, computers, or stereo equipment.

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(6) *Structure and Materials*. Families may determine whether minor defects, such as lack of paint, or worn flooring or carpeting will affect the livability of the unit.

(7) *Indoor Air*. Families may determine whether window and door screens, filters, fans, or other devices for proper ventilation are adequate to meet the family's needs. However, if screens are present they must be in good condition.

(8) *Sanitary Conditions*. The family determines whether the sanitary conditions in the unit, including minor infestations, are acceptable.

(9) *Neighborhood conditions*. Families may determine whether neighborhood conditions such as the presence of drug activity, commercial enterprises, and convenience to shopping will affect the livability of the unit.

Families have no discretion with respect to lead-based paint standards and smoke detectors.

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Chapter 9

GENERAL LEASING POLICIES

INTRODUCTION

Chapter 9 covers the lease-up process from the family's submission of a Request for Tenancy Approval to execution of the HAP contract.

In order for HACC to assist a family in a particular dwelling unit, or execute a Housing Assistance Payments (HAP) contract with the owner of a dwelling unit, HACC must determine that all the following program requirements are met:

- The unit itself must qualify as an eligible unit [24 CFR 982.305(a)]
- The unit must be inspected by HACC and meet the Housing Quality Standards (HQS) [24 CFR 982.305(a)]
- The lease offered by the owner must be approvable and must include the required Tenancy Addendum [24 CFR 982.305(a)]
- The rent to be charged by the owner for the unit must be reasonable [24 CFR 982.305(a)]
- The owner must be an eligible owner, approvable by HACC, with no conflicts of interest [24 CFR 982.306]
- For families initially leasing a unit only: Where the gross rent of the unit exceeds the applicable payment standard for the family, the share of rent to be paid by the family cannot exceed 40 percent of the family's monthly adjusted income [24 CFR 982.305(a)]

9-I.A. TENANT SCREENING

HACC has no liability or responsibility to the owner or other persons for the family's behavior or suitability for tenancy [24 CFR 982.307(a)(1)].

HACC may elect to screen applicants for family behavior or suitability for tenancy. See Chapter 3 for a discussion of HACC's policies with regard to screening applicant families for program eligibility [24 CFR 982.307(a)(1)].

The owner is responsible for screening and selection of the family to occupy the owner's unit. At or before PHA approval of the tenancy, the PHA must inform the owner that screening and selection for tenancy is the responsibility of the owner [24 CFR 982.307(a)(2)]. The PHA must also inform the owner or manager or his/her rights and obligations under the Violence against Women Act of 2013 (VAWA) [24 CFR 5.2005(a)(2)].

HACC must provide the owner with the family's current and prior address (as shown in HACC records); and the name and address (if known to HACC) of the landlord at the family's current and prior address. [24 CFR 982.307 (b)(1)].

HACC is permitted, but not required, to offer the owner other information in HACC's possession about the tenancy history or drug trafficking of family members [24 CFR 982.307(b)(2)].

HACC's policy on providing information to the owner must be included in the family's briefing packet [24 CFR 982.307(b)(3)].

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HACC may not disclose to the owner any confidential information provided by the family in response to a HACC request for documentation of domestic violence, dating violence, sexual assault or stalking except at the written request or with the written consent of the individual providing the documentation [24 CFR 5.2007(b)(4)].

HACC Policy

HACC will not screen applicants for family behavior or suitability for tenancy.

HACC will provide the owner with the family's current and prior address and phone number for the landlord (if known) of family's current and prior residence.

HACC will release any other reference information they might have, as permitted by law, if the owner requests it in writing and submits a signed authorization from the family. This information may be available as a result of past or current participation in any of the Section 8 programs, or as a past or current resident of any program operated or managed by HACC. The available information may include tenancy history of family members, eviction notices received, warning and lease violation letters, damage claims paid, and information about drug trafficking by family members.

9-I.B. REQUESTING TENANCY APPROVAL [Form HUD-52517]

After the family is issued a voucher, the family must locate an eligible unit, with an owner or landlord willing to participate in the voucher program. Once a family finds a suitable unit and the owner is willing to lease the unit under the program, the owner and the family must request HACC to approve the assisted tenancy in the selected unit.

The owner and the family must submit two documents to HACC:

- Completed Request for Tenancy Approval (RTA) – Form HUD-52517 or HUD approved HACC RTA Form
- Copy of the proposed lease, if applicable including the HUD-prescribed Tenancy Addendum – Form HUD-52641-A

The RTA contains important information about the rental unit selected by the family, including the unit address, number of bedrooms, structure type, year constructed, utilities included in the rent, and the requested beginning date of the lease, necessary for HACC to determine whether to approve the assisted tenancy in this unit.

Owners must certify to the most recent amount of rent charged for the unit and provide an explanation for any difference between the prior rent and the proposed rent.

Owners must certify that they are not the parent, child, grandparent, grandchild, sister or brother of any member of the family, unless HACC has granted a request for reasonable accommodation for a person with disabilities who is a member of the tenant household.

For units constructed prior to 1978, owners must either 1) certify that the unit, common areas, and exterior have been found to be free of lead-based paint by a certified inspector; or 2) attach a lead-based paint disclosure statement.

Both the RTA and the proposed lease must be submitted no later than the expiration date stated on the voucher. [HCV GB p.8-15].

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HACC Policy

The RTA must be signed by both the family and the owner and must be submitted prior to the expiration of the family's voucher. The owner may submit the RTA on behalf of the family.

HACC will require the owner to disclose information on lead-based paint in the dwelling unit in the format acceptable to HACC. HACC's disclosure form should be signed by both the owner and family and submitted to HACC at the same time the RTA is submitted.

Completed RTA must be submitted as hard copies, in-person, by mail, email.

The family may not submit, and HACC will not process, more than one (1) RTA at a time. When the family submits the RTA HACC will review the RTA for completeness.

If the RTA is incomplete (including lack of signature by family, owner, or both), HACC will notify the family and the owner of the deficiencies.

HACC Policy continued:

Corrections, missing information and/or missing documents will generally be accepted as hard copies, in-person, by mail, email or by fax. However, HACC may choose to accept information over the phone when missing information is minimal.

Because of the time sensitive nature of the tenancy approval process, HACC will attempt to communicate with the owner and family by phone, fax, or email. HACC will use mail when the parties cannot be reached by phone, fax, or email.

9-I.C. OWNER PARTICIPATION

HACC does not formally approve an owner to participate in the HCV program. However, there are a number of criteria where HACC may deny approval of an assisted tenancy based on past owner behavior, conflict of interest, or other owner-related issues. There are also criteria for which the PHA must disapprove an owner. No owner has a right to participate in the HCV program [24 CFR 982.306(e)]

See Chapter 13 for a full discussion of owner qualification to participate in the HCV program.

9-I.D. ELIGIBLE UNITS

There are a number of criteria that a dwelling unit must meet in order to be eligible for assistance under the voucher program. Generally, a voucher-holder family may choose any available rental dwelling unit on the market in HACC's jurisdiction. This includes the dwelling unit they are currently occupying.

Ineligible Units [24 CFR 982.352(a)]

HACC may not assist a unit under the voucher program if the unit is a public housing or Indian housing unit; a unit receiving project-based assistance under section 8 of the 1937 Act (42 U.S.C. 1437f); nursing homes, board and care homes, or facilities providing continual psychiatric, medical, or nursing services; college or other school dormitories; units on the grounds of penal, reformatory, medical, mental, and similar public or private institutions; a unit occupied by its owner or by a person with any interest in the unit.

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HACC-Owned Units [24 CFR 982.352(b)]

Otherwise eligible units that are owned or substantially controlled by HACC issuing the voucher may also be leased in the voucher program. In order for a HACC-owned unit to be leased under the voucher program, the unit must not be ineligible housing and HACC must inform the family, both orally and in writing, that the family has the right to select any eligible unit available for lease and that the family is free to select a HACC-owned unit without any pressure or steering by HACC.

> HACC Policy
>
> HACC does have eligible HACC-owned units available for leasing under the voucher program.
>
> HACC will inform the family of this housing at the time of the briefing. HACC will also inform the family, both orally and in writing, that the family has the right to select any eligible unit available for lease without any pressure or steering by HACC.

Special Housing Types [24 CFR 982 Subpart M]

HUD regulations permit, but do not generally require, HACC to permit families to use voucher assistance in a number of special housing types in accordance with the specific requirements applicable to those programs. These special housing types include single room occupancy (SRO) housing, congregate housing, group home, shared housing, manufactured home space (where the family owns the manufactured home and leases only the space), cooperative housing and homeownership option. See Chapter 15 for specific information and policies on any of these housing types that HACC has chosen to allow.

The regulations do require HACC to permit use of any special housing type if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

Duplicative Assistance [24 CFR 982.352(c)]

A family may not receive the benefit of HCV tenant-based assistance while receiving the benefit of any of the following forms of other housing subsidy, for the same unit or for a different unit:

- Public or Indian housing assistance;
- Other Section 8 assistance (including other tenant-based assistance);
- Assistance under former Section 23 of the United States Housing Act of 1937 (before amendment by the Housing and Community Development Act of 1974);
- Section 101 rent supplements;
- Section 236 rental assistance payments;
- Tenant-based assistance under the HOME Program;
- Rental assistance payments under Section 521 of the Housing Act of 1949 (a program of the Rural Development Administration);
- Any local or State rent subsidy;
- Section 202 supportive housing for the elderly;

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- Section 811 supportive housing for persons with disabilities; (11) Section 202 projects for non-elderly persons with disabilities (Section 162 assistance); or
- Any other duplicative federal, State, or local housing subsidy, as determined by HUD. For this purpose, 'housing subsidy' does not include the housing component of a welfare payment, a social security payment received by the family, or a rent reduction because of a tax credit.

Housing Quality Standards (HQS) [24 CFR 982.305 and 24 CFR 982.401]

In order to be eligible, the dwelling unit must be in decent, safe and sanitary condition. This determination is made using HUD's Housing Quality Standards (HQS) and/or equivalent state or local standards approved by HUD. See Chapter 8 for a full discussion of the HQS standards, as well as the process for HQS inspection at initial lease-up.

Unit Size

In order to be eligible, the dwelling unit must be appropriate for the number of persons in the household. A family must be allowed to lease an otherwise acceptable dwelling unit with fewer bedrooms than the number of bedrooms stated on the voucher issued to the family, provided the unit meets the applicable HQS space requirements [24 CFR 982.402(d)]. The family must be allowed to lease an otherwise acceptable dwelling unit with more bedrooms than the number of bedrooms stated on the voucher issued to the family. See Chapter 5 for a full discussion of subsidy standards.

Rent Reasonableness [24 CFR 982.305 and 24 CFR 982.507]

In order to be eligible, the dwelling unit must have a reasonable rent. The rent must be reasonable in relation to comparable unassisted units in the area and must not be in excess of rents charged by the owner for comparable, unassisted units on the premises. See Chapter 8 for a full discussion of rent reasonableness and the rent reasonableness determination process.

Rent Burden [24 CFR 982.508]

Where a family is initially leasing a unit and the gross rent of the unit exceeds the applicable payment standard for the family, the family share cannot exceed 40 percent of the family's adjusted monthly income. The term "family share" refers to the amount the family pays toward rent and utilities. The gross rent for the unit minus the total housing assistance payment (HAP) for the unit equals the family share. See Chapter 6 for a discussion of calculation of gross rent, the use of payment standards, and calculation of family income, family share of rent and HAP.

9-I.E. LEASE AND TENANCY ADDENDUM

The family and the owner must execute a written dwelling lease agreement for the assisted unit. This written lease is a contract between the tenant family and the owner; HACC is not a party to this contract.

The tenant must have legal capacity to enter a lease under State and local law. 'Legal capacity' means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner [24 CFR 982.308(a)]

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Lease Form and Tenancy Addendum [24 CFR 982.308]

If the owner uses a standard lease form for rental to unassisted tenants in the locality or the premises, the lease must be in such standard form. If the owner does not use a standard lease form for rental to unassisted tenants, the owner may use another form of lease. The HAP contract prescribed by HUD contains the owner's certification that if the owner uses a standard lease form for rental to unassisted tenants, the lease for the assisted tenants is in such standard form.

All provisions in the HUD-required Tenancy Addendum must be added word-for-word to the owner's standard lease form. The Tenancy Addendum includes the HUD requirements for the tenancy. Because it is a part of the lease, the tenant shall have the right to enforce the Tenancy Addendum against the owner. If there is a conflict between the owner's lease and the Tenancy Addendum, the terms of the Tenancy Addendum shall prevail over any other provisions of the lease.

HACC Policy

HACC does provide a model dwelling lease for owners to use in the HCV program. The owner may also use their own standard dwelling lease. Both leases shall incorporate the HUD-required Tenancy Addendum.

Lease Information [24 CFR 982.308(d)]

The assisted dwelling lease must contain all of the required information as listed below:

- The names of the owner and the tenant:
- The unit rented (address, apartment number, and any other information needed to identify the contract unit)
- The term of the lease (initial term and any provisions for renewal)
- The amount of the monthly rent to owner
- A specification of what utilities and appliances are to be supplied by the owner, and what utilities and appliances are to be supplied by the family

Term of Assisted Tenancy

The initial term of the assisted dwelling lease must be for at least one year [24 CFR 982.309]. The initial lease term is also stated in the HAP contract.

The HUD program regulations permit HACC to approve a shorter initial lease term if certain conditions are met.

HACC Policy

HACC prefers an initial lease term of at least one (1) year; however, it may approve a shorter initial lease term if the PHA determines that:

- Such shorter term would improve housing opportunities for tenants;
- Such shorter term is the prevailing lcoal market practice; and
- A lease term of less than six (6) months must be approved in writing by the Housing Services Manager

During the initial term of the lease, the owner may not raise the rent to tenant [24 CFR 982.309].

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Any provisions for renewal of the dwelling lease will be stated in the dwelling lease [HCV Guidebook, pg. 8-22]. There are no HUD requirements regarding any renewal extension terms, except that they must be stated in the dwelling lease if they exist.

HACC may execute the HAP contract even if there is less than one year remaining from the beginning of the initial lease term to the end of the last expiring funding increment under the consolidated ACC. [24 CFR 982.309(b)].

Security Deposit [24 CFR 982.313 (a) and (b)]

The owner may collect a security deposit from the tenant. HACC may prohibit security deposits in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants. However, if HACC chooses to do so, language to this effect must be added to Part A of the HAP contract [Form HUD-52641].

HACC Policy

HACC prohibits the owner from collecting security deposits in excess of amounts charged by the owner to unassisted units.

Separate Non-Lease Agreements between Owner and Tenant

Owners may not demand or accept any rent payment from the family in excess of the rent to the owner as approved by the PHA minus HACC's housing assistance payments to the owner [24 CFR 982.451(b)(4)].

The owner may not charge the tenant extra amounts for items customarily included in rent in the locality, or provided at no additional cost to unsubsidized tenants in the premises [24 CFR 982.510(c)].

HACC Policy

HACC permits owners and families to execute separate, non-lease agreements for services, appliances (other than range and refrigerator) and other items that are not included in the lease.

Any items, appliances, or other services that are customarily provided to unassisted families as part of the dwelling lease with those families, or are permanently installed in the dwelling unit must be included in the dwelling lease for the assisted family. These items, appliances or services cannot be placed under a separate non-lease agreement between the owner and family. Side payments for additional rent, or for items, appliances or services customarily provided to unassisted families as part of the dwelling lease for those families, are prohibited.

Any items, appliances, or other services that are not customarily provided to unassisted families as part of the dwelling lease with those families, are not permanently installed in the dwelling unit and where the family has the sole option of not utilizing the item, appliance or service, may be included in a separate non-lease agreement between the owner and the family.

The family is not liable and cannot be held responsible under the terms of the assisted dwelling lease for any charges pursuant to a separate non-lease agreement between the owner and the family. Non-payment of any charges pursuant to a separate non-lease

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agreement between the owner and the family cannot be a cause for eviction or termination of tenancy under the terms of the assisted dwelling lease.

Separate non-lease agreements that involve additional items, appliances or other services may be considered amenities offered by the owner and may be taken into consideration when determining the reasonableness of the rent for the property.

HACC Review of Lease

HACC may review the dwelling lease for compliance with all applicable requirements.

HACC Policy

If the dwelling lease is incomplete or incorrect, HACC will notify the family and the owner of the deficiencies. Missing and corrected lease information will only be accepted as hard copies, in-person, by mail, email or by fax. HACC will not accept missing and corrected information over the phone

Because the initial leasing process is time-sensitive, HACC will attempt to communicate with the owner and family by phone, fax, or email. HACC will use mail when the parties can't be reached by phone, fax, or email.

HACC is permitted, but is not required, to review the lease to determine if the lease complies with State and local law and is permitted to decline to approve the tenancy if HACC determines that the lease does not comply with State or local law [24 CFR 982.308(c)]

HACC Policy

HACC will not review the owner's lease for compliance with state/local law.

9-I.F. TENANCY APPROVAL [24 CFR 982.305]

After receiving the family's Request for Tenancy Approval, with proposed dwelling lease, if applicable, HACC must promptly notify the family and owner whether the assisted tenancy is approved.

Prior to approving the assisted tenancy and execution of a HAP contract, HACC must ensure that all required actions and determinations, discussed in Part I of this chapter have been completed.

These actions include ensuring that the unit is eligible; the unit has been inspected by HACC and meets the Housing Quality Standards (HQS); the lease provided by HACC or offered by the owner is approvable and includes the required Tenancy Addendum; the rent to be charged by the owner for the unit must be reasonable; where the family is initially leasing a unit and the gross rent of the unit exceeds the applicable payment standard for the family, the share of rent to be paid by the family does not exceed 40 percent of the family's monthly adjusted income [24 CFR 982.305(a)]; the owner is an eligible owner, not disapproved by HACC, with no conflicts of interest [24 CFR 982.306]; the family and the owner have executed the lease, including the Tenancy Addendum, and the lead-based paint disclosure information [24 CFR 982.305(b)].

HACC Policy

HACC will make reasonable attempts to complete its determination within 10 business days of receiving all required information.

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If the terms of the RTA/ changes for any reason, will be documented by staff. Changes will include but not be limited to negotiation of rent and utilities with HACC. HACC will obtain copies of any supplemental or addendum leases, signed by the family and the owner.

If HACC determines that the tenancy cannot be approved for any reason, the owner and the family will be notified and given the opportunity to address any reasons for disapproval. HACC will instruct the owner and family of the steps that are necessary to obtain approval of the tenancy.

Where the tenancy is not approvable because the unit is not approvable, the family must continue to search for eligible housing within the timeframe of the issued voucher.

If the tenancy is not approvable due to rent affordability or rent reasonableness, HACC will attempt to negotiate the rent with the owner. If a new, approvable rent is negotiated, the tenancy will be approved. If the owner is not willing to negotiate an approvable rent, the family must continue to search for eligible housing within the timeframe of the issued voucher.

9-I.G. HAP CONTRACT EXECUTION [24 CFR 982.305]

The HAP contract is a written agreement between HACC and the owner of the dwelling unit. Under the HAP contract, HACC agrees to make housing assistance payments to the owner on behalf of the family, and the owner agrees to comply with all program requirements as stated in the HAP contract.

The HAP contract form is prescribed by HUD.

If HACC has given approval for the family of the assisted tenancy, the owner and HACC must execute the HAP contract.

The term of the HAP contract must be the same as the term of the lease [24 CFR 982.451(a)(2)].

HACC is permitted to execute a HAP contract even if the funding currently available does not extend for the full term of the HAP contract.

HACC must make a best effort to ensure that the HAP contract is executed before the beginning of the lease term. Regardless, the HAP contract <u>must</u> be executed no later than 60 calendar days from the beginning of the lease term.

HACC may not pay any housing assistance payment to the owner until the HAP contract has been executed. If the HAP contract is executed during the period of 60 calendar days from the beginning of the lease term, HACC will pay housing assistance payments after execution of the HAP contract (in accordance with the terms of the HAP contract), to cover the portion of the lease term before execution of the HAP contract (a maximum of 60 days).

Any HAP contract executed after the 60 day period is void, and HACC may not pay any housing assistance payment to the owner.

<u>HACC Policy</u>

Owners who have not previously participated in the HCV program may speak with HACC staff about the program to ensure that they are sufficiently familiar with the

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requirements and responsibilities under the HCV program. A Landlord Handbook is available on HACC's website at http://www.clackamas.us/docs/hacc/landlordbook.pdf.

The owner and the assisted family will execute the dwelling lease and the owner must provide a copy to HACC. HACC will ensure that both the owner and the assisted family receive copies of the dwelling lease.

The owner and HACC will execute the HAP contract. HACC will not execute the HAP contract until the owner has submitted IRS form W-9. HACC will ensure that the owner receives a copy of the executed HAP contract.

HACC requires all landlords to sign up for direct deposit of all HAP payments or they must pick up checks at the Administrative Office located at 13930 S. Gain Street, Oregon City, OR 97045.

After unit passes inspection HACC will send the HAP Contract and related Lease documents to the landlord for signatures by the tenant and landlord. The landlord and tenant must sign and return the Contract and related documents and signed lease agreement to HACC at PO Box 1510, 13930 S. Gain Street, Oregon City, OR 97045-0510 before payments will commence.

The start date on the contract will be the later of: the day after the unit passes inspection, the lease start date or for participants moving from another assisted unit, the new Contract and Lease will begin on the first of the month following the month the family moves out of the first assisted unit. Unless an exception is made, HACC will not pay overlapping HAP for two separate units.

The lease agreement must be signed by both landlord and tenant and the term must be at lease 12 months.

HAP will be held until all original Contracts, Leases and related documents are signed and returned to HACC.

See Chapter 13 for a discussion of the HAP contract and contract provisions.

9-I.H. CHANGES IN LEASE OR RENT [24 CFR 982.308]

If the tenant and the owner agree to any changes in the lease, such changes must be in writing, and the owner must immediately give HACC a copy of such changes. The lease, including any changes, must remain in accordance with the requirements of this chapter.

Generally, HACC approval of tenancy and execution of a new HAP contract are not required for changes in the lease. However, under certain circumstances, the execution of a new lease and HAP contract are required. These circumstances include:

- Changes in lease requirements governing tenant or owner responsibilities for utilities or appliances such a change does not include changes in how the landlord or tenant pay for the utilities or appliances each is responsible for under the lease.
- Changes in lease provisions governing the term of the lease
- The family moves to a new unit, even if the unit is in the same building or complex

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In these cases, if the HCV assistance is to continue, the family must submit a new Request for Tenancy Approval (RTA) along with a new dwelling lease containing the proposed changes. A new tenancy must then be approved in accordance with this chapter.

Where the owner is changing the amount of the rent to owner, the owner must notify HACC at least 60 days before any such changes go into effect [24 CFR 982.308(g)(4)]. HACC will agree to such an increase only if the amount of the rent to owner is considered reasonable according to the rent reasonableness standards discussed in Chapter 8. If the requested rent is not found to be reasonable, the owner must either reduce the requested rent increase, or terminate the tenancy in accordance with the terms of the lease.

No rent increase is permitted during the initial term of the lease [24 CFR 982.309(a)(3)].

HACC Policy

Where the owner is requesting a rent increase, HACC will determine whether the requested increase is reasonable. The owner will be notified of the determination either by phone or in writing.

Rent increases will go into effect on the first of the month following the 60 day period after the owner notifies HACC of the rent change or on the date specified by the owner, whichever is later.

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Chapter 10

MOVING WITH CONTINUED ASSISTANCE AND PORTABILITY

INTRODUCTION

Freedom of housing choice is a hallmark of the housing choice voucher (HCV) program. In general, HUD regulations impose few restrictions on where families may live or move with HCV assistance. This chapter sets forth HUD regulations and HACC policies governing moves within or outside HACC's jurisdiction in two parts:

Part I: Moving with Continued Assistance. This part covers the general rules that apply to all moves by a family assisted under HACC's HCV program, whether the family moves to another unit within HACC's jurisdiction or to a unit outside HACC's jurisdiction under portability.

Part II: Portability. This part covers the special rules that apply to moves by a family under portability, whether the family moves out of or into HACC's jurisdiction. This part also covers the special responsibilities that HACC has under portability regulations and procedures.

PART I: MOVING WITH CONTINUED ASSISTANCE

10-I.A. ALLOWABLE MOVES

HUD lists five regulatory conditions and the statutory condition under VAWA in which an assisted family is allowed to move to a new unit with continued assistance. Permission to move is subject to the restrictions set forth in section 10-I.B.

- The family has a right to terminate the lease on notice to the owner (for the owner's breach or otherwise) and has given a notice of termination to the owner in accordance with the lease [24 CFR 982.314(b) (3)]. If the family terminates the lease on notice to the owner, the family must give HACC a copy of the notice at the same time [24 CFR 982.314(d) (1)].
- The lease for the family's unit has been terminated by mutual agreement of the owner and the family [24 CFR 982.314(b) (1) (ii)].

  HACC Policy

  The family must notify HACC in writing before moving out of the unit or terminating the lease. If the family and the owner mutually agree to terminate the lease for the family's unit, the family must give HACC a copy of the termination agreement.
- The owner has given the family a notice to vacate, has commenced an action to evict the family, or has obtained a court judgment or other process allowing the owner to evict the family [24 CFR 982.314(b) (2)]. The family must give HACC a copy of any owner eviction notice [24 CFR 982.551(g)]

  HACC Policy

  The family must give a copy of any owner eviction notice to HACC within seven (7) days of receipt.

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The owner must notify HACC in writing of the commencement of procedures for termination of tenancy (this may be a copy of the notice given to the family).

- The family or a member of the family is or has been the victim of domestic violence, dating violence, sexual assault, or stalking and the move is needed to protect the health or safety of the family or family member [24 CFR 982.314(b)(4)]. This condition applies even when the family has moved out of its unit in violation of the lease, with or without prior notification to the PHA, if the family or family member who is the victim reasonably believed that he or she was imminently threatened by harm from further violence if he or she remained in the unit [24 CFR 982.314(b)(4), 24 CFR 982.353(b)].

  HACC Policy

  If a family requests permission to move with continued assistance based on a claim that the move is necessary to protect the health or safety of a family member who is or has been the victim of domestic violence, dating violence, sexual assault, or stalking, HACC will request documentation in accordance with section 16-IX.D of this plan.

  HACC reserves the right to waive the documentation requirement if it determines that a statement or other corroborating evidence from the family or family member will suffice. In such cases the PHA will document the waiver in the family's file.

- HACC has terminated the assisted lease for the family's unit for the owner's breach [24 CFR 982.314(b) (1) (i)].

- HACC determines that the family's current unit does not meet the HQS space standards because of an increase in family size or a change in family composition. In such cases, HACC must issue the family a new voucher, and the family and HACC must try to find an acceptable unit as soon as possible. If an acceptable unit is available for the family, HACC must terminate the HAP contract for the family's old unit in accordance with the HAP contract terms and must notify both the family and the owner of the termination. The HAP contract terminates at the end of the calendar month that follows the calendar month in which HACC gives notice to the owner. [24 CFR 982.403(a) and (c)]

10-I.B. RESTRICTIONS ON MOVES

A family's right to move is generally contingent upon the family's compliance with program requirements [24 CFR 982.1(b) (2)]. HUD specifies two conditions under which a HACC may deny a family permission to move and two ways in which a HACC may restrict moves by a family.

Denial of Moves

HUD regulations permit HACC to deny a family permission to move under the following conditions:

VASH

For VASH clients, the referring VAMC must always be consulted prior to a portability move.

Insufficient Funding

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HACC may deny a family permission to move if HACC does not have sufficient funding for continued assistance [24 CFR 982.314(e) (1)]. However, Notice2012-42 significantly restricts the ability of PHAs to deny permission to move due to insufficient funding and places further requirements on PHAs regarding moves denied due to lack of funding. The requirements found in this notice are mandatory.

HACC Policy

HACC will deny a family permission to move on grounds that HACC does not have sufficient funding for continued assistance if (a) the move is initiated by the family, not the owner or HACC; (b) HACC can demonstrate that the move will, in fact, result in higher subsidy costs; and (c) HACC can demonstrate, in accordance with the policies in Part VIII of Chapter 16, that it does not have sufficient funding in its annual budget to accommodate the higher subsidy costs.

The PHA will create a list of families whose moves have been denied due to insufficient funding. When funds become available, the families on this list will take precedence over families on the waiting list. The PHA will use the same procedures for notifying families with open requests to move when funds become available as it uses for notifying families on the waiting list (see section 4-III.D).

The PHA will inform the family of its policy regarding moves denied due to insufficient funding in a letter to the family at the time the move is denied.

Grounds for Denial or Termination of Assistance

HACC may deny a family permission to move if it has ground for denying or terminating the family's assistance [24 CFR 982.314(e) (2)].

HACC Policy

If HACC has grounds for denying or terminating a family's assistance, HACC will act on those grounds in accordance with the regulations and policies set forth in Chapters 3 and 12, respectively. In general, it will not deny a family permission to move for this reason; however, it retains the discretion to do so under special circumstances.

In determining whether to deny permission to move, the PHA will consider the criteria under federal regulations at 24 CFR 982.552(c) (1). These include:

The family has violated any family obligations under the program.

Any member of the family has been evicted from federally assisted housing in the last five years.

A PHA has ever terminated assistance under the program for any member of the family.

Any member of the family has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program (see also 24 CFR 982.553(a) (1))

The family currently owes rent or other amounts to the PHA or to another PHA in connection with Section 8 or public housing assistance under the 1937 U.S. Housing Act.

The family has not reimbursed any PHA for amounts paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease.

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The family breaches an agreement with the PHA to pay amounts owed to a PHA or amounts paid to an owner by a PHA. (The PHA, at its discretion, may offer a family the opportunity to enter an agreement to pay amounts owed to a PHA or amounts paid to an owner by a PHA. The PHA may prescribe the terms of the agreement.)

A family participating in the family self-sufficiency (FSS) program fails to comply, without good cause, with the family's FSS contract of participation.

The family has engaged in or threatened abusive or violent behavior toward PHA personnel.

A welfare-to-work (WTW) family fails, willfully and persistently, to fulfill its obligations under the welfare-to-work voucher program.

The family has been engaged in criminal activity or alcohol abuse as described in 24 CFR 982.553.

The PHA will also consider the same extenuating circumstances as would be considered when determining whether to deny or terminate assistance under 24 CFR 982.552(c) (2). These include:

The PHA may consider all relevant circumstances such as the seriousness of the case, the extent of participation or culpability of individual family members, mitigating circumstances related to the disability of a family member, and the effects of denial or termination of assistance on other family members who were not involved in the action or failure.

The PHA may impose, as a condition of continued assistance for other family members, a requirement that other family members who participated in or were culpable for the action or failure will not reside in the unit. The PHA may permit the other members of a participant family to continue receiving assistance.

In determining whether to deny a move for illegal use of drugs or alcohol abuse by a household member who is no longer engaged in such behavior, the PHA will consider whether such household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully (42 U.S.C. 13661). For this purpose, the PHA may require the applicant or tenant to submit evidence of the household member's current participation in, or successful completion of, a supervised drug or alcohol rehabilitation program or evidence of otherwise having been rehabilitated successfully.

If the family includes a person with disabilities, the PHA's decision concerning such action is subject to consideration of reasonable accommodation in accordance with 24 CFR 8.

The PHA's admission and eviction actions must be consistent with fair housing and equal opportunity provisions of 24 CFR 5.105.

Restrictions on Elective Moves [24 CFR 982.354(c)]

HUD regulations permit HACC to prohibit any elective move by a participant family during the family's initial lease term. They also permit HACC to prohibit more than one elective move by a participant family during any 12-month period. However, such prohibitions, if adopted, do not

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apply when the family or a member of the family is or has been the victim of domestic violence, dating violence, sexual assault or stalking and the move is needed to protect the health or safety of the family or family member. (For the policy on documentation of abuse, see section 10-I.A.) In addition, the PHA may not establish a policy permitting moves only at reexamination [Notice PIH 2012-42].

HACC Policy

HACC will deny a family permission to make an elective move during the family's initial 12-month lease term. This policy applies to moves within HACC's jurisdiction or outside it under portability.

HACC will also deny a family permission to make more than one elective move during any 12-month period. This policy applies to all assisted families residing in HACC's jurisdiction.

HACC will deny a family permission to make an elective move if at any time they owe the PHA money. All debts to the PHA must be paid in full before a move is allowed.

HACC will consider exceptions to these policies for the following reasons: to protect the health or safety of a family member (e.g., lead-based paint hazards, domestic violence, and witness protection programs), to accommodate a change in family circumstances (e.g., new employment, school attendance in a distant area), or to address an emergency situation over which a family has no control.

In addition, HACC will allow exceptions to these policies for purposes of reasonable accommodation of a family member who is a person with disabilities (see Chapter 2).

10-I.C. MOVING PROCESS

Notification

If a family wishes to move to a new unit, the family must notify HACC and the owner before moving out of the old unit or terminating the lease on notice to the owner [24 CFR 982.354(d)(2)]. If the family wishes to move to a unit outside the PHA's jurisdiction under portability, the notice to the PHA must specify the area where the family wishes to move [24 CFR 982.354(d)(2), Notice PIH 2012-42]. The notices must be in writing [24 CFR 982.5].

Approval

HACC Policy

Upon receipt of a family's notification that it wishes to move, HACC will determine whether the move is approvable in accordance with the regulations and policies set forth in sections 10-I.A and 10-I.B. HACC will notify the family of its determination within 10 business days following receipt of the family's notification. For moves outside of HACC's jurisdiction under portability see Part II.B of the Chapter.

Reexamination of Family Income and Composition

HACC Policy

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For families approved to move to a new unit within HACC's jurisdiction, HACC will perform a new annual reexamination in accordance with the policies set forth in Chapter 11 of this plan.

For families moving into or families approved to move out of HACC's jurisdiction under portability, HACC will follow the policies set forth in Part II of this chapter.

Voucher Issuance and Briefing

HACC Policy

For families approved to move to a new unit within HACC's jurisdiction, HACC will issue a new voucher within 10 business days of HACC's approval to move. Participants requesting to move to another unit may be required to attend a new briefing. At a minimum, participants will be given a briefing packet. HACC will follow the policies set forth in Chapter 5 on voucher term, extension, and expiration. If a family does not locate a new unit within the term of the voucher and any extensions, the family may remain in its current unit with continued voucher assistance if the owner agrees and HACC approves. Otherwise, the family will lose its assistance.

For families moving into or families approved to move out of HACC's jurisdiction under portability, HACC will follow the policies set forth in Part II of this chapter.

Housing Assistance Payments [24 CFR 982.311(d)]

When a family moves out of an assisted unit, HACC may not make any housing assistance payment to the owner for any month **after** the month the family moves out. The owner may keep the housing assistance payment for the month when the family moves out of the unit.

If a participant family moves from an assisted unit with continued tenant-based assistance, the term of the assisted lease for the new assisted unit may begin during the month the family moves out of the first assisted unit. However, the assistance will begin no sooner than the vacate date on the tenant notice or the actual vacate date, whichever is later. Overlap of the last housing assistance payment (for the month when the family moves out of the old unit) and the first assistance payment for the new unit, is not considered to constitute a duplicative housing subsidy.

HACC Policy

If participant family moves from an assisted unit with continued tenant-based assistance, the term of the assisted lease for the new assisted unit may begin on the first of the month following the month the family moves out of the first assisted unit. The PHA will not pay overlapping Housing Assistance Payments for two separate units, unless an exception is made by the PHA in accordance with this Plan. For this reason, it is recommended families plan accordingly and give 30 to 60 day notices and plan to move out on the last day of the month assistance was paid to the current landlord.

PART II: PORTABILITY

10-II.A. OVERVIEW

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Within the limitations of the regulations and this plan, a participant family or an applicant family that has been issued a voucher has the right to use tenant-based voucher assistance to lease a unit anywhere in the United States providing that the unit is located within the jurisdiction of a PHA administering a tenant-based voucher program [24 CFR 982.353(b)]. The process by which a family obtains a voucher from one PHA and uses it to lease a unit in the jurisdiction of another PHA is known as portability. The PHA that issues the voucher is called the **initial PHA.** The second is called the **receiving PHA.**

The receiving PHA has the option of administering the family's voucher for the initial PHA or absorbing the family into its own program. Under the first option, the receiving PHA provides all housing services for the family and bills the initial PHA for the family's housing assistance payments and the fees for administering the family's voucher. Under the second option, the receiving PHA pays for the family's assistance with its own program funds, and the initial PHA has no further relationship with the family. The initial PHA must contact the receiving PHA via email or other confirmed delivery method to determine whether the receiving PHA will administer or absorb the initial PHA's voucher. Based on the receiving PHA's response, the initial PHA must determine whether they will approve or deny the portability request [Notice PIH 2012-42].

PHAs commonly act as both the initial and receiving PHA because families may move into or out of their jurisdiction under portability. Each role involves different responsibilities. The PHA will follow the rules and policies in section 10-II.B when it is acting as the initial PHA for a family. It will follow the rules and policies in section 10-II.C when it is acting as the receiving PHA for a family.

In administering portability, the initial PHA and the receiving PHA must comply with financial procedures required by HUD, including the use of HUD-required forms [24 CFR 982.355(e)(5)].

PHAs must also comply with billing and payment deadlines. HUD may reduce an administrative fee to an initial or receiving PHA if the PHA does not comply with HUD portability requirements [24 CFR 982.355(e)(7)].

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10-II.B. HACC POLICIES UNDER INITIAL PHA ROLE

Allowable Moves under Portability

A family may move with voucher assistance only to an area where there is at least one PHA administering a voucher program [24 CFR 982.353(b)]. If there is more than one PHA in the area, the initial PHA provides the family with the contact information for the receiving PHAs that serve the area, and the family selects the receiving PHA. The family must inform the initial PHA which PHA it has selected. If the family prefers not to select the receiving PHA, the initial PHA will select the receiving PHA on behalf of the family (24 CFR 982.255(b).

Applicant families that have been issued vouchers as well as participant families may qualify to lease a unit outside the PHA's jurisdiction under portability. HUD regulations and PHA policy determine whether a family qualifies.

Applicant Families

Under HUD regulations, most applicant families qualify to lease a unit outside the PHA's jurisdiction under portability. However, HUD gives the PHA discretion to deny a portability move by an applicant family for the same two reasons that it may deny any move by a participant family: insufficient funding and grounds for denial or termination of assistance. If a PHA intends to deny a family permission to move under portability due to insufficient funding, the PHA must notify HUD within 10 business days of the determination to deny the move [24 CFR 982.355(e)].

HACC Policy

In determining whether or not to deny an applicant family permission to move under portability because HACC lacks sufficient funding or has grounds for denying assistance to the family, the HACC will follow the policies established in section 10-I.B of this chapter. If the PHA does deny the move due to insufficient funding, the PHA will notify HUD in writing within 10 business days of the PHA's determination to deny the move.

In addition, HACC may establish a policy denying the right to portability to nonresident applicants during the first 12 months after they are admitted to the program [24 CFR 982.353(c)].

HACC Policy

If neither the head of household nor the spouse/cohead of an applicant family had a domicile (legal residence) in HACC's jurisdiction at the time that the family's initial application for assistance was submitted, the family must lease a unit within the initial HACC's jurisdiction for at least 12 months before requesting portability.

HACC will consider exceptions to this policy for purposes of reasonable accommodation (see Chapter 2) or reasons related to domestic violence, dating violence, and sexual assault or stalking.

Participant Families

The Initial PHA must not provide portable assistance for a participant if a family has moved out of its assisted unit in violation of the lease [24 CFR 982.353(b)]. VAWA creates an exception to this prohibition for families who are otherwise in compliance with program obligations but have

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moved to protect the health or safety of an individual who is or has been a victim of domestic violence, dating violence, sexual assault or stalking and who reasonably believed he or she was imminently threatened by harm from further violence if they remained in the unit. [24 CFR 982.353(b)]

HACC Policy

HACC will determine whether a participant family may move out of HACC's jurisdiction with continued assistance in accordance with the regulations and policies set forth here and in sections 10-I.A and 10-I.B of this chapter. HACC will notify the family of its determination in accordance with the approval policy set forth in section 10-I.C of this chapter.

Determining Income Eligibility

Applicant Families

An applicant family may lease a unit in a particular area under portability only if the family is income eligible for admission to the voucher program in that area [24 CFR 982.353(d)(1)]. The family must specify the area to which the family wishes to move [24 CFR 982.355(c)(1)].

The initial PHA is responsible for determining whether the family is income eligible in the area to which the family wishes to move [24 CFR 982.353(d)(1), 24 CFR 982.355(9)]. If the applicant family is not income eligible in that area, the PHA must inform the family that it may not move there and receive voucher assistance [Notice PIH 2012-42].

Participant Families

The income eligibility of a participant family is not redetermined if the family moves to a new jurisdiction under portability [24 CFR 982.353(d)(2)].

Reexamination of Family Income and Composition

No new reexamination of family income and composition is required for an applicant family.

HACC Policy

For a participant family approved to move out of its jurisdiction under portability, HACC will use the most recent re-examination documentation.

HACC will make any exceptions to this policy necessary to remain in compliance with HUD regulations.

Briefing

The regulations and policies on briefings set forth in Chapter 5 of this plan require HACC to provide information on portability to all applicant families that qualify to lease a unit outside HACC's jurisdiction under the portability procedures. Therefore, no special briefing is required for these families.

HACC Policy

No formal briefing will be required for a participant family wishing to move outside the PHA's jurisdiction under portability. However, the PHA will provide the family with the same oral and written explanation of portability that it provides to applicant families selected for admission to the program (see Chapter 5).

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The PHA will provide the name, address, and phone of the contact for the PHAs in the jurisdiction to which they wish to move. If there is more than one PHA with jurisdiction over the area to which the family wishes to move, the PHA will advise the family that the family must select the receiving PHA and notify the initial PHA of which receiving PHA was selected. The PHA will further inform the family that if the family prefers not to select the receiving PHA, the initial PHA will select the receiving PHA on behalf of the family.

The PHA will advise the family that they will be under the RHA's policies and procedures, including screening, subsidy standards, voucher extension policies, and payment standards.

Voucher Issuance and Term

An applicant family has no right to portability until after the family has been issued a voucher [24 CFR 982.353(b)]. In issuing vouchers to applicant families, HACC will follow the regulations and procedures set forth in Chapter 5.

HACC Policy

For participating families approved to move under portability, HACC will issue a new voucher within 10 business days of HACC's approval to move.

The initial term of the voucher will be 90 days.

Voucher Extensions and Expiration

HACC Policy

HACC will approve **no** extensions to a voucher issued to an applicant or participant family porting out of HACC's jurisdiction. The policies on voucher extensions set forth in Chapter 5, section 5-II.E, of this plan will apply, including the requirement that the family apply for an extension in writing prior to the expiration of the initial voucher term.

To receive or continue receiving assistance under the initial PHA's voucher program, a family that moves to another PHA's jurisdiction under portability must be under HAP contract in the receiving PHA's jurisdiction within 90 days following the expiration date of the initial PHA's voucher term (including any extensions). (See below under "Initial Billing Deadline" for one exception to this policy.)

Preapproval Contact with the Receiving PHA

Prior to approving a family's request to move under portability, the initial PHA must contact the receiving PHA via e-mail or other confirmed delivery method to determine whether the receiving PHA will administer or absorb the family's voucher. Based on the receiving PHA's response, the initial PHA must determine whether it will approve or deny the move [Notice PIH 2012-42].

HACC Policy

HACC will use e-mail, when possible, to contact the receiving PHA regarding whether the receiving PHA will administer or absorb the family's voucher.

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Initial Notification to the Receiving PHA

After approving a family's request to move under portability, the initial PHA must promptly notify the receiving PHA via email or other confirmed delivery method to expect the family [24 CFR 982.355(c)(3); 24 CFR 982.355(c)(7)]. The initial PHA must also advise the family how to contact and request assistance from the receiving PHA [24 CFR 982.355(c)(6)].

HACC Policy

Because the portability process is time-sensitive, the PHA will notify the receiving PHA by phone, fax, or e-mail to expect the family. The initial PHA will also ask the receiving PHA to provide any information the family may need upon arrival, including the name, fax, e-mail address, and telephone number of the staff person responsible for business with incoming portable families and procedures related to appointments for voucher issuance. The PHA will pass this information along to the family. The PHA will also ask for the name, address, telephone number, fax and e-mail of the person responsible for processing the billing information.

Sending Documentation to the Receiving PHA

The initial PHA is required to send the receiving PHA the following documents:

- Form HUD-52665, Family Portability Information, with Part I filled out [Notice PIH 2012-42]
- A copy of the family's voucher [Notice PIH 2012-42]
- A copy of the family's most recent form HUD-50058, Family Report, or, if necessary in the case of an applicant family, family and income information in a format similar to that of form HUD-50058 [24 CFR 982.355(c)(7), Notice PIH 2012-42]
- Copies of the income verifications backing up the form HUD-50058, including a copy of the family's current EIV data [24 CFR 982.355(c)(7), Notice PIH 2012-42]

HACC Policy

In addition to these documents, HACC will provide the following information, if available, to the receiving PHA:

Social security numbers (SSNs)

Documentation of SSNs for all non exempt household members whose SSNs have not been verified through the EIV system

Documentation of legal identity

Documentation of citizenship or eligible immigration status

Documentation of participation in the earned income disallowance (EID) benefit

Documentation of participation in a family self-sufficiency (FSS) program

Initial Billing Deadline [Notice PIH 2012-42, Letter to Executive Directors, 9/15/15]

The deadline for submission of initial billing is 90 days following the expiration date of the voucher issued to the family by the initial PHA. If the initial PHA does not receive a billing notice by the deadline and does not intend to honor a late billing submission, it must contact the

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receiving PHA to determine the status of the family. If the receiving PHA reports that the family is not yet under HAP contract, the initial PHA may refuse to accept a late billing submission. If the receiving PHA reports that the family is under HAP contract and the receiving PHA cannot absorb the family, the initial PHA must accept a late billing submission; however, it may report to HUD the receiving PHA's failure to comply with the deadline.

HACC Policy

If the PHA has not received an initial billing notice from the receiving PHA within 90 days of expiration of the IHA's voucher, it will contact the receiving PHA by phone, fax, or e-mail within 30 days. If the PHA reports that the family is not yet under HAP contract, HACC will inform the receiving PHA that it will not honor a late billing submission and will return any subsequent billings that it receives on behalf of the family. HACC will send the receiving PHA a written confirmation of its decision by mail.

HACC will allow an exception to this policy if the family includes a person with disabilities and the late billing is a result of a reasonable accommodation granted to the family by the receiving PHA.

Monthly Billing Payments [24 CFR 982.355(e), Notice PIH 2012-42]

If the receiving PHA is administering the family's voucher, the receiving PHA bills the initial PHA for housing assistance payments and administrative fees. When reimbursing for administrative fees, the initial PHA must promptly reimburse the receiving PHA for the lesser of 80 percent of the initial PHA ongoing administrative fee or 100 percent of the receiving PHA's ongoing administrative fee for each program unit under contract on the first day of the month for which the receiving PHA is billing the initial PHA under portability. If the administrative fees are prorated for the HCV program, the proration will apply to the amount of the administrative fee for which the receiving PHA may bill [24 CFR 982.355(e)(2)].

The initial PHA is responsible for making billing payments in a timely manner. The first billing amount is due within 30 calendar days after the initial PHA receives Part II of form HUD-52665 from the receiving PHA. Subsequent payments must be **received** by the receiving PHA no later than the fifth business day of each month. The payments must be provided in a form and manner that the receiving PHA is able and willing to accept.

The initial PHA may not terminate or delay making payments under existing portability billing arrangements as a result of overleasing or funding shortfalls. The PHA must manage its tenant-based program in a manner that ensures that it has the financial ability to provide assistance for families that move out of its jurisdiction under portability and are not absorbed by receiving PHAs as well as for families that remain within its jurisdiction.

HACC Policy

The initial PHA will utilize direct deposit to ensure that the payment is received by the deadline unless the receiving PHA notifies the initial PHA that direct deposit is not acceptable to them.

Annual Updates of Form HUD-50058

If the initial PHA is being billed on behalf of a portable family, it should receive an updated form HUD-50058 each year from the receiving PHA. If the initial PHA fails to receive an updated

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50058 by the family's annual reexamination date, the initial PHA should contact the receiving PHA to verify the status of the family.

Denial or Termination of Assistance [24 CFR 982.355(c)(17)]

At any time, either the initial PHA or the receiving PHA may make a determination to deny or terminate assistance with the family in accordance with 24 CFR 982.552 and 24 CFR 982.553. (For PHA policies on denial and termination, see Chapters 3 and 12, respectively.)

10-II.C. RECEIVING PHA ROLE

If a family has a right to lease a unit in the receiving PHA's jurisdiction under portability, the receiving PHA must provide assistance for the family [24 CFR 982.355(10)]. HUD may determine in certain instances that a PHA is not required to accept incoming portable families, such as a PHA in a declared disaster area. However, the PHA must have approval in writing from HUD before refusing any incoming portable families [24 CFR 982.355(b)].

Administration of the voucher must be in accordance with the receiving PHA's policies. This requirement also applies to policies of Moving to Work agencies. The receiving PHA procedures and preferences for selection among eligible applicants do not apply to the family, and the receiving PHA waiting list is not used [24 CFR 982.355(c)(10)]. The family's unit, or voucher, size is determined in accordance with the subsidy standards of the receiving PHA [24 CFR 982.355(c)(12)], and the receiving PHA's policies on extensions of the voucher term apply [24 CFR 982.355(c)(14)].

Responding to Initial PHA's Request [24 CFR 982.355(c)]

The receiving PHA must respond via e-mail or other confirmed delivery method to the initial PHA's inquiry to determine whether the family's voucher will be billed or absorbed [24 CFR 982.355(c)(3)]. If the receiving PHA informs the initial PHA that it will be absorbing the voucher, the receiving PHA cannot reverse its decision at a later date without consent of the initial PHA (24 CFR 982.355(c)(4).

> HACC Policy
>
> HACC will use e-mail, when possible, to notify the initial PHA whether it will administer or absorb the family's voucher.

Initial Contact with Family

When a family moves into the PHA's jurisdiction under portability, the family is responsible for promptly contacting the PHA and complying with the PHA's procedures for incoming portable families. The family's failure to comply may result in denial or termination of the receiving PHA's voucher [24 CFR 982.355(c)(8)].

If the voucher issued to the family by the initial PHA has expired, the receiving PHA must contact the initial PHA to determine if it will extend the voucher [24 CFR 982.355(c)(13)].

When a portable family requests assistance from the receiving PHA, the receiving PHA must promptly inform the initial PHA whether the receiving PHA will bill the initial PHA for assistance on behalf of the portable family or will absorb the family into its own program [24 CFR 982.355(c)(5)]. If the PHA initially bills the initial PHA for the family's assistance, it may

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later decide to absorb the family into its own program [Notice PIH 2012-42]. (See later under "Absorbing a Portable Family" for more on this topic.)

If for any reason the receiving PHA refuses to process or provide assistance to a family under the portability procedures, the family must be given the opportunity for an informal review or hearing [Notice PIH 2012-42]. (For more on this topic, see later under "Denial or Termination of Assistance.")

Briefing

HUD allows the receiving PHA to require a briefing for an incoming portable family as long as the requirement does not unduly delay the family's search [Notice PIH 2012-42].

HACC Policy

HACC will set up an in-office appointment with the family. At this time the application process will be completed, the family will be briefed on the program and they will be given their voucher and briefing packet. HACC will not require the family to attend a briefing, but will suggest that the family attend a full briefing at a later date.

Income Eligibility and Reexamination

The receiving PHA does not redetermine eligibility for a portable family that was already receiving assistance in the initial PHA's voucher program [24 CFR 982.355(c)(9)]. If the receiving PHA opts to conduct a new reexamination for a current participant family, the receiving PHA may not delay issuing the family a voucher or otherwise delay approval of a unit [24 CFR 982.355(c)(11)].

HACC Policy

For any family moving into its jurisdiction under portability, HACC will conduct a new reexamination of family income and composition and the family will be screened for criminal history. HACC will not delay issuing the family a voucher for this reason. Nor will HACC delay approving a unit for the family until the reexamination process is complete unless the family is an applicant and HACC cannot otherwise confirm that the family is income eligible for admission to the program in the area where the unit is located.

In conducting its own reexamination, HACC will rely upon any verifications provided by the initial PHA to the extent that they (a) accurately reflect the family's current circumstances and (b) were obtained within the last 120 days. Any new information may be verified by documents provided by the family and adjusted, if necessary, when third party verification is received.

Voucher Issuance

When a family moves into its jurisdiction under portability, the receiving PHA is required to issue the family a voucher [24 CFR 982.355(c)(13)]. The family must submit a request for tenancy approval to the receiving PHA during the term of the receiving PHA's voucher [24 CFR 982.355(c)(15)].

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Timing of Voucher Issuance

HUD expects the receiving PHA to issue the voucher within two weeks after receiving the family's paperwork from the initial PHA if the information is in order, the family has contacted the receiving PHA, and the family complies with the receiving PHA's procedures [Notice PIH 2012-42].

HACC Policy

When a family ports into its jurisdiction, HACC will issue the family a voucher based on the paperwork provided by the initial PHA unless the family's paperwork from the initial PHA is incomplete, the family's voucher from the initial PHA has expired or the family does not comply with HACC's procedures. HACC will update the family's information when verification has been completed.

Voucher Term

The term of the receiving PHA's voucher may not expire before 30 calendar days from the expiration of the initial PHA's voucher [24 CFR 982.355(c)(13)].

HACC Policy

The receiving PHA's voucher will expire 30 calendars days from the expiration date of the initial PHA's voucher.

Voucher Extensions [24 CFR 982.355(c)(14), Notice 2012-42]

Once the receiving PHA issues the portable family a voucher, the receiving PHA's policies on extensions of the voucher term apply.The receiving PHA must inform the initial PHA of any extension granted to the term of the voucher. It must also bear in mind the billing deadline provided by the initial PHA. Unless willing and able to absorb the family, the receiving PHA should ensure that any voucher expiration date would leave sufficient time to process a request for tenancy approval, execute a HAP contract, and deliver the initial billing to the initial PHA.

HACC Policy

HACC generally will not extend the term of the voucher that it issues to an incoming portable family unless HACC plans to absorb the family into its own program, in which case it will follow the policies on voucher extension set forth in section 5-II.E, or unless the initial PHA requests or approves an extension of the voucher on behalf of the client.

HACC will consider an exception to this policy as a reasonable accommodation to a person with disabilities (see Chapter 2).

Voucher Suspensions [24 CFR 982.303, 24 CFR 982.355(c)(15)]

If the family submits a request for tenancy approval during the term of the receiving PHA's voucher, the PHA must suspend the term of that voucher. The term of the voucher stops from the date that the family submits a request for PHA approval of the tenancy until the date the PHA notifies the family in writing whether the request has been approved or denied [24 CFR 982.4(b)] (see Section 5-II.E).

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Notifying the Initial PHA

The receiving PHA must promptly notify the initial PHA if the family has leased an eligible unit under the program or if the family fails to submit a request for tenancy approval for an eligible unit within the term of the receiving PHA's voucher [24 CFR 982.355(c)(16)]. The receiving PHA is required to use Part II of form HUD-52665, Family Portability Information, for this purpose [Notice PIH 2012-42]. (For more on this topic and the deadline for notification, see below under "Administering a Portable Family's Voucher.")

If an incoming portable family ultimately decides not to lease in the jurisdiction of the receiving PHA but instead wishes to return to the initial PHA's jurisdiction or to search in another jurisdiction, the receiving PHA must refer the family back to the initial PHA. In such a case the voucher of record for the family is once again the voucher originally issued by the initial PHA. Any extension of search time provided by the receiving PHA's voucher is only valid for the family's search in the receiving PHA's jurisdiction. [Notice PIH 2012-42]

Administering a Portable Family's Voucher

Portability Billing [24 CFR 982.355(e)]

To cover assistance for a portable family that was not absorbed, the receiving PHA bills the initial PHA for housing assistance payments and administrative fees. The amount of the housing assistance payment for a portable family in the receiving PHA's program is determined in the same manner as for other families in the receiving PHA's program.

The receiving PHA may bill the initial PHA for the lesser of 80 percent of the initial PHA's ongoing administrative fee or 100 percent of the receiving PHA's ongoing administrative fee for each program unit under contract on the first day of the month for which the receiving PHA is billing the initial PHA under portability. If the administrative fees are prorated for the HCV program, the proration will apply to the amount of the administrative fee for which the receiving PHA may bill (i.e., the receiving PHA may bill for the lesser of 80 percent of the initial PHA's prorated ongoing administrative fee or 100 percent of the receiving PHA's ongoing administrative fee).

If both PHAs agree, the PHAs may negotiate a different amount of reimbursement.

> HACC Policy
>
> Unless the PHA negotiates a different amount of reimbursement with the initial PHA, the PHA will bill the initial PHA the maximum amount of administrative fees allowed, ensuring any administrative fee proration has been properly applied.

Initial Billing Deadline

If a portable family's search for a unit is successful and the receiving PHA intends to administer the family's voucher, the receiving PHA must submit its initial billing notice (Part II of form HUD-52665) (a) no later than 10 business days following the date the receiving PHA **executes** a HAP contract on behalf of the family **and** (b) in time that the notice will be **received** no later than 60 days following the expiration date of the family's voucher issued by the initial PHA [Notice PIH 2012-42]. A copy of the family's form HUD-50058, Family Report, completed by

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the receiving PHA must be attached to the initial billing notice. The receiving PHA may send these documents by mail, fax, or e-mail.

HACC Policy

HACC will send its initial billing notice by fax or e-mail, if necessary, to meet the billing deadline but will also send the notice by regular mail.

If the receiving PHA fails to send the initial billing within 10 business days following the date the HAP contract is executed, it is required to absorb the family into its own program unless (a) the initial PHA is willing to accept the late submission or (b) HUD requires the initial PHA to honor the late submission (e.g., because the receiving PHA is over-leased) [Notice PIH 2012-42].

Ongoing Notification Responsibilities [Notice PIH 2012-42, HUD-52665]

Annual Reexamination. The receiving PHA must send the initial PHA a copy of a portable family's updated form HUD-50058 after each annual reexamination for the duration of time the receiving PHA is billing the initial PHA on behalf of the family, regardless of whether there is a change in the billing amount.

HACC Policy

HACC will send a copy of the updated HUD-50058 by regular mail at the same time the family and owner are notified of the reexamination results.

Change in Billing Amount. The receiving PHA is required to notify the initial PHA, using form HUD-52665, of any change in the billing amount for the family as a result of:

- A change in the HAP amount (because of a reexamination, a change in the applicable payment standard, a move to another unit, etc.)
- An abatement or subsequent resumption of the HAP payments
- Termination of the HAP contract
- Payment of a damage/vacancy loss claim for the family
- Termination of the family from the program

The timing of the notice of the change in the billing amount should correspond with the notification to the owner and the family in order to provide the initial PHA with advance notice of the change. Under no circumstances should the notification be later than 10 business days following the effective date of the change in the billing amount. If the receiving PHA fails to send Form HUD-52665 within 10 days of effective date of billing changes, the initial PHA is not responsible for any increase prior to notification.

Late Payments [Notice PIH 2012-42]

If the initial PHA fails to make a monthly payment for a portable family by the fifth business day of the month, the receiving PHA must promptly notify the initial PHA in writing of the deficiency. The notice must identify the family, the amount of the billing payment, the date the billing payment was due, and the date the billing payment was received (if it arrived late). The receiving PHA must send a copy of the notification to the Office of Public Housing (OPH) in the HUD area office with jurisdiction over the receiving PHA. If the initial PHA fails to correct the

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problem by the second month following the notification, the receiving PHA may request by memorandum to the director of the OPH with jurisdiction over the receiving PHA that HUD transfer the unit in question. A copy of the initial notification and any subsequent correspondence between the PHAs on the matter must be attached. The receiving PHA must send a copy of the memorandum to the initial PHA. If the OPH decides to grant the transfer, the billing arrangement on behalf of the family ceases with the transfer, but the initial PHA is still responsible for any outstanding payments due to the receiving PHA.

Overpayments [Notice PIH 2012-42]

In all cases where the receiving PHA has received billing payments for billing arrangements no longer in effect, the receiving PHA is responsible for returning the full amount of the overpayment (including the portion provided for administrative fees) to the initial PHA.

In the event that HUD determines billing payments have continued for at least three months because the receiving PHA failed to notify the initial PHA that the billing arrangement was terminated, the receiving PHA must take the following steps:

- Return the full amount of the overpayment, including the portion provided for administrative fees, to the initial PHA.
- Once full payment has been returned, notify the Office of Public Housing in the HUD area office with jurisdiction over the receiving PHA of the date and the amount of reimbursement to the initial PHA.

At HUD's discretion, the receiving PHA will be subject to the sanctions spelled out in Notice PIH 2012-42.

Denial or Termination of Assistance

At any time, the receiving PHA may make a determination to deny or terminate assistance to a portable family for family action or inaction [24 CFR 982.355(c)(17)].

In the case of a termination, the PHA should provide adequate notice of the effective date to the initial PHA to avoid having to return a payment. In no event should the receiving PHA fail to notify the initial PHA later than 10 business days following the effective date of the termination of the billing arrangement [HUD-52665; Notice PIH 2012-42].

> HACC Policy
>
> If HACC elects to deny or terminate assistance for a portable family, HACC will notify the initial PHA within 10 business days after the informal review or hearing if the denial or termination is upheld. HACC will base its denial or termination decision on the policies set forth in Chapter 3 or Chapter 12, respectively. The informal review or hearing will be held in accordance with the policies in Chapter 16. HACC will furnish the initial PHA with a copy of the review or hearing decision.

Absorbing a Portable Family

The receiving PHA may absorb an incoming portable family into its own program when the PHA executes a HAP contract on behalf of the family or at any time thereafter providing that the PHA has funding available under its annual contributions contract (ACC) [24 CFR 982.355(d)(1), Notice PIH 2012-42].

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If the receiving PHA absorbs a family from the point of admission, the admission will be counted against the income targeting obligation of the receiving PHA [24 CFR 982.201(b) (2) (vii)].

If the receiving PHA absorbs a family after providing assistance for the family under a billing arrangement with the initial PHA, HUD encourages the receiving PHA to provide adequate advance notice to the initial PHA to avoid having to return an overpayment. The receiving PHA must specify the effective date of the absorption of the family. [Notice PIH 2012-42]

HACC Policy

If HACC decides to absorb a portable family upon the execution of a HAP contract on behalf of the family, HACC will notify the initial PHA by the initial billing deadline specified on form HUD-52665. The effective date of the HAP contract will be the effective date of the absorption.

If HACC decides to absorb a family after that, it will provide the initial PHA with a copy of form HUD-52665 before the billing period.

Following the absorption of an incoming portable family, the family is assisted with funds available under the consolidated ACC for the receiving PHA's voucher program [24 CFR 982.355(d)], and the receiving PHA becomes the initial PHA in any subsequent moves by the family under portability [24 CFR 982.355(e)(4)].

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Chapter 11

REEXAMINATIONS

INTRODUCTION

HACC is required to reexamine each family's income and composition at least annually, and to adjust the family's level of assistance accordingly. Interim reexaminations are also needed in certain situations. This chapter discusses both annual and interim reexaminations, and the recalculation of family share and subsidy that occurs as a result. HUD regulations and HACC policies concerning reexaminations are presented in three parts:

> Part I: Annual Reexaminations. This part discusses the process for conducting annual reexaminations.
>
> Part II: Interim Reexaminations. This part details the requirements for families to report changes in family income and composition between annual reexaminations.
>
> Part III: Recalculating Family Share and Subsidy Amount. This part discusses the recalculation of family share and subsidy amounts based on the results of annual and interim reexaminations.

Policies governing reasonable accommodation, family privacy, required family cooperation, and program abuse, as described elsewhere in this plan, apply to both annual and interim reexaminations.

PART I: ANNUAL REEXAMINATIONS [24 CFR 982.516]

11-I.A. OVERVIEW

HACC must conduct a reexamination of family income and composition at least annually. This includes gathering and verifying current information about family composition, income, and expenses. Based on this updated information, the family's income and rent must be recalculated. This part discusses the schedule for annual reexaminations, the information to be collected and verified, and annual reexamination effective dates.

11-I.B. STREAMLINED ANNUAL REEXAMINATIONS [24 CFR 982.516(b)]

HUD permits PHAs to streamline the income determination process for family members with fixed sources of income. While third-party verification of all income sources must be obtained during the intake process and every three years thereafter, in the intervening years the PHA may determine income from fixed sources by applying a verified cost of living adjustment (COLA) or rate of interest. The PHA may, however, obtain third-party verification of all income, regardless of the source. Further, upon request of the family, the PHA must perform third-party verification of all income sources.

Fixed sources of income include Social Security and SSI benefits, pensions, annuities, disability or death benefits, and other sources of income subject to a COLA or rate of interest. The determination of fixed income may be streamlined even if the family also receives income from other non-fixed sources.

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11-I.C. SCHEDULING ANNUAL REEXAMINATIONS

The PHA must establish a policy to ensure that the annual reexamination for each family is completed within a 12-month period, and may require reexaminations more frequently [HCV GB p. 12-1].

HACC Policy

HACC will begin the annual reexamination process 120 days in advance of its scheduled effective date. Generally, HACC will schedule annual reexamination effective dates to coincide with the family's anniversary date.

Anniversary date is defined as 12 months from the effective date of the family's last annual reexamination or, during a family's first year in the program, from the effective date of the family's initial examination (admission).

If the family moves to a new unit, HACC will perform a new annual reexamination.

Notification of and Participation in the Annual Reexamination Process

HACC is required to obtain the information needed to conduct annual reexaminations. How that information will be collected is left to the discretion of HACC. However, PHAs may give tenants who were not provided the opportunity the option to complete Form HUD-92006 Supplement to Application for Federally Assisted Housing at this time [Notice PIH 2009-36].

HACC Policy

Annual reexaminations will be conducted by mail. Notification of the annual reexamination will be sent by first-class mail and will inform the family of the information and documentation that must be provided to HACC, and the deadline for providing it. Documents will be accepted by mail, by fax, or in-person.

If the notice is returned by the post office with no forwarding address, a notice of termination (see Chapter 12) will be sent to the family's address of record, as well as to any alternate address provided in the family's file.

An interview will be scheduled if the family requests assistance in providing information or documentation requested by HACC or if there are discrepancies in documentation families may be required to participate in an annual reexamination interview, which must be attended by the head of household, spouse, or co-head.

If the family is unable to attend a scheduled interview, the family should contact the PHA in advance of the interview to schedule a new appointment. If a family does not attend the scheduled interview, the PHA will send a second notification with a new interview date and appointment time.

Families that fail to attend two scheduled interviews without PHA approval will be a sent a notice of termination in accordance with policies contained in Chapter 12.

An advocate, interpreter, or other assistant may assist the family in the interview process. The family and the PHA must execute a certification attesting to the role and the assistance provided by any such third party.

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11-I.D. CONDUCTING ANNUAL REEXAMINATIONS

As part of the annual reexamination process, families are required to provide updated information to HACC regarding the family's income, expenses, and composition [24 CFR 982.551(b)].

HACC Policy

Families will be asked to supply all required information (as described in the reexamination notice) by the deadline specified in the notice (either post marked the date of the deadline or stamp dated in-person drop off by the deadline). The required information will include a PHA-designated reexamination form, an Authorization for the Release of Information/Privacy Act Notice, as well as supporting documents or forms related to the family's income, expenses, and family composition.

The PHA will notify the family in writing if any required documentation or information is missing. The missing information or documentation must be provided within 10 business days of the date the PHA notifies the family. If the family is unable to obtain the information or materials within the required time frame, the family may request an extension.

If the family does not provide the required documents or information within the required time period (plus any extensions), the family will be sent a notice of termination (see Chapter 12).

If the family is scheduled for an in-person interview, families will be asked to bring all required information (as described in the reexamination notice) to the reexamination appointment.

Any required documents or information that the family is unable to provide at the time of the interview must be provided within 10 business days of the interview. If the family is unable to obtain the information or materials within the required time frame, the family may request an extension.

If the family does not provide the required documents or information within the required time frame (plus any extensions), the family will be sent a notice of termination (see Chapter 12).

Additionally, HUD recommends that at annual reexaminations PHAs ask whether the tenant, or any member of the tenant's household, is subject to a lifetime sex offender registration requirement in any state [Notice PIH 2012-28].

PHA Policy

At the annual reexamination, the PHA will ask whether the tenant, or any member of the tenant's household, is subject to a lifetime sex offender registration requirement in any state. The PHA will use the Dru Sjodin National Sex Offender database to verify the information provided by the tenant.

If the PHA proposes to terminate assistance based on lifetime sex offender registration information, the PHA must notify the household of the proposed action and must provide the subject of the record and the tenant a copy of the record and an opportunity to dispute the

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accuracy and relevance of the information prior to termination. [24 CFR 5.903(f) and 5.905(d)]. (See Chapter 12.)

The information provided by the family generally must be verified in accordance with the policies in Chapter 7. Unless the family reports a change, or the PHA has reason to believe a change has occurred in information previously reported by the family, certain types of information that are verified at admission typically do not need to be re-verified on an annual basis. These include:

- Legal identity
- Age
- Social security numbers
- A person's disability status
- Citizenship or immigration status

If adding a new family member to the unit causes overcrowding according to the housing quality standards (HQS) (see Chapter 8), HACC must issue the family a new voucher, and the family and HACC must try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, HACC must terminate the HAP contract in accordance with its terms [24 CFR 982.403].

11-I.E. DETERMINING ONGOING ELIGIBILITY OF CERTAIN STUDENTS [24 CFR 982.552(b) (5)]

Section 327 of Public Law 109-115 established new restrictions on the ongoing eligibility of certain students (both part- and full-time) who are enrolled in institutions of higher education.

If a student enrolled in an institution of higher education is under the age of 24, is not a veteran, is not married, does not have a dependent child, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, the student's eligibility must be reexamined along with the income eligibility of the student's parents on an annual basis. In these cases, both the student and the student's parents must be income eligible for the student to continue to receive HCV assistance. If, however, a student in these circumstances is determined independent from his or her parents in accordance with HACC policy, the income of the student's parents will not be considered in determining the student's ongoing eligibility.

Students who reside with parents in an HCV assisted unit are not subject to this provision. It is limited to students who are receiving assistance on their own, separately from their parents.

HACC Policy

During the annual reexamination process, HACC will determine the ongoing eligibility of each student who is subject to the eligibility restrictions in 24 CFR 5.612 by reviewing the student's individual income as well as the income of the student's parents. If the student has been determined "independent" from his/her parents based on the policies in Sections 3-II.E and 7-II.E, the parents' income will not be reviewed.

If the student is no longer income eligible based on his/her own income or the income of his/her parents, the student's assistance will be terminated in accordance with the policies in Section 12-I.D.

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If the student continues to be income eligible based on his/her own income and the income of his/her parents (if applicable), HACC will process a reexamination in accordance with the policies in this chapter.

11-I.F. EFFECTIVE DATES

HACC must establish policies concerning the effective date of changes that result from an annual reexamination [24 CFR 982.516].

HACC Policy

In general, an *increase* in the family share of the rent that results from an annual reexamination will take effect on the family's anniversary date, and the family will be notified at least 30 days in advance.

If less than 30 days remain before the scheduled effective date, the increase will take effect on the first of the month following the end of the 30-day notice period.

If a family moves to a new unit, the increase will take effect on the effective date of the new lease and HAP contract, and no 30-day notice is required.

If the family causes a delay in processing the annual reexamination, *increases* in the family share of the rent will be applied retroactively, to the scheduled effective date of the annual reexamination. The family will be responsible for any overpaid subsidy and may be offered a repayment agreement in accordance with the policies in Chapter 16.

In general, a *decrease* in the family share of the rent that results from an annual reexamination will take effect on the family's anniversary date.

If a family moves to a new unit, the decrease will take effect on the effective date of the new lease and HAP contract.

If the family causes a delay in processing the annual reexamination, d*ecreases* in the family share of the rent will be applied prospectively, from the first day of the month following completion of the reexamination processing.

Delays in reexamination processing are considered to be caused by the family if the family fails to provide information requested by HACC by the date specified, and this delay prevents HACC from completing the reexamination as scheduled.

PART II: INTERIM REEXAMINATIONS [24 CFR 982.516]

11-II.A. OVERVIEW

Family circumstances may change between annual reexaminations. HUD and HACC policies dictate what kinds of information about changes in family circumstances must be reported, and under what circumstances HACC must process interim reexaminations to reflect those changes. HUD regulations also permit HACC to conduct interim reexaminations of income or family composition at any time. When an interim reexamination is conducted, only those factors that have changed are verified and adjusted [HCV GB, p. 12-10].

In addition to specifying what information the family must report, HUD regulations permit the family to request an interim determination if other aspects of the family's income or composition

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changes. HACC must complete the interim reexamination within a reasonable time after the family's request.

This part includes HUD and HACC policies describing what changes families are required to report, what changes families may choose to report, and how HACC will process both HACC and family-initiated interim reexaminations.

11-II.B. CHANGES IN FAMILY AND HOUSEHOLD COMPOSITION

The family is required to report all changes in family composition. The PHA must adopt policies prescribing when and under what conditions the family must report changes in income and family composition. However, due to family obligations under the program, the PHA has limited discretion in this area.

HACC Policy

HACC will conduct interim reexaminations to account for any changes in household composition that occur between annual reexaminations.

New Family Members Not Requiring PHA Approval

The addition of a family member as a result of birth, adoption, or court-awarded custody does not require HACC approval. However, the family is required to promptly notify HACC of the addition [24 CFR 982.551(h) (2)].

HACC Policy

The family must inform HACC of the birth, adoption or court-awarded custody of a child within 10 business days.

New Family and Household Members Requiring Approval

With the exception of children who join the family as a result of birth, adoption, or court-awarded custody, a family must request HACC approval to add a new family member [24 CFR 982.551(h)(2)] or other household member (live-in aide or foster child) [24 CFR 982.551(h)(4)].

When any new family member is added, the PHA must make appropriate adjustments in the family share of the rent and the HAP payment at the effective date of either the annual or interim reexamination [24 CFR 982.516(e)(2)].

If a change in family size causes a violation of Housing Quality Standards (HQS) space standards (see Chapter 8), HACC must issue the family a new voucher, and the family and HACC must try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, HACC must terminate the HAP contract in accordance with its terms [24 CFR 982.403].

HACC Policy

Families must request HACC approval to add a new family member, live-in aide, foster child, or foster adult. This includes any person not on the lease who is expected to stay in the unit for more than 21 cumulative days, within a twelve month period, and therefore no longer qualifies as a "guest." Requests must be made in writing and approved by HACC prior to the individual moving in the unit.

HACC will only allow the addition of adults after initial eligibility if:

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- If it is in a spousal-type relationship with head of household only
- If to provide live-in care for an elderly or disabled family member

Otherwise, HACC will not approve the addition of adults if not part of the household at initial eligibility, if not included in portability documents or if not permitted as specifically identified above. This means HACC will not add parents, siblings, cousins, aunts, uncles, adult children, and any others.

HACC will not approve the addition of a new family or household member unless the individual meets HACC's eligibility criteria (see Chapter 3) and documentation requirements (see Chapter 7, Part II).

HACC will not approve the addition of a foster child or foster adult if it will cause a violation of HQS space standards.

If HACC determines an individual meets HACC's eligibility criteria and documentation requirements, HACC will provide written approval to the family. If the approval of a new family member or live-in aide will cause overcrowding according to HQS standards, the approval letter will explain that the family will be issued another voucher and will be required to move.

If HACC determines that an individual does not meet HACC's eligibility criteria or documentation requirements, HACC will notify the family in writing of its decision to deny approval of the new family or household member and the reasons for the denial.

HACC will make its determination within 10 business days of receiving all information required to verify the individual's eligibility.

Departure of a Family or Household Member

Families must promptly notify HACC if any family member no longer lives in the unit [24 CFR 982.551(h) (3)]. Because household members are considered when determining the family unit (voucher) size [24 CFR 982.402], HACC also needs to know when any live-in aide, foster child, or foster adult ceases to reside in the unit.

HACC Policy

If a household member ceases to reside in the unit, the family must inform HACC within 7 business days. This requirement also applies to a family member who has been considered temporarily absent at the point that the family concludes the individual is permanently absent.

If a live-in aide, foster child, or foster adult ceases to reside in the unit, the family must inform HACC within 7 business days.

11-II.C. CHANGES AFFECTING INCOME OR EXPENSES

Interim reexaminations can be scheduled either because HACC has reason to believe that changes in income or expenses may have occurred, or because the family reports a change. When a family reports a change, HACC may take different actions depending on whether the family reported the change voluntarily, or because it was required to do so.

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HACC-Initiated Interim Reexaminations

HACC-initiated interim reexaminations are those that are scheduled based on circumstances or criteria defined by HACC. They are not scheduled because of changes reported by the family.

HACC Policy

HACC will conduct interim reexaminations in each of the following instances:

For families receiving the Earned Income Disallowance (EID), HACC will conduct an interim reexamination at the start and conclusion of the second 12 month exclusion period (50 percent phase-in period).

If the family has reported zero income, the PHA may conduct an interim reexamination every 3 months as long as the family continues to report that they have no income. Families are required to provide all information supporting their contention that they are receiving absolutely no outside source of income and will be given information on Worksource, the FSS program and other resources to try to improve their economic situation.

If at the time of the annual reexamination, it is not feasible to anticipate a level of income for the next 12 months (e.g. seasonal or cyclic income), the PHA will schedule an interim reexamination to coincide with the end of the period for which it is feasible to project income.

If at the time of the annual reexamination, tenant declarations were used on a provisional basis due to the lack of third-party verification, and third-party verification becomes available, the PHA will conduct an interim reexamination HACC may conduct an interim reexamination at any time in each of the following instances:

- In order to correct an error in a previous reexamination, or to investigate a tenant fraud complaint.
- If HACC determines that the family income is unstable. This includes, but is not limited to, employment benefits, child support, general assistance and odd jobs.

Family-Initiated Interim Reexaminations

HACC must adopt policies prescribing when and under what conditions the family must report changes in family income or expenses [24 CFR 982.516(c)]. In addition, HUD regulations require that the family be permitted to obtain an interim reexamination any time the family has experienced a change in circumstances since the last determination [24 CFR 982.516(b) (2)].

Required Reporting

HUD regulations give HACC the freedom to determine the circumstances under which families will be required to report changes affecting income.

HACC Policy

Families are required to report all increases in income (including new employment or change of employment), and assets within 7 business days of the date the change takes effect.

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The PHA will only conduct interim reexaminations that result in an increase in income under the following circumstances:

1) For families that qualify for the earned income disallowance (EID), and only when the EID family's share of rent will change as a result of the increase.

2) For families participating in the FSS program when the increase is due to an increase in earned income that will result in an increase in escrow credit.

3) When changes in income have not been reported to the PHA in a timely manner (within 7 business days of the change). In this situation, the PHA will conduct an interim reexamination and will make the change in tenant rent retroactive to the first of the month following the month when the change occurred. The family will be required to enter into a repayment agreement with the PHA for the overpaid assistance.

4) When the family previously had been at zero income.

In all other cases, the PHA will note the information in the tenant file, but will not conduct an interim reexamination.

Optional Reporting

The family may request an interim reexamination any time the family has experienced a change in circumstances since the last determination [24 CFR 982.516(b) (2)]. HACC must process the request if the family reports a change that will result in a reduced family income [HCV GB, p. 12-9].

If a family reports a decrease in income from the loss of welfare benefits due to fraud or non-compliance with a welfare agency requirement to participate in an economic self-sufficiency program, the family's share of the rent will not be reduced [24 CFR 5.615]. For more information regarding the requirement to impute welfare income see Chapter 6.

HACC Policy

If a family reports a change that it was not required to report and that would result in a decrease in the family share of rent, HACC will conduct an interim reexamination. See Section 11-II.D for effective dates.

To qualify for a rent reduction due to loss of income, the decrease in income must be anticipated to be for 30 or more consecutive days. If the decrease is temporary (defined as less than 30 days), or the participant's income is unstable, the income may be reviewed every 30 days. The participant will be required to report within 7 business days that the income will increase and/or become substantially gainful, at which time a reexamination will be completed.

If a family's income is sporadic, HACC may rely on the Tax Return to project for the next 12 months income.

11-II.D. PROCESSING THE INTERIM REEXAMINATION

Method of Reporting

HACC Policy

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When family obligations require the family to respond to a request or notify the HACC of a change, notifying the HACC of the request or change within 7 business days is considered prompt notice.

When a family is required to provide notice to the HACC, the notice must be in writing. Generally, the family will not be required to attend an interview for an interim reexamination. However, if HACC determines that an interview is warranted, the family may be required to attend.

Based on the type of change reported, HACC will determine the documentation the family will be required to submit. The family must submit any required information or documents within 10 business days of receiving a request from HACC. This time frame may be extended for good cause with HACC approval. HACC will accept required documentation by mail, by fax, or in person.

Effective Dates

HACC must establish the time frames in which any changes that result from an interim reexamination will take effect [24 CFR 982.516(d)]. The changes may be applied either retroactively or prospectively, depending on whether there is to be an increase or a decrease in the family share of the rent, and whether the family reported any required information within the required time frames [HCV GB, p. 12-10].

HACC Policy

If the family share of the rent is to *increase*:

The increase generally will be effective on the first of the month following 30 days' notice to the family.

If, through an error that is not the result of misrepresentation or omission by the family, they have been paying less than the required tenant rent, an increase in tenant rent shall become effective on the first day of the month that is not less than 30 days from the time the rent adjustment letter was sent to the family notifying them of the change in rental amount.

If a family fails to report a change within the required time frames, or fails to provide all required information within the required time frames, the increase will be applied retroactively, to the date it would have been effective had the information been provided on a timely basis. The family will be responsible for any overpaid subsidy and may be offered a repayment agreement in accordance with the policies in Chapter 16.

If the family share of the rent is to *decrease*:

The effective date of the decrease will be determined by the date the family reported the family change **and submitted all required documentation**. If the change was reported and all documentation required was received by the 15th of the month the decrease will be effective on the first day of the month following the month in which the change was reported. In cases where the change cannot be verified until after the 15th of the month, the change will not become effective until the first day of the following month. Verifications received after the mid-

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month (15th) will be effective the first day of the second following month. Example: June 16th verifications received the change is effective August 1st.

PART III: RECALCULATING FAMILY SHARE AND SUBSIDY AMOUNT

11-III.A. OVERVIEW

After gathering and verifying required information for an annual or interim reexamination, HACC must recalculate the family share of the rent and the subsidy amount, and notify the family and owner of the changes [24 CFR 982.516(d)(2), HCV 12-6 and 12-10]. While the basic policies that govern these calculations are provided in Chapter 6, this part lays out policies that affect these calculations during a reexamination.

11-III.B. CHANGES IN PAYMENT STANDARDS AND UTILITY ALLOWANCES

In order to calculate the family share of the rent and HAP amount correctly, changes in payment standards, subsidy standards, or utility allowances may need to be updated and included in HACC's calculations.

Specific policies governing how subsidy standards, payment standards, and utility allowances are applied are discussed below.

Payment Standards [24 CFR 982.505]

The family share of the rent and HAP calculations must use the correct payment standard for the family, taking into consideration the family unit size, the size of unit, and the area in which the unit is located [HCV GB, p. 12-5]. See Chapter 6 for information on how to select the appropriate payment standard.

When HACC changes its payment standards or the family's situation changes, new payment standards are applied at the following times:

- If HACC's payment standard amount changes during the term of the HAP contract, the date on which the new standard is applied depends on whether the standard has increased or decreased:
  - If the payment standard amount has i*ncreased,* the increased payment standard will be applied at the *first annual* reexamination following the effective date of the increase in the payment standard.
  - If the payment standard amount has *decreased*, the decreased payment standard will be applied at the *second annual* reexamination following the effective date of the decrease in the payment standard.
- If the family moves to a new unit, or a new HAP contract is executed due to changes in the lease (even if the family remains in place) the current payment standard applicable to the family will be used when the new HAP contract is processed.

Subsidy Standards [24 CFR 982.505(c) (4)]

If there is a change in the family unit size that would apply to a family during the HAP contract term, either due to a change in family composition, or a change in HACC's subsidy standards (see Chapter 5), the new family unit size must be used to determine the payment standard

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amount for the family at the family's *first annual* reexamination following the change in family unit size.

Utility Allowances [24 CFR 982.517(d)]

The family share of the rent and HAP calculations must reflect any changes in the family's utility arrangement with the owner, or in HACC's utility allowance schedule [HCV GB, p. 12-5]. Chapter 16 discusses how utility allowance schedules are established.

When there are changes in the utility arrangement with the owner, HACC must use the utility allowances in effect at the time the new lease and HAP contract are executed.

At reexamination, HACC must use HACC current utility allowance schedule [24 CFR 982.517(d) (2)].

> HACC Policy
>
> Revised utility allowances will be applied to a family's rent and subsidy calculations at the first annual or interim reexamination after the allowance is adopted. HACC will not conduct an interim reexamination solely for the purpose of implementing the revised utility allowance schedule.
>
> For water and sewer utility allowances, where the landlord pays the utility bill and prorates the charge to residents, HACC will use the utility allowance schedule.

11-III.C. NOTIFICATION OF NEW FAMILY SHARE AND HAP AMOUNT

HACC must notify the owner and family of any changes in the amount of the HAP payment [HUD-52641, HAP Contract]. The notice must include the following information [HCV GB, p. 12-6]:

- The amount and effective date of the new HAP payment
- The amount and effective date of the new family share of the rent
- The amount and effective date of the new tenant rent to owner

The family must be given an opportunity for an informal hearing regarding HACC's determination of their annual or adjusted income, and the use of such income to compute the housing assistance payment [24 CFR 982.555(a) (1) (i)] (see Chapter 16).

> HACC Policy
>
> The notice to the family will state the procedures for requesting an informal hearing.

11-III.D. DISCREPANCIES

During an annual or interim reexamination, HACC may discover that information previously reported by the family was in error, or that the family intentionally misrepresented information. In addition, HACC may discover errors made by HACC. When errors resulting in the overpayment or underpayment of subsidy are discovered, corrections will be made in accordance with the policies in this policy or Chapter 14.

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Chapter 12

TERMINATION OF ASSISTANCE AND TENANCY

HUD regulations specify mandatory and optional grounds for which a PHA can terminate a family's assistance. They also specify the circumstances under which an owner may terminate the tenancy of an assisted family. This chapter describes the policies that govern mandatory and optional terminations of assistance, and termination of tenancy by the owner. It is presented in three parts:

Part I: Grounds for Termination of Assistance. This part describes the various circumstances under which assistance under the program can be terminated by the family or by the PHA.

Part II: Approach to Termination of Assistance. This part describes the policies and the process that the PHA will use in evaluating decisions on whether to terminate assistance due to actions or inactions of the family where termination is an option. It specifies the alternatives that HACC may consider in lieu of termination, the criteria HACC will use when deciding what action to take and the steps HACC must take when terminating a family's assistance.

Part III: Termination of Tenancy by the Owner. This part describes the HUD policies that govern the owner's right to terminate an assisted tenancy.

PART I: GROUNDS FOR TERMINATION OF ASSISTANCE

12-I.A. OVERVIEW

HUD requires HACC to terminate assistance for certain actions and inactions of the family and when the family no longer requires assistance due to increases in family income. HUD permits HACC to terminate assistance for certain other actions or inactions of the family. In addition, a family may decide to withdraw from the program and terminate their HCV assistance at any time by notifying HACC.

12-I.B. FAMILY NO LONGER REQUIRES ASSISTANCE [24 CFR 982.455]

As a family's income increases, the amount of the housing assistance payment decreases. If the amount of assistance provided by HACC is reduced to zero, the family's assistance terminates automatically180 days after the last HAP payment.

HACC Policy

If a participating family receiving zero assistance experiences a change in circumstances that would result in a HAP payment to the owner, the family must notify HACC of the change and request an interim reexamination before the expiration of the 180-day period.

If the family moves while at zero HAP and 30% of their income exceeds the payment standard their voucher terminates automatically as HACC will not enter into a new HAP contract if no (zero) assistance is needed.

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12-I.C. FAMILY CHOOSES TO TERMINATE ASSISTANCE

The family may request that HACC terminate housing assistance payments on behalf of the family at any time.

HACC Policy

To remain in good standing, the guidelines listed under family obligations Section 5-I.C. must be followed, the lease agreement with the owner must be adhered to, and the request to terminate assistance should be made in writing and signed by the head of household, spouse, or cohead. Before terminating the family's assistance, HACC will follow the notice requirements in Section 12-II.F.

12-I.D. MANDATORY TERMINATION OF ASSISTANCE

HUD requires HACC to terminate assistance in the following circumstances.

Eviction [24 CFR 982.552(b) (2), Pub.L. 109-162]

HACC must terminate assistance whenever a family is evicted from a unit assisted under the HCV program for a serious or repeated violation of the lease. As discussed further in section 12-II.E, incidents of actual or threatened domestic violence, dating violence, sexual assault or stalking may not be construed as serious or repeated violations of the lease by the victim or threatened victim of such violence or stalking.

HACC Policy

A family will be considered *evicted* if the family moves after a legal eviction order has been issued, whether or not physical enforcement of the order was necessary.

If a family moves after the owner has given the family an eviction notice for serious or repeated lease violations but before a legal eviction order has been issued, termination of assistance is not mandatory. However, HACC will determine whether the family has committed serious or repeated violations of the lease based on available evidence and may terminate assistance or take any of the alternative measures described in Section 12-II.C and other factors as described in Sections 12-II.E. Upon consideration of such alternatives and factors, HACC may, on a case-by-case basis, choose not to terminate assistance.

Serious and repeated lease violations will include, but not be limited to, nonpayment of rent, disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises and criminal activity. Generally, the criteria to be used are whether the reason for the eviction was through no fault of the tenant or guests.

Failure to Provide Consent [24 CFR 982.552(b) (3)]

HACC must terminate assistance if any family member fails to sign and submit any consent form they are required to sign for a regular or interim reexamination. See Chapter 7 for a complete discussion of consent requirements.

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Failure to Document Citizenship [24 CFR 982.552(b) (4) and [24 CFR 5.514(c)]

HACC must terminate assistance if (1) a family fails to submit required documentation within the required timeframe concerning any family member's citizenship or immigration status; (2) a family submits evidence of citizenship and eligible immigration status in a timely manner, but United States Citizenship and Immigration Services (USCIS) primary and secondary verification does not verify eligible immigration status of the family; or (3) a family member, as determined by HACC, has knowingly permitted another individual who is not eligible for assistance to reside (on a permanent basis) in the unit.

For (3) above, such termination must be for a period of at least 24 months. This does not apply to ineligible noncitizens already in the household where the family's assistance has been prorated. See Chapter 7 for a complete discussion of documentation requirements.

Failure to Disclose and Document Social Security Numbers [24 CFR 5.218(c), Notice PIH 2012-10]

HACC must terminate assistance if a participant family fails to disclose the complete and accurate social security numbers of each household member and the documentation necessary to verify each social security number.

However, if the family is otherwise eligible for continued program assistance, and the PHA determines that the family's failure to meet the SSN disclosure and documentation requirements was due to circumstances that could not have been foreseen and were outside of the family's control, the PHA may defer the family's termination and provide the opportunity to comply with the requirement within a period not to exceed 90 calendar days from the date the PHA determined the family to be noncompliant.

> HACC Policy
>
> HACC will defer the family's termination and provide the family with the opportunity to comply with the requirement for a period of 90 calendar days for circumstances beyond the participant's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency, if there is a reasonable likelihood that the participant will be able to disclose an SSN by the deadline.

Methamphetamine Manufacture or Production [24 CFR 982.553(b) (1) (ii)]

HACC must terminate assistance if any household member has ever been convicted of the manufacture or production of methamphetamine on the premises of federally-assisted housing.

Lifetime Registered Sex Offenders [Notice PIH 2012-28]

Should a PHA discover that a member of an assisted household was subject to a lifetime registration requirement at admission and was erroneously admitted after June 25, 2001, the PHA must immediately terminate assistance for the household member.

In this situation, the PHA must offer the family the opportunity to remove the ineligible family member from the household. If the family is unwilling to remove that individual from the household, the PHA must terminate assistance for the household.

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Failure of Students to Meet Ongoing Eligibility Requirements [24 CFR 982.552(b) (5) and FR 4/10/06]

If a student enrolled at an institution of higher education is under the age of 24, is not a veteran, is not married, does not have dependent children, is not residing with his/her parents in an HCV assisted household, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, HACC must the terminate the student's assistance if, at the time of reexamination, either the student's income or the income of the student's parents (if applicable) exceeds the applicable income limit.

If a participant household consists of both eligible and ineligible students, the eligible students shall not be terminated, but must be issued a voucher to move with continued assistance in accordance with program regulations and HACC policies, or must be given the opportunity to lease in place if the terminated ineligible student members elect to move out of the assisted unit.

Death of the Sole Family Member [24 CFR 982.311(d) and Notice PIH 2010-9]

The PHA must immediately terminate program assistance for deceased single member households.

12-I.E. MANDATORY POLICIES AND OTHER AUTHORIZED TERMINATIONS

Mandatory Policies [24 CFR 982.553(b) and 982.551(l)]

HUD requires HACC to establish policies that permit HACC to terminate assistance if HACC determines that:

- Any household member is currently engaged in any illegal use of a drug, or has a pattern of illegal drug use that interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents
- Any household member's abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents
- Any household member has violated the family's obligation not to engage in any drug-related criminal activity
- Any household member has violated the family's obligation not to engage in violent criminal activity

Use of Illegal Drugs and Alcohol Abuse

<u>HACC Policy</u>

HACC will terminate a family's assistance if any household member is currently engaged in any illegal use of a drug, or has a pattern of illegal drug use that interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.

HACC shall apply the standard of illegally using a controlled substance as defined in the Controlled Substance Act 21 U.S.C. Section 81 et. Seq.

HACC will terminate assistance if any household member's abuse or pattern of abuse of alcohol threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

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Currently engaged in is defined as any use of illegal drugs during the previous six months.

HACC will consider all credible evidence, including but not limited to, any record of arrests, convictions, or eviction of household members related to the use of illegal drugs or abuse of alcohol.

In making its decision to terminate assistance, HACC will consider alternatives as described in Section 12-II.C and other factors described in Sections 12-II.D and 12-II.E. Upon consideration of such alternatives and factors, HACC may, on a case-by-case basis, choose not to terminate assistance.

Drug-Related and Violent Criminal Activity [24 CFR 5.100]

Drug means a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).

Drug-related criminal activity is defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug.

Violent criminal activity means any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.

HACC Policy

HACC will terminate a family's assistance if any household member has violated the family's obligation not to engage in any drug-related or violent criminal activity during participation in the HCV program.

HACC will consider all credible evidence, including but not limited to, any record of arrests and/or convictions of household members related to drug-related or violent criminal activity, and any eviction or notice to evict based on drug-related or violent criminal activity.

In making its decision to terminate assistance, HACC will consider alternatives as described in Section 12-II.C and other factors described in Sections 12-II.D and 12-II.E. Upon consideration of such alternatives and factors, HACC may, on a case-by-case basis, choose not to terminate assistance.

Other Authorized Reasons for Termination of Assistance
[24 CFR 982.552(c), Pub.L. 109-162]

HUD permits HACC to terminate assistance under a number of other circumstances. It is left to the discretion of HACC whether such circumstances in general warrant consideration for the termination of assistance. As discussed further in section 12-II.E, the Violence against Women Act of 2013 explicitly prohibits PHAs from considering incidents of, or criminal activity directly related to, domestic violence, sexual assault, dating violence, sexual assault or stalking as reasons for terminating the assistance of a victim of such abuse.

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HACC Policy

HACC **will not** terminate a family's assistance because of the family's failure to meet its obligations under the Family Self-Sufficiency program.

HACC **will** terminate a family's assistance if:

The family has failed to comply with any family obligations under the program. See Exhibit 12-1 for a listing of family obligations and related HACC policies.

Any family member has been evicted from federally-assisted housing in the last five years.

Any HACC has ever terminated assistance under the program for any member of the family.

Any family member has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.

The family currently owes rent or other amounts to any PHA in connection with Section 8 or public housing assistance under the 1937 Act.

The family has not reimbursed any PHA for amounts the PHA paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease.

The family has breached the terms of a repayment agreement entered into with HACC for any HACC Program.

A family member has engaged in or threatened violent or abusive behavior toward HACC personnel.

Abusive or violent behavior towards HACC personnel includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.

Threatening refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

In making its decision to terminate assistance, HACC will consider alternatives as described in Section 12-II.C and other factors described in Sections 12-II.D and 12-II.E. Upon consideration of such alternatives and factors, HACC may, on a case-by-case basis, choose not to terminate assistance.

Family Absence from the Unit [24 CFR 982.312]

The family may be absent from the unit for brief periods. HACC must establish a policy on how long the family may be absent from the assisted unit. However, the family may not be absent from the unit for a period of more than 180 consecutive calendar days for any reason. Absence in this context means that no member of the family is residing in the unit.

HACC Policy

Family absence means no member of the family is residing in the unit.

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The family may be absent from the assisted unit for brief periods. For anticipated absences of more than 21 consecutive days, the family must notify the HACC, in writing, prior to the first day of the absence.

For family absences greater than 60 consecutive days, the family must obtain approval from HACC. Reasonable requests will not be denied. Generally, approval is reserved for medical reasons, e.g., hospitalization, determinable nursing home stays, to care for ill relatives, etc.

Assistance will terminate if a family absence exceeds the maximum period approved by HACC.

For documented and verifiable medical reasons requiring the family to be absent from the unit for more than 180 days, the family's assistance may be resumed if not more than one year has elapsed since the first day of the absence. This option is at the sole discretion of the HACC and will be considered on a case by case basis. A family in this circumstance will not have to go back on the wait list.

Individual members of a household who are or are expected to be absent from the assisted unit for 180 consecutive days or less are considered temporarily absent and continue to be considered a family member. Generally an individual who is or is expected to be absent from the assisted unit for more than 180 consecutive days is considered permanently absent and no longer a family member. These absences must be reported by the family as soon as anticipated or known. Exceptions to this general policy are discussed below.

If the family is absent from the unit for more than 180 consecutive calendar days, the family's assistance will be terminated. Notice of termination will be sent in accordance with Section 12-II.F.

Insufficient Funding [24 CFR 982.454]

HACC may terminate HAP contracts if HACC determines, in accordance with HUD requirements, that funding under the consolidated ACC is insufficient to support continued assistance for families in the program.

HACC Policy

HACC will determine whether there is sufficient funding to pay for currently assisted families according to the policies in Part VIII of Chapter 16. If HACC determines there is a shortage of funding, prior to terminating any HAP contracts, HACC will determine if any other actions can be taken to reduce program costs.

In the event that the PHA decides to stop issuing vouchers as a result of a funding shortfall, and the PHA is not assisting the required number of special purpose vouchers (NED families, HUD-Veterans Affairs Supportive Housing (VASH) families, and family unification program (FUP) families), when the PHA resumes issuing vouchers, the PHA will issue vouchers first to the special purpose voucher families on its waiting list until it has reached the required number of special purpose vouchers, when applicable.

If after implementing all reasonable cost cutting measures there is not enough funding available to provide continued assistance for current participants, HACC will terminate HAP contracts as a last resort.

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Prior to terminating any HAP contracts, HACC will inform the local HUD field office. HACC will terminate the minimum number needed in order to reduce HAP costs to a level within HACC's annual budget authority.

If HACC must terminate HAP contracts due to insufficient funding, HACC will do so in accordance with the following criteria and instructions:

- Families comprising the required number of special purpose vouchers, including nonelderly disabled (NED), HUD-Veteran's Affairs Supportive Housing (HUD-VASH), and family unification program (FUP) will be the last to be terminated.
- Households that include either a disabled or elderly family member will be protected from termination of assistance;
- Households who have a signed FSS Contract of Participation, and who are active in the FSS Program, will be protected from termination of assistance;
- Any single non-elderly/non-disabled household being assisted on the program will be the first households terminated;
- Households porting outside the jurisdiction will be the second households terminated and they will be terminated on a "first-on, first-off" basis (i.e. starting with families that have been on the program the longest) up to the number of terminations determined by the PHA to alleviate the insufficient funding issue. The PHA will notify the receiving PHA and the household of the ability to be absorbed to avoid termination.
- If additional terminations are needed, the remaining participant families will be terminated based on a "FIRST-ON, FIRST-OFF" basis (i.e. starting with families that have been on the program the longest) up to the number of terminations determined by the PHA to alleviate the insufficient funding issue.

A Local Preference will then be given to the families which will assist them with re-entering the program once the insufficient funding issue has been resolved.

PART II: APPROACH TO TERMINATION OF ASSISTANCE

12-II.A. OVERVIEW

HACC is required by regulation to terminate a family's assistance for certain actions or inactions of the family. For other types of actions or inactions of the family, the regulations give HACC the authority to either terminate the family's assistance or to take another action. This part discusses the various actions HACC may choose to take when it has discretion, and outlines the criteria HACC will use to make its decision about whether or not to terminate assistance. It also specifies the requirements for the notification to the family of the PHA's intent to terminate assistance.

12-II.B. METHOD OF TERMINATION [24 CFR 982.552(a)(3)]

Termination of assistance for a participant may include any or all of the following:

- Terminating housing assistance payments under a current HAP contract,

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- Refusing or to enter into a new HAP contract or approve a lease, or
- Refusing to process a request for or to provide assistance under portability procedures.

12-II.C. ALTERNATIVES TO TERMINATION OF ASSISTANCE

Change in Household Composition

As a condition of continued assistance, HACC may require that any household member who participated in or was responsible for an offense no longer resides in the unit [24 CFR 982.552(c)(2)(ii)].

HACC Policy

As a condition of continued assistance, the head of household must certify that the culpable family member has vacated the unit and will not be permitted to visit or to stay as a guest in the assisted unit. The family must present evidence of the former family member's current address upon HACC request.

Repayment of Family Debts

HACC Policy

If a family owes amounts to HACC, as a condition of continued assistance, HACC will require the family to repay the full amount or to enter into a repayment agreement, within 30 days of receiving notice from HACC of the amount owed. See Chapter 16 for policies on repayment agreements.

12-II.D. CRITERIA FOR DECIDING TO TERMINATE ASSISTANCE

Evidence

For criminal activity, HUD permits HACC to terminate assistance if a *preponderance of the evidence* indicates that a household member has engaged in the activity, regardless of whether the household member has been arrested or convicted [24 CFR 982.553(c)].

HACC Policy

HACC will use the concept of the preponderance of the evidence as the standard for making all termination decisions.

Preponderance of the evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence

Consideration of Circumstances [24 CFR 982.552(c) (2) (i)]

HACC is permitted, but not required, to consider all relevant circumstances when determining whether a family's assistance should be terminated.

HACC Policy

HACC will consider the following factors when making its decision to terminate assistance:

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The seriousness of the case, especially with respect to how it would affect other residents

The effects that termination of assistance may have on other members of the family who were not involved in the action or failure to act

The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities or (as discussed further in section 12-II.E) a victim of domestic violence, dating violence, sexual assault or stalking

The length of time since the violation occurred, the family's recent history and the likelihood of favorable conduct in the future

In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully

HACC will require the participant to submit evidence of the household member's current participation in or successful completion of a supervised drug or alcohol rehabilitation program, or evidence of otherwise having been rehabilitated successfully.

In the case of program abuse, the dollar amount of the overpaid assistance and whether or not a false certification was signed by the family

Reasonable Accommodation [24 CFR 982.552(c) (2) (iv)]

If the family includes a person with disabilities, HACC's decision to terminate the family's assistance is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

HACC Policy

If a family indicates that the behavior of a family member with a disability is the reason for a proposed termination of assistance, HACC will determine whether the behavior is related to the disability. If so, upon the family's request, HACC will determine whether alternative measures are appropriate as a reasonable accommodation. HACC will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed termination of assistance. See Chapter 2 for a discussion of reasonable accommodation.

12-II.E. TERMINATING THE ASSISTANCE OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT OR STALKING

This section describes the protections against termination of assistance that the Violence against Women Act of 2013 (VAWA) provides for victims of domestic violence, dating violence, sexual assault and stalking. For general VAWA requirements, key VAWA definitions, and PHA policies pertaining to notification, documentation, and confidentiality, see section 16-IX of this plan.

VAWA Protections against Termination

VAWA provides four specific protections against termination of HCV assistance for victims of domestic violence, dating violence, sexual assault or stalking. (*Note:* The second, third, and

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fourth protections also apply to terminations of tenancy or occupancy by owners participating in the HCV program, as do the limitations discussed under the next heading.)

First, VAWA provides that a PHA may not terminate assistance to a family that moves out of an assisted unit in violation of the lease, with or without prior notification to the PHA, if the move occurred to protect the health or safety of a family member who is or has been the victim of domestic violence, dating violence, sexual assault or stalking and who reasonably believed he or she was imminently threatened by harm from further violence if he or she remained in the unit [24 CFR 982.314(b)(4)].

Second, it provides that an incident or incidents of actual or threatened domestic violence, dating violence, sexual assault or stalking may not be construed either as a serious or repeated lease violation by the victim or as good cause to terminate the assistance of the victim [24 CFR 5.2005(c)(1)].

Third, it provides that criminal activity directly related to domestic violence, dating violence, sexual assault or stalking may not be construed as cause for terminating the assistance of a tenant if a member of the tenant's household, a guest, or another person under the tenant's control is the one engaging in the criminal activity and the tenant or affiliated individual or other individual is the actual or threatened victim of the domestic violence, dating violence, or stalking [24 CFR 5.2005(c)(2)].

Fourth, it gives PHAs the authority to terminate assistance to any tenant or lawful occupant who engages in criminal acts of physical violence against family members or others without terminating assistance to, or otherwise penalizing, the victim of the violence [24 CFR 5.2009(a)]

Limitations on VAWA Protections [24 CFR 5.2005(d) and (e)]

VAWA does not limit the authority of a PHA to terminate the assistance of a victim of abuse for reasons unrelated to domestic violence, dating violence, sexual assault or stalking so long as the PHA does not subject the victim to a more demanding standard than it applies to other program participants [24 CFR 5.2005(d)(1)].

Likewise, VAWA does not limit the authority of a PHA to terminate the assistance of a victim of domestic violence, dating violence, sexual assault or stalking if the PHA can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the assisted property if the victim is not terminated from assistance [24 CFR 5.2005(d)(2)].

HUD regulations define *actual and imminent threat* to mean words, gestures, actions, or other indicators of a physical threat that (a) is real, (b) would occur within an immediate time frame, and (c) could result in death or serious bodily harm [24 CFR 5.2005(d)(2) and (e)]. In determining whether an individual would pose an actual and imminent threat, the factors to be considered include:

- The duration of the risk
- The nature and severity of the potential harm
- The likelihood that the potential harm will occur
- The length of time before the potential harm would occur [24 CFR 5.2005(e)]

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Even when a victim poses an actual and imminent threat, however, HUD regulations authorize a PHA to terminate the victim's assistance "only when there are no other actions that could be taken to reduce or eliminate the threat" [24 CFR 5.2005(d)(3)].

HACC Policy

In determining whether a participant who is a victim of domestic violence, dating violence, sexual assault or stalking is an actual and imminent threat to other tenants or those employed at or providing service to a property, HACC will consider the following, and any other relevant, factors:

Whether the threat is toward an employee or tenant other than the victim of domestic violence, dating violence, or stalking

Whether the threat is a physical danger beyond a speculative threat

Whether the threat is likely to happen within a short period of time

Whether the threat to other tenants or employees can be eliminated in some other way, such as by helping the victim relocate to a confidential location

If the tenant wishes to contest HACC's determination that he or she is an actual and imminent threat to other tenants or employees, the tenant may do so as part of the informal hearing.

Documentation of Abuse [24 CFR 5.2007]

HACC Policy

When a participant family is facing assistance termination because of the actions of a participant, household member, guest, or other person under the participant's control and a participant or immediate family member of the participant's family claims that she or he is the victim of such actions and that the actions are related to domestic violence, dating violence, sexual assault or stalking, HACC will request in writing that the individual submit documentation affirming that claim. The written request will include explicit instructions on where, when, and to whom the documentation must be submitted. It will also state the consequences for failure to submit the documentation by the deadline.

HACC may accept any of the following forms of documentation:

- A signed HUD 50066, Certification of Domestic Violence, Dating Violence, or Stalking.
- A police or court record documenting the actual or threatened abuse
- Documentation signed by a person who has assisted the victim in addressing domestic violence, dating violence, or stalking, or the effects of such abuse. This person may be an employee, agent, or volunteer of a victim service provider; an attorney; or a medical or other knowledgeable professional. The person signing the documentation must attest under penalty of perjury to the person's belief that the incidents in question are bona fide incidents of abuse. The victim must also sign the documentation.

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HACC reserves the right to waive the documentation requirement if it determines that a statement or other corroborating evidence from the individual will suffice.

The individual claiming victim status must submit the requested documentation within 14 business days after receipt of HACC's written request or must request an extension within that time frame. HACC may, at its discretion, extend the deadline for 10 business days.

If the individual provides the requested documentation within 14 business days, or any HACC-approved extension, HACC will reconsider its termination decision in light of the documentation.

If the individual does not provide the requested documentation within 14 business days, or any HACC-approved extension, HACC will proceed with termination of the family's assistance in accordance with applicable law, program regulations, and the policies in this plan.

Terminating the Assistance of a Domestic Violence Perpetrator [24 CFR 5.2005(c)]

Although VAWA provides assistance termination protection for victims of domestic violence, it does not provide protection for perpetrators. VAWA gives HACC the explicit authority to "terminate assistance to any individual who is a tenant or lawful occupant and who engages in criminal acts of physical violence against family members or others…without terminating assistance to, or otherwise penalizing the victim of such violence who is also a tenant or lawful occupant." This authority is not dependent on a bifurcated lease or other eviction action by an owner against an individual family member. Further, this authority supersedes any local, state, or other federal law to the contrary. However, if HACC chooses to exercise this authority, it must follow any procedures prescribed by HUD or by applicable local, state, or federal law regarding termination of assistance [Pub.L. 109-271]. This means that HACC must follow the same rules when terminating assistance to an individual as it would when terminating the assistance of an entire family [3/16/07 *Federal Register* notice on the applicability of VAWA to HUD programs].

<u>HACC Policy</u>

HACC will terminate assistance to a family member if HACC determines that the family member has committed criminal acts of physical violence against other family members or others. This action will not affect the assistance of the remaining, nonculpable family members.

In making its decision, HACC will consider all credible evidence, including, but not limited to, a signed certification (form HUD-50066) or other documentation of abuse submitted to HACC by the victim in accordance with this section. HACC will also consider the factors in section 12-II.D. Upon such consideration, HACC may, on a case-by-case basis, choose not to terminate the assistance of the culpable family member.

If HACC does terminate the assistance of the culpable family member, it will do so in accordance with applicable law, HUD regulations, and the policies in this plan. The culpable family member may not be readmitted to the household.

HACC Confidentiality Requirements [24 CFR 5.2007(a) (1) (v)]

All information provided to HACC regarding domestic violence, dating violence, or stalking, including the fact that an individual is a victim of such violence or stalking, must be retained in

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confidence and may neither be entered into any shared data base nor provided to any related entity, except to the extent that the disclosure (a) is requested or consented to by the individual in writing, (b) is required for use in an eviction proceeding, or (c) is otherwise required by applicable law.

HACC Policy

If disclosure is required for use in an eviction proceeding or is otherwise required by applicable law, HACC will inform the victim before disclosure occurs so that safety risks can be identified and addressed.

12-II.F. TERMINATION NOTICE HUD regulations require PHAs to provide written notice of termination of assistance to a family only when the family is entitled to an informal hearing. However, since the family's HAP contract and lease will also terminate when the family's assistance terminates [form HUD-52641], it is a good business practice to provide written notification to both owner and family anytime assistance will be terminated, whether voluntarily or involuntarily.

HACC Policy

Whenever a family's assistance will be terminated, the PHA will send a written notice of termination to the family and to the owner. The PHA will also send a form HUD-50066 to the family with the termination notice. The notice will state the date on which the termination will become effective. This date generally will be at least 30 calendar days following the date of the termination notice, but exceptions will be made whenever HUD rules, other PHA policies, or the circumstances surrounding the termination require.

When the PHA notifies an owner that a family's assistance will be terminated, the PHA will, if appropriate, advise the owner of his/her right to offer the family a separate, unassisted lease.

If a family whose assistance is being terminated is entitled to an informal hearing, the notice of termination that the PHA sends to the family must meet the additional HUD and PHA notice requirements discussed in section 16-III.C of this plan. VAWA 2013 expands notification requirements to require PHAs to provide notice of VAWA rights and the HUD 50066 form when a PHA terminates a household's housing benefits.

HACC Policy

Whenever the PHA decides to terminate a family's assistance because of the family's action or failure to act, the PHA will include in its termination notice the VAWA information described in section 16-IX.C of this plan. HACC will request that a family member wishing to claim protection under VAWA notify the PHA within 10 business days and may complete a HUD-50066 detailing their situation.

Still other notice requirements apply in two situations:

- If a criminal record is the basis of a family's termination, the PHA must provide a copy of the record to the subject of the record and the tenant so that they have an opportunity to dispute the accuracy and relevance [24 CFR 982.553(d)].

If immigration status is the basis of a family's termination, as discussed in section 12-I.D, the special notice requirements in section 16-III.D must be followed.

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PART III: TERMINATION OF TENANCY BY THE OWNER

12-III.A. OVERVIEW

Termination of an assisted tenancy is a matter between the owner and the family; HACC is not directly involved. However, the owner is under some constraints when terminating an assisted tenancy. Termination of tenancy for certain reasons will also result in termination of assistance as discussed in this section.

12-III.B. GROUNDS FOR OWNER TERMINATION OF TENANCY [24 CFR 982.310 and Form HUD-52641-A, Tenancy Addendum, Pub.L. 109-162]

During the term of the lease, the owner is not permitted to terminate the tenancy except for serious or repeated violations of the lease, certain violations of state or local law, or other good cause.

Serious or Repeated Lease Violations

The owner is permitted to terminate the family's tenancy for serious or repeated violations of the terms and conditions of the lease, except when the violations are related to incidents of actual or threatened domestic violence, dating violence, sexual assault or stalking and the victim is protected from eviction by the Violence against Women Act of 2013 (see section 12-II.E)This includes failure to pay rent or other amounts due under the lease. However, HACC's failure to make a HAP payment to the owner is not a violation of the lease between the family and the owner.

Violation of Federal, State, or Local Law

The owner is permitted to terminate the tenancy if a family member violates federal, state, or local law that imposes obligations in connection with the occupancy or use of the premises.

Criminal Activity or Alcohol Abuse

The owner may terminate tenancy during the term of the lease if any *covered person*, meaning any member of the household, a guest or another person under the tenant's control commits any of the following types of criminal activity (for applicable definitions see 24 CFR 5.100):

- Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of the premises by, other residents (including property management staff residing on the premises);
- Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of their residences by, persons residing in the immediate vicinity of the premises;
- Any violent criminal activity on or near the premises; or
- Any drug-related criminal activity on or near the premises.

However, in the case of criminal activity directly related to domestic violence, dating violence, sexual assault or stalking, if the tenant or an affiliated individual is the victim, the criminal activity may not be construed as cause for terminating the victim's tenancy (see section 12-II.E).

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The owner may terminate tenancy during the term of the lease if any member of the household is:

- Fleeing to avoid prosecution, custody, or confinement after conviction for a crime or an attempt to commit a crime that is a felony under the laws of the place from which the individual flees, or that, in the case of the State of New Jersey, is a high misdemeanor; or
- Violating a condition of probation or parole imposed under federal or state law.

The owner may terminate tenancy for criminal activity by a household member in accordance with this section if the owner determines that the household member has committed the criminal activity, regardless of whether the household member has been arrested or convicted for such activity.

The owner may terminate tenancy during the term of the lease if any member of the household has engaged in abuse of alcohol that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

Evidence of Criminal Activity

The owner may terminate tenancy and evict by judicial action a family for criminal activity by a covered person if the owner determines the covered person has engaged in the criminal activity, regardless of whether the covered person has been arrested or convicted for such activity and without satisfying the standard of proof used for a criminal conviction. This is the case except in certain incidents where the criminal activity directly relates to domestic violence, dating violence, sexual assault, or stalking, and the tenant or an affiliated individual is the victim or threatened victim of the domestic violence, dating violence, sexual assault, or stalking.

Other Good Cause

During the initial lease term, the owner may not terminate the tenancy for "other good cause" unless the owner is terminating the tenancy because of something the family did or failed to do. During the initial lease term or during any extension term, other good cause includes the disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises.

After the initial lease term, "other good cause" for termination of tenancy by the owner includes:

- Failure by the family to accept the offer of a new lease or revision;
- The owner's desire to use the unit for personal or family use, or for a purpose other than as a residential rental unit; or
- A business or economic reason for termination of the tenancy (such as sale of the property, renovation of the unit, or desire to lease the unit at a higher rent).

After the initial lease term, the owner may give the family notice at any time, in accordance with the terms of the lease.

Note that "other good cause" does **not** include vacating a property that has been foreclosed upon during the lease term prior to the sale of that property. However, the new owner of the property may terminate the tenancy effective on the date of transfer of the unit if the owner will occupy the unit as a primary residence and has provided the tenant a notice to vacate at least 90 days

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before the effective date of such notice [Notice PIH 2010-49]. Further information on the protections afforded to tenants in the event of foreclosure can be found in Section 13-II.G.

12-III.C. EVICTION [24 CFR 982.310(e) and (f) and Form HUD-52641-A, Tenancy Addendum]

The owner must give the tenant a written notice that specifies the grounds for termination of tenancy during the term of the lease. The tenancy does not terminate before the owner has given this notice, and the notice must be given at or before commencement of the eviction action.

The notice of grounds may be included in, or may be combined with, any owner eviction notice to the tenant.

Owner eviction notice means a notice to vacate, or a complaint or other initial pleading used under state or local law to commence an eviction action. The owner may only evict the tenant from the unit by instituting a court action. The owner must give HACC a copy of any eviction notice at the same time the owner notifies the family. The family is also required to give HACC a copy of any eviction notice (see Chapter 5).

> HACC Policy
>
> If the eviction action is finalized in court, the owner must provide HACC with documentation related to the eviction, including notice of the eviction date, as soon as possible, but no later than 5 business days following the court-ordered eviction.

12-III.D. DECIDING WHETHER TO TERMINATE TENANCY [24 CFR 982.310(h), 24 CFR 982.310(h) (4)]

An owner who has grounds to terminate a tenancy is not required to do so, and may consider all of the circumstances relevant to a particular case before making a decision. These might include:

- The nature of the offending action
- The seriousness of the offending action;
- The effect on the community of the termination, or of the owner's failure to terminate the tenancy;
- The extent of participation by the leaseholder in the offending action;
- The effect of termination of tenancy on household members not involved in the offending activity;
- The demand for assisted housing by families who will adhere to lease responsibilities;
- The extent to which the leaseholder has shown personal responsibility and taken all reasonable steps to prevent or mitigate the offending action;
- The effect of the owner's action on the integrity of the program.

The owner may require a family to exclude a household member in order to continue to reside in the assisted unit, where that household member has participated in or been culpable for action or failure to act that warrants termination.

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In determining whether to terminate tenancy for illegal use of drugs or alcohol abuse by a household member who is no longer engaged in such behavior, the owner may consider whether such household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program, or has otherwise been rehabilitated successfully (42 U.S.C. 13661). For this purpose, the owner may require the tenant to submit evidence of the household member's current participation in, or successful completion of, a supervised drug or alcohol rehabilitation program or evidence of otherwise having been rehabilitated successfully.

The owner's termination of tenancy actions must be consistent with the fair housing and equal opportunity provisions in 24 CFR 5.105.

An owner's decision to terminate tenancy for incidents related to domestic violence, dating violence, sexual assault or stalking is limited by the Violence against Women Act of 2013 (VAWA) and the conforming regulations in 24 CFR Part 5, Subpart L. (See section 12-II.E.)

12-III.E. EFFECT OF TENANCY TERMINATION ON THE FAMILY'S ASSISTANCE

If a termination is not due to a serious or repeated violation of the lease, and if HACC has no other grounds for termination of assistance, HACC may issue a new voucher so that the family can move with continued assistance (see Chapter 10).

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EXHIBIT 12-1: STATEMENT OF FAMILY OBLIGATIONS

Following is a listing of a participant family's obligations under the HCV program:

- The family must supply any information that HACC or HUD determines to be necessary, including submission of required evidence of citizenship or eligible immigration status.
- The family must supply any information requested by HACC or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition.
- The family must disclose and verify social security numbers and sign and submit consent forms for obtaining information.
- Any information supplied by the family must be true and complete.
- The family is responsible for any Housing Quality Standards (HQS) breach by the family caused by failure to pay tenant-provided utilities or appliances, or damages to the dwelling unit or premises beyond normal wear and tear caused by any member of the household or guest.

  HACC Policy

  Damages beyond normal wear and tear will be considered to be damages which could be assessed against the security deposit.

- The family must allow HACC to inspect the unit at reasonable times and after reasonable notice, as described in Chapter 8 of this plan.
- The family must not commit any serious or repeated violation of the lease.

  HACC Policy

  HACC will determine if a family has committed serious or repeated violations of the lease based on available evidence, including but not limited to, a court-ordered eviction, or an owner's notice to evict.

  Serious and repeated lease violations will include, but not be limited to, nonpayment of rent, disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises and criminal activity. Generally, the criterion to be used is whether the reason for the eviction was through no fault of the tenant or guests. Any incidents of, or criminal activity related to, domestic violence, dating violence, sexual assault or stalking will not be construed as serious or repeated lease violations by the victim [24 CFR 5.2005(c)(1)].

- The family must notify HACC and the owner before moving out of the unit or terminating the lease.

  HACC Policy

  The family must comply with lease requirements regarding written notice to the owner. The family must provide written notice to HACC at the same time the owner is notified.

- The family must promptly give HACC a copy of any owner eviction notice.
- The family must use the assisted unit for residence by the family. The unit must be the family's only residence.

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- The composition of the assisted family residing in the unit must be approved by HACC. The family must promptly notify HACC in writing of the birth, adoption, or court-awarded custody of a child. The family must request HACC approval to add any other family member as an occupant of the unit.

  HACC Policy

  The request to add a family member must be submitted in writing and approved prior to the person moving into the unit. HACC will determine eligibility of the new member in accordance with the policies in Chapter 3.

- The family must promptly notify HACC in writing if any family member no longer lives in the unit.
- If HACC has given approval, a foster child or a live-in aide may reside in the unit. HACC has the discretion to adopt reasonable policies concerning residency by a foster child or a live-in aide, and to define when HACC consent may be given or denied. For policies related to the request and approval/disapproval of foster children, foster adults, and live-in aides, see Chapter 3 (Sections I.K and I.M), and Chapter 11 (Section II.B).
- The family must not sublease the unit, assign the lease, or transfer the unit.

  HACC Policy

  Subleasing includes receiving payment to cover rent and utility costs by a person living in the unit who is not listed as a family member.

- The family must supply any information requested by HACC to verify that the family is living in the unit or information related to family absence from the unit.
- The family must promptly notify HACC when the family is absent from the unit.

  HACC Policy

  Notice is required under this provision only when all family members will be absent from the unit for an extended period. An extended period is defined as any period greater than 21 consecutive days. Written notice must be provided to HACC at the start of the extended absence.

- The family must pay utility bills and provide and maintain any appliances that the owner is not required to provide under the lease [Form HUD-52646, Voucher].
- The family must not own or have any interest in the unit, (other than in a cooperative and owners of a manufactured home leasing a manufactured home space).
- Family members must not commit fraud, bribery, or any other corrupt or criminal act in connection with the program. (See Chapter 14, Program Integrity for additional information).
- Family members must not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. See Chapter 12 for HUD and HACC policies related to drug-related and violent criminal activity.

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HACC Policy

This applies to any member of the household, a guest, or any other person on the property under the tenant's control. Other person under the tenant's control is defined as a person that is or was at the time of the activity in question, on the premises because of an invitation from the tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. Absent evidence to the contrary, a person temporarily and infrequently on the premises solely for legitimate (legal) commercial purposes is not under the tenant's control.

Members of the household must not engage in abuse of alcohol in a way that threatens the health, safety or right to peaceful enjoyment of the other residents and persons residing in the immediate vicinity of the premises. See Chapter 12 for a discussion of HUD and HACC policies related to alcohol abuse.

An assisted family or member of the family must not receive HCV program assistance while receiving another housing subsidy, for the same unit or a different unit under any other federal, state or local housing assistance program.

A family must not receive HCV program assistance while residing in a unit owned by a parent, child, grandparent, grandchild, sister or brother of any member of the family, unless HACC has determined (and has notified the owner and the family of such determination) that approving rental of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities. [Form HUD-52646, Voucher]

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Chapter 13

OWNERS

INTRODUCTION

Owners play a major role in the HCV program by supplying decent, safe, and sanitary housing for participating families.

The term "owner" refers to any person or entity with the legal right to lease or sublease a unit to a participant in the HCV program [24 CFR 982.4(b)]. The term "owner" includes a principal or other interested party [24 CFR 982.453; 24 CFR 982.306(f)], such as a designated agent of the owner.

Owners have numerous responsibilities under the program, including screening and leasing to families, maintaining the dwelling unit, enforcing the lease, and complying with various contractual obligations.

The chapter is organized in two parts:

> Part I: Owners in the HCV Program. This part discusses the role of an owner in HACC's HCV program and highlights key owner rights and responsibilities.
>
> Part II: HAP Contracts. This part explains provisions of the HAP contract and the relationship between HACC and the owner as expressed in the HAP contract.

For detailed information about HCV program responsibilities and processes, including HACC policies in key areas, owners will need to refer to several other chapters in this plan. Where appropriate, Chapter 13 will reference the other chapters.

PART I. OWNERS IN THE HCV PROGRAM

13-I.A. OWNER RECRUITMENT AND RETENTION [HCV GB, pp. 2-4 to 2-6]

Recruitment

PHAs are responsible for ensuring that very low income families have access to all types and ranges of affordable housing in HACC's jurisdiction, particularly housing outside areas of poverty or minority concentration. A critical element in fulfilling this responsibility is for HACC to ensure that a sufficient number of owners, representing all types and ranges of affordable housing in HACC's jurisdiction, are willing to participate in the HCV program.

To accomplish this objective, HACC must identify and recruit new owners to participate in the program.

> HACC Policy
>
> HACC will conduct owner outreach to ensure that owners are familiar with the program and its advantages. HACC will actively recruit property owners with property located outside areas of poverty and minority concentration. These outreach strategies will include:
>
> > Distributing printed material about the program to property owners and managers

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Contacting property owners and managers by phone or in-person

Holding owner recruitment/information meetings at least once a year

Participating in community based organizations comprised of private property and apartment owners and managers

Developing working relationships with owners and real estate brokers associations

Outreach strategies will be monitored for effectiveness, and adapted accordingly.

Retention

In addition to recruiting owners to participate in the HCV program, HACC must also provide the kind of customer service that will encourage participating owners to remain active in the program.

HACC Policy

All HACC activities that may affect an owner's ability to lease a unit will be processed as rapidly as possible, in order to minimize vacancy losses for owners.

HACC Policy continued:

The HACC will provide owners with information that explains the program, including HUD and HACC policies and procedures. HACC will give special attention to helping new owners succeed through activities such as:

- Providing the owner with a designated HACC contact person.
- Coordinating inspection and leasing activities between HACC, the owner, and the family.
- Initiating telephone contact with the owner to explain the inspection process, and providing an inspection booklet and other resource materials about HUD housing quality standards.
- Providing other written information about how the program operates, including answers to frequently asked questions.

Additional services may be undertaken on an as-needed basis, and as resources permit.

13-I.B. BASIC HCV PROGRAM REQUIREMENTS

HUD requires HACC to assist families in their housing search by providing the family with a list of landlords or other parties known to HACC who may be willing to lease a unit to the family, or to help the family find a unit. Although HACC cannot maintain a list of owners that are pre-qualified to participate in the program, owners may indicate to HACC their willingness to lease a unit to an eligible HCV family, or to help the HCV family find a unit [24 CFR 982.301(b)(11)].

HACC Policy

Owners that wish to indicate their willingness to lease a unit to an eligible HCV family or to help the HCV family find a unit must notify HACC. HACC will maintain a listing of such owners and provide this listing to the HCV family as part of the informational briefing packet

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When a family approaches an owner to apply for tenancy, the owner is responsible for screening the family and deciding whether to lease to the family, just as the owner would with any potential unassisted tenant. HACC has no liability or responsibility to the owner or other persons for the family's behavior or suitability for tenancy. See chapters 3 and 9 for more detail on tenant family screening policies and process.

If the owner is willing, the family and the owner must jointly complete a Request for Tenancy Approval (RTA), which constitutes the family's request for assistance in the specified unit, and which documents the owner's willingness to lease to the family and to follow the program's requirements. When submitted to HACC, this document is the first step in the process of obtaining approval for the family to receive the financial assistance it will need in order to occupy the unit. Also submitted with the RTA is a copy of the owner's proposed dwelling lease (if applicable), including the HUD-required Tenancy Addendum (Form HUD-52641-A). See Chapter 9 for more detail on request for tenancy approval policies and process.

HUD regulations stipulate requirements for the approval of an assisted tenancy.

The owner must be qualified to participate in the program [24 CFR 982.306]. Some owners are precluded from participating in the program, or from renting to a particular family, either because of their past history with this or another federal housing program, or because of certain conflicts of interest. Owner qualifications are discussed later in this chapter.

The selected unit must be of a type that is eligible for the program [24 CFR 982.305(a)]. Certain types of dwelling units cannot be assisted under the HCV program. Other types may be assisted under certain conditions. See chapter 9 for more detail on unit eligibility policies and process.

The selected unit must meet HUD's Housing Quality Standards (HQS) and/or equivalent state or local standards approved by HUD [24 CFR 982.305(a)]. HACC will inspect the owner's dwelling unit at least annually to ensure that the unit continues to meet HQS requirements. See chapter 8 for a discussion of the HQS standards and policies for HQS inspections at initial lease-up and throughout the family's tenancy.

HACC must determine that the proposed rent for the unit is reasonable [24 CFR 982.305(a)]. The rent must be reasonable in relation to comparable unassisted units in the area and must not be in excess of rents charged by the owner for comparable, unassisted units on the premises. See chapter 8 for a discussion of requirements and policies on rent reasonableness, rent comparability and the rent reasonableness determination process.

At initial lease-up of a unit, if the gross rent exceeds the applicable payment standard, HACC must ensure that the family share does not exceed 40 percent of the family's monthly adjusted income [24 CFR 982.305(a)]. See chapter 6 for a discussion of the calculation of family income, family share of rent and HAP.

The dwelling lease must comply with all program requirements [24 CFR 982.308]. Owners are encouraged to use their standard leases when renting to an assisted family. The HUD Tenancy Addendum includes the HUD requirements governing the tenancy and must be added word-for-word to the owner's lease. See chapter 9 for a discussion of the dwelling lease and tenancy addendum, including lease terms and provisions.

HACC and the owner must execute a Housing Assistance Payment (HAP) Contract (Form HUD-52641). The HAP contract format is prescribed by HUD. See chapter 9 for a discussion of the HUD requirements for execution of the HAP contract

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13-I.C. OWNER RESPONSIBILITIES [24 CFR 982.452]

The basic owner responsibilities in the HCV program are outlined in the regulations as follows:

- Compliance with all of the owner's obligations under the Housing Assistance Payments (HAP) contract and the lease
- Performing all management and rental functions for the assisted unit, including selecting a voucher-holder to lease the unit, and deciding if the family is suitable for tenancy of the unit
- Maintaining the unit in accordance with the Housing Quality Standards (HQS), including performance of ordinary and extraordinary maintenance
- Complying with equal opportunity requirements
- Preparing and furnishing to HACC information required under the HAP contract
- Collecting the security deposit, the tenant rent, and any charges for unit damage by the family.
- Enforcing tenant obligations under the dwelling lease
- Paying for utilities and services that are not the responsibility of the family as specified in the lease Making modifications to a dwelling unit occupied or to be occupied by a disabled person [24 CFR 100.203]
- Allowing reasonable modifications to a dwelling unit occupied or to be occupied by a disabled person [24 CFR 100.203]
- Complying with the Violence against Women Reauthorization Act of 2013 (VAWA) when screening prospective HCV tenants or terminating the tenancy of an HCV family (see 24 CFR Part 5, Subpart L; 24 CFR 982.310(h)(4); and 24 CFR 982.452(b)(1))

13-I.D. OWNER QUALIFICATIONS

HACC does not formally approve an owner to participate in the HCV program. However, there are a number of criteria where HACC may deny approval of an assisted tenancy based on past owner behavior, conflict of interest, or other owner-related issues. No owner has a right to participate in the HCV program [24 CFR 982.306(e)].

Owners Barred from Participation [24 CFR 982.306(a) and (b)]

HACC must not approve the assisted tenancy if HACC has been informed that the owner has been debarred, suspended, or subject to a limited denial of participation under 24 CFR part 24. HUD may direct HACC not to approve a tenancy request if a court or administrative agency has determined that the owner violated the Fair Housing Act or other federal equal opportunity requirements, or if such an action is pending.

Leasing to Relatives [24 CFR 982.306(d), HCV GB p. 11-2]

HACC must not approve a tenancy if the owner is the parent, child, grandparent, grandchild, sister, or brother of any member of the family. HACC may make an exception as a reasonable accommodation for a family member with a disability. The owner is required to certify that no such relationship exists. This restriction applies at the time that the family receives assistance under the HCV program for occupancy of a particular unit. Current contracts on behalf of owners

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and families that are related may continue, but any new leases or contracts for these families may not be approved.

Conflict of Interest [24 CFR 982.161; HCV GB p. 8-19]

HACC must not approve a tenancy in which any of the following classes of persons has any interest, direct or indirect, during tenure or for one year thereafter:

- Any present or former member or officer of HACC (except a participant commissioner)
- Any employee of HACC, or any contractor, subcontractor or agent of HACC, who formulates policy or who influences decisions with respect to the programs
- Any public official, member of a governing body, or State or local legislator, who exercises functions or responsibilities with respect to the programs
- Any member of the Congress of the United States

HUD may waive the conflict of interest requirements, except for members of Congress, for good cause. HACC must submit a waiver request to the appropriate HUD Field Office for determination.

Any waiver request submitted by HACC must include the following [HCV Guidebook pp.11-2 and 11-3]:

- Complete statement of the facts of the case;
- Analysis of the specific conflict of interest provision of the HAP contract and justification as to why the provision should be waived;
- Analysis of and statement of consistency with state and local laws. The local HUD office, HACC, or both parties may conduct this analysis. Where appropriate, an opinion by the state's attorney general should be obtained;
- Opinion by the local HUD office as to whether there would be an appearance of impropriety if the waiver were granted;
- Statement regarding alternative existing housing available for lease under the HCV program or other assisted housing if the waiver is denied;
- If the case involves a hardship for a particular family, statement of the circumstances and discussion of possible alternatives;
- If the case involves a public official or member of the governing body, explanation of his/her duties under state or local law, including reference to any responsibilities involving the HCV program;
- If the case involves employment of a family member by HACC or assistance under the HCV program for an eligible HACC employee, explanation of the responsibilities and duties of the position, including any related to the HCV program;
- If the case involves an investment on the part of a member, officer, or employee of HACC, description of the nature of the investment, including disclosure/divestiture plans.

Where HACC has requested a conflict of interest waiver, HACC may not execute the HAP contract until HUD has made a decision on the waiver request.

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HACC Policy

In considering whether to request a conflict of interest waiver from HUD, HACC will consider certain factors such as consistency of the waiver with state and local laws ,the existence of alternative housing available to families, the individual circumstances of a particular family, the specific duties of individuals whose positions present a possible conflict of interest , the nature of any financial investment in the property and plans for disclosure/divestiture , and the possible appearance of impropriety.

Owner Actions That May Result in Disapproval of a Tenancy Request [24 CFR 982.306(c)]

HUD regulations permit HACC, to disapprove a request for tenancy for various actions and inactions of the owner.

If HACC disapproves a request for tenancy because an owner is not qualified, it may not terminate the HAP contract for any assisted families that are already living in the owner's properties unless the owner has violated the HAP contract for those units [HCV GB p. 11-4].

HACC Policy

HACC will refuse to approve a request for tenancy if HACC becomes aware that any of the following are true:

The owner has violated obligations under a HAP contract under Section 8 of the 1937 Act (42 U.S.C. 1437f);

The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;

The owner has engaged in any drug-related criminal activity or any violent criminal activity;

The owner has a history or practice of non-compliance with the HQS for units leased under the tenant-based programs, or with applicable housing standards for units leased with project-based Section 8 assistance or leased under any other federal housing program;

The owner has a history or practice of failing to terminate tenancy of tenants of units assisted under Section 8 or any other federally assisted housing program for activity engaged in by the tenant, any member of the household, a guest or another person under the control of any member of the household that: (i) Threatens the right to peaceful enjoyment of the premises by other residents; (ii) Threatens the health or safety of other residents, of employees of HACC, or of owner employees or other persons engaged in management of the housing; (iii) Threatens the health or safety of, or the right to peaceful enjoyment of their residences, by persons residing in the immediate vicinity of the premises; or (iv) Is drug-related criminal activity or violent criminal activity;

The owner has a history or practice of renting units that fail to meet state or local housing codes; or

The owner has not paid state or local real estate taxes, fines, or assessment.

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In considering whether to disapprove owners for any of the discretionary reasons listed above, HACC will consider any mitigating factors. Such factors may include, but are not limited to, the seriousness of the violation in relation to program requirements, the impact on the ability of families to lease units under the program, health and safety of participating families, among others. Upon consideration of such circumstances, HACC may, on a case-by-case basis, choose to approve an owner.

Legal Ownership of Unit

The following represents HACC policy on legal ownership of a dwelling unit to be assisted under the HCV program.

HACC Policy

HACC will only enter into a contractual relationship with the legal owner of a qualified unit. If a question exists as to rightful ownership, no tenancy will be approved without acceptable documentation of legal ownership (e.g., deed of trust, proof of taxes for most recent year).

13-I.E. NON-DISCRIMINATION [HAP Contract – Form HUD-52641]

The owner must not discriminate against any person because of race, color, religion, sex, national origin, age, familial status, or disability, in connection with any actions or responsibilities under the HCV program and the HAP contract with HACC.

The owner must cooperate with HACC and with HUD in conducting any equal opportunity compliance reviews and complaint investigations in connection with the HCV program and the HAP contract with HACC.

See Chapter 2 for a more thorough discussion of Fair Housing and Equal Opportunity requirements in the HCV program.

PART II. HAP CONTRACTS

13-II.A. OVERVIEW

The HAP contract represents a written agreement between HACC and the owner of the dwelling unit occupied by a HCV assisted family. The contract spells out the owner's responsibilities under the program, as well as HACC's obligations. Under the HAP contract, HACC agrees to make housing assistance payments to the owner on behalf of the family approved by the PHA to occupy the unit.

The HAP contract is used for all HCV program tenancies except for assistance under the Section 8 homeownership program, and assistance to families that own a manufactured home and use their assistance to lease the space for the manufactured home. See chapter 15 for a discussion of any special housing types included in HACC's HCV program.

When HACC has determined that the unit meets program requirements and the tenancy is approvable, HACC execute the HAP contract. See chapter 9 for a discussion of the leasing process, including provisions for execution of the HAP contract.

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13-II.B. HAP CONTRACT CONTENTS

The HAP contract format is required by HUD, specifically Housing Assistance Payment (HAP) Contract, Form HUD-52641.

The HAP contract contains three parts.

Part A of the contract includes basic **contract information** the names of the tenant and all household members, the address of the contract unit, start and end dates of initial lease term, the amount of initial monthly rent to owner, the amount of initial housing assistance payment, the utilities and appliances to be supplied by owner and tenant, and the signatures of the HACC representative and owner [HCV Guidebook, pp 11-10 and 11-11].

In general, the HAP contract cannot be modified. However, HACC does have the discretion to add language to Part A of the HAP contract which prohibits the owner from collecting a security deposit in excess of private market practices or in excess of amounts charged to unassisted tenants. HACC policy on the amount of security deposit an owner may collect is found in Chapter 9.

HACC also has the discretion to add language to Part A of the HAP contract that defines when the housing assistance payment by HACC is deemed received by the owner (e.g., upon mailing by HACC or actual receipt by the owner).

> HACC Policy
>
> HACC has adopted a policy that defines when the housing assistance payment by HACC is deemed received by the owner. HACC requires all landlords not participating in Direct Deposit to pick up checks at the Administrative Building located at 13930 S. Gain Street, Oregon City, OR 97045. Therefore, failure of a landlord to pick up a check in a timely fashion shall not constitute a late payment. The housing assistance payment is deemed received by the owner upon issuance of the check by HACC or when direct deposit has been completed. Therefore, a modification to the HAP contract has been made to add this language.
>
> Part B is the body of the contract. It describes in detail program requirements affecting the owner and owner roles and responsibilities under the HCV program. Most of the requirements contained in Part B of the HAP contract are outlined elsewhere in this plan. Topics addressed in Part B include:

- Lease of Contract Unit
- Maintenance, Utilities, and Other Services
- Term of HAP Contract
- Provision and Payment of Utilities and Appliances
- Rent to Owner: Reasonable Rent
- PHA Payment to Owner
- Prohibition of Discrimination
- Owner's Breach of HAP Contract
- PHA and HUD Access to Premises and Owner's Records

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- Exclusion of Third Party Rights
- Conflict of Interest
- Assignment of the HAP Contract
- Written Notices
- Entire Agreement Interpretation

Part C of the contract includes the Tenancy Addendum (Form HUD-52641-A). The addendum sets forth the tenancy requirements for the program and the composition of the household, as approved by HACC. The tenant has the right to enforce the Tenancy Addendum against the owner. The terms of the Tenancy Addendum prevail over any other provisions of the lease.

13-II.C. HAP CONTRACT PAYMENTS

General

During the term of the HAP contract, and subject to the provisions of the HAP contract, HACC must make monthly HAP payments to the owner on behalf of the family, at the beginning of each month. If a lease term begins after the first of the month, the HAP payment for the first month is prorated for a partial month.

The amount of the HAP payment is determined according to the policies described in Chapter 6, and is subject to change during the term of the HAP contract. HACC must notify the owner and the family in writing of any changes in the HAP payment.

HAP payments can be made only during the lease term, and only while the family is residing in the unit.

The monthly HAP payment by HACC is credited toward the monthly rent to owner under the family's lease. The total of the rent paid by the tenant, and the HAP payment is equal to the rent to owner as specified in the lease.

The family is not responsible for payment of the HAP payment, and HACC is not responsible for payment of the family share of rent.

The family's share of the rent cannot be more than the difference between the rent to owner and the HAP payment. The owner may not demand or accept any rent payment from the tenant in excess of this maximum [24 CFR 982.451(b)(4)]. The owner may not charge the tenant extra amounts for items customarily included in rent in the locality, or provided at no additional cost to unsubsidized tenants in the premises [24 CFR 982.510(c)]. See chapter 9 for a discussion of separate, non-lease agreements for services, appliances and other items that are not included in the lease.

If the owner receives any excess HAP from HACC, the excess amount must be returned immediately. If HACC determines that the owner is not entitled to all or a portion of the HAP, HACC may deduct the amount of overpayment from any amounts due to the owner, including amounts due under any other Section 8 HCV contract. See Chapter 16 for additional detail on owner reimbursement of HAP overpayments.

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Owner Certification of Compliance

Unless the owner complies with all provisions of the HAP contract, the owner is not entitled to receive housing assistance payments under the HAP contract [HAP Contract – Form HUD-52641].

By endorsing the monthly check from HACC, the owner certifies to compliance with the terms of the HAP contract. This includes certification that the owner is maintaining the unit and premises in accordance with HQS; that the contract unit is leased to the tenant family and, to the best of the owner's knowledge, the family resides in the unit as the family's only residence; the rent to owner does not exceed rents charged by the owner for comparable unassisted units on the premises; and that the owner does not receive (other than rent to owner) any additional payments or other consideration for rent of the contract unit during the HAP term.

Late HAP Payments [24 CFR 982.451(a)(5)]

HACC is responsible for making HAP payments promptly when due to the owner, in accordance with the terms of the HAP contract. After the first two calendar months of the HAP contract term, the HAP contract provides for late penalties if HACC fails to make the HAP payment on time.

> HACC Policy
>
> HACC has adopted a policy that defines when the housing assistance payment by HACC is deemed received by the owner. HACC requires all landlords not participating in Direct Deposit to pick up checks at the Administrative Building located at 13930 S. Gain Street, Oregon City, OR 97045. Therefore, failure of a landlord to pick up a check in a timely fashion shall not constitute a late payment. The housing assistance payment is deemed received by the owner upon issuance of the check by HACC or when direct deposit has been completed.

Penalties for late HAP payments can only be imposed if 1) the penalties are in accordance with generally accepted local rental market practices and law governing penalties for late payment by tenants; 2) it is the owner's normal business practice to charge late payment penalties for both assisted and unassisted families; and 3) the owner charges the assisted family for late payment of the family's share of the rent.

HACC is not required to pay a late payment penalty if HUD determines that the payment is late for reasons beyond HACC's control. In addition, late payment penalties are not required if HACC intentionally delays or denies payment as a remedy to an owner breach of the HAP contract [HCV Guidebook p. 11-7].

Termination of HAP Payments [24 CFR 982.311(b)]

HACC must continue making housing assistance payments to the owner in accordance with the HAP contract as long as the tenant continues to occupy the unit and the HAP contract is not violated.

HAP payments terminate when the HAP contract terminates or when the tenancy is terminated in accordance with the terms of the lease.

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If the owner has initiated eviction proceedings against the family and the family continues to reside in the unit, HACC must continue to make housing assistance payments to the owner until the owner has obtained a court judgment or other process allowing the owner to evict the tenant.

HACC Policy

The owner must inform HACC when the owner has initiated eviction proceedings against the family and the family continues to reside in the unit.

The owner must inform HACC when the owner has obtained a court judgment or other process allowing the owner to evict the tenant, and provide HACC with a copy of such judgment or determination.

After the owner has obtained a court judgment or other process allowing the owner to evict the tenant, HACC will continue to make HAP payments to the owner until the family actually moves from the unit or until the family is physically evicted from the unit, whichever is earlier. The owner must inform HACC of the date when the family actually moves from the unit or the family is physically evicted from the unit.

Tenant-based leases may be terminated without cause at the end of the initial lease term and at the end of any term extension. Except as required by State or local law, an owner may terminate tenancy without cause at the end of the initial lease term, or at the end of a successive definite term. For instance, if the lease provides for automatic renewal on a month-to-month basis, the owner may terminate tenancy without cause at the end of each month. During the course of each month, however, the owner may only terminate the tenancy if the owner has cause under the grounds for termination of tenancy stated in the lease addendum. (Notice PIH 98-64, HUD's 1999 Appropriations Act - Section 8 Tenant-Based Assistance Program Statutory Provisions)

13-II.D. BREACH OF HAP CONTRACT [24 CFR 982.453]

Any of the following actions by the owner constitutes a breach of the HAP contract:

- If the owner violates any obligations under the HAP contract including failure to maintain the unit in accordance with HQS
- If the owner has violated any obligation under any other HAP contract under Section 8
- If the owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program
- For projects with mortgages insured by HUD or loans made by HUD, if the owner has failed to comply with the regulation for the applicable program; or if the owner has committed fraud, bribery or any other corrupt or criminal act in connection with the mortgage or loan
- If the owner has engaged in drug-related criminal activity
- If the owner has committed any violent criminal activity

If HACC determines that a breach of the HAP contract has occurred, it may exercise any of its rights and remedies under the HAP contract.

HACC rights and remedies against the owner under the HAP contract include recovery of any HAP overpayment, suspension of housing assistance payments, abatement or reduction of the

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housing assistance payment, termination of the payment or termination of the HAP contract. HACC may also obtain additional relief by judicial order or action.

HACC must notify the owner of its determination and provide in writing the reasons for the determination. The notice may require the owner to take corrective action by an established deadline. HACC must provide the owner with written notice of any reduction in housing assistance payments or the termination of the HAP contract.

HACC Policy

Before HACC invokes a remedy against an owner, HACC will evaluate all information and documents available to determine if the contract has been breached.

If relevant, HACC will conduct an audit of the owner's records pertaining to the tenancy or unit.

If it is determined that the owner has breached the contract, HACC will consider all of the relevant factors including the seriousness of the breach, the effect on the family, the owner's record of compliance and the number and seriousness of any prior HAP contract violations.

13-II.E. HAP CONTRACT TERM AND TERMINATIONS

The term of the HAP contract runs concurrently with the term of the dwelling lease [24 CFR 982.451(a)(2)], beginning on the first day of the initial term of the lease and terminating on the last day of the term of the lease, including any lease term extensions.

The HAP contract and the housing assistance payments made under the HAP contract terminate if [HCV Guidebook pp.11-4 and 11-5, pg. 15-3]:

- The owner or the family terminates the lease;
- The lease expires;
- HACC terminates the HAP contract;
- HACC terminates assistance for the family;
- The family moves from the assisted unit. In this situation, the owner is entitled to keep the housing assistance payment for the month when the family moves out of the unit.
- 180 calendar days have elapsed since HACC made the last housing assistance payment to the owner;
- The family is absent from the unit for longer than the maximum period permitted by HACC;
- The Annual Contributions Contract (ACC) between HACC and HUD expires
- HACC elects to terminate the HAP contract.

HACC Policy

HACC may elect to terminate the HAP contract in each of the following situations:

Available program funding is not sufficient to support continued assistance for families in the program [24 CFR 982.454];

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The unit does not meet HQS size requirements due to change in family composition [24 CFR 982.403] – see chapter 8;

The unit does not meet HQS [24 CFR 982.404] – see chapter 8;

The family breaks up [HUD Form 52641] – see chapter 3;

The owner breaches the HAP contract [24 CFR 982.453(b)] – see Section 13-II.D.

If HACC terminates the HAP contract, HACC must give the owner and the family written notice. The notice must specify the reasons for the termination and the effective date of the termination. Once a HAP contract is terminated, no further HAP payments may be made under that contract [HCV Guidebook pg.15-4].

HACC Policy

In all cases, the HAP contract terminates at the end of the calendar month that follows the calendar month in which HACC gives written notice to the owner. The owner is not entitled to any housing assistance payment after this period, and must return to HACC any housing assistance payment received after this period.

If the family moves from the assisted unit into a new unit, even if the new unit is in the same building or complex as the assisted unit, the HAP contract for the assisted unit terminates. A new HAP contract would be required [HCV GB, p. 11-17].

When the family moves from an assisted unit into a new unit, the term of the HAP contract for the new unit may begin in the same month in which the family moves out of its old unit. This is not considered a duplicative subsidy [HCV GB, p. 8-22].

13-II.F. CHANGE IN OWNERSHIP / ASSIGNMENT OF THE HAP CONTRACT [HUD-52641]

The HAP contract cannot be assigned to a new owner without the prior written consent of HACC.

An owner under a HAP contract must notify HACC in writing prior to a change in the legal ownership of the unit. The owner must supply all information as requested by HACC.

Prior to approval of assignment to a new owner, the new owner must agree to be bound by and comply with the HAP contract. The agreement between the new owner and the former owner must be in writing and in a form that HACC finds acceptable. The new owner must provide HACC with a copy of the executed agreement.

HACC Policy

Assignment of the HAP contract will be approved only if the new owner is qualified to become an owner under the HCV program according to the policies in Section 13-I.D. of this chapter.

HACC must receive a signed, written request from the existing owner stating the name and address of the new HAP payee and the effective date of the assignment in order to change the HAP payee under an outstanding HAP contract.

HACC will inform the current owner in writing if the assignment may not take place.

The new owner must provide a written certification to HACC that includes:

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A copy of the escrow statement or other document showing the transfer of title and recorded deed, if requested by HACC;

A copy of the owner's IRS Form W-9, Request for Taxpayer Identification Number and Certification;

The effective date of the HAP contract assignment;

A written agreement to comply with the terms of the HAP contract; and

A certification that the new owner is not a prohibited relative.

If the new owner does not agree to an assignment of the HAP contract, or fails to provide the necessary documents, HACC will terminate the HAP contract with the old owner. If the new owner wants to offer the family a new lease, and the family elects to stay with continued assistance, HACC will process the leasing in accordance with the policies in chapter 9.

13-II.G. FORECLOSURE [HUD-52641 and Notice PIH 2010-49]

Families receiving HCV assistance are entitled to certain protections set forth under the Protecting Tenants at Foreclosure Act (PTFA). Specifically, the HAP contract now contains language stating that in the case of any foreclosure, the immediate successor in interest in the property pursuant to the foreclosure will assume such interest subject to the lease between the prior owner and the tenant, and to the HAP contract between the prior owner and the PHA for the occupied unit. This provision of the HAP contract does not affect any state or local law that provides longer time periods or other additional protections for tenants.

If the PHA learns that a property is in foreclosure, it must take the following actions:

- Make all reasonable efforts to determine the status of the foreclosure and ownership of the property. (Further guidance on how to obtain this information can be found in Notice PIH 2010-49.)
- Continue to make payments to the original owner until ownership legally transfers in accordance with the HAP contract.
- Attempt to obtain a written acknowledgement of the assignment of the HAP contract from the successor in interest. The written agreement should include a request for owner information, such as a tax identification number, and payment instructions from the new owner. Even if the new owner does not acknowledge the assignment of the HAP contract in writing, the assignment is still effective by operation of law.
- Inform the tenant that they must continue to pay rent in accordance with the lease, and if the successor in interest refuses to accept payment or cannot be identified, the tenant should pay rent into escrow. Failure to pay rent may constitute an independent ground for eviction.
- Inform the tenant in the event that the PHA is unable to make HAP payments to the successor in interest due an action or inaction by the successor that prevents such payments (e.g., rejection of payments or failure to maintain the property according to HQS), or due to an inability to identify the successor. The PHA should also refer the tenant, as needed, to the local legal aid office in order to ensure adequate protection of the tenant's rights and enforcement of the successor in interest's performance under the HAP contract.

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- Make reasonable inquiries to determine whether the unit, in addition to having a tenant receiving HCV assistance, will be or has been assisted under the Neighborhood Stabilization Program (NSP). (For further guidance on cases in where the units have been assisted under the NSP, see Notice PIH 2010-49.)

PHAs are also required to notify HCV applicants who have been issued a voucher, participant heads of household, and current and prospective owners of HCV-assisted housing of the protections afforded to tenants under the PTFA.

HACC Policy

HACC will provide all HCV applicants that have been issued a voucher with information regarding the PTFA at admission (see Section 5-I.B) and to participant heads of household at annual reexamination.

HACC will provide information regarding the PTFA to prospective owners when they begin their participation in the HCV program, and to current HCV owners one time with the monthly HAP.

Note that the foreclosure provision of the HAP contract and additional tenant protections under the Protecting Tenants at Foreclosure Act will sunset December 31, 2014.

See Section 12-III.B for a discussion of foreclosure as it pertains to owner termination of tenancy.

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Chapter 14

PROGRAM INTEGRITY

INTRODUCTION

HACC is committed to ensuring that subsidy funds made available to HACC are spent in accordance with HUD requirements.

This chapter covers HUD and HACC policies designed to prevent, detect, investigate and resolve instances of program abuse or fraud. It also describes the actions that will be taken in the case of unintentional errors and omissions.

Part I: Preventing, Detecting, and Investigating Errors and Program Abuse. This part presents HACC policies related to preventing, detecting, and investigating errors and program abuse.

Part II: Corrective Measures and Penalties. This part describes the corrective measures HACC must and may take when errors or program abuses are found.

PART I: PREVENTING, DETECTING, AND INVESTIGATING ERRORS AND PROGRAM ABUSE

14-I.A. PREVENTING ERRORS AND PROGRAM ABUSE

HUD created the Enterprise Income Verification (EIV) system to provide PHAs with a powerful tool for preventing errors and detecting program abuse. PHAs are required to use the EIV system in its entirety in accordance with HUD administrative guidance [24 CFR 5.233]. PHAs are further required to:

- Provide applicants and participants with form HUD-52675, "Debts Owed to PHAs and Terminations"
- Require all adult members of an applicant or participant family to acknowledge receipt of form HUD-52675 by signing a copy of the form for retention in the family file

HACC Policy

To ensure that HACC's HCV program is administered according to the highest ethical and legal standards, HACC will employ a variety of techniques to ensure that both errors and intentional program abuse are rare.

HACC will discuss program compliance and integrity issues during the voucher briefing sessions described in Chapter 5.

HACC staff will be required to review and explain the contents of all HUD- and HACC-required forms prior to requesting family member signatures.

At every regular reexamination, PHA staff will explain any changes in HUD regulations or PHA policy that affect program participants.

The PHA will provide owners with ongoing information about the program, with an emphasis on actions and situations to avoid.

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HACC will provide each HACC employee with the necessary training on program rules and the organization's standards of conduct and ethics.

The PHA will provide each applicant and participant with a copy of "What You Should Know about EIV," a guide to the Enterprise Income Verification (EIV) system published by HUD as an attachment to Notice PIH 2010-19.

For purposes of this chapter the term *error* refers to an unintentional error or omission. P*rogram abuse or fraud* refers to a single act or pattern of actions that constitute a false statement, omission, or concealment of a substantial fact, made with the intent to deceive or mislead.

14-I.B. DETECTING ERRORS AND PROGRAM ABUSE

In addition to taking steps to prevent errors and program abuse, HACC will use a variety of activities to detect errors and program abuse.

Quality Control and Analysis of Data

Under the Section 8 Management Assessment Program (SEMAP), HUD requires HACC to review a random sample of tenant records annually to determine if the records conform to program requirements and to conduct quality control inspections of a sample of units to ensure HQS compliance [24 CFR, Part 985]. (See Chapter 16 for additional information about SEMAP requirements).

HACC Policy

In addition to the SEMAP quality control requirements, HACC will employ a variety of methods to detect errors and program abuse.

HACC routinely will use HUD and other non-HUD sources of up-front income verification. This includes The Work Number and any other private or public databases available to the PHA.

At each annual reexamination, current information provided by the family will be compared to information provided at the last annual reexamination to identify inconsistencies and incomplete information.

HACC will compare family-reported income and expenditures to detect possible unreported income.

Independent Audits and HUD Monitoring

OMB Circular A-133 requires all PHAs that expend $500,000 or more in federal awards annually to have an independent audit (IPA). In addition, HUD conducts periodic on-site and automated monitoring of HACC activities and notifies HACC of errors and potential cases of program abuse.

HACC Policy

HACC will use the results reported in any IPA or HUD monitoring reports to identify potential program abuses as well as to assess the effectiveness of HACC's error detection and abuse prevention efforts.

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Individual Reporting of Possible Errors and Program Abuse

HACC Policy

HACC will encourage staff, program participants, and the public to report possible program abuse.

14-I.C. INVESTIGATING ERRORS AND PROGRAM ABUSE

When HACC Will Investigate

HACC Policy

HACC will review all referrals, specific allegations, complaints, and tips from any source including other agencies, companies, and individuals, to determine if they warrant investigation. In order for HACC to investigate, the allegation must contain at least one independently-verifiable item of information, such as the name of an employer or the name of an unauthorized household member.

HACC will investigate when inconsistent or contradictory information is detected through file reviews and the verification process.

Consent to Release of Information [24 CFR 982.516]

HACC may investigate possible instances of error or abuse using all available HACC and public records. If necessary, HACC will require HCV families to sign consent forms for the release of additional information.

HACC Policy

At its discretion HACC, will inform and work with other agencies investigating participants being investigated for fraud or abuse involving federal funds including but not limited to working with the Department of Human Services and Child Protective Services.

Analysis and Findings

HACC Policy

HACC will base its evaluation on a preponderance of the evidence collected during its investigation.

Preponderance of the evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence that as a whole shows that the fact sought to be proved is more probable than not. Preponderance of evidence may not be determined by the number of witnesses, but by the greater weight of all evidence

For each investigation HACC will determine (1) whether an error or program abuse has occurred, (2) whether any amount of money is owed HACC, and (3) what corrective measures or penalties will be assessed.

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Consideration of Remedies

All errors and instances of program abuse must be corrected prospectively. Whether HACC will enforce other corrective actions and penalties depends upon the nature of the error or program abuse.

HACC Policy

In the case of family-caused errors or program abuse, HACC will take into consideration (1) the seriousness of the offense and the extent of participation or culpability of individual family members, (2) any special circumstances surrounding the case, (3) any mitigating circumstances related to the disability of a family member, (4) the effects of a particular remedy on family members who were not involved in the offense.

In the case of owner-caused errors or program abuse, HACC will take into consideration (1) the seriousness of the offense, (2) the length of time since the violation has occurred, and (3) the effects of a particular remedy on family members who were not involved in the offense.

Notice and Appeals

HACC Policy

HACC will inform the relevant party in writing of its findings and remedies within 10 business days of the conclusion of the investigation. The notice will include (1) a description of the error or program abuse, (2) the basis on which HACC determined the error or program abuses, (3) the remedies to be employed, and (4) the family's right to appeal the results through the informal review or hearing process, if applicable (see Chapter 16).

PART II: CORRECTIVE MEASURES AND PENALTIES

14-II.A. SUBSIDY UNDER- OR OVERPAYMENTS

A subsidy under- or overpayment includes (1) an incorrect housing assistance payment to the owner, (2) an incorrect family share established for the family, and (3) an incorrect utility reimbursement to a family.

Corrections

Whether the incorrect subsidy determination is an overpayment or underpayment of subsidy, HACC must promptly correct the HAP, family share, and any utility reimbursement prospectively.

HACC Policy

Increases in the family share will be implemented on the first of the month following a written 30-day notice.

Any decreases in family share will become effective the first of the month following the discovery of the error.

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Reimbursement

Whether the family or owner is required to reimburse HACC or HACC is required to make retroactive subsidy payments to the owner or family depends upon which party is responsible for the incorrect subsidy payment and whether the action taken was an error or program abuse. Policies regarding reimbursement are discussed in the three sections that follow.

14-II.B. FAMILY-CAUSED ERRORS AND PROGRAM ABUSE

Family obligations and general administrative requirements for participating in the program are discussed throughout this plan. This section deals specifically with errors and program abuse by family members.

An incorrect subsidy determination caused by a family generally would be the result of incorrect reporting of family composition, income, assets, or expenses, but also would include instances in which the family knowingly allows HACC to use incorrect information provided by a third party.

Family Reimbursement to HACC [HCV GB pp. 22-12 to 22-13]

HACC Policy

In the case of family-caused errors or program abuse, the family will be required to repay any excess subsidy. HACC may, but is not required to, offer the family a repayment agreement in accordance with Chapter 16. If the family fails to repay the excess subsidy, HACC will terminate the family's assistance in accordance with the policies in Chapter 12.

If misrepresentation or omission by the family has caused them to pay less than the required rent, depending on the circumstances, HACC may terminate the family's housing assistance. The family will be eligible to a hearing prior to any termination of their voucher.

HACC Reimbursement to Family [HCV GB p. 22-12]

HACC Policy

HACC will not reimburse the family for any underpayment of assistance when the underpayment clearly is caused by the family.

Prohibited Actions

An applicant or participant in the HCV program must not knowingly:

- Make a false statement to HACC [Title 18 U.S.C. Section 1001].
- Commit fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program [24 CFR 982.552(c) (iv)].

HACC Policy

Any of the following will be considered evidence of family program abuse:

Payment to the owner in excess of amounts authorized by HACC for rent, security deposit, and additional services

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Subleasing to guests or others or requiring live-in-aides to assist with rent payments.

Offering bribes or illegal gratuities to HACC Board of Commissioners, employees, contractors, or other HACC representatives

Offering payments or other incentives to the owner or a third party as an inducement for the third party to make false or misleading statements to HACC on the family's behalf

Use of a false name or the use of falsified, forged, or altered documents

Intentional misreporting of family information or circumstances (e.g. income, family composition)

Omitted facts that were obviously known by a family member (e.g., not reporting employment income)

Admission of program abuse by an adult family member

HACC may determine other actions to be program abuse based upon a preponderance of the evidence, as defined earlier in this chapter.

Penalties for Program Abuse

In the case of program abuse caused by a family HACC may, at its discretion, impose any of the following remedies.

- HACC may require the family to repay excess subsidy amounts paid by HACC, as described earlier in this section.
- HACC may require, as a condition of receiving or continuing assistance, that a culpable family member not reside in the unit. See policies in Chapter 3 (for applicants) and Chapter 12 (for participants).
- HACC may deny or terminate the family's assistance following the policies set forth in Chapter 3 and Chapter 12 respectively.
- HACC may refer the family for state or federal criminal prosecution as described in section 14-II.E.

14-II.C. OWNER-CAUSED ERROR OR PROGRAM ABUSE

Owner requirements that are part of the regular process of offering, leasing, and maintaining a unit (e.g., HQS compliance, fair housing) are addressed in the appropriate chapters of this plan. This section focuses on errors and program abuse by owners.

An incorrect subsidy determination caused by an owner generally would be the result of an incorrect owner statement about the characteristics of the assisted unit (e.g., the number of bedrooms, which utilities are paid by the family). It also includes accepting duplicate housing assistance payments for the same unit in the same month, or after a family no longer resides in the unit.

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Owner Reimbursement to HACC

In all cases of overpayment of subsidy caused by the owner, the owner must repay to HACC any excess subsidy received. HACC may recover overpaid amounts by withholding housing assistance payments due for subsequent months, or if the debt is large, HACC may allow the owner to pay in installments over a period of time [HCV GB p. 22-13].

HACC Policy

In cases where the owner has received excess subsidy, HACC will require the owner to repay the amount owed in accordance with the policies in Section 16-IV.B.

Prohibited Owner Actions

An owner participating in the HCV program must not:

- Make any false statement to HACC [Title 18 U.S.C. Section 1001].
- Commit fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program [24 CFR 982.453(a)(3)] including:

HACC Policy

Any of the following will be considered evidence of owner program abuse:

Charging the family rent above or below the amount specified by HACC

Charging a security deposit other than that specified in the family's lease

Charging the family for services that are provided to unassisted tenants at no extra charge

Knowingly accepting housing assistance payments for any month(s) after the family has vacated the unit

Knowingly accepting incorrect or excess housing assistance payments

Offering bribes or illegal gratuities to HACC Board of Commissioners, employees, contractors, or other HACC representatives

Offering payments or other incentives to an HCV family as an inducement for the family to make false or misleading statements to HACC

Residing in the unit with an assisted family

Remedies and Penalties

When HACC determines that the owner has committed program abuse, HACC may take any of the following actions:

- Require the owner to repay excess housing assistance payments, as discussed earlier in this section and in accordance with the policies in Chapter 16.
- Terminate the HAP contract (See Chapter 13).
- Bar the owner from future participation in any HACC programs.
- Refer the case to state or federal officials for criminal prosecution as described in section 14-II.E.

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14-II.D. HACC-CAUSED ERRORS OR PROGRAM ABUSE

The responsibilities and expectations of HACC staff with respect to normal program administration are discussed throughout this plan. This section specifically addresses actions of a HACC staff member that are considered errors or program abuse related to the HCV program. Additional standards of conduct may be provided in HACC personnel policy.

HACC-caused incorrect subsidy determinations include (1) failing to correctly apply HCV rules regarding family composition, income, assets, and expenses, (2) assigning the incorrect voucher size to a family, and (3) errors in calculation.

Repayment to HACC

Neither a family nor an owner is required to repay an overpayment of subsidy if the error or program abuse is caused by HACC staff [HCV GB. 22-12].

HACC Reimbursement to Family or Owner

HACC must reimburse a family for any underpayment of subsidy, regardless of whether the underpayment was the result of staff-caused error or staff or owner program abuse. Funds for this reimbursement must come from HACC's administrative fee reserves [HCV GB p. 22-12].

Prohibited Activities

HACC Policy

Any of the following will be considered evidence of program abuse by HACC staff:

- Failing to comply with any HCV program requirements for personal gain
- Failing to comply with any HCV program requirements as a result of a conflict of interest relationship with any applicant, participant, or owner
- Seeking or accepting anything of material value from applicants, participating families, vendors, owners, contractors, or other persons who provide services or materials to HACC
- Disclosing confidential or proprietary information to outside parties
- Gaining profit as a result of insider knowledge of HACC activities, policies, or practices
- Misappropriating or misusing HCV funds
- Destroying, concealing, removing, or inappropriately using any records related to the HCV program
- Committing any other corrupt or criminal act in connection with any federal housing program

14-II.E. CRIMINAL PROSECUTION

HACC Policy

When HACC determines that program abuse by an owner, family, or HACC staff member has occurred and the amount of overpaid subsidy meets or exceeds the threshold for prosecution under local or state law, HACC may refer the matter to the appropriate entity for prosecution. When the amount of overpaid assistance meets or exceeds the

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federal threshold, the case will also be referred to the HUD Office of Inspector General (OIG).

Other criminal violations related to the HCV program will be referred to the appropriate local, state, or federal entity.

14-II.F. FRAUD AND PROGRAM ABUSE RECOVERIES

HACC may retain a portion of program fraud losses that HACC recovers from a family or owner through litigation, court order, or a repayment agreement [24 CFR 982.163].

HACC must be the principal party initiating or sustaining the action to recover amounts due from tenants that are due as a result of fraud and abuse. 24 CFR 792.202 permits HACC to retain the greater of:

- 50 percent of the amount it actually collects from a judgment, litigation (including settlement of a lawsuit) or an administrative repayment agreement, or
- Reasonable and necessary costs that HACC incurs related to the collection including costs of investigation, legal fees, and agency collection fees.

The family must be afforded the opportunity for an informal hearing in accordance with requirements in 24 CFR 982.555.

If HUD incurs costs on behalf of HACC related to the collection, these costs must be deducted from the amount retained by HACC.

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Chapter 15

SPECIAL HOUSING TYPES
[24 CFR 982 Subpart M]

INTRODUCTION

HACC may permit a family to use any of the special housing types discussed in this chapter. However, HACC is not required to permit families receiving assistance in its jurisdiction to use these housing types, except that HACC must permit use of any special housing type if needed as a reasonable accommodation for a person with a disability. HACC also may limit the number of families who receive HCV assistance in these housing types and cannot require families to use a particular housing type. No special funding is provided for special housing types.

HACC Policy

Families will be able to utilize the following special housing types only:

- HACC will permit shared housing in its Housing Choice Voucher program. At any time HACC may change its decision to include shared housing in its program. If at a later date it is determined to not continue the shared housing program, any outstanding shared housing contracts which have been executed will continue to be honored.
- Eligible elderlyand/or disabled families may use congregate housing. Eligible elderly or disabled families who require a planned program of continual supportive services may use independent group residences.
- SRO housing may be used only if:

  (i) The property is located in an area in which there is a significant demand for SRO units, as determined by the HUD field office;

  (ii) The PHA and the unit of general local government in which the property is located approve the use of SRO units for such purpose;

  (iii) The unit of general local government and the local PHA certify to HUD that the property meets applicable local health and safety standards for SRO housing;
- A voucher holder who owns a manufactured home may receive assistance with the manufactured home space rent.

Special housing types include single room occupancy (SRO), congregate housing, group homes, shared housing, cooperative housing, manufactured homes where the family owns the home and leases the space, and homeownership [24 CFR 982.601].

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This chapter consists of the following seven parts. Each part contains a description of the housing type and any special requirements associated with it. Except as modified by this chapter, the general requirements of the HCV program apply to special housing types.

Part I: Single Room Occupancy

Part II: Congregate Housing

Part III: Group Homes

Part IV: Shared Housing

Part V: Cooperative Housing

Part VI: Manufactured Homes (including manufactured home space rental)

Part VII: Homeownership

PART I: SINGLE ROOM OCCUPANCY

[24 CFR 982.602 through 982.605]

15-I.A. OVERVIEW

A single room occupancy (SRO) unit provides living and sleeping space for the exclusive use of the occupant but requires the occupant to share sanitary and/or food preparation facilities with others. More than one person may not occupy an SRO unit. HCV regulations do not limit the number of units in an SRO facility, but the size of a facility may be limited by local ordinances.

When providing HCV assistance in an SRO unit, a separate lease and HAP contract are executed for each assisted person, and the standard form of the HAP contract is used. At this time, Clackamas County has no SRO units. If SRO units become available in the future, this policy will apply.

15-I.B. PAYMENT STANDARD, UTILITY ALLOWANCE, AND HAP CALCULATION

The payment standard for SRO housing is 75 percent of the zero-bedroom payment standard amount on HACC's payment standard schedule.

The utility allowance for an assisted person residing in SRO housing is 75 percent of the zero bedroom utility allowance.

The HAP for an assisted occupant in an SRO facility is the lower of the SRO payment standard amount minus the TTP or the gross rent for the unit minus the TTP.

15-I.C. HOUSING QUALITY STANDARDS (HQS)

HQS requirements described in Chapter 8 apply to SRO housing except as modified below.

- *Access*: Access doors to the SRO unit must have working locks for privacy. The occupant must be able to access the unit without going through any other unit. Each unit must have immediate access to two or more approved means of exit from the building, appropriately marked and leading to safe and open space at ground level. The SRO unit must also have any other means of exit required by State or local law.

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- *Fire Safety*: All SRO facilities must have a sprinkler system that protects major spaces. "Major spaces" are defined as hallways, common areas, and any other areas specified in local fire, building, or safety codes. SROs must also have hard-wired smoke detectors, and any other fire and safety equipment required by state or local law.

  Sanitary facilities and space and security standards must meet local code requirements for SRO housing. In the absence of local code standards the requirements discussed below apply [24 CFR 982.605].

- *Sanitary Facilities*: At least one flush toilet that can be used in privacy, a lavatory basin, and a bathtub or shower in proper operating condition must be provided for each six persons (or fewer) residing in the SRO facility. If the SRO units are leased only to men, flush urinals may be substituted for up to one half of the required number of toilets. Sanitary facilities must be reasonably accessible from a common hall or passageway, and may not be located more than one floor above or below the SRO unit. They may not be located below grade unless the SRO units are located on that level.

- *Space and Security*: An SRO unit must contain at least 110 square feet of floor space, and at least four square feet of closet space with an unobstructed height of at least five feet, for use by the occupant. If the closet space is less than four square feet, the habitable floor space in the SRO unit must be increased by the amount of the deficiency. Exterior doors and windows accessible from outside the SRO unit must be lockable.

  Because no children live in SRO housing, the housing quality standards applicable to lead-based paint do not apply.

PART II: CONGREGATE HOUSING

[24 CFR 982.606 through 982.609]

15-II.A. OVERVIEW

Congregate housing is intended for use by elderly persons or persons with disabilities. A congregate housing facility contains a shared central kitchen and dining area and a private living area for the individual household that includes at least a living room, bedroom and bathroom. Food service for residents must be provided.

If approved by HACC, a family member or live-in aide may reside with the elderly person or person with disabilities. HACC must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

When providing HCV assistance in congregate housing, a separate lease and HAP contract are executed for each assisted family, and the standard form of the HAP contract is used.

15-II.B. PAYMENT STANDARD, UTILITY ALLOWANCE, AND HAP CALCULATION

The payment standard for an individual unit in a congregate housing facility is based on the number of rooms in the private living area. If there is only one room in the unit (not including the bathroom or the kitchen, if a kitchen is provided), HACC must use the payment standard for a zero-bedroom unit. If the unit has two or more rooms (other than the bathroom and the kitchen), HACC must use the one-bedroom payment standard.

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The HAP for an assisted occupant in a congregate housing facility is the lower of the applicable payment standard minus the TTP or the gross rent for the unit minus the TTP.

The gross rent for the unit for the purpose of calculating HCV assistance is the shelter portion (including utilities) of the resident's monthly housing expense only. The residents' costs for food service should not be included in the rent for a congregate housing unit.

15-II.C. HOUSING QUALITY STANDARDS

HQS requirements as described in Chapter 8 apply to congregate housing except for the requirements stated below.

> Congregate housing must have (1) a refrigerator of appropriate size in the private living area of each resident; (2) a central kitchen and dining facilities located within the premises and accessible to the residents, and (3) food service for the residents, that is not provided by the residents themselves.
>
> The housing quality standards applicable to lead-based paint do not apply.

PART III: GROUP HOME

[24 CFR 982.610 through 982.614 and HCV GB p. 7-4]

15-III.A. OVERVIEW

A group home is a state-licensed facility intended for occupancy by elderly persons and/or persons with disabilities. Except for live-in aides, all persons living in a group home, whether assisted or not, must be elderly persons or persons with disabilities. Persons living in a group home must not require continuous medical or nursing care.

A group home consists of bedrooms for residents, which can be shared by no more than two people, and a living room, kitchen, dining area, bathroom, and other appropriate social, recreational, or community space that may be shared with other residents.

No more than 12 persons may reside in a group home including assisted and unassisted residents and any live-in aides.

If approved by HACC, a live-in aide may live in the group home with a person with disabilities. HACC must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

When providing HCV assistance in a group home, a separate lease and HAP contract is executed for each assisted family, and the standard form of the HAP contract is used. HACC does not currently allow use of HCV assistance in group homes.

15-III.B. PAYMENT STANDARD, UTILITY ALLOWANCE, AND HAP CALCULATION

Unless there is a live-in aide, the family unit size for an assisted occupant of a group home must be zero- or one-bedroom, depending on HACC's subsidy standard. If there is a live-in aide, the aide must be counted in determining the household's unit size.

The payment standard used to calculate the HAP is the lower of the payment standard for the family unit size or the prorata share of the payment standard for the group home size. The prorata

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share is calculated by dividing the number of persons in the assisted household by the number of persons (assisted and unassisted) living in the group home.

The HAP for an assisted occupant in a group home is the lower of the payment standard minus the TTP or the gross rent minus the TTP.

The utility allowance for an assisted occupant in a group home is the prorata share of the utility allowance for the group home.

The rents paid for participants residing in group homes are subject to generally applicable standards for rent reasonableness. The rent for an assisted person must not exceed the prorata portion of the reasonable rent for the group home. In determining reasonable rent, HACC should consider whether sanitary facilities and facilities for food preparation and service are common facilities or private facilities.

15-III.C. HOUSING QUALITY STANDARDS

HQS requirements described in Chapter 8 apply to group homes except for the requirements stated below.

- *Sanitary Facilities*: A group home must have at least one bathroom in the facility, with a flush toilet that can be used in privacy, a fixed basin with hot and cold running water, and a shower or bathtub with hot and cold running water. A group home may contain private or common bathrooms. However, no more than four residents can be required to share a bathroom.
- *Food Preparation and Service*: Group home units must contain a kitchen and dining area with adequate space to store, prepare, and serve food. The facilities for food preparation and service may be private or may be shared by the residents. The kitchen must contain a range, an oven, a refrigerator, and a sink with hot and cold running water. The sink must drain into an approvable public or private disposal system.
- *Space and Security*: Group homes must contain at least one bedroom of appropriate size for every two people, and a living room, kitchen, dining area, bathroom, and other appropriate social, recreational, or community space that may be shared with other residents.
- *Structure and Material*: To avoid any threat to the health and safety of the residents, group homes must be structurally sound. Elevators must be in good condition. Group homes must be accessible to and usable by residents with disabilities.
- *Site and Neighborhood*: Group homes must be located in a residential setting. The site and neighborhood should be reasonably free from hazards to the health, safety, and general welfare of the residents, and should not be subject to serious adverse conditions, such as:
  - Dangerous walks or steps
  - Instability
  - Flooding, poor drainage
  - Septic tank back-ups
  - Sewage hazards
  - Mud slides

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- Abnormal air pollution
- Smoke or dust
- Excessive noise
- Vibrations or vehicular traffic
- Excessive accumulations of trash
- Vermin or rodent infestation, and
- Fire hazards.

The housing quality standards applicable to lead-based paint do not apply.

PART IV: SHARED HOUSING

[24 CFR 982.615 through 982.618]

15-IV.A. OVERVIEW

Shared housing is a single housing unit occupied by an assisted family and another resident or residents. The shared unit consists of both common space for use by the occupants of the unit and separate private space for each assisted family.

An assisted family may share a unit with other persons assisted under the HCV program or with other unassisted persons. The owner of a shared housing unit may reside in the unit, but housing assistance may not be paid on behalf of the owner. The resident owner may not be related by blood or marriage to the assisted family.

If approved by HACC, a live-in aide may reside with the family to care for a person with disabilities. HACC must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

When providing HCV assistance in shared housing, a separate lease and HAP contract are executed for each assisted family, and the standard form of the HAP contract is used.

15-IV.B. PAYMENT STANDARD, UTILITY ALLOWANCE AND HAP CALCULATION

The payment standard for a family in shared housing is the lower of the payment standard for the family unit size or the prorata share of the payment standard for the shared housing unit size.

The prorata share is calculated by dividing the number of bedrooms available for occupancy by the assisted family in the private space by the total number of bedrooms in the unit.

The HAP for a family in shared housing is the lower of the payment standard minus the TTP or the gross rent minus the TTP. The utility allowance for an assisted family living in shared housing is the prorata share of the utility allowance for the shared housing unit.

The rents paid for families living in shared housing are subject to generally applicable standards for rent reasonableness. The rent paid to the owner for the assisted family must not exceed the pro-rata portion of the reasonable rent for the shared unit. In determining reasonable rent, HACC should consider whether sanitary and food preparation areas are private or shared.

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15-IV.C. HOUSING QUALITY STANDARDS

HACC may not give approval to reside in shared housing unless the entire unit, including the portion of the unit available for use by the assisted family under its lease, meets the housing quality standards.

HQS requirements described in Chapter 8 apply to shared housing except for the requirements stated below.

- *Facilities Available for the Family*: Facilities available to the assisted family, whether shared or private, must include a living room, a bathroom, and food preparation and refuse disposal facilities.
- *Space and Security*: The entire unit must provide adequate space and security for all assisted and unassisted residents. The private space for each assisted family must contain at least one bedroom for each two persons in the family. The number of bedrooms in the private space of an assisted family must not be less than the family unit size. A zero-bedroom or one-bedroom unit may not be used for shared housing.

PART V: COOPERATIVE HOUSING

[24 CFR 982.619]

15-V.A. OVERVIEW

This part applies to rental assistance for a cooperative member residing in cooperative housing. It does not apply to assistance for a cooperative member who has purchased membership under the HCV homeownership option, or to rental assistance for a family that leases a cooperative housing unit from a cooperative member.

A cooperative is a form of ownership (nonprofit corporation or association) in which the residents purchase memberships in the ownership entity. Rather than being charged "rent" a cooperative member is charged a "carrying charge."

When providing HCV assistance in cooperative housing, the standard form of the HAP contract is used. HACC does not currently allow use of HCV assistance for cooperative housing.

15-V.B. PAYMENT STANDARD, UTILITY ALLOWANCE AND HAP CALCULATION

The payment standard and utility allowance are determined according to regular HCV program requirements.

The HAP for a cooperative housing unit is the lower of the payment standard minus the TTP or the monthly carrying charge for the unit, plus any utility allowance, minus the TTP. The monthly carrying charge includes the member's share of the cooperative debt service, operating expenses, and necessary payments to cooperative reserve funds. The carrying charge does not include down payments or other payments to purchase the cooperative unit or to amortize a loan made to the family for this purpose.

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15-V.C. HOUSING QUALITY STANDARDS

All standard HQS requirements apply to cooperative housing units. There are no additional HQS requirements.

PART VI: MANUFACTURED HOMES

[24 CFR 982.620 through 982.624]

15-VI.A. OVERVIEW

A manufactured home is a manufactured structure, transportable in one or more parts that is built on a permanent chassis, and designed for use as a principal place of residence. HCV-assisted families may occupy manufactured homes in two different ways.

(1) A family can choose to rent a manufactured home already installed on a space and HACC must permit it. In this instance program rules are the same as when a family rents any other residential housing, except that there are special HQS requirements as provided in 15-VI.D below.

(2) HUD also permits an otherwise eligible family that owns a manufactured home to rent a space for the manufactured home and receive HCV assistance with the rent for the space. HACC may, but is not required to, provide assistance for such families. HACC has chosen to allow assistance for space rental.

15-VI.B. SPECIAL POLICIES FOR MANUFACTURED HOME OWNERS WHO LEASE A SPACE

Family Income

In determining the annual income of families leasing manufactured home spaces, the value of the family's equity in the manufactured home in which the family resides is not counted as a family asset.

Lease and HAP Contract

There is a separate Tenancy Addendum (Form 52642-a) and separate HAP Contract (Form 52642) for this special housing type.

15-VI.C. PAYMENT STANDARD, UTILITY ALLOWANCE AND HAP CALCULATION

Payment Standards

The FMR for a manufactured home space is generally 40 percent of the published FMR for a two-bedroom unit or, where approved by HUD, the 40th percentile of the rental distribution of manufactured home spaces for the FMR area. HACC may establish a payment standard for manufactured home spaces that is between 90-110 percent of the FMR for manufactured home spaces.

Utility Allowance

HACC must establish utility allowances for manufactured home space rental. HACC will utilize its regular HCV utility allowance schedule. For the first 12 months of the initial lease term only, the allowance must include an amount for a utility hook-up charge if the family actually incurred

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a hook-up charge because of a move. This allowance will not be given to a family that leases in place. Utility allowances for manufactured home space must not include the costs of digging a well or installing a septic system.

Space Rent

The space rent is the sum of the rent to the owner for the manufactured home space, any charges for maintenance and management provided by the owner, and the utility allowance for tenant-paid utilities.

Housing Assistance Payment

The HAP for a manufactured home space under the housing choice voucher program is the lower of the payment standard minus the TTP or the (gross) manufactured home space rent minus the TTP.

Rent Reasonableness

Initially, and annually thereafter HACC must determine that the rent for the manufactured home space is reasonable based on rents for comparable manufactured home spaces. HACC must consider the location and size of the space, and any services and maintenance to be provided by the owner. By accepting the monthly HAP check, the owner certifies that the rent does not exceed rents charged by the owner for comparable unassisted spaces in the Manufactured Home Park or elsewhere.

15-VI.D. HOUSING QUALITY STANDARDS

Under either type of occupancy described in 15-VI.A above, the manufactured home must meet all HQS performance requirements and acceptability criteria discussed in Chapter 8 of this plan. In addition, the following requirement applies:

Manufactured Home Tie-Down

A manufactured home must be placed on the site in a stable manner, and must be free from hazards such as sliding or wind damage. The home must be securely anchored by a tie-down device that distributes and transfers the loads imposed by the unit to appropriate ground anchors to resist overturning and sliding.

PART VII: HOMEOWNERSHIP

[24 CFR 982.625 through 982.643]

15-VII.A. OVERVIEW [24 CFR 982.625]

HACC does not operate a Homeownership Program.

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Chapter 16

PROGRAM ADMINISTRATION

INTRODUCTION

This chapter discusses administrative policies and practices that are relevant to the activities covered in this plan. The policies are discussed in seven parts as described below:

Part I: Administrative Fee Reserve. This part describes HACC's policies with regard to oversight of expenditures from its administrative fee reserve.

Part II: Setting Program Standards and Schedules. This part describes what payment standards are, and how they are updated, as well as how utility allowances are established and revised.

Part III: Informal Reviews and Hearings. This part outlines the requirements and procedures for informal reviews and hearings, and for informal hearings regarding citizenship status.

Part IV: Owner or Family Debts to HACC. This part describes policies for recovery of monies that HACC has overpaid on behalf of families, or to owners, and describes the circumstances under which HACC will offer repayment agreements to owners and families. Also discussed are the consequences for failure to make payments in accordance with a repayment agreement.

Part V: Section 8 Management Assessment Program (SEMAP). This part describes what the SEMAP scores represent, how they are established, and how those scores affect HACC.

Part VI: Record-Keeping. All aspects of the program involve certain types of record-keeping. This part outlines the privacy rights of applicants and participants and record retention policies HACC will follow.

Part VII: Reporting and Record Keeping for Children with Environmental Intervention Blood Lead Level. This part describes HACC's responsibilities for reporting, data collection, and record keeping relative to children with environmental intervention blood lead levels that are less than six years of age, and are receiving HCV assistance.

Part VIII: Determination of Insufficient Funding. This part describes HACC's policies for determining if there is sufficient funding to issue vouchers, to approve moves to higher cost units or areas, and to continue assistance for all participant families.

Part IX: Violence against Women Act (VAWA): Notification, Documentation, And Confidentiality. This part contains key terms used in VAWA and describes requirements related to notifying families and owners about their rights and responsibilities under VAWA; requesting documentation from victims of domestic violence, dating violence, sexual assault and stalking; and maintaining the confidentiality of information obtained from victims.

Part X: Family Self Sufficiency Program.

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PART I: ADMINISTRATIVE FEE RESERVE [24 CFR 982.155]

The PHA will maintain administrative fee reserves, or unrestricted net position (UNP) for the program to pay program administrative expenses in excess of administrative fees paid by HUD for a PHA fiscal year. HUD appropriations acts beginning with FFY 2004 have specified that administrative fee funding may be used only for activities related to the provision of HCV assistance, including related development activities. Notice PIH 2012-9 cites two examples of related development activities: unit modification for accessibility purposes and development of project-based voucher units. The notice makes clear that other activities may also qualify as related development activities. Administrative fees that remain in the UNP account from funding provided prior to 2004 may be used for "other housing purposes permitted by state and local law," in accordance with 24 CFR 982.155(b)(1).

If a PHA has not adequately administered its HCV program, HUD may prohibit use of funds in the UNP Account and may direct the PHA to use funds in that account to improve administration of the program, for HCV HAP expenses, or to reimburse ineligible expenses in accordance with the regulation at 24 CFR 982.155(b)(3).

HUD requires the PHA Board of Commissioners or other authorized officials to establish the maximum amount that may be charged against the UNP account without specific approval.

HACC Policy

Expenditures from the UNA account will be made in accordance with all applicable federal requirements. Expenditures will not exceed $150,000 per occurrence without the prior approval of HACC's Board of Commissioners.

PART II: SETTING PROGRAM STANDARDS AND SCHEDULES

16-II.A. OVERVIEW

Although many of the program's requirements are established centrally by HUD, the HCV program's regulations recognize that some flexibility is required to allow HACC to adapt the program to local conditions. This part discusses how HACC establishes and updates certain schedules and standards that are used to administer the program locally. Details about how these schedules are applied to individual families are provided in other chapters. The schedules and standards discussed here include:

- *Payment Standards*, which dictate the maximum subsidy a family can receive (application of the payment standards is discussed in Chapter 6); and
- *Utility Allowances*, which specify how a family's payment should be adjusted to account for tenant-paid utilities (application of utility allowances is discussed in Chapter 6).

HACC Policy

Copies of the payment standard and utility allowance schedules are available for review in HACC's offices during normal business hours and on HACC's website at: http://www.clackamas.us/housingauthority/section8.html

Families, owners, and members of the public may submit written comments on the schedules discussed in this part, at any time, for consideration during the next revision cycle.

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HACC will maintain documentation to support its annual review of payment standards and utility allowance schedules. This documentation will be retained for at least 3 years.

Establishing and updating the PHA passbook rate, which is used to calculate imputed income from assets, is covered in Chapter 6 (see Section 6-I.G.).

16-II.B. PAYMENT STANDARDS [24 CFR 982.503; HCV GB, Chapter 7]

The payment standard sets the maximum subsidy payment a family can receive from HACC each month [24 CFR 982.505(a)]. Payment standards are based on fair market rents (FMRs) published annually by HUD. FMRs are set at a percentile within the rent distribution of standard quality rental housing units in each FMR area. For most jurisdictions FMRs are set at the 40th percentile of rents in the market area.

HACC must establish a payment standard schedule that establishes payment standard amounts for each FMR area within HACC's jurisdiction, and for each unit size within each of the FMR areas. For each unit size, HACC may establish a single payment standard amount for the whole FMR area, or may set different payment standards for different parts of the FMR area. Unless HUD grants an exception, HACC is required to establish a payment standard within a "basic range" established by HUD – between 90 and 110 percent of the published FMR for each unit size.

Updating Payment Standards

When HUD updates its FMRs, HACC must update its payment standards if the standards are no longer within the basic range [24 CFR 982.503(b)]. HUD may require HACC to make further adjustments if it determines that rent burdens for assisted families in HACC's jurisdiction are unacceptably high 24 CFR 982.503(g)].

HACC Policy

HACC will review the appropriateness of the payment standards on an annual basis when the new FMR is published and at other times as determined necessary. In addition to ensuring the payment standards are always within the "basic range" HACC will consider the following factors when determining whether an adjustment should be made to the payment standard schedule:

Funding Availability: HACC will review the budget to determine the impact projected subsidy adjustments will have on funding available for the program and the number of families served. HACC will compare the number of families who could be served under revised payment standard amounts with the number assisted under current payment standard amounts.

Rent Burden of Participating Families: Rent burden will be determined by identifying the percentage of families, for each unit size, that are paying more than 30 percent of their monthly adjusted income as the family share. When 40 percent or more of families, for any given unit size, are paying more than 30 percent of adjusted monthly income as the family share, HACC will consider increasing the payment standard. In evaluating rent burdens, HACC will not include families renting a larger unit than their family unit size.

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Quality of Units Selected: HACC will review the quality of units selected by participant families when making the determination of the percent of income families are paying for housing, to ensure that payment standard increases are only made when needed to reach the mid-range of the market.

Changes in Rent to Owner: HACC may review a sample of the units to determine how often owners are increasing or decreasing rents and the average percent of increases/decreases by bedroom size.

Unit Availability: HACC will review the availability of units for each unit size, particularly in areas with low concentrations of poor and minority families.

Lease-up Time and Success Rate: HACC will consider the percentage of families that are unable to locate suitable housing before the voucher expires and whether families are leaving the jurisdiction to find affordable housing.

If HACC has already processed reexaminations that will be effective on or after the effective date of the change to the payment standards, HACC will not make retroactive adjustments to any such reexaminations. HACC will only be responsible for applying the payment standard known and published at the time of completing the annual examination or interim.

Exception Payment Standards [982.503(c)]

HACC must request HUD approval to establish payment standards that are higher than the basic range. At HUD's sole discretion, HUD may approve a payment standard amount that is higher than the basic range for a designated part of the FMR area. HUD may approve an exception payment standard amount (in accordance with program requirements) for all units, or for all units of a given size, leased by program families in the exception area. Any PHA with jurisdiction in the exception area may use the HUD-approved exception payment standard amount. The total population of all HUD-approved exception areas in an FMR area may not include more than 50 percent of the population of the FMR area.

HACC Policy

HACC will establish small area payment standards for West Linn and Lake Oswego only. All other Clackamas County payment standards will be under a single payment standard schedule.

Unit-by-Unit Exceptions [24 CFR 982.503(b), 24 CFR 982.505(d), Notice PIH 2010-26]

Unit-by-unit exceptions to HACC's payment standards generally are not permitted. However, an exception may be made as a reasonable accommodation for a family that includes a person with disabilities. (See Chapter 2 for a discussion of reasonable accommodations.) This type of exception does not affect HACC's payment standard schedule.

When needed as a reasonable accommodation, the PHA may make an exception to the payment standard without HUD approval if the exception amount does not exceed 120 percent of the applicable FMR for the unit size [24 CFR 982.503(b)]. The PHA may request HUD approval for an exception to the payment standard for a particular family if the required amount exceeds 120 percent of the FMR.

HACC Policy

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A family that requires a reasonable accommodation may request a higher payment standard at the time the Request for Tenancy Approval (RFTA) is submitted. The family must document the need for the exception. In order to approve an exception, or request an exception from HUD, HACC must determine that:

There is a shortage of affordable units that would be appropriate for the family;

The family's TTP would otherwise exceed 40 percent of adjusted monthly income; and

The rent for the unit is reasonable.

"Success Rate" Payment Standard Amounts [24 CFR 982.503(e)]

If a substantial percentage of families have difficulty finding a suitable unit, HACC may request a "success rate payment standard" that applies to the entire jurisdiction. If approved by HUD, a success rate payment standard allows HACC to set its payment standards at 90-110 percent of a higher FMR (the 50th, rather than the 40th percentile FMR). To support the request, HACC must demonstrate that during the most recent 6-month period for which information is available:

- Fewer than 75 percent of families who were issued vouchers became participants;
- HACC had established payment standards for all unit sizes, and for the entire jurisdiction, at 110 percent of the published FMR; and
- HACC had a policy of allowing voucher holders who made sustained efforts to locate units at least 90 days to search for a unit.

Although HUD approves the success rate payment standard for all unit sizes in the FMR area, HACC may choose to adjust the payment standard for only some unit sizes in all, or a designated part, of HACC's jurisdiction within the FMR area.

Decreases in the Payment Standard below the Basic Range [24 CFR 982.503(d)]

HACC must request HUD approval to establish a payment standard amount that is lower than the basic range. At HUD's sole discretion, HUD may approve establishment of a payment standard lower than the basic range. HUD will not approve a lower payment standard if the family share for more than 40 percent of program participants exceeds 30 percent of adjusted monthly income.

16-II.C. UTILITY ALLOWANCES [24 CFR 982.517]

A HACC-established utility allowance schedule is used in determining family share and HACC subsidy. HACC must maintain a utility allowance schedule for (1) all tenant-paid utilities, (2) the cost of tenant-supplied refrigerators and ranges, and (3) other tenant-paid housing services such as trash collection.

The utility allowance schedule must be determined based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. In developing the schedule, HACC must use normal patterns of consumption for the community as a whole, and current utility rates.

The utility allowance must include the utilities and services that are necessary in the locality to provide housing that complies with housing quality standards. Costs for telephone, cable/satellite television, and internet services are not included in the utility allowance schedule.

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In the utility allowance schedule, HACC must classify utilities and other housing services according to the following general categories: space heating; air conditioning; cooking; water heating; water; sewer; trash collection; other electric; cost of tenant-supplied refrigerator; cost of tenant-supplied range; and other specified housing services.

The cost of each utility and housing service must be stated separately by unit size and type. Chapter 18 of the *HCV Guidebook* provides detailed guidance to HACC about establishing utility allowance schedules.

Air Conditioning

An allowance for air-conditioning must be provided when the majority of housing units in the market have central air-conditioning or are wired for tenant-installed air conditioners.

> HACC Policy
>
> The majority of housing units in HACC's jurisdiction do not include central air-conditioning. Therefore, HACC does not include an allowance for air-conditioning in its utility allowance schedule.

Reasonable Accommodation

HCV program regulations require HACC to approve a utility allowance amount higher than shown on HACC's schedule if a higher allowance is needed as a reasonable accommodation for a family member with a disability. (See Chapter 2 for policies regarding the request and approval of reasonable accommodations).

Utility Allowance Revisions

HACC must review its schedule of utility allowances each year, and must revise the schedule if there has been a change of 10 percent or more in any utility rate since the last time the allowance for that utility was revised.

HACC must maintain information supporting its annual review of utility allowance and any revisions made in its utility allowance schedule.

PART III: INFORMAL REVIEWS AND HEARINGS

16-III.A. OVERVIEW

Both applicants and participants have the right to disagree with, and appeal, certain decisions of the PHA that may adversely affect them. PHA decisions that may be appealed by applicants and participants are discussed in this section. The process for applicant appeals of PHA decisions is called the "informal review." For participants (or applicants denied admission because of citizenship issues), the appeal process is called an "informal hearing." HACC is required to include informal review procedures for applicants, and informal hearing procedures for participants in their administrative plans [24 CFR 982.54(d) (12) and (13)].

16-III.B. INFORMAL REVIEWS

Informal reviews are provided for program applicants. An applicant is someone who has applied for admission to the program, but is not yet a participant in the program. Informal reviews are intended to provide a "minimum hearing requirement" [24 CFR 982.554], and need not be as elaborate as the informal hearing requirements. (FR Volume 60, No. 127 (3 July 1995): 36490).

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Decisions Subject to Informal Review

HACC must give an applicant the opportunity for an informal review of a decision denying assistance [24 CFR 982.554(a)]. Denial of assistance may include any or all of the following [24 CFR 982.552(a) (2)]:

- Denying listing on HACC waiting list
- Denying or withdrawing a voucher
- Refusing to enter into a HAP contract or approve a lease
- Refusing to process or provide assistance under portability procedures

Informal reviews are *not* required for the following reasons [24 CFR 982.554(c)]:

- Discretionary administrative determinations by HACC
- General policy issues or class grievances
- A determination of the family unit size under HACC subsidy standards
- A HACC determination not to grant approval of the tenancy
- A HACC determination that the unit is not in compliance with the HQS
- A HACC determination that the unit is not in accordance with the HQS due to family size or composition

HACC Policy

HACC will only offer participants the opportunity for an informal hearing when required to by the regulations. Denial of assistance includes: denying listing on the PHA waiting list; denying or withdrawing a voucher; refusing to enter into a HAP contract or approve a lease; refusing to process or provide assistance under portability procedures.

Notice to the Applicant [24 CFR 982.554(a)]

HACC must give an applicant prompt notice of a decision denying assistance. The notice must contain a brief statement of the reasons for HACC decision, and must also state that the applicant may request an informal review of the decision. The notice must describe how to obtain the informal review.

Scheduling an Informal Review

HACC Policy

A request for an informal review must be made in writing and delivered to HACC either in person or by first class mail, by the close of the business day, no later than 30 business days from the date of HACC's denial of assistance.

Except as provided in Section 3-III.G, HACC must schedule and send written notice of the informal review within 10 business days of the family's request.

Informal Review Procedures [24 CFR 982.554(b)]

The informal review must be conducted by a person other than the one who made or approved the decision under review, or a subordinate of this person.

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The applicant must be provided an opportunity to present written or oral objections to the decision of HACC.

HACC Policy

The person conducting the review will make a recommendation to HACC, but HACC is responsible for making the final decision as to whether assistance should be granted or denied.

Informal Review Decision [24 CFR 982.554(b)]

HACC must notify the applicant of HACC's final decision, including a brief statement of the reasons for the final decision.

HACC Policy

In rendering a decision, HACC will evaluate the following matters:

Whether or not the grounds for denial were stated factually in the notice to the family.

The validity of the grounds for denial of assistance. If the grounds for denial are not specified in the regulations, then the decision to deny assistance will be overturned.

The validity of the evidence. HACC will evaluate whether the facts presented prove the grounds for denial of assistance. If the facts prove that there are grounds for denial, and the denial is required by HUD, HACC will uphold the decision to deny assistance.

If the facts prove the grounds for denial, and the denial is discretionary, HACC will consider the recommendation of the person conducting the informal review in making the final decision whether to deny assistance.

HACC will notify the applicant of the final decision, including a statement explaining the reason(s) for the decision. The notice will be mailed within 10 business days of the informal review, to the applicant and his or her representative, if any, by first class mail.

If the decision to deny is overturned as a result of the informal review, processing for admission will resume.

Informal reviews will not be rescheduled unless a request to HACC is submitted at least 24 hours in advance.

If the family fails to appear for their informal review, the denial of admission will stand and the family will be so notified.

16-III.C. INFORMAL HEARINGS FOR PARTICIPANTS [24 CFR 982.555, Pub.L. 109-162]

PHAs must offer an informal hearing for certain PHA determinations relating to the individual circumstances of a participant family. A participant is defined as a family that has been admitted to HACC's HCV program and is currently assisted in the program. The purpose of the informal hearing is to consider whether HACC's decisions related to the family's circumstances are in accordance with the law, HUD regulations and HACC policies.

HACC is not permitted to terminate a family's assistance until the time allowed for the family to request an informal hearing has elapsed, and any requested hearing has been completed. Termination of assistance for a participant may include any or all of the following:

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- Refusing to enter into a HAP contract or approve a lease
- Terminating housing assistance payments under an outstanding HAP contract
- Refusing to process or provide assistance under portability procedures

Decisions Subject to Informal Hearing

Circumstances for which HACC must give a participant family an opportunity for an informal hearing are as follows:

- A determination of the family's annual or adjusted income, and the use of such income to compute the housing assistance payment
- A determination of the appropriate utility allowance (if any) for tenant-paid utilities from HACC utility allowance schedule
- A determination of the family unit size under HACC's subsidy standards
- A determination to terminate assistance for a participant family because of the family's actions or failure to act
- A determination to terminate assistance because the participant has been absent from the assisted unit for longer than the maximum period permitted under HACC policy and HUD rules
- A determination to terminate a family's Family Self Sufficiency contract, withhold supportive services, or propose forfeiture of the family's escrow account [24 CFR 984.303(i)]

Circumstances for which an informal hearing is not required are as follows:

- Discretionary administrative determinations by HACC
- General policy issues or class grievances
- Establishment of HACC schedule of utility allowances for families in the program
- HACC determination not to approve an extension or suspension of a voucher term
- HACC determination not to approve a unit or tenancy
- HACC determination that a unit selected by the applicant is not in compliance with the HQS
- HACC determination that the unit is not in accordance with HQS because of family size
- A determination by HACC to exercise or not to exercise any right or remedy against an owner under a HAP contract

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HACC Policy

HACC will only offer participants the opportunity for an informal hearing when required to by the regulations.

Informal Hearing Procedures

***Notice to the Family* [24 CFR 982.555(c)]**

When HACC makes a decision that is subject to informal hearing procedures, HACC must inform the family of its right to an informal hearing at the same time that it informs the family of the decision.

For decisions related to the family's annual or adjusted income, the determination of the appropriate utility allowance, and the determination of the family unit size, HACC must notify the family that they may ask for an explanation of the basis of the determination, and that if they do not agree with the decision, they may request an informal hearing on the decision.

For decisions related to the termination of the family's assistance, or the denial of a family's request for an exception to HACC's subsidy standards, the notice must contain a brief statement of the reasons for the decision, a statement that if the family does not agree with the decision, the family may request an informal hearing on the decision, and a statement of the deadline for the family to request an informal hearing.

HACC Policy

In cases where HACC makes a decision for which an informal hearing must be offered, the notice to the family will include all of the following:

The proposed action or decision of HACC.

A brief statement of the reasons for the decision including the regulatory reference. The date the proposed action will take place.

A statement that if the family does not agree with the decision the family may request an informal hearing of the decision.

A deadline for the family to request the informal hearing.

To whom the hearing request should be addressed.

***Scheduling an Informal Hearing* [24 CFR 982.555(d)]**

When an informal hearing is required, HACC must proceed with the hearing in a reasonably expeditious manner upon the request of the family.

HACC Policy

A request for an informal hearing can be made by phone or in writing and delivered to HACC either in person or by first class mail, by the close of the business day, no later than 10 business days from the date of HACC's decision or notice to terminate assistance.

HACC must schedule and send written notice of the informal hearing to the family within 10 business days of the family's request.

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The family may request to reschedule a hearing for good cause, or if it is needed as a reasonable accommodation for a person with disabilities. Good cause is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family. Requests to reschedule a hearing must be made orally or in writing prior at least 48 hours prior to the hearing date. At its discretion, HACC may request documentation of the "good cause" prior to rescheduling the hearing.

If the family does not appear at the scheduled time, and was unable to reschedule the hearing in advance due to the nature of the conflict, the family must contact HACC within 24 hours of the scheduled hearing date, excluding weekends and holidays. HACC will reschedule the hearing only if the family can show good cause for the failure to appear, or if it is needed as a reasonable accommodation for a person with disabilities.

If a family is a "no show" to a hearing it requested and HACC will charge the family for all fees and expenses incurred in conjunction with the hearing (including, without limitation, fees and expenses associated with the review of your hearing request, hearing preparation, attending the hearing and all matters related thereto). Those fees and expenses (i.e., your debt to HACC) will then be listed in the Enterprise Income Verification (EIV) national database of debts owed to a Public Housing Authority. In order to remove a family's name from the EIV, the family must pay the full balance of any such debt in addition to any other debt that may have existed.

***Pre-Hearing Right to Discovery* [24 CFR 982.555(e)]**

Participants and HACC are permitted pre-hearing discovery rights. The family must be given the opportunity to examine before the hearing any HACC documents that are directly relevant to the hearing. The family must be allowed to copy any such documents at their own expense. If HACC does not make the document available for examination on request of the family, HACC may not rely on the document at the hearing.

HACC hearing procedures may provide that HACC must be given the opportunity to examine at HACC offices before the hearing, any family documents that are directly relevant to the hearing. HACC must be allowed to copy any such document at HACC's expense. If the family does not make the document available for examination on request of HACC, the family may not rely on the document at the hearing.

For the purpose of informal hearings, *documents* include records and regulations.

HACC Policy

The family will be allowed to copy only relevant documents related to the hearing. Copies may be given at a charge of $.25 per page. The family must request discovery of HACC documents no later than 12:00 p.m. on the business day prior to the scheduled hearing date.

Whenever a participant requests an informal hearing, HACC will inform its Hearings Officer. The Hearings Officer will mail a letter to the participant specifying the date, time and location of the hearing.

***Participant's Right to Bring Counsel* [24 CFR 982.555(e) (3)]**

At its own expense, the family may be represented by a lawyer or other representative at the informal hearing.

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Informal Hearing Officer **[24 CFR 982.555(e) (4)]**

Informal hearings will be conducted by a person or persons approved by HACC, other than the person who made or approved the decision or a subordinate of the person who made or approved the decision.

HACC Policy

HACC will hire an outside consultant to serve has hearings officer as needed. The Administrative Assistant for the Section 8 Program may act as hearings officer if they have no prior knowledge of the case so as to remain unbiased.

Attendance at the Informal Hearing

HACC Policy

Hearings may be attended by a hearing officer and the following applicable persons:

A HACC representative(s) and any witnesses for HACC

The participant and any witnesses for the participant

The participant's counsel or other representative

Any other person approved by HACC as a reasonable accommodation for a person with a disability

Conduct at Hearings

The person who conducts the hearing may regulate the conduct of the hearing in accordance with HACC's hearing procedures [24 CFR 982.555(4) (ii)].

HACC Policy

The hearing officer is responsible to manage the order of business and to ensure that hearings are conducted in a professional and businesslike manner. Attendees are expected to comply with all hearing procedures established by the hearing officer and guidelines for conduct. Any person demonstrating disruptive, abusive or otherwise inappropriate behavior will be excused from the hearing at the discretion of the hearing officer.

Evidence **[24 CFR 982.555(e) (5)]**

HACC and the family must be given the opportunity to present evidence and question any witnesses. In general, all evidence is admissible at an informal hearing. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

HACC Policy

Any evidence to be considered by the hearing officer must be presented at the time of the hearing. There are four categories of evidence.

Oral evidence: the testimony of witnesses

Documentary evidence: a writing which is relevant to the case, for example, a letter written to HACC. Writings include all forms of recorded communication or representation, including letters, words, pictures, sounds, videotapes or symbols or combinations thereof.

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Demonstrative evidence: Evidence created specifically for the hearing and presented as an illustrative aid to assist the hearing officer, such as a model, a chart or other diagram.

Real evidence: A tangible item relating directly to the case.

Hearsay Evidence is evidence of a statement that was made other than by a witness while testifying at the hearing and that is offered to prove the truth of the matter. Even though evidence, including hearsay, is generally admissible, hearsay evidence alone cannot be used as the sole basis for the hearing officer's decision.

If either HACC or the family fail to comply with the discovery requirements described above, the hearing officer will refuse to admit such evidence.

Other than the failure of a party to comply with discovery, the hearing officer has the authority to overrule any objections to evidence.

Hearing Officer's Decision **[24 CFR 982.555(e) (6)]**

The person who conducts the hearing must issue a written decision, stating briefly the reasons for the decision. Factual determinations relating to the individual circumstances of the family must be based on a preponderance of evidence presented at the hearing. A copy of the hearing must be furnished promptly to the family.

HACC Policy

In rendering a decision, the hearing officer will consider the following matters:

HACC Notice to the Family: The hearing officer will determine if the reasons for HACC's decision are factually stated in the Notice.

Discovery: The hearing officer will determine if HACC and the family were given the opportunity to examine any relevant documents in accordance with HACC policy.

HACC Evidence to Support HACC Decision: The evidence consists of the facts presented. Evidence is not conclusion and it is not argument. The hearing officer will evaluate the facts to determine if they support HACC's conclusion.

Validity of Grounds for Termination of Assistance (when applicable): The hearing officer will determine if the termination of assistance is for one of the grounds specified in the HUD regulations and HACC policies. If the grounds for termination are not specified in the regulations or in compliance with HACC policies, then the decision of HACC will be overturned.

The hearing officer will issue a written decision to the family and HACC no later than 10 business days after the hearing. The report will contain the following information:

Hearing information:

Name of the participant; Date, time and place of the hearing; Name of the hearing officer; Name of HACC representative; and Name of family representative (if any).

Background: A brief, impartial statement of the reason for the hearing.

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Summary of the Evidence: The hearing officer will summarize the testimony of each witness and identify any documents that a witness produced in support of his/her testimony and that are admitted into evidence.

Findings of Fact: The hearing officer will include all findings of fact, based on a preponderance of the evidence. *Preponderance of the evidence* is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

Conclusions: The hearing officer will render a conclusion derived from the facts that were found to be true by a preponderance of the evidence. The conclusion will result in a determination of whether these facts uphold HACC's decision.

Order: The hearing report will include a statement of whether HACC's decision is upheld or overturned. If it is overturned, the hearing officer will instruct HACC to change the decision in accordance with the hearing officer's determination. In the case of termination of assistance, the hearing officer will instruct HACC to restore the participant's program status.

Procedures for Rehearing or Further Hearing

PHA Policy

The hearing officer may ask the family for additional information and/or might adjourn the hearing in order to reconvene at a later date, before reaching a decision. If the family misses an appointment or deadline ordered by the hearing officer, the action of the PHA will take effect and another hearing will not be granted.

HACC Notice of Final Decision **[24 CFR 982.555(f)]**

HACC is not bound by the decision of the hearing officer for matters in which HACC is not required to provide an opportunity for a hearing, decisions that exceed the authority of the hearing officer, decisions that conflict with or contradict HUD regulations, requirements, or are otherwise contrary to federal, state, or local laws.

If HACC determines it is not bound by the hearing officer's decision in accordance with HUD regulations, HACC must promptly notify the family of the determination and the reason for the determination.

HACC Policy

HACC will mail a "Notice of Final Decision" including the hearing officer's report, to the participant and their representative. This notice will be sent by first-class mail, postage pre-paid with an affidavit of mailing enclosed. The participant will be mailed the original "Notice of Final Decision" and a copy of the proof of mailing. A copy of the "Notice of Final Decision" along with the original proof of mailing will be maintained in HACC's file.

16-III.D. HEARING AND APPEAL PROVISIONS FOR NON-CITIZENS [24 CFR 5.514]

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Denial or termination of assistance based on immigration status is subject to special hearing and notice rules. Applicants who are denied assistance due to immigration status are entitled to an informal hearing, not an informal review.

Assistance to a family may not be delayed, denied, or terminated on the basis of immigration status at any time prior to a decision under the United States Citizenship and Immigration Services (USCIS) appeal process. Assistance to a family may not be terminated or denied while HACC hearing is pending, but assistance to an applicant may be delayed pending the completion of the informal hearing.

A decision against a family member, issued in accordance with the USCIS appeal process or HACC informal hearing process, does not preclude the family from exercising the right, that may otherwise be available, to seek redress directly through judicial procedures.

Notice of Denial or Termination of Assistance [24 CFR 5.514(d)]

The notice of denial or termination of assistance for noncitizens must advise the family:

- That financial assistance will be denied or terminated, and provide a brief explanation of the reasons for the proposed denial or termination of assistance.
- The family may be eligible for proration of assistance.
- In the case of a participant, the criteria and procedures for obtaining relief under the provisions for preservation of families [24 CFR 5.514 and 5.518].
- That the family has a right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or explanation in support of the appeal.
- That the family has a right to request an informal hearing with HACC either upon completion of the USCIS appeal or in lieu of the USCIS appeal.
- For applicants, assistance may not be delayed until the conclusion of the USCIS appeal process, but assistance may be delayed during the period of the informal hearing process.

USCIS Appeal Process [24 CFR 5.514(e)]

When HACC receives notification that the USCIS secondary verification failed to confirm eligible immigration status, HACC must notify the family of the results of the USCIS verification. The family will have 30 days from the date of the notification to request an appeal of the USCIS results. The request for appeal must be made by the family in writing directly to the USCIS. The family must provide HACC with a copy of the written request for appeal and the proof of mailing.

> <u>HACC Policy</u>
>
> HACC will notify the family in writing of the results of the USCIS secondary verification within 10 business days of receiving the results.
>
> The family must provide HACC with a copy of the written request for appeal and proof of mailing within 10 business days of sending the request to the USCIS.

The family must forward to the designated USCIS office any additional documentation or written explanation in support of the appeal. This material must include a copy of the USCIS

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document verification request (used to process the secondary request) or such other form specified by the USCIS, and a letter indicating that the family is requesting an appeal of the USCIS immigration status verification results.

The USCIS will notify the family, with a copy to HACC, of its decision. When the USCIS notifies HACC of the decision, HACC must notify the family of its right to request an informal hearing.

HACC Policy

HACC will send written notice to the family of its right to request an informal hearing within 10 business days of receiving notice of the USCIS decision regarding the family's immigration status.

Informal Hearing Procedures for Applicants [24 CFR 5.514(f)]

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, the family may request that HACC provide a hearing. The request for a hearing must be made either within 30 days of receipt of HACC notice of denial, or within 30 days of receipt of the USCIS appeal decision.

The informal hearing procedures for applicant families are described below.

Informal Hearing Officer

HACC must provide an informal hearing before an impartial individual, other than a person who made or approved the decision under review, and other than a person who is a subordinate of the person who made or approved the decision. See Section 16-III.C for a listing of positions that serve as informal hearing officers.

Evidence

The family must be provided the opportunity to examine and copy at the family's expense, at a reasonable time in advance of the hearing, any documents in the possession of HACC pertaining to the family's eligibility status, or in the possession of the USCIS (as permitted by USCIS requirements), including any records and regulations that may be relevant to the hearing.

HACC Policy

The family will be allowed to copy any documents related to the hearing at a cost of $.25 per page. The family must request discovery of HACC documents no later than 12:00 p.m. on the business day prior to the hearing.

The family must be provided the opportunity to present evidence and arguments in support of eligible status. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

The family must also be provided the opportunity to refute evidence relied upon by HACC, and to confront and cross-examine all witnesses on whose testimony or information HACC relies.

Representation and Interpretive Services

The family is entitled to be represented by an attorney or other designee, at the family's expense, and to have such person make statements on the family's behalf.

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The family is entitled to arrange for an interpreter to attend the hearing, at the expense of the family, or HACC, as may be agreed upon by the two parties.

Recording of the Hearing

The family is entitled to have the hearing recorded by audiotape. HACC may, but is not required to provide a transcript of the hearing.

HACC Policy

HACC will not provide a transcript of an audio taped hearing.

Hearing Decision

HACC must provide the family with a written final decision, based solely on the facts presented at the hearing, within 14 calendar days of the date of the informal hearing. The decision must state the basis for the decision.

Informal Hearing Procedures for Residents [24 CFR 5.514(f)]

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, the family may request that HACC provide a hearing. The request for a hearing must be made either within 30 days of receipt of HACC notice of termination, or within 30 days of receipt of the USCIS appeal decision.

For the informal hearing procedures that apply to participant families whose assistance is being terminated based on immigration status, see Section 16-III.C.

Retention of Documents [24 CFR 5.514(h)]

HACC must retain for a minimum of 5 years the following documents that may have been submitted to HACC by the family, or provided to HACC as part of the USCIS appeal or HACC informal hearing process:

- The application for assistance
- The form completed by the family for income reexamination
- Photocopies of any original documents, including original USCIS documents
- The signed verification consent form
- The USCIS verification results
- The request for a USCIS appeal
- The final USCIS determination
- The request for an informal hearing
- The final informal hearing decision

PART IV: OWNER OR FAMILY DEBTS TO HACC

16-IV.A. OVERVIEW

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HACC is required to include in the administrative plan, policies concerning repayment by a family of amounts owed to HACC [24 CFR 982.54]. This part describes HACC's policies for recovery of monies owed to the HACC by families, or owners.

HACC Policy

When an action or inaction of an owner or participant results in the overpayment of housing assistance, HACC holds the owner or participant liable to return any overpayments to HACC.

HACC will enter into repayment agreements in accordance with the policies contained in this part as a means to recover overpayments.

When an owner or participant refuses to repay monies owed to HACC, HACC may utilize other available collection alternatives including, but not limited to, the following:

Collection agencies

Small claims court

Civil law suit

State income tax set-off program

16-IV.B. REPAYMENT POLICY

Owner Debts to HACC

HACC Policy

If the owner is entitled to future HAP payments, HACC will reduce the future HAP payments by the amount owed until the debt is paid in full.

If the owner is not entitled to future HAP payments HACC may, in its sole discretion, offer to enter into a repayment agreement on terms prescribed by HACC.

Any amount due to HACC by an owner must be repaid by the owner within 30 days of HACC determination of the debt unless the owner enters into a repayment agreement.

If the owner refuses to repay the debt, does not enter into a repayment agreement, or breaches a repayment agreement, HACC will ban the owner from future participation in the program and may pursue other modes of collection.

Family Debts to HACC

HACC Policy

Any amount owed to HACC by an HCV family must be repaid by the family. If the family is unable to repay the debt within 30 days, HACC will offer to enter into a repayment agreement in accordance with the policies below.

If the family refuses to repay the debt, does not enter into a repayment agreement, or breaches a repayment agreement, HACC will terminate assistance in accordance with Chapter 12 and pursue other modes of collection.

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Repayment Agreement [24 CFR 792.103]

The term r*epayment agreement* refers to a formal written document signed by a tenant or owner and provided to HACC in which a tenant or owner acknowledges a debt in a specific amount and agrees to repay the amount due at specific time periods.

General Repayment Agreement Guidelines for Families

Down Payment Requirement

HACC Policy

The owner or family must pay the equivalent amount of the first month's payment at time of signing the repayment agreement.

Payment Thresholds

Notice PIH 2010-19 *recommends* that the total amount that a family must pay each month—the family's monthly share of rent plus the monthly debt repayment amount—should not exceed 40 percent of the family's monthly adjusted income. However, a family may already be paying 40 per cent or more of its monthly adjusted income in rent. Moreover, Notice PIH 2010-19 acknowledges that PHAs have the discretion to establish "thresholds and policies" for repayment agreements with families [24 CFR 982.552(c) (1) (vii)].

HACC Policy

HACC has established the following thresholds for repayment of debts:

Amounts over $5,000 tenants may request an alternate payment plan that exceeds 48 months, but HACC will not approve a payment agreement that exceeds 60 months.

Amounts between $3,000 and $5,000 must be repaid within 48 months.

Amounts between $2,000 and $2,999 must be repaid within 30 months.

Amounts between $1,000 and $1,999 must be repaid within 24 months.

Amounts under $1,000 must be repaid within 12 months.

If a family can provide evidence satisfactory to HACC that the threshold applicable to the family's debt would impose an undue hardship, HACC may, in its sole discretion, determine that a lower monthly payment amount is reasonable. In making its determination, HACC will consider all relevant information, including the following:

- The amount owed by the family to HACC
- The reason for the debt, including whether the debt was the result of family action/inaction or circumstances beyond the family's control
- The family's current and potential income and expenses
- The family's current family share, as calculated under 24 CFR 982.515
- The family's history of meeting its financial responsibilities

Execution of the Agreement

HACC Policy

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Any repayment agreement between HACC and a family must be signed and dated by HACC and by the head of household and spouse/co-head (if applicable).

Due Dates

HACC Policy

All payments are due by the close of business on the 8th day of the month. If the 8th does not fall on a business day, the due date is the close of business on the first business day after the 8th. HACC will send a monthly statement showing balance due, payment amount and due date.

Late or Missed Payments

HACC Policy

If a payment is not received by the end of the business day on the date due, and prior approval for the missed payment has not been given by HACC, it will be considered a breach of the agreement.

If a family breaches the agreement 3 times in a 12 month period, the repayment agreement will be considered in default, and HACC will terminate assistance upon written notification to the family. To avoid termination, the family must pay all past due balances and become current on the payment agreement before the proposed termination date. Becoming current does not excuse or eliminate the default clause if any other payments are missed after becoming current.

No Offer of Repayment Agreement

HACC Policy

HACC generally will not enter into a repayment agreement with the family if there is already a repayment agreement in place with the family.

Repayment Agreements Involving Improper Payments

Notice PIH 2010-19 requires certain provisions to be included in any repayment agreement involving amounts owed by a family because it underreported or failed to report income:

- A reference to the items in the family briefing packet that state the family's obligation to provide true and complete information at every reexamination and the grounds on which the PHA may terminate assistance because of a family's action or failure to act
- A statement clarifying that each month the family not only must pay to the PHA the monthly payment amount specified in the agreement but must also pay to the owner the family's monthly share of the rent to owner
- A statement that the terms of the repayment agreement may be renegotiated if the family's income decreases or increases
- A statement that late or missed payments constitute default of the repayment agreement and may result in termination of assistance

PART V: SECTION 8 MANAGEMENT ASSESSMENT PROGRAM (SEMAP)

16-V.A. OVERVIEW

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The Section 8 Management Assessment Program (SEMAP) is a tool that allows HUD to measure HACC performance in key areas to ensure program integrity and accountability. SEMAP scores translate into a rating for each HACC as high performing, standard, or troubled. Scores on individual SEMAP indicators, as well as overall SEMAP ratings, can affect HACC in several ways.

- High-performing PHAs can be given a competitive advantage under notices of funding availability [24 CFR 985.103].
- PHAs with deficiencies on one or more indicators are required to correct the deficiencies and report to HUD [24 CFR 985.106].
- PHAs with an overall rating of "troubled" are subject to additional HUD oversight, including on-site reviews by HUD staff, a requirement to develop a corrective action plan, and monitoring to ensure the successful implementation of the corrective action plan. In addition, PHAs that are designated "troubled" may not use any part of the administrative fee reserve for other housing purposes [24 CFR 985.107].
- HUD may determine that a PHA's failure to correct identified SEMAP deficiencies or to prepare and implement a corrective action plan required by HUD constitutes a default under the ACC [24 CFR 985.109].

16-V.B. SEMAP CERTIFICATION [24 CFR 985.101]

PHAs must submit the HUD-required SEMAP certification form within 60 calendar days after the end of its fiscal year. The certification must be approved by PHA board resolution and signed by the PHA executive director. PHAs with less than 250 voucher units are only required to be assessed every other PHA fiscal year. HUD will assess such PHAs annually if the PHA elects to have its performance assessed on an annual basis; or is designated as "troubled" [24 CFR 985.105].

Failure of a PHA to submit its SEMAP certification within the required time frame will result in an overall performance rating of "troubled."

A PHA's SEMAP certification is subject to HUD verification by an on-site confirmatory review at any time.

Upon receipt of the PHA's SEMAP certification, HUD will rate the PHA's performance under each SEMAP indicator in accordance with program requirements.

HUD Verification Method

Several of the SEMAP indicators are scored based on a review of a quality control sample selected for this purpose. The PHA or the Independent Auditor must select an unbiased sample that provides an adequate representation of the types of information to be assessed, in accordance with SEMAP requirements [24 CFR 985.2].

If the HUD verification method for the indicator relies on data in the Form-50058 module (formerly known as MTCS) in the PIH Information Center (PIC), and HUD determines that those data are insufficient to verify the PHA's certification on the indicator due to the PHA's failure to adequately report family data, HUD will assign a zero rating for the indicator [24 CFR 985.3].

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16-V.C. SEMAP INDICATORS [24 CFR 985.3 and form HUD-52648]

The table below lists each of the SEMAP indicators, contains a description of each indicator, and explains the basis for points awarded under each indicator.

A PHA that expends less than $300,000 in Federal awards and whose Section 8 programs are not audited by an independent auditor, is not be rated under SEMAP indicators 1-7.

SEMAP Indicators
Indicator 1: Selection from the waiting list **Maximum Score: 15** • This indicator shows whether the PHA has written policies in its administrative plan for selecting applicants from the waiting list and whether the PHA follows these policies when selecting applicants for admission from the waiting list. • Points are based on the percent of families that are selected from the waiting list in accordance with the PHA's written policies, according to the PHA's quality control sample.
Indicator 2: Rent reasonableness **Maximum Score: 20** • This indicator shows whether the PHA has and implements a reasonable written method to determine and document for each unit leased that the rent to owner is reasonable based on current rents for comparable unassisted units • Points are based on the percent of units for which the PHA follows its written method to determine reasonable rent and has documented its determination that the rent to owner is reasonable, according to the PHA's quality control sample.
Indicator 3: Determination of adjusted income **Maximum Score: 20** • This indicator measures whether the PHA verifies and correctly determines adjusted income for each assisted family, and where applicable, uses the appropriate utility allowances for the unit leased in determining the gross rent. • Points are based on the percent of files that are calculated and verified correctly, according to the PHA's quality control sample.
Indicator 4: Utility allowance schedule **Maximum Score: 5** • This indicator shows whether the PHA maintains an up-to-date utility allowance schedule. • Points are based on whether the PHA has reviewed the utility allowance schedule and adjusted it when required, according to the PHA's certification.
Indicator 5: HQS quality control inspections **Maximum Score: 5** • This indicator shows whether a PHA supervisor reinspects a sample of units under contract during the PHA fiscal year, which meets the minimum sample size requirements for quality control of HQS inspections. • Points are based on whether the required quality control reinspections were completed,

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according to the PHA's certification.
Indicator 6: HQS enforcement **Maximum Score: 10** • This indicator shows whether, following each HQS inspection of a unit under contract where the unit fails to meet HQS, any cited life-threatening deficiencies are corrected within 24 hours from the inspection and all other deficiencies are corrected within no more than 30 calendar days from the inspection or any PHA-approved extension. • Points are based on whether the PHA corrects all HQS deficiencies in accordance with required time frames, according to the PHA's certification.
Indicator 7: Expanding housing opportunities **Maximum Points: 5** • Only applies to PHAs with jurisdiction in metropolitan FMR areas. • This indicator shows whether the PHA has adopted and implemented a written policy to encourage participation by owners of units located outside areas of poverty or minority concentration; informs voucher holders of the full range of areas where they may lease units both inside and outside the PHA's jurisdiction; and supplies a list of landlords or other parties who are willing to lease units or help families find units, including units outside areas of poverty or minority concentration. • Points are based on whether the PHA has adopted and implemented written policies in accordance with SEMAP requirements, according to the PHA's certification.
Indicator 8: FMR limit and payment standards **Maximum Points: 5 points** • This indicator shows whether the PHA has adopted a payment standard schedule that establishes payment standard amounts by unit size for each FMR area in the PHA's jurisdiction, that are within the basic range of 90 to 110 percent of the published FMR. • Points are based on whether the PHA has appropriately adopted a payment standard schedule(s), according to the PHA's certification.
Indicator 9: Annual reexaminations **Maximum Points: 10** • This indicator shows whether the PHA completes a reexamination for each participating family at least every 12 months. • Points are based on the percent of reexaminations that are more than 2 months overdue, according to data from PIC.
Indicator 10: Correct tenant rent calculations **Maximum Points: 5** • This indicator shows whether the PHA correctly calculates the family's share of the rent to owner. • Points are based on the percent of correct calculations of family share of the rent, according to data from PIC.
Indicator 11: Pre-contract HQS inspections **Maximum Points: 5** • This indicator shows whether newly leased units pass HQS inspection on or before the effective date of the assisted lease and HAP contract.

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- Points are based on the percent of newly leased units that passed HQS inspection prior to the effective date of the lease and HAP contract, according to data from PIC.

Indicator 12: Annual HQS inspections
Maximum Points: 10

- This indicator shows whether the PHA inspects each unit under contract at least annually.
- Points are based on the percent of annual HQS inspections of units under contract that are more than 2 months overdue, according to data from PIC.

Indicator 13: Lease-up
Maximum Points: 20 points

- This indicator shows whether the PHA enters HAP contracts for the number of units or funding reserved under ACC for at least one year.
- Points are based on the percent of units leased during the last completed PHA fiscal year, or the percent of allocated budget authority that has been expended by the PHA, according to data from the PHA's last year-end operating statement that is recorded in HUD's accounting system.

Indicator 14: Family self-sufficiency (FSS) enrollment and escrow account balances
Maximum Points: 10

- Only applies to PHAs with mandatory FSS programs.
- This indicator shows whether the PHA has enrolled families in the FSS program as required, and measures the percent of current FSS participants that have had increases in earned income which resulted in escrow account balances.
- Points are based on the percent of mandatory FSS slots that are filled and the percent of families with escrow account balances, according to data from PIC.

Success Rate of Voucher Holders
Maximum Points: 5

- Only applies to PHAs that have received approval to establish success rate payment standard amounts, and isn't effective until the second full PHA fiscal year following the date of HUD approval of success rate payment standard amounts.
- This indicator shows whether voucher holders were successful in leasing units with voucher assistance.
- Points are based on the percent of families that were issued vouchers, and that became participants in the voucher program.

Deconcentration Bonus Indicator
Maximum Points: 5

- Submission of data for this indicator is mandatory for a PHA using one or more payment standard amount(s) that exceed(s) 100 percent of the published FMR set at the 50 percentile rent, starting with the second full PHA fiscal year following initial use of payment standard amounts based on the FMRs set at the 50th percentile.
- Additional points are available to PHAs that have jurisdiction in metropolitan FMR areas and that choose to submit the required data.
- Points are based on whether the data that is submitted meets the requirements for bonus points.

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PART VI: RECORD KEEPING

16-VI.A. OVERVIEW

The PHA must maintain complete and accurate accounts and other records for the program in accordance with HUD requirements, in a manner that permits a speedy and effective audit. All such records must be made available to HUD or the Comptroller General of the United States upon request.

In addition, the PHA must ensure that all applicant and participant files are maintained in a way that protects an individual's privacy rights.

16-VI.B. RECORD RETENTION [24 CFR 982.158]

During the term of each assisted lease, and for at least three years thereafter, the PHA must keep:

- A copy of the executed lease;
- The HAP contract; and
- The application from the family.

In addition, the PHA must keep the following records for at least three years:

- Records that provide income, racial, ethnic, gender, and disability status data on program applicants and participants;
- An application from each ineligible family and notice that the applicant is not eligible;
- HUD-required reports;
- Unit inspection reports;
- Lead-based paint records as required by 24 CFR 35, Subpart B.
- Accounts and other records supporting PHA budget and financial statements for the program;
- Records to document the basis for PHA determination that rent to owner is a reasonable rent (initially and during the term of a HAP contract); and
- Other records specified by HUD.
- Notice PIH 2014-20 requires PHAs to keep records of all complaints, investigations, notices, and corrective actions related to violations of the Fair Housing Act or the equal access final rule.

If an informal hearing to establish a family's citizenship status is held, longer retention requirements apply for some types of documents. For specific requirements, see Section 16-III.D., Retention of Documents.

Per regulation 24 CFR 85.42 (b), if any litigation, claim, or audit is started before the expiration of the minimum retention period of three years, the records must be kept until all of the issues have been resolved and final action taken as stated in that part at 24 CFR 85.42(b)(2).

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16-VI.C. RECORDS MANAGEMENT

PHAs must maintain applicant and participant files and information in accordance with the regulatory requirements described below.

HACC Policy

All applicant and participant information will be kept in a secure location and access will be limited to authorized HACC staff.

HACC staff will not discuss personal family information unless there is a business reason to do so. Inappropriate discussion of family information or improper disclosure of family information by staff will result in disciplinary action.

Privacy Act Requirements [24 CFR 5.212 and Form-9886]

The collection, maintenance, use, and dissemination of social security numbers (SSN), employer identification numbers (EIN), any information derived from these numbers, and income information of applicants and participants must be conducted, to the extent applicable, in compliance with the Privacy Act of 1974, and all other provisions of Federal, State, and local law.

Applicants and participants, including all adults in the household, are required to sign a consent form, HUD-9886, Authorization for Release of Information. This form incorporates the Federal Privacy Act Statement and describes how the information collected using the form may be used, and under what conditions HUD or HACC may release the information collected.

Upfront Income Verification (UIV) Records

PHAs that access UIV data through HUD's Enterprise Income Verification (EIV) system are required to adopt and follow specific security procedures to ensure that all EIV data is protected in accordance with federal laws, regardless of the media on which the data is recorded (e.g. electronic, paper). These requirements are contained in the HUD issued document, *Enterprise Income Verification (EIV) System, Security Procedures for Upfront Income Verification data.*

HACC Policy

HACC has adopted and implemented EIV security procedures as required by HUD and every employee using EIV shall self certify compliance with the security requirements imposed by HUD.

Criminal Records

The PHA may only disclose the criminal conviction records which the PHA receives from a law enforcement agency to officers or employees of the PHA, or to authorized representatives of the PHA who have a job-related need to have access to the information [24 CFR 5.903(e)].

The PHA must establish and implement a system of records management that ensures that any criminal record received by the PHA from a law enforcement agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the PHA action without institution of a challenge or final disposition of any such litigation [24 CFR 5.903(g)].

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The PHA must establish and implement a system of records management that ensures that any sex offender registration information received by the PHA from a State or local agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the PHA action without institution of a challenge or final disposition of any such litigation. However, a record of the screening, including the type of screening and the date performed must be retained [Notice PIH 2012-28]. This requirement does not apply to information that is public information, or is obtained by a PHA other than under 24 CFR 5.905.

Medical/Disability Records

PHAs are not permitted to inquire about the nature or extent of a person's disability. The PHA may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the PHA receives a verification document that provides such information, the PHA should not place this information in the tenant file. The PHA should destroy the document.

Documentation of Domestic Violence, Dating Violence, Sexual Assault or Stalking

For requirements and PHA policies related to management of documentation obtained from victims of domestic violence, dating violence, sexual assault or stalking, see section 16-IX.E.

PART VII: REPORTING AND RECORD KEEPING FOR CHILDREN WITH ENVIRONMENTAL INTERVENTION BLOOD LEAD LEVEL

16-VII.A. OVERVIEW

The PHA has certain responsibilities relative to children with environmental intervention blood lead levels that are receiving HCV assistance. The notification, verification, and hazard reduction requirements are discussed in Chapter 8. This part deals with the reporting requirements, and data collection and record keeping responsibilities that the PHA is subject to.

16-VII.B. REPORTING REQUIREMENT [24 CFR 35.1225(e)]

HACC must report the name and address of a child identified as having an environmental intervention blood lead level to the public health department within 5 business days of being so notified by any other medical health care professional.

HACC Policy

HACC will provide the public health department written notice of the name and address of any child identified as having an environmental intervention blood lead level.

16-VII.C. DATA COLLECTION AND RECORD KEEPING [24 CFR 35.1225(f)]

At least quarterly, HACC must attempt to obtain from the public health department(s) with a similar area of jurisdiction, the names and/or addresses of children less than 6 years old with an identified environmental intervention blood lead level.

If HACC obtains names and addresses of environmental intervention blood lead level children from the public health department(s), HACC must match this information with the names and

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addresses of families receiving HCV assistance, unless the public health department performs such a procedure. If a match occurs, HACC must carry out the notification, verification, and hazard reduction requirements discussed in Chapter 8, and the reporting requirement discussed above.

At least quarterly, HACC must also report an updated list of the addresses of units receiving assistance under the HCV program to the same public health department(s), unless the public health department(s) states that it does not wish to receive such a report.

HACC Policy

The public health department(s) will notify HACC if it wishes to receive such a report. The public health department has determined it is not needed more than annually.

PART VIII: DETERMINATION OF INSUFFICIENT FUNDING

16-VIII.A. OVERVIEW

The HCV regulations allow PHAs to deny families permission to move and to terminate Housing Assistance Payments (HAP) contracts if funding under the consolidated ACC is insufficient to support continued assistance [24 CFR 982.354(e)(1) and 982.454]. If a PHA denies a family a portability move based on insufficient funding, the PHA is required to notify the local HUD office within 10 business days [24 CFR 982.354]. Insufficient funding may also impact the PHA's ability to issue vouchers to families on the waiting list. This part discusses the methodology the PHA will use to determine whether or not the PHA has sufficient funding to issue vouchers, approve moves, and to continue subsidizing all families currently under a HAP contract.

16-VIII.B. METHODOLOGY

HACC Policy

HACC will determine whether there is adequate funding to issue vouchers, approve moves to higher cost units and areas, and continue subsidizing all current participants by comparing HACC's annual budget authority to the annual total HAP needs on a monthly basis. The total HAP needs for the calendar year will be projected by establishing the actual HAP costs year to date. To that figure, HACC will add anticipated HAP expenditures for the remainder of the calendar year. Projected HAP expenditures will be calculated by multiplying the projected number of units leased per remaining months by the most current month's average HAP. The projected number of units leased per month will take into account the average monthly turnover of participant families. If the total annual HAP needs equal or exceed the annual budget authority, or if HACC cannot support the cost of the proposed subsidy commitment (voucher issuance or move) based on the funding analysis, HACC will be considered to have insufficient funding.

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PART IX: VIOLENCE AGAINST WOMEN ACT (VAWA): NOTIFICATION, DOCUMENTATION, CONFIDENTIALITY

16-IX.A. OVERVIEW

The Violence against Women Act of 2013 (VAWA) provides special protections for victims of domestic violence, dating violence, sexual assault and stalking who are applying for or receiving assistance under the housing choice voucher (HCV) program. If your state or local laws provide greater protection for such victims, those laws take precedence over VAWA.

In addition to definitions of key terms used in VAWA, this part contains general VAWA requirements and PHA policies in three areas: notification, documentation, and confidentiality. Specific VAWA requirements and PHA policies are located primarily in the following sections: 3-I.C, "Family Breakup and Remaining Member of Tenant Family"; 3-III.G, "Prohibition against Denial of Assistance to Victims of Domestic Violence, Dating Violence, and Stalking"; 10-I.A, "Allowable Moves"; 10-I.B, "Restrictions on Moves"; 12-II.E, "Terminations Related to Domestic Violence, Dating Violence, or Stalking"; and 12-II.F, "Termination Notice."

16-IX.B. DEFINITIONS [24 CFR 5.2003, 42 USC 13925]

As used in VAWA:

- The term *bifurcate* means, with respect to a public housing or Section 8 lease, to divide a lease as a matter of law such that certain tenants can be evicted or removed while the remaining family members' lease and occupancy rights are allowed to remain intact.
- The term *dating violence* means violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim; and where the existence of such a relationship shall be determined based on a consideration of the following factors:
  - The length of the relationship
  - The type of relationship
  - The frequency of interaction between the persons involved in the relationship
- The term *domestic violence* includes felony or misdemeanor crimes of violence committed by a current or former spouse or intimate partner of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse or intimate partner, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.
- The term *affiliated individual* means, with respect to a person:
  - A spouse, parent, brother or sister, or child of that individual, or an individual to whom that individual stands in the position or place of a parent; or
  - Any other individual, tenant, or lawful occupant living in the household of the victim of domestic violence, dating violence, sexual assault, or stalking.

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- The term *sexual assault* means:
  - Any nonconsensual sexual act proscribed by Federal, tribal, or State law, including when the victim lacks the capacity to consent
- The term *stalking* means:
  - To engage in a course of conduct directed at a specific person that would cause a reasonable person to fear for his or her safety or the safety of others, or suffer substantial emotional distress.

16-IX.C. NOTIFICATION [24 CFR 5.2005(a)]

Notification to Public

The PHA adopts the following policy to help ensure that all actual and potential beneficiaries of its HCV program are aware of their rights under VAWA.

HACC Policy

The PHA will post the following information regarding VAWA in its offices and on its Web site. It will also make the information readily available to anyone who requests it.

A summary of the rights and protections provided by VAWA to housing choice voucher program applicants and participants who are or have been victims of domestic violence, dating violence, or stalking (see sample notices in Exhibits 16-1 and 16-2)

The definitions of *domestic violence*, *dating violence*, *sexual assault* and *stalking* provided in VAWA (included in Exhibits 16-1 and 16-2)

An explanation of the documentation that the PHA may require from an individual who claims the protections provided by VAWA (included in Exhibits 16-1 and 16-2)

A copy of form HUD-50066, Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking

A statement of the PHA's obligation to keep confidential any information that it receives from a victim unless (a) the PHA has the victim's written permission to release the information, (b) it needs to use the information in an eviction proceeding, or (c) it is compelled by law to release the information (included in Exhibits 16-1 and 16-2)

The National Domestic Violence Hot Line: 1-800-799-SAFE (7233) or 1-800-787-3224 (TTY) (included in Exhibits 16-1 and 16-2)

Contact information for local victim advocacy groups or service providers

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Notification to Program Applicants and Participants [24 CFR 5.2005(a)(1)]

PHAs are required to inform applicants and program participants of their rights under VAWA, including their right to confidentiality and the limits thereof when they are denied assistance, when they are admitted to the program, and when they are notified of an eviction or termination of housing benefits.

HACC Policy

The PHA will provide all applicants with information about VAWA at the time they request an application for housing assistance. The PHA will also include information about VAWA in all notices of denial of assistance (see section 3-III.G).

The PHA will provide all participants with information about VAWA at the time of admission (see section 5-I.B) and at annual reexamination. The PHA will also include information about VAWA in notices of termination of assistance, as provided in section 12-II.F.

The VAWA information provided to applicants and participants will consist of the notice in Exhibit 16-1 and a copy of form HUD-50066, Certification of Domestic Violence, Dating Violence, Sexual Assault, and Stalking.

Notification to Owners and Managers [24 CFR 5.2005(a)(2)]

PHAs are required to notify owners and managers participating in the HCV program of their rights and obligations under VAWA.

HACC Policy

HACC will provide owners and managers with information about their rights and obligations under VAWA when they begin their participation in the HCV program and at least annually thereafter.

The VAWA information provided to owners will consist of the notice in Exhibit 16-2 and a copy of form HUD-50066, Certification of Domestic Violence, Dating Violence, and Stalking.

16-IX.D. DOCUMENTATION [24 CFR 5.2007]

A PHA presented with a claim for initial or continued assistance based on status as a victim of domestic violence, dating violence, sexual assault, stalking, or criminal activity related to any of these forms of abuse may—but is not required to—request that the individual making the claim document the abuse. Any request for documentation must be in writing, and the individual must be allowed at least 14 business days after receipt of the request to submit the documentation. The PHA may extend this time period at its discretion. [24 CFR 5.2007(a)]

The individual may satisfy the PHA's request by providing any one of the following three forms of documentation [24 CFR 5.2007(b)]:

(1) A completed and signed HUD-approved certification form (HUD-50066, Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking), which must include the name of the perpetrator only if the name of the perpetrator is safe to provide and is known to the victim

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(2) A federal, state, tribal, territorial, or local police report or court record, or an administrative record

(3) Documentation signed by a person who has assisted the victim in addressing domestic violence, dating violence, sexual assault or stalking, or the effects of such abuse. This person may be an employee, agent, or volunteer of a victim service provider; an attorney; a mental health professional; or a medical professional. The person signing the documentation must attest under penalty of perjury to the person's belief that the incidents in question are bona fide incidents of abuse. The victim must also sign the documentation.

The PHA may not require third-party documentation (forms 2 and 3) in addition to certification (form 1), except as specified below under "Conflicting Documentation," nor may it require certification in addition to third-party documentation [VAWA final rule].

HACC Policy

Any request for documentation of domestic violence, dating violence, sexual assault or stalking will specify a deadline of 14 business days following receipt of the request, will describe the three forms of acceptable documentation, will provide explicit instructions on where and to whom the documentation must be submitted, and will state the consequences for failure to submit the documentation or request an extension in writing by the deadline.

HACC may, in its discretion, extend the deadline for 10 business days. Any extension granted by the PHA will be in writing.

Conflicting Documentation [24 CFR 5.2007(e)]

In cases where the PHA receives conflicting certification documents from two or more members of a household, each claiming to be a victim and naming one or more of the other petitioning household members as the perpetrator, the PHA may determine which is the true victim by requiring each to provide acceptable third-party documentation, as described above (forms 2 and 3). The PHA must honor any court orders issued to protect the victim or to address the distribution of property.

HACC Policy

If presented with conflicting certification documents (two or more forms HUD-50066) from members of the same household, HACC will attempt to determine which is the true victim by requiring each of them to provide third-party documentation in accordance with 24 CFR 5.2007(e) and by following any HUD guidance on how such determinations should be made.

Discretion to Require No Formal Documentation [24 CFR 5.2007(d)]

The PHA has the discretion to provide benefits to an individual based solely on the individual's statement or other corroborating evidence—i.e., without requiring formal documentation of abuse in accordance with 24 CFR 5.2007(b).

HACC Policy

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If HACC accepts an individual's statement or other corroborating evidence of domestic violence, dating violence, sexual assault or stalking, HACC will document acceptance of the statement or evidence in the individual's file.

Failure to Provide Documentation [24 CFR 5.2007(c)]

In order to deny relief for protection under VAWA, a PHA must provide the individual requesting relief with a written request for documentation of abuse. If the individual fails to provide the documentation within 14 business days from the date of receipt, or such longer time as the PHA may allow, the PHA may deny relief for protection under VAWA.

16-IX.E. CONFIDENTIALITY [24 CFR 5.2007(b)(4)]

All information provided to the PHA regarding domestic violence, dating violence, sexual assault or stalking, including the fact that an individual is a victim of such violence or stalking, must be retained in confidence. This means that the PHA (1) may not enter the information into any shared database, (2) may not allow employees or others to access the information unless they are explicitly authorized to do so and have a need to know the information for purposes of their work, and (3) may not provide the information to any other entity or individual, except to the extent that the disclosure is (a) requested or consented to by the individual in writing, (b) required for use in an eviction proceeding, or (c) otherwise required by applicable law.

HACC Policy

If disclosure is required for use in an eviction proceeding or is otherwise required by applicable law, the PHA will inform the victim before disclosure occurs so that safety risks can be identified and addressed.

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PART X: FAMILY SELF SUFFICIENCY PROGRAM

16-X.A. OVERVIEW

The Family Self Sufficiency (FSS) program was established by the HACC to promote self-sufficiency of assisted families, including the providing of supportive services. The program is grant funded through HUD.

16-X.B. FSS PROGRAM ADMINISTRATION

The FSS program will be operated is accordance with the FSS Action Plan, as developed and amended by the HACC and the Program Coordinating Committee (PCC), and as approved by HUD. The minimum program size was initially 71 families. This number will be reduced by one for each family that fulfills it obligations under the contract of participation, on or after October 21, 1998. The minimum FSS program size will not increase when new allotments of incremental vouchers are received.

A. Selection --- For a family to be eligible for FSS, they must be a participant in the Housing Choice Voucher program. Families will be selected for participation without regard to race, color, religion, sex, nation origin, familial status, marital status, disability, handicap or sexual orientation. Selection for participation in the program will not depend upon the level of education, job history, job performance, credit history, number of children or marital status of the applicant.

HACC has notified by mail all Housing Choice Voucher participants of the availability of the FSS program. The program was spelled out in detail, and orientation and information meetings were set up and held to further discuss the program and to answer any questions. Housing Choice Voucher staff, case managers and FSS staff were in attendance at the orientation meetings. Future orientation meetings will be held as needed. If necessary, orientations for Spanish and Russian speaking families will be set up.

An application form must be filled out by each interested family. The date and time of receipt will be recorded and this will be used to determine placement on the FSS waiting list, if a waiting list is necessary.

Information about the FSS program, including how to apply for the program, will be given to all new families coming into the Housing Choice Voucher program. Additionally, all participating families will be reminded of the FSS program during their annual re-exam process.

One offer to participate will be made to the family. If the family declines the offer, their name will be removed from the FSS waiting list and they will have to re-apply should they later become interested.

When a slot becomes available, the first family on the FSS waiting list will be contacted by mail. An appointment will be scheduled with the family and an overview of the FSS Program will be given. An initial assessment of the family's goals needs and resources will be made by the case manager conducting the interview.

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B. Termination --- Termination from the FSS program may result from any of the following:

1. Failure to cooperate with the FSS staff or the service providing agency.
2. Repeated failure to keep appointments or to attend scheduled events without good cause.
3. Failure to seek and maintain suitable employment.
4. Failure to complete the goals and timelines of the training and service plan.
5. Failure to meet obligations or requirements of the FSS program.
6. Termination from the Housing Choice Voucher program.
7. At the request of the FSS family.

Termination for any of these reasons will result in forfeiture of the family's escrow account.

A family's Housing Choice Voucher assistance will not be affected as a result of a family's termination from the FSS program.

C. Hearings --- Prior to a termination, the family will be notified in writing of the reason for the proposed termination, and a conference with FSS staff will be set up to see if a mutually acceptable resolution can be reached. If such an agreement cannot be reached, the family may request a final review from the grievance committee, which will be made up of members of the PCC. The decision of the PCC will be final. The family will be notified of the final resolution in writing.

Families who are terminated from FSS as a result of their Housing Choice Voucher assistance being terminated will not be eligible for the PCC review. The HACC will follow the procedures outlined in this Plan, when terminating a family's Housing Choice Voucher assistance.

16-X.C. AFFIRMATIVELY FURTHERING FAIR HOUSING IN THE HOUSING CHOICE VOUCHER FAMILY SELF-SUFFICIENCY (FSS) PROGRAM ADDENDUM

The Housing Authority of Clackamas County will take the following reasonable steps for affirmatively furthering fair housing in the Housing Choice Voucher (HCV) Family Self-Sufficiency (FSS) program:

1. Advertising Widely in the Community

The Clackamas County Department of Employee Services (DES) is responsible for advertising and recruiting for job openings in all County departments, including the Housing Authority of Clackamas County (HACC). DES conducts an extensive outreach and recruitment effort to publicize job openings widely in the community in order to recruit a diverse work force. When a vacancy occurs for the Family Self-Sufficiency Coordinator, DES would handle the advertising and outreach to attract candidates for the position on behalf of HACC.

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DES is responsible for administering the Clackamas County Personnel Ordinance and the Affirmative Action Plan (AAP) for all County departments. These lengthy documents are posted on the Clackamas County web site at www.clackamas.us/des. An important component of DES administration is the advertising of job openings as widely as possible with emphasis on publicizing employment opportunities for women, minorities, individuals with disabilities, disabled veterans, Vietnam Era Veterans, etc.

DES conducts an extensive outreach effort to advertise all Clackamas County job openings, including a future opening for FSS Coordinator. In the "Equal Employment Opportunity Policy Statement - External Dissemination" section as stated on page 8 of the AAP Plan: "Minority and female organizations, community agencies, institutions for the disabled, community leaders, secondary schools and colleges will continue to be notified of the County's EEO/AA policy. The County will continue to send a comprehensive listing of all current job openings (in which recruitment is being considered)) to an Affirmative Action mailing list." (Emphasis added). The External Dissemination section has been attached as Appendix A. The Affirmative Action mailing list has been attached as Appendix B.

In addition, DES uses a large variety of other methods to advertise and conduct outreach to recruit for county job openings including local community newspapers and minority publications; job fairs; Craig's List;" the Oregon Employment Department; etc. In addition, DES representatives visit organizations and agencies that provide services to minorities, people with disabilities, persons with limited English proficiency, and other groups.

Job postings are distributed to community centers, churches, colleges, training centers, government agencies, and nonprofit organizations, among many others. The preceding examples to advertise and recruit applicants for county job openings are taken from the Recruitment section under "Suggested Activities for Achieving Goals" on pages 73-74 of the Affirmative Action Plan (AAP) attached as Appendix C. The section also lists activities to provide alternate formats for recruitment materials such as information in different languages or in formats to reach or accommodate individuals with disabilities.

2. Marketing the FSS Program

The FSS program is marketed widely to all new and current voucher holders. During the weekly HCV Orientation, a FSS flier is provided to each person in attendance. Each voucher holder is also provided a flier about the FSS program during the annual re-examination process. Occupancy Specialists may also refer voucher holders to the FSS program. Self-referrals by HVC residents are encouraged.

The FSS information is available to persons with limited English proficiency. Fliers are available in Russian and Spanish. A separate Russian language voucher orientation is held each month, and Spanish orientations are scheduled as needed. HACC has staff who speak these languages who interpret at FSS appointments. For individuals who speak other languages, HACC contracts with the Passport to Languages organization for interpreter services.

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For individuals who are hearing-impaired, Passport to Languages provides sign language interpreters. HACC also offers TDD services for hearing-impaired individuals as well as participation in the Oregon Relay Service. For individuals who are visually-impaired, the Oregon Commission for the Blind provides services. See Section I-B – "Accessibility and Language" of HCV Administrative Plan for detailed information on accessibility for persons with disabilities. This has been attached as Appendix D.

3. Accessibility to Services to Persons with Disabilities

Buildings and communications that facilitate applications and service delivery are accessible to persons with disabilities. HACC accessibility policies are detailed in the HCV Administrative Plan. See Section I-B – "Accessibility and Language" and Section I-C, 1 and 2 "Reasonable Accommodation." These are attached as Appendix E.

4. Providing Fair Housing Counseling Services or Referrals to Fair Housing Agencies

HACC has a long-standing relationship with the Clackamas County Housing Rights and Resources Program - formerly known as "Fair Housing." The Housing Rights and Resources Program (HRRP) is a partnership of Clackamas County Social Services, Legal Aid Services of Oregon, and the Fair Housing Council of Oregon. The partnership was initiated to address housing needs in Clackamas County. It represents a proactive and collaborative approach to dealing with a wide range of housing challenges and opportunities across Clackamas County. As a collaborative team, the agencies in the partnership pool resources and expertise to provide:

- Education on Housing Discrimination and Fair Housing Laws
- Education on Landlord/Tenant laws
- Fair Housing Counseling
- Legal Services related to Fair Housing, Reasonable Accommodation, and Landlord/Tenant Issues
- Housing Information and Referral Services

Calls to HACC on the issues in the list above are referred directly to the Housing Rights and Resources Program (HRRP) located at Clackamas County Social Services. The calls are taken initially by HRRP staff that triages the calls. The types of inquiries received range from an immediate need for shelter, questions about evictions and proper notices under landlord/tenant law, to fair housing law violations. Many of the questions can be answered and referrals made directly by HRRP staff.

As needed, however, calls are dispatched to one of the partner organizations based on the needs of the caller and the expertise of the organization. Legal Aid Services provide legal assistance to low-income residents in fair housing, reasonable accommodation, and landlord/tenant matters. The Fair Housing Council of Oregon conducts trainings on housing discrimination, landlord/tenant rights and responsibilities, and reasonable accommodation. The FSS Program Coordinator often attends these trainings.

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5. Informing Participants How to File a Fair Housing Complaint

Program participants with a fair housing complaint are referred directly to the Clackamas County Housing Rights and Resources Program (HRRP) as detailed above. HRRP refers fair housing complaints to Legal Aid Services of Oregon. If Legal Aid is not able to take the case or the participant is dissatisfied with the result, he/she is referred to the Housing Discrimination Hotline: 1-800-669-9777. The FSS Program Coordinator will also give the Housing Discrimination Hotline number to the participant when the referral to HRRP is made.

An example of the process: One of the participants in the FSS program experienced discrimination based on her race in the rental of a house in 2006. The participant called the FSS Coordinator about the experience and asked what to do. She was immediately referred to the Housing Rights and Resources Program (HRRP) which dispatched her case to Legal Services of Oregon. Legal Services filed a lawsuit and the complainant was awarded monetary damages.

6. Expanding Housing Choice to Program Participants

One of the goals of the Family Self-Sufficiency (FSS) program is homeownership. The FSS program works with the Homeownership Resource Center at Clackamas Community Land Trust and the Portland Housing Center. These nonprofit organizations provide homeownership training classes and have established relationships with reputable real estate agents and mortgage brokers. As needed, these organizations refer participants to first-time homeowner programs at other nonprofits such as HOST Development and the Community Housing Resource Center in Vancouver WA.

The FSS program also refers participants interested in homeownership to the USDA Rural Development Agency and one of the several Habitat for Humanity programs in the Portland metropolitan area. In addition, the FSS program works closely with the Clackamas County Community Development Department that administers the American Dream Down Payment Initiative through the Clackamas Homebuyer Assistance Program (CHAP). Through the program, participants can receive up to $14,000 to help qualified first-time homebuyers with the down payment and reasonable closing costs.

Recordkeeping

The race, ethnicity, familial status, and disability status of FSS program participants is compiled in the HUD form 50058 as maintained in the management information software system of HACC. In addition, information on program outreach and marketing is maintained in the FSS program files.

Almost all calls concerning fair housing questions or issues are received by the office specialist at the main HACC telephone number. These calls are referred to the Clackamas County Human Rights and Resources Program (HRRP). Fair housing questions received by the FSS Coordinator will be kept in program files. Records concerning accessibility and requests for reasonable accommodation are maintained by the administrative analyst at HACC. Records of first-time homeowners are maintained in client files and entered on the HUD 50058 form.

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Other Requirements for Affirmatively Furthering Fair Housing **

HACC, in collaboration with partner Clackamas County agencies, has taken steps to address the following:

1. Overcome the Effects of Impediments to Fair Housing Choice
2. Remedy Discrimination in Housing
3. Promote Fair Housing Rights and Fair Housing Choice

The Analysis of Impediments to Fair Housing Choice is contained on the 2006 – 2008 Clackamas County Consolidated Plan prepared by the Clackamas County Community Development Department. (The complete Consolidated Plan and Analysis of Impediments are posted on the Clackamas County web site at www.clackamas.us/cd). The Analysis divided the impediments into four general categories: (a) Organizational Structure; (b) Confusion with ADA and Fair Housing Law; (c) City, County, and State Policies; and (d) Mortgage Lending Markets. (See pages C-22 to C-28) in Appendix F.

The Analysis also proposed specific actions to overcome the effects of impediments to fair housing choice, especially in the organizational structure category. See pages C-26 to C-28). In the Analysis, ". . . the term 'organizational structure' refers to how fair housing services are delivered to citizens of the county . . . ." (p. C-22). One of the most important steps suggested was the development of a ". . . uniform and consistent fair housing referral policy, accomplished through the cooperation and coordination with the active fair housing entities in Clackamas County." (p. C-26).

In response to the recommendations in the organizational structure category, the Clackamas County Housing Rights and Resources Program (HRRP) was developed to coordinate and consolidate fair housing services as detailed in Step 4 – Providing Fair Housing Counseling Services or Referrals to Fair Housing Agencies above.

The Clackamas County Community Development Department also pointed to specific steps to improve training and develop new materials to remedy the confusion with ADA and fair housing law detailed in category (b). See page C-27. The Department also made specific recommendations to address the impediments identified in categories (c) City, County, and State policies and (d) Mortgage Lending Markets. (See pages C-27-28).

** Requirements from Notice of HUD's FY 2008 NOFA – General Section, pp. 14885-6.

The specific steps HACC itself has taken to address the issues listed as items 1, 2, and 3 at the beginning of this section are contained in Section I – "Nondiscrimination and Accessibility" in the HCV Administrative Plan. This is attached as Appendix E.

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EXHIBIT 16-1: SAMPLE NOTICE TO HOUSING CHOICE VOUCHER APPLICANTS AND PARTICIPANTS REGARDING THE VIOLENCE AGAINST WOMEN ACT (VAWA)

This sample notice was adapted from a notice prepared by the National Housing Law Project.

A federal law that went into effect in 2013 protects individuals who are victims of domestic violence, dating violence, sexual assault or stalking. The name of the law is the Violence against Women Act, or "VAWA." This notice explains your rights under VAWA.

Protections for Victims

If you are eligible for a Section 8 voucher, the housing authority cannot deny you rental assistance solely because you are a victim of domestic violence, dating violence, sexual assault or stalking.

If you are the victim of domestic violence, dating violence, or stalking, you cannot be terminated from the Section 8 program or evicted based on acts or threats of violence committed against you. Also, criminal acts directly related to the domestic violence, dating violence, sexual assault or stalking that are caused by a member of your household or a guest can't be the reason for evicting you or terminating your rental assistance if you were the victim of the abuse.

Reasons You Can Be Evicted

You can be evicted and your rental assistance can be terminated if the housing authority or your landlord can show there is an *actual* and *imminent* (immediate) threat to other tenants or employees at the property if you remain in your housing. Also, you can be evicted and your rental assistance can be terminated for serious or repeated lease violations that are not related to the domestic violence, dating violence, sexual assault or stalking committed against you. The housing authority and your landlord cannot hold you to a more demanding set of rules than it applies to participants who are not victims.

Removing the Abuser from the Household

Your landlord may split the lease to evict a tenant who has committed criminal acts of violence against family members or others, while allowing the victim and other household members to stay in the assisted unit. Also, the housing authority can terminate the abuser's Section 8 rental assistance while allowing you to continue to receive assistance. If the landlord or housing authority chooses to remove the abuser, it may not take away the remaining tenants' rights to the unit or otherwise punish the remaining tenants. In removing the abuser from the household, your landlord must follow federal, state, and local eviction procedures.

Moving to Protect Your Safety

The housing authority may permit you to move and still keep your rental assistance, even if your current lease has not yet expired. The housing authority may require that you be current on your rent or other obligations in the housing choice voucher program. The housing authority may ask you to provide proof that you are moving because of incidences of abuse.

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Proving That You Are a Victim of Domestic Violence, Dating Violence, Sexual Assault, or Stalking

The housing authority and your landlord can ask you to prove or "certify" that you are a victim of domestic violence, dating violence, sexual assault or stalking. The housing authority or your landlord must give you at least 14 business days (i.e., Saturdays, Sundays, and holidays do not count) to provide this proof. The housing authority and your landlord are free to extend the deadline. There are three ways you can prove that you are a victim:

- Complete the certification form given to you by the housing authority or your landlord. The form will ask for your name, the name of your abuser, the abuser's relationship to you, the date, time, and location of the incident of violence, and a description of the violence. You are only required to provide the name of the abuser if it is safe to provide and you know their name.
- Provide a statement from a victim service provider, attorney, mental health professional, or medical professional who has helped you address incidents of domestic violence, dating violence, sexual assault, or stalking. The professional must state that he or she believes that the incidents of abuse are real. Both you and the professional must sign the statement, and both of you must state that you are signing "under penalty of perjury."
- Provide a police or court record, such as a protective order, or an administrative record.

Additionally, at its discretion, the housing authority can accept a statement or other evidence provided by the applicant or participant.

If you fail to provide one of these documents within the required time, the landlord may evict you, and the housing authority may terminate your rental assistance.

Confidentiality

The housing authority and your landlord must keep confidential any information you provide about the violence against you, unless:

- You give written permission to the housing authority or your landlord to release the information.
- Your landlord needs to use the information in an eviction proceeding, such as to evict your abuser.
- A law requires the housing authority or your landlord to release the information.

If release of the information would put your safety at risk, you should inform the housing authority and your landlord.

VAWA and Other Laws

VAWA does not limit the housing authority's or your landlord's duty to honor court orders about access to or control of the property. This includes orders issued to protect a victim and orders dividing property among household members in cases where a family breaks up.

VAWA does not replace any federal, state, or local law that provides greater protection for victims of domestic violence, dating violence, sexual assault or stalking.

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For Additional Information

If you have any questions regarding VAWA, please contact the Clackamas Women Services at 503-654-2288

For help and advice on escaping an abusive relationship, call the National Domestic Violence Hotline at 1-800-799-SAFE (7233) or 1-800-787-3224 (TTY).

Definitions

For purposes of determining whether a participant may be covered by VAWA, the following list of definitions applies:

VAWA defines *domestic violence* to include felony or misdemeanor crimes of violence committed by any of the following:

- A current or former spouse or intimate partner of the victim
- A person with whom the victim shares a child in common
- A person who is cohabitating with or has cohabitated with the victim as a spouse or intimate partner
- A person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies
- Any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction

VAWA defines *dating violence* as violence committed by a person (1) who is or has been in a social relationship of a romantic or intimate nature with the victim AND (2) where the existence of such a relationship shall be determined based on a consideration of the following factors:

- The length of the relationship
- The type of relationship
- The frequency of interaction between the persons involved in the relationship

VAWA defines *sexual assault* as "any nonconsensual sexual act proscribed by Federal, tribal, or State law, including when the victim lacks capacity to consent" (42 U.S.C. 13925(a)).

VAWA defines stalking as engaging in a course of conduct directed at a specific person that would cause a reasonable person to fear for his or her safety or the safety of others, or suffer substantial emotional distress.

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EXHIBIT 16-2: SAMPLE NOTICE TO HOUSING CHOICE VOUCHER OWNERS AND MANAGERS REGARDING THE VIOLENCE AGAINST WOMEN ACT (VAWA)

This sample notice was adapted from a notice prepared by the National Housing Law Project.

A federal law that went into effect in 2013 protects individuals who are victims of domestic violence, dating violence, sexual assault and stalking. The name of the law is the Violence against Women Act, or "VAWA." This notice explains your obligations under VAWA.

Protections for Victims

You cannot refuse to rent to an applicant solely because he or she is a victim of domestic violence, dating violence, sexual assault or stalking.

You cannot evict a tenant who is or has been the victim of domestic violence, dating violence, sexual assault or stalking based on acts or threats of violence committed against the victim. Also, criminal acts directly related to the domestic violence, dating violence, sexual assault or stalking that are caused by a household member or guest cannot be cause for evicting the victim of the abuse.

Permissible Evictions

You can evict a victim of domestic violence, dating violence, sexual assault or stalking if you can demonstrate that there is an *actual and imminent* (immediate) threat to other tenants or employees at the property if the victim is not evicted. Also, you may evict a victim for serious or repeated lease violations that are not related to the domestic violence, dating violence, sexual assault or stalking. You cannot hold a victim of domestic violence, dating violence, sexual assault or stalking to a more demanding standard than you hold tenants who are not victims.

Removing the Abuser from the Household

You may bifurcate (split) the lease to evict a tenant who has committed criminal acts of violence against family members or others, while allowing the victim and other household members to stay in the unit. If you choose to remove the abuser, you may not take away the remaining tenants' rights to the unit or otherwise punish the remaining tenants. In removing the abuser from the household, you must follow federal, state, and local eviction procedures.

Certification of Domestic Violence, Dating Violence, Sexual Assault or Stalking

If a tenant asserts VAWA's protections, you can ask the tenant to certify that he or she is a victim of domestic violence, dating violence, sexual assault or stalking. You are not required to demand official documentation and may rely upon the victim's statement alone. If you choose to request certification, you must do so in writing and give the tenant at least 14 business days to provide documentation. You are free to extend this deadline. A tenant can certify that he or she is a victim by providing any one of the following three documents:

- A completed, signed HUD-approved certification form. The most recent form is HUD-50066. This form is available at the housing authority or online at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/forms/hud5.
- A statement from a victim service provider, attorney, or medical professional who has helped the victim address incidents of domestic violence, dating violence, sexual assault or stalking.

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The professional must state that he or she believes that the incidents of abuse are real. Both the victim and the professional must sign the statement under penalty of perjury.

- A police or court record, such as a protective order, or administrative record.

If the tenant fails to provide one of these documents within 14 business days, you may evict the tenant if authorized by otherwise applicable law and lease provisions.

Confidentiality

You must keep confidential any information a tenant provides to certify that he or she is a victim of domestic violence, dating violence, sexual assault or stalking. You cannot enter the information into a shared database or reveal it to outside entities unless:

- The tenant provides written permission releasing the information.
- The information is required for use in an eviction proceeding, such as to evict the abuser.
- Release of the information is otherwise required by law.

The victim should inform you if the release of the information would put his or her safety at risk.

VAWA and Other Laws

VAWA does not limit your obligation to honor court orders regarding access to or control of the property. This includes orders issued to protect the victim and orders dividing property among household members in cases where a family breaks up.

VAWA does not replace any federal, state, or local law that provides greater protection for victims of domestic violence, dating violence, sexual assault or stalking.

Additional Information

- If you have any questions regarding VAWA, please contact _____.
- HUD Notice PIH 2006-42 contains detailed information regarding VAWA's certification requirements. The notice is available at http://www.hud.gov/offices/adm/hudclips/notices/pih/06pihnotices.cfm
- For a discussion of VAWA's housing provisions, see the preamble to the final VAWA rule, which is available at http://www.gpo.gov/fdsys/pkg/FR-2010-10-27/pdf/2010-26914.pdf.

Definitions

For purposes of determining whether a tenant may be covered by VAWA, the following list of definitions applies:

VAWA defines *domestic violence* to include felony or misdemeanor crimes of violence committed by any of the following:

- A current or former spouse or intimate partner of the victim
- A person with whom the victim shares a child in common
- A person who is cohabitating with or has cohabitated with the victim as a spouse or intimate partner

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- A person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies
- Any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction

VAWA defines *dating violence* as violence committed by a person (1) who is or has been in a social relationship of a romantic or intimate nature with the victim AND (2) where the existence of such a relationship shall be determined based on a consideration of the following factors:

- The length of the relationship
- The type of relationship
- The frequency of interaction between the persons involved in the relationship

VAWA defines *sexual assault* as "any nonconsensual sexual act proscribed by Federal, tribal, or State law, including when the victim lacks capacity to consent" (42 U.S.C. 13925(a)).

VAWA defines stalking as engaging in a course of conduct directed at a specific person that would cause a reasonable person to fear for his or her safety or the safety of others, or suffer substantial emotional distress.

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Chapter 17

PROJECT-BASED VOUCHERS

INTRODUCTION

This chapter describes HUD regulations and HACC policies related to the project-based voucher (PBV) program in nine parts:

Part I: General Requirements. This part describes general provisions of the PBV program including maximum budget authority requirements, relocation requirements, and equal opportunity requirements.

Part II: PBV Owner Proposals. This part includes policies related to the submission and selection of owner proposals for PBV assistance. It describes the factors HACC will consider when selecting proposals, the type of housing that is eligible to receive PBV assistance, the cap on assistance at projects receiving PBV assistance, subsidy layering requirements, site selection standards, and environmental review requirements.

Part III: Dwelling Units. This part describes requirements related to housing quality standards, the type and frequency of inspections, and housing accessibility for persons with disabilities.

Part IV: Rehabilitated and Newly Constructed Units. This part describes requirements and policies related to the development and completion of rehabilitated and newly constructed housing units that will be receiving PBV assistance.

Part V: Housing Assistance Payments Contract. This part discusses HAP contract requirements and policies including the execution, term, and termination of the HAP contract. In addition, it describes how the HAP contract may be amended and identifies provisions that may be added to the HAP contract at HACC's discretion.

Part VI: Selection of PBV Program Participants. This part describes the requirements and policies governing how HACC and the owner will select a family to receive PBV assistance.

Part VII: Occupancy. This part discusses occupancy requirements related to the lease, and describes under what conditions families are allowed or required to move. In addition, exceptions to the occupancy cap (which limits PBV assistance to 25 percent of the units in any project) are also discussed.

Part VIII: Determining Rent to Owner. This part describes how the initial rent to owner is determined, and how rent will be redetermined throughout the life of the HAP contract. Rent reasonableness requirements are also discussed.

Part IX: Payments to Owner. This part describes the types of payments owners may receive under this program.

PART I: GENERAL REQUIREMENTS

17-I.A. OVERVIEW [24 CFR 983.5]

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The project-based voucher (PBV) program allows PHAs that already administer a tenant-based voucher program under an annual contributions contract (ACC) with HUD to take up to 20 percent of its voucher program budget authority and attach the funding to specific units rather than using it for tenant-based assistance [24 CFR 983.6]. PHAs may only operate a PBV program if doing so is consistent with HACC's Annual Plan, and the goal of deconcentrating poverty and expanding housing and economic opportunities [42 U.S.C. 1437f(o)(13)].

HACC Policy

HACC may operate a project-based voucher program using up to 20 percent of its budget authority for project-based assistance.

PBV assistance may be attached to existing housing or newly constructed or rehabilitated housing [24 CFR 983.52]. If PBV units are already selected for project-based assistance either under an agreement to enter into HAP Contract (Agreement) or a HAP contract, HACC is not required to reduce the number of these units if the amount of budget authority is subsequently reduced. However, HACC is responsible for determining the amount of budget authority that is available for project-based vouchers and ensuring that the amount of assistance that is attached to units is within the amounts available under the ACC [24 CFR 983.6].

17-I.B. TENANT-BASED VS. PROJECT-BASED VOUCHER ASSISTANCE [24 CFR 983.2]

Much of the tenant-based voucher program regulations also apply to the PBV program. Consequently, many of HACC policies related to tenant-based assistance also apply to PBV assistance. The provisions of the tenant-based voucher regulations that do not apply to the PBV program are listed at 24 CFR 983.2.

HACC Policy

Except as otherwise noted in this chapter, or unless specifically prohibited by PBV program regulations, HACC policies for the tenant-based voucher program contained in this administrative plan also apply to the PBV program and its participants.

17-I.C. RELOCATION REQUIREMENTS [24 CFR 983.7]

Any persons displaced as a result of implementation of the PBV program must be provided relocation assistance in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA)[42 U.S.C. 4201-4655] and implementing regulations at 49 CFR part 24.

The cost of required relocation assistance may be paid with funds provided by the owner, local public funds, or funds available from other sources. PHAs may not use voucher program funds to cover relocation costs, except that PHAs may use their administrative fee reserve to pay for relocation expenses after all other program administrative expenses are satisfied, and provided that payment of the relocation benefits is consistent with state and local law. Use of the administrative fee for these purposes must also be consistent with other legal and regulatory requirements, including the requirement in 24 CFR 982.155 and other official HUD issuances.

The acquisition of real property for a PBV project is subject to the URA and 49 CFR part 24, subpart B. It is the responsibility of HACC to ensure the owner complies with these requirements.

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17-I.D. EQUAL OPPORTUNITY REQUIREMENTS [24 CFR 983.8]

HACC must comply with all equal opportunity requirements under federal law and regulations in its implementation of the PBV program. This includes the requirements and authorities cited at 24 CFR 5.105(a). In addition, HACC must comply with HACC Plan certification on civil rights and affirmatively furthering fair housing, submitted in accordance with 24 CFR 903.7(o).

PART II: PBV OWNER PROPOSALS

17-II.A. OVERVIEW

HACC must describe the procedures for owner submission of PBV proposals and for HACC selection of PBV proposals [24 CFR 983.51]. Before selecting a PBV proposal, HACC must determine that the PBV proposal complies with HUD program regulations and requirements, including a determination that the property is eligible housing [24 CFR 983.53 and 983.54], complies with the cap on the number of PBV units per project [24 CFR 983.56], and meets the site selection standards [24 CFR 983.57]. The PHA may not commit PBVs until or unless it has followed the proposal selection requirements defined in 24 CFR 983.51 [Notice PIH 2011-54].

17-II.B. OWNER PROPOSAL SELECTION PROCEDURES [24 CFR 983.51]

HACC must select PBV proposals in accordance with the selection procedures in HACC administrative plan. HACC must select PBV proposals by either of the following two methods.

- HACC request for PBV Proposals. HACC may solicit proposals by using a request for proposals to select proposals on a competitive basis in response to HACC request. HACC may not limit proposals to a single site or impose restrictions that explicitly or practically preclude owner submission of proposals for PBV housing on different sites.
- HACC may select a proposal that were previously selected based on a competition. This may include selection of a proposal for housing assisted under a federal, state, or local government housing assistance program that was subject to a competition in accordance with the requirements of the applicable program, community development program, or supportive services program that requires competitive selection of proposals (e.g., HOME, and units for which competitively awarded LIHTCs have been provided), where the proposal has been selected in accordance with such program's competitive selection requirements within three years of the PBV proposal selection date, and the earlier competitive selection proposal did not involve any consideration that the project would receive PBV assistance. HACC need not conduct another competition.

Solicitation and Selection of PBV Proposals [24 CFR 983.51 (c)]

HACC procedures for selecting PBV proposals must be designed and actually operated to provide broad public notice of the opportunity to offer PBV proposals for consideration by HACC. The public notice procedures may include publication of the public notice in a local newspaper of general circulation and other means designed and actually operated to provide broad public notice. The public notice of HACC request for PBV proposals must specify the submission deadline. Detailed application and selection information must be provided at the request of interested parties.

HACC Policy

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HACC Request for Proposals for Rehabilitated and Newly Constructed Units

HACC will advertise its request for proposals (RFP) for rehabilitated and newly constructed housing in the Oregonian or Daily Journal of Commerce.

In addition, HACC will post the RFP and proposal submission and rating and ranking procedures on its electronic web site.

The advertisement will specify the number of units HACC estimates that it will be able to assist under the funding HACC is making available. Proposals will be due in HACC office by close of business 30 calendar days from the date of the last publication.

In order for the proposal to be considered, the owner must submit the proposal to HACC by the published deadline date, and the proposal must respond to all requirements as outlined in the RFP. Incomplete proposals will not be reviewed.

HACC will rate and rank proposals for rehabilitated and newly constructed housing using the following criteria:

> Owner experience and capability to build or rehabilitate housing as identified in the RFP;
>
> Extent to which the project furthers HACC goal of deconcentrating poverty and expanding housing and economic opportunities;
>
> If applicable, the extent to which services for special populations are provided on site or in the immediate area for occupants of the property; and

The competitive process described above may be waived and HACC's Board may choose to award project-based vouchers through a formal resolution process based upon the following criterion:

First, the Board may elect to award PBV to HACC to develop, rehabilitate, or acquire housing as part of a County-wide initiative to meet local housing priorities.

Second, the Board may elect to award PBV to HACC to accomplish the objective of preserving Public Housing or other properties within Clackamas County that have an expiring operating subsidy.

Formal HACC Board of Commissioner's approval process with a resolution will be required for either non-competitive option described above.

HACC Requests for Proposals for Existing Housing Units

HACC will advertise its request for proposals (RFP) for existing housing in the Oregonian.

In addition, HACC will post the notice inviting such proposal submission and the rating and ranking procedures on its web site.

The advertisement will specify the number of units HACC estimates that it will be able to assist under the funding HACC is making available. Owner proposals will be accepted on a first-come first-served basis and will be evaluated using the following criteria:

> Experience as an owner in the tenant-based voucher program and owner compliance with the owner's obligations under the tenant-based program;

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Extent to which the project furthers HACC goal of deconcentrating poverty and expanding housing and economic opportunities;

If applicable, extent to which services for special populations are provided on site or in the immediate area for occupants of the property; and

Extent to which units are occupied by families that are eligible to participate in the PBV program.

HACC Selection of Proposals Subject to a Previous Competition under a Federal, State, or Local Housing Assistance Program

HACC will accept proposals for PBV assistance from owners that were competitively selected under another federal, state or local housing assistance program, including projects that were competitively awarded Low-Income Housing Tax Credits on an ongoing basis.

HACC may periodically advertise that it is accepting proposals, in the Oregonian and on its website.

In addition to, or in place of advertising, HACC may also directly contact specific owners that have already been selected for Federal, state, or local housing assistance based on a previously held competition, to inform them of available PBV assistance.

Proposals will be reviewed on a first-come first-served basis. HACC will evaluate each proposal on its merits using the following factors:

Extent to which the project furthers HACC goal of deconcentrating poverty and expanding housing and economic opportunities; and

Extent to which the proposal complements other local activities such as the redevelopment of a public housing site under the HOPE VI program, the HOME program, CDBG activities, other development activities in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community.

PHA-Owned Units [24 CFR 983.51(e), 983.59, and Notice PIH 2015-05]

A HACC-owned unit may be assisted under the PBV program only if the HUD field office or HUD-approved independent entity reviews the selection process and determines that HACC-owned units were appropriately selected based on the selection procedures specified in HACC administrative plan. If HACC selects a proposal for housing that is owned or controlled by HACC, HACC must identify the entity that will review HACC proposal selection process and perform specific functions with respect to rent determinations and inspections.

In the case of PHA-owned units, the term of the HAP contract and any HAP contract renewal must be agreed upon by the PHA and a HUD-approved independent entity. In addition, an independent entity must determine the rent to owner, the redetermined rent to owner, and reasonable rent. Housing quality standards inspections must also be conducted by an independent entity.

The independent entity that performs these program services may be the unit of general local government for the PHA jurisdiction (unless the PHA is itself the unit of general local

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government or an agency of such government) or another HUD-approved public or private independent entity.

HACC Policy

HACC will establish a Memorandum Of Understanding (MOU) with an independent entity to perform rent reasonableness and Housing Quality Standards (HQS) inspections and get prior HUD approval of the entity to perform these services.

The independent entity that performs these program services may be the unit of general local government for HACC jurisdiction (unless HACC is itself the unit of general local government or an agency of such government) or another HUD-approved public or private independent entity.

HACC Policy

HACC may submit a proposal for project-based housing that is owned or controlled by HACC. If the proposal for HACC-owned housing is selected, HACC will obtain HUD approval to use an outside entity to review the selection and to administer the PBV program prior to selecting the proposal for HACC-owned housing.

HACC may only compensate the independent entity from HACC ongoing administrative fee income (including amounts credited to the administrative fee reserve). HACC may not use other program receipts to compensate the independent entity for its services. HACC and the independent entity, may not charge the family any fee for the appraisal or the services provided by the independent entity.

HACC Notice of Owner Selection [24 CFR 983.51(d)]

HACC must give prompt written notice to the party that submitted a selected proposal and must also give prompt public notice of such selection. Public notice procedures may include publication of public notice in a local newspaper of general circulation and other means designed and actually operated to provide broad public notice.

HACC Policy

Within 30 business days of HACC making the selection, HACC will notify the selected owner in writing of the owner's selection for the PBV program. HACC will also notify in writing all owners that submitted proposals that were not selected and advise such owners of the name of the selected owner.

In addition, HACC will publish its notice for selection of PBV proposals on its website. The announcement will include the name of the owner that was selected for the PBV program. HACC will make available to any interested party its rating and ranking sheets and documents that identify HACC basis for selecting the proposal. These documents will be available for review by the public and other interested parties for one month after publication of the notice of owner selection. HACC will not make available sensitive owner information that is privileged, such as financial statements and similar information about the owner.

HACC will make these documents available for review at HACC during normal business hours. The cost for reproduction of allowable documents will be $.25 per page.

17-II.C. HOUSING TYPE [24 CFR 983.52]

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HACC may attach PBV assistance for units in existing housing or for newly constructed or rehabilitated housing developed under and in accordance with an agreement to enter into a housing assistance payments contract that was executed prior to the start of construction. A housing unit is considered an existing unit for purposes of the PBV program, if, at the time of notice of HACC selection, the units substantially comply with HQS. Units for which new construction or rehabilitation began after the owner's proposal submission but prior to the execution of the HAP do not subsequently qualify as existing housing. Units that were newly constructed or rehabilitated in violation of program requirements also do not qualify as existing housing.

HACC must decide what housing type, new construction, rehabilitation, or existing housing, will be used to develop project-based housing. HACC choice of housing type must be reflected in its solicitation for proposals.

17-II.D. PROHIBITION OF ASSISTANCE FOR CERTAIN UNITS

Ineligible Housing Types [24 CFR 983.53]

HACC may not attach or pay PBV assistance to shared housing units; units on the grounds of a penal reformatory, medical, mental, or similar public or private institution; nursing homes or facilities providing continuous psychiatric, medical, nursing services, board and care, or intermediate care (except that assistance may be provided in assisted living facilities); units that are owned or controlled by an educational institution or its affiliate and are designated for occupancy by students; manufactured homes; and transitional housing. In addition, HACC may not attach or pay PBV assistance for a unit occupied by an owner and HACC may not select or enter into an agreement to enter into a HAP contract or HAP contract for a unit occupied by a family ineligible for participation in the PBV program. A member of a cooperative who owns shares in the project assisted under the PBV program is not considered an owner for purposes of participation in the PBV program. Finally, PBV assistance may not be attached to units for which construction or rehabilitation has started after the proposal submission and prior to the execution of an AHAP.

Subsidized Housing [24 CFR 983.54]

A PHA may not attach or pay PBV assistance to units in any of the following types of subsidized housing:

- A public housing unit;
- A unit subsidized with any other form of Section 8 assistance;
- A unit subsidized with any governmental rent subsidy;
- A unit subsidized with any governmental subsidy that covers all or any part of the operating costs of the housing;
- A unit subsidized with Section 236 rental assistance payments (except that a PHA may attach assistance to a unit subsidized with Section 236 interest reduction payments);
- A Section 202 project for non-elderly with disabilities;
- Section 811 project-based supportive housing for persons with disabilities;

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- Section 202 supportive housing for the elderly;
- A Section 101 rent supplement project;
- A unit subsidized with any form of tenant-based rental assistance;
- A unit with any other duplicative federal, state, or local housing subsidy, as determined by HUD or HACC in accordance with HUD requirements.

17-II.E. SUBSIDY LAYERING REQUIREMENTS [24 CFR 983.55, FR Notice 11/24/08, FR Notice 7/9/10, and FR Notice 6/25/14]

HACC may provide PBV assistance only in accordance with HUD subsidy layering regulations [24 CFR 4.13] and other requirements.

The subsidy layering review is intended to prevent excessive public assistance by combining (layering) housing assistance payment subsidy under the PBV program with other governmental housing assistance from federal, state, or local agencies, including assistance such as tax concessions or tax credits.

Subsidy layering requirements do not apply to existing housing. A further subsidy layering review is not required for new construction or rehabilitation if HUD's designee has conducted a review that included a review of PBV assistance in accordance with the PBV subsidy layering guidelines.

HACC must submit the necessary documentation to HUD for a subsidy layering review, except in cases noted above. HACC may not enter into an agreement to enter into a HAP contract or a HAP contract until HUD, or a HUD-approved housing credit agency (HCA), has conducted any required subsidy layering review and determined that the PBV assistance is in accordance with HUD subsidy layering requirements. However, in order to satisfy applicable requirements, HCA's must conduct subsidy layering reviews in compliance with the guidelines set forth in the Federal Register notice published July 9, 2010.

The HAP contract must contain the owner's certification that the project has not received and will not receive (before or during the term of the HAP contract) any public assistance for acquisition, development, or operation of the housing other than assistance disclosed in the subsidy layering review in accordance with HUD requirements.

17-II.F. CAP ON NUMBER OF PBV UNITS IN EACH PROJECT

25 Percent per Project Cap [24 CFR 983.56]

In general, HACC may not select a proposal to provide PBV assistance for units in a project or enter into an agreement to enter into a HAP or a HAP contract to provide PBV assistance for units in a project, if the total number of dwelling units in the project that will receive PBV assistance during the term of the PBV HAP contract is more than 25 percent of the number of dwelling units (assisted or unassisted) in the project.

Exceptions to 25 Percent per Project Cap [24 CFR 983.56(b)]

Exceptions are allowed and PBV units are not counted against the 25 percent per project cap if:

- The units are in a single-family building (one to four units);

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- The units are *excepted units* in a multifamily project because they are specifically made available for elderly and/or disabled families or families receiving supportive services (also known as *qualifying families*).

HACC must include in its administrative plan the type of services offered to families for a project to qualify for the exception and the extent to which such services will be provided. It is not necessary that the services be provided at or by the project, if they are approved services. To qualify, a family must have at least one member receiving at least one qualifying supportive service. HACC may not require participation in medical or disability-related services other than drug and alcohol treatment in the case of current abusers as a condition of living in an excepted unit, although such services may be offered.

If a family at the time of initial tenancy is receiving, and while the resident of an excepted unit has received, FSS supportive services or any other supportive services as defined in HACC administrative plan, and successfully completes the FSS contract of participation or the supportive services requirement, the unit continues to count as an excepted unit for as long as the family resides in the unit.

HACC must monitor the excepted family's continued receipt of supportive services and take appropriate action regarding those families that fail without good cause to complete their supportive services requirement. HACC administrative plan must state the form and frequency of such monitoring.

HACC Policy

HACC will encourage housing development for occupancy by families in need of services. This may include disabled families, families in need of particular supportive services, or families participating in the Family Self Sufficiency (FSS) program. The following types of services will be encouraged at projects with more than 25 percent of PBV units depending on the needs of the families served:

- Transportation for activities such as grocery shopping, attending medical and dental appointments;
- Supervised taking of medications;
- Treatment for drub rehabilitation in the case of current abusers;
- Treatment for alcohol addiction in the case of current abusers;
- Training in housekeeping and homemaking activities;
- Family budgeting;
- Child care;
- Parenting skills;
- Computer/Technology labs; and
- Work skills development and job training.

HACC Policy

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Each service provider will annually submit a report to HACC identifying the services received by each family using a PBV.

Promoting Partially-Assisted Projects [24 CFR 983.56(c)]

A PHA may establish local requirements designed to promote PBV assistance in partially assisted projects. A *partially assisted project* is a project in which there are fewer units covered by a HAP contract than residential units [24 CFR 983.3].

A PHA may establish a per-project cap on the number of units that will receive PBV assistance or other project-based assistance in a multifamily project containing excepted units or in a single-family building. A PHA may also determine not to provide PBV assistance for excepted units, or HACC may establish a per-project cap of less than 25 percent.

HACC Policy:

HACC will impose a 50 percent cap on excepted units in multifamily building. This cap may be lifted to 100 percent for buildings with fewer than 25 units.

17-II.G. SITE SELECTION STANDARDS

Compliance with PBV Goals, Civil Rights Requirements, and HQS Site Standards [24 CFR 983.57(b)]

HACC may not select a proposal for existing, newly constructed, or rehabilitated PBV housing on a site or enter into an agreement to enter into a HAP contract or HAP contract for units on the site, unless HACC has determined that PBV assistance for housing at the selected site is consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities. The standard for deconcentrating poverty and expanding housing and economic opportunities must be consistent with HACC Plan under 24 CFR 903 and HACC administrative plan.

In addition, prior to selecting a proposal, HACC must determine that the site is suitable from the standpoint of facilitating and furthering full compliance with the applicable Civil Rights Laws, regulations, and Executive Orders, and that the site meets the HQS site and neighborhood standards at 24 CFR 982.401(l).

HACC Policy

It is HACC goal to select sites for PBV housing that provide for deconcentrating poverty and expanding housing and economic opportunities. In complying with this goal HACC will limit approval of sites for PBV housing in census tracts that have poverty concentrations of 20 percent or less.

However, HACC will grant exceptions to the 20 percent standard where HACC determines that the PBV assistance will complement other local redevelopment activities designed to deconcentrate poverty and expand housing and economic opportunities in census tracts with poverty concentrations greater than 20 percent, such as sites in:

A census tract in which the proposed PBV development will be located in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community;

A census tract where the concentration of assisted units will be or has decreased as a result of public housing demolition and HOPE VI redevelopment;

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A census tract in which the proposed PBV development will be located is undergoing significant revitalization as a result of state, local, or federal dollars invested in the area;

A census tract where new market rate units are being developed where such market rate units will positively impact the poverty rate in the area;

A census tract where there has been an overall decline in the poverty rate within the past five years; or

A census tract where there are meaningful opportunities for educational and economic advancement.

Existing and Rehabilitated Housing Site and Neighborhood Standards [24 CFR 983.57(d)]

HACC may not enter into an agreement to enter into a HAP contract nor enter into a HAP contract for existing or rehabilitated housing until it has determined that the site complies with the HUD required site and neighborhood standards. The site must:

- Be adequate in size, exposure, and contour to accommodate the number and type of units proposed;
- Have adequate utilities and streets available to service the site;
- Promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
- Be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and
- Be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

New Construction Site and Neighborhood Standards [24 CFR 983.57(e)]

In order to be selected for PBV assistance, a site for newly constructed housing must meet the following HUD required site and neighborhood standards:

- The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed;
- The site must have adequate utilities and streets available to service the site;
- The site must not be located in an area of minority concentration unless HACC determines that sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration or that the project is necessary to meet overriding housing needs that cannot be met in that housing market area;
- The site must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.

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- The site must promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
- The neighborhood must not be one that is seriously detrimental to family life or in which substandard dwellings or other undesirable conditions predominate;
- The housing must be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and
- Except for housing designed for elderly persons, the housing must be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

17-II.H. ENVIRONMENTAL REVIEW [24 CFR 983.58]

HACC activities under the PBV program are subject to HUD environmental regulations in 24 CFR parts 50 and 58. The *responsible entity* is responsible for performing the federal environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.). HACC may not enter into an agreement to enter into a HAP contract nor enter into a HAP contract until it has complied with the environmental review requirements.

In the case of existing housing, the responsible entity that is responsible for the environmental review under 24 CFR part 58 must determine whether or not PBV assistance is categorically excluded from review under the National Environmental Policy Act and whether or not the assistance is subject to review under the laws and authorities listed in 24 CFR 58.5.

HACC may not enter into an agreement to enter into a HAP contract or a HAP contract with an owner, and HACC, the owner, and its contractors may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct real property or commit or expend program or local funds for PBV activities under this part, until the environmental review is completed.

HACC must supply all available, relevant information necessary for the responsible entity to perform any required environmental review for any site. HACC must require the owner to carry out mitigating measures required by the responsible entity (or HUD, if applicable) as a result of the environmental review.

PART III: DWELLING UNITS

17-III.A. OVERVIEW

This part identifies the special housing quality standards that apply to the PBV program, housing accessibility for persons with disabilities, and special procedures for conducting housing quality standards inspections.

17-III.B. HOUSING QUALITY STANDARDS [24 CFR 983.101]

The housing quality standards (HQS) for the tenant-based program, including those for special housing types, generally apply to the PBV program. HQS requirements for shared housing, manufactured home space rental, and the homeownership option do not apply because these housing types are not assisted under the PBV program.

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The physical condition standards at 24 CFR 5.703 do not apply to the PBV program.

Lead-based Paint [24 CFR 983.101(c)]

The lead-based paint requirements for the tenant-based voucher program do not apply to the PBV program. Instead, The Lead-based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at 24 CFR part 35, subparts A, B, H, and R, apply to the PBV program.

17-III.C. HOUSING ACCESSIBILITY FOR PERSONS WITH DISABILITIES

The housing must comply with program accessibility requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8. HACC must ensure that the percentage of accessible dwelling units complies with the requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as implemented by HUD's regulations at 24 CFR 8, subpart C.

Housing first occupied after March 13, 1991, must comply with design and construction requirements of the Fair Housing Amendments Act of 1988 and implementing regulations at 24 CFR 100.205, as applicable. (24 CFR 983.102)

17-III.D. INSPECTING UNITS

Pre-selection Inspection [24 CFR 983.103(a)]

HACC must examine the proposed site before the proposal selection date. If the units to be assisted already exist, HACC must inspect all the units before the proposal selection date, and must determine whether the units substantially comply with HQS. To qualify as existing housing, units must substantially comply with HQS on the proposal selection date. However, HACC may not execute the HAP contract until the units fully comply with HQS.

Pre-HAP Contract Inspections [24 CFR 983.103(b)]

HACC must inspect each contract unit before execution of the HAP contract. HACC may not enter into a HAP contract covering a unit until the unit fully complies with HQS.

Turnover Inspections [24 CFR 983.103(c); FR Notice 6/25/14]

Before providing assistance to a new family in a contract unit, HACC must inspect the unit. HACC may not provide assistance on behalf of the family until the unit fully complies with HQS.

Annual/Biennial Inspections [24 CFR 983.103(d)]

At least annually once every 24 months during the term of the HAP contract, HACC must inspect a random sample consisting of at least 20 percent of the contract units in each building to determine if the contract units and the premises are maintained in accordance with HQS. Turnover inspections are not counted toward meeting this inspection requirement.

If more than 20 percent of the sample of inspected contract units fail the initial inspection, HACC must reinspect 100 percent of the contract units in the building.

Other Inspections [24 CFR 983.103(e)]

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HACC must inspect contract units whenever needed to determine that the contract units comply with HQS and that the owner is providing maintenance, utilities, and other services in accordance with the HAP contract. HACC must take into account complaints and any other information coming to its attention in scheduling inspections.

HACC must conduct follow-up inspections needed to determine if the owner (or, if applicable, the family) has corrected an HQS violation, and must conduct inspections to determine the basis for exercise of contractual and other remedies for owner or family violation of HQS.

In conducting HACC supervisory quality control HQS inspections, HACC should include a representative sample of both tenant-based and project-based units.

Inspecting HACC-Owned Units [24 CFR 983.103(f)]

In the case of HACC-owned units, the inspections must be performed by an independent agency designated by HACC and approved by HUD. The independent entity must furnish a copy of each inspection report to HACC and to the HUD field office where the project is located. HACC must take all necessary actions in response to inspection reports from the independent agency, including exercise of contractual remedies for violation of the HAP contract by HACC-owner.

PART IV: REHABILITATED AND NEWLY CONSTRUCTED UNITS

17-IV.A. OVERVIEW [24 CFR 983.151]

There are specific requirements that apply to PBV assistance for newly constructed or rehabilitated housing that do not apply to PBV assistance in existing housing. This part describes the requirements unique to this type of assistance.

Housing selected for this type of assistance may not at a later date be selected for PBV assistance as existing housing.

17-IV.B. AGREEMENT TO ENTER INTO HAP CONTRACT

In order to offer PBV assistance in rehabilitated or newly constructed units, HACC must enter into an agreement to enter into HAP contract (Agreement) with the owner of the property. The Agreement must be in the form required by HUD [24 CFR 983.152(b)]. HACC may not enter into an Agreement if construction or rehabilitation has started after proposal submission [24 CFR 983.152(c)]. Construction begins when excavation or site preparation (including clearing of the land) begins for the housing. Rehabilitation begins with the physical commencement of rehabilitation activity on the housing.

In the Agreement the owner agrees to develop the PBV contract units to comply with HQS, and HACC agrees that upon timely completion of such development in accordance with the terms of the Agreement, HACC will enter into a HAP contract with the owner for the contract units [24 CFR 983.152(a)].

Content of the Agreement [24 CFR 983.152(d)]

At a minimum, the Agreement must describe the following features of the housing to be developed and assisted under the PBV program:

- Site and the location of the contract units;
- Number of contract units by area (size) and number of bedrooms and bathrooms;

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- Services, maintenance, or equipment to be supplied by the owner without charges in addition to the rent;
- Utilities available to the contract units, including a specification of utility services to be paid by the owner and utility services to be paid by the tenant;
- An indication of whether or not the design and construction requirements of the Fair Housing Act and section 504 of the Rehabilitation Act of 1973 apply to units under the Agreement. If applicable, any required work item resulting from these requirements must be included in the description of work to be performed under the Agreement;
- Estimated initial rents to owner for the contract units;
- Description of the work to be performed under the Agreement. For rehabilitated units, the description must include the rehabilitation work write up and, where determined necessary by HACC, specifications and plans. For new construction units, the description must include the working drawings and specifications.
- Any additional requirements for quality, architecture, or design over and above HQS.

Execution of the Agreement [24 CFR 983.153]

The Agreement must be executed promptly after HACC notice of proposal selection to the selected owner. HACC may not enter into the Agreement if construction or rehabilitation has started after proposal submission. HACC may not enter into the Agreement with the owner until the subsidy layering review is completed. HACC may not enter into the Agreement until the environmental review is completed and HACC has received environmental approval. However, the PHA does not need to conduct a subsidy layering review in the case of a HAP contract for an existing housing or if the applicable state or local agency has conducted such a review. Similarly, environmental reviews are not required for existing structures unless otherwise required by law or regulation.

HACC Policy

HACC will enter into the Agreement with the owner within 10 business days of receiving both environmental approval and notice that subsidy layering requirements have been met, and before construction or rehabilitation work is started.

17-IV.C. CONDUCT OF DEVELOPMENT WORK

Labor Standards [24 CFR 983.154(b)]

If an Agreement covers the development of nine or more contract units (whether or not completed in stages), the owner and the owner's contractors and subcontractors must pay Davis-Bacon wages to laborers and mechanics employed in the development of housing. The HUD-prescribed form of the Agreement will include the labor standards clauses required by HUD, such as those involving Davis-Bacon wage rates.

The owner, contractors, and subcontractors must also comply with the Contract Work Hours and Safety Standards Act, Department of Labor regulations in 29 CFR part 5, and other applicable federal labor relations laws and regulations. HACC must monitor compliance with labor standards.

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Equal Opportunity [24 CFR 983.154(c)]

The owner must comply with Section 3 of the Housing and Urban Development Act of 1968 and the implementing regulations at 24 CFR part 135. The owner must also comply with federal equal employment opportunity requirements.

Owner Disclosure [24 CFR 983.154(d) and (e)]

The Agreement and HAP contract must include a certification by the owner that the owner and other project principals are not on the U.S. General Services Administration list of parties excluded from federal procurement and non-procurement programs.

The owner must also disclose any possible conflict of interest that would be a violation of the Agreement, the HAP contract, or HUD regulations.

17-IV.D. COMPLETION OF HOUSING

The Agreement must specify the deadlines for completion of the housing, and the owner must develop and complete the housing in accordance with these deadlines. The Agreement must also specify the deadline for submission by the owner of the required evidence of completion.

Evidence of Completion [24 CFR 983.155(b)]

At a minimum, the owner must submit the following evidence of completion to HACC in the form and manner required by HACC:

- Owner certification that the work has been completed in accordance with HQS and all requirements of the Agreement; and
- Owner certification that the owner has complied with labor standards and equal opportunity requirements in development of the housing.

At HACC's discretion, the Agreement may specify additional documentation that must be submitted by the owner as evidence of housing completion.

> HACC Policy
>
> HACC will determine the need for the owner to submit additional documentation as evidence of housing completion on a case-by-case basis depending on the nature of the PBV project. HACC will specify any additional documentation requirements in the Agreement to enter into HAP contract.

HACC Acceptance of Completed Units [24 CFR 983.156]

Upon notice from the owner that the housing is completed, HACC must inspect to determine if the housing has been completed in accordance with the Agreement, including compliance with HQS and any additional requirements imposed under the Agreement. HACC must also determine if the owner has submitted all required evidence of completion.

If the work has not been completed in accordance with the Agreement, HACC must not enter into the HAP contract.

If HACC determines the work has been completed in accordance with the Agreement and that the owner has submitted all required evidence of completion, HACC must submit the HAP contract for execution by the owner and must then execute the HAP contract.

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PART V: HOUSING ASSISTANCE PAYMENTS CONTRACT (HAP)

17-V.A. OVERVIEW

HACC must enter into a HAP contract with an owner for units that are receiving PBV assistance. The purpose of the HAP contract is to provide housing assistance payments for eligible families. Housing assistance is paid for contract units leased and occupied by eligible families during the HAP contract term. With the exception of single-family scattered-site projects, a HAP contract shall cover a single project. If multiple projects exist, each project is covered by a separate HAP contract. The HAP contract must be in the form required by HUD [24 CFR 983.202(a)].

17-V.B. HAP CONTRACT REQUIREMENTS

Contract Information [24 CFR 983.203]

The HAP contract must specify the following information:

- The total number of contract units by number of bedrooms;
- The project's name, street address, city or county, state and zip code, block and lot number (if known), and any other information necessary to clearly identify the site and the building;
- The number of contract units in each building, the location of each contract unit, the area of each contract unit, and the number of bedrooms and bathrooms in each contract unit;
- Services, maintenance, and equipment to be supplied by the owner and included in the rent to owner;
- Utilities available to the contract units, including a specification of utility services to be paid by the owner (included in rent) and utility services to be paid by the tenant;
- Features provided to comply with program accessibility requirements of Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR part 8;
- The HAP contract term;
- The number of units in any project that will exceed the 25 percent per project cap, which will be set-aside for occupancy by qualifying families (elderly and/or disabled families and families receiving supportive services); and
- The initial rent to owner for the first 12 months of the HAP contract term.

Execution of the HAP Contract [24 CFR 983.204]

HACC may not enter into a HAP contract until each contract unit has been inspected and HACC has determined that the unit complies with the Housing Quality Standards (HQS). For existing housing, the HAP contract must be executed promptly after HACC selects the owner proposal and inspects the housing units. For newly constructed or rehabilitated housing the HAP contract must be executed after HACC has inspected the completed units and has determined that the units have been completed in accordance with the agreement to enter into HAP, and the owner furnishes all required evidence of completion.

<u>HACC Policy</u>

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For existing housing, the HAP contract will be executed the first day of the month following HACC determining that all units pass HQS.

For rehabilitated or newly constructed housing, the HAP contract will be executed within 10 business days of HACC determining that the units have been completed in accordance with the agreement to enter into HAP, all units meet HQS, and the owner has submitted all required evidence of completion.

Term of HAP Contract [24 CFR 983.205]

HACC may enter into a HAP contract with an owner for an initial term of no less than one year and no more than 15 years for each contract unit. The length of the term of the HAP contract for any contract unit may not be less than one year, nor more than 15 years. In the case of PHA-owned units, the term of the HAP contract must be agreed upon by the PHA and the independent entity approved by HUD [24 CFR 983.59(b)(2)].

HACC Policy

The term of all PBV HAP contracts will be negotiated with the owner on a case-by-case basis.

At the time of the initial HAP contract term or any time before expiration of the HAP contract, HACC may extend the term of the contract for an additional term of up to 15 years if HACC determines an extension is appropriate to continue providing affordable housing for low-income families. A HAP contract extension may not exceed 15 years. A PHA may provide for multiple extensions; however, in no circumstances may such extensions exceed 15 years, cumulatively. Extensions after the initial extension are allowed at the end of any extension term, provided that not more than 24 months prior to the expiration of the previous extension contract the PHA agrees to extend the term, and that such extension is appropriate to continue providing affordable housing for low-income families or to expand housing opportunities. Extensions after the initial extension term shall not begin prior to the expiration date of the previous extension term. Subsequent extensions are subject to the same limitations. All extensions must be on the form and subject to the conditions prescribed by HUD at the time of the extension. In the case of PHA-owned units, any extension of the term of the HAP contract must be agreed upon by the PHA and the independent entity approved by HUD [24 CFR 983.59(b)(2)].

HACC Policy

When determining whether or not to extend an expiring PBV contract, HACC will consider several factors including, but not limited to:

The cost of extending the contract and the amount of available budget authority;

The condition of the contract units;

The owner's record of compliance with obligations under the HAP contract and lease(s);

Whether the location of the units continues to support the goals of deconcentrating poverty and expanding housing opportunities; and

Whether the funding could be used more appropriately for tenant-based assistance.

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Termination by HACC [24 CFR 983.205(c)]

The HAP contract must provide that the term of HACC's contractual commitment is subject to the availability of sufficient appropriated funding as determined by HUD or by HACC in accordance with HUD instructions. For these purposes, sufficient funding means the availability of appropriations, and of funding under the ACC from such appropriations, to make full payment of housing assistance payments payable to the owner for any contract year in accordance with the terms of the HAP contract.

If it is determined that there may not be sufficient funding to continue housing assistance payments for all contract units and for the full term of the HAP contract, HACC may terminate the HAP contract by notice to the owner. The termination must be implemented in accordance with HUD instructions.

Termination by Owner [24 CFR 983.205(d)]

If in accordance with program requirements the amount of rent to an owner for any contract unit is reduced below the amount of the rent to owner at the beginning of the HAP contract term, the owner may terminate the HAP contract by giving notice to HACC. In this case, families living in the contract units must be offered tenant-based assistance.

Statutory Notice Requirements: Contract Termination or Expiration [24 CFR 983.206]

Not less than one year before the HAP contract terminates, or if the owner refuses to renew the HAP contract, the owner must notify the PHA and assisted tenants of the termination. The notice must be provided in the form prescribed by HUD. If the owner does not give timely notice, the owner must permit the tenants in assisted units to remain in their units for the required notice period with no increase in the tenant portion of their rent, and with no eviction as a result of the owner's inability to collect an increased tenant portion of rent. An owner may renew the terminating contract for a period of time sufficient to give tenants one-year advance notice under such terms as HUD may require.

Remedies for HQS Violations [24 CFR 983.208(b)]

HACC may not make any HAP payment to the owner for a contract unit during any period in which the unit does not comply with HQS. If HACC determines that a contract does not comply with HQS, HACC may exercise any of its remedies under the HAP contract, for any or all of the contract units. Available remedies include termination of housing assistance payments, abatement or reduction of housing assistance payments, reduction of contract units, and termination of the HAP contract.

> HACC Policy
>
> HACC will abate and terminate PBV HAP contracts for non-compliance with HQS in accordance with the policies used in the tenant-based voucher program. These policies are contained in Section 8-II.G., Enforcing Owner Compliance.

17-V.C. AMENDMENTS TO THE HAP CONTRACT

Substitution of Contract Units [24 CFR 983.207(a)]

At HACC's discretion and subject to all PBV requirements, the HAP contract may be amended to substitute a different unit with the same number of bedrooms in the same project for a

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previously covered contract unit. Before any such substitution can take place, HACC must inspect the proposed unit and determine the reasonable rent for the unit.

Addition of Contract Units [24 CFR 983.207(b)]

At HACC's discretion and subject to the restrictions on the number of dwelling units that can receive PBV assistance per project and on the overall size of HACC's PBV program, a HAP contract may be amended during the three-year period following the execution date of the HAP contract to add additional PBV units in the same project. This type of amendment is subject to all PBV program requirements except that a new PBV proposal is not required.

HACC Policy

HACC will consider adding contract units to the HAP contract when HACC determines that additional housing is needed to serve eligible low-income families. Circumstances may include, but are not limited to:

The local housing inventory is reduced due to a disaster (either due to loss of housing units, or an influx of displaced families); and

Voucher holders are having difficulty finding units that meet program requirements.

17-V.D. HAP CONTRACT YEAR, ANNIVERSARY AND EXPIRATION DATES [24 CFR 983.207(b) and 983.302(e)]

The HAP contract year is the period of 12 calendar months preceding each annual anniversary of the HAP contract during the HAP contract term. The initial contract year is calculated from the first day of the first calendar month of the HAP contract term.

The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year.

There is a single annual anniversary and expiration date for all units under a particular HAP contract, even in cases where contract units are placed under the HAP contract in stages (on different dates) or units are added by amendment. The anniversary and expiration dates for all units coincide with the dates for the contract units that were originally placed under contract.

17-V.E. OWNER RESPONSIBILITIES UNDER THE HAP [24 CFR 983.210]

When the owner executes the HAP contract s/he certifies that at such execution and at all times during the term of the HAP contract:

- All contract units are in good condition and the owner is maintaining the premises and contract units in accordance with HQS;
- The owner is providing all services, maintenance, equipment and utilities as agreed to under the HAP contract and the leases;
- Each contract unit for which the owner is receiving HAP, is leased to an eligible family referred by HACC, and the lease is in accordance with the HAP contract and HUD requirements;

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- To the best of the owner's knowledge the family resides in the contract unit for which the owner is receiving HAP, and the unit is the family's only residence;
- The owner (including a principal or other interested party) is not the spouse, parent, child, grandparent, grandchild, sister, or brother of any member of a family residing in a contract unit;
- The amount of the HAP the owner is receiving is correct under the HAP contract;
- The rent for contract units does not exceed rents charged by the owner for comparable unassisted units;
- Except for HAP and tenant rent, the owner has not received and will not receive any other payment or consideration for rental of the contract unit;
- The family does not own or have any interest in the contract unit (does not apply to family's membership in a cooperative); and
- Repair work on the project selected as an existing project that is performed after HAP execution within such post-execution period as specified by HUD may constitute development activity, and if determined to be development activity, the repair work undertaken shall be in compliance with Davis-Bacon wage requirements.

17-V.F. ADDITIONAL HAP REQUIREMENTS

Housing Quality and Design Requirements [24 CFR 983.101(e) and 983.208(a)]

The owner is required to maintain and operate the contract units and premises in accordance with HQS, including performance of ordinary and extraordinary maintenance. The owner must provide all the services, maintenance, equipment, and utilities specified in the HAP contract with HACC and in the lease with each assisted family. In addition, maintenance, replacement and redecoration must be in accordance with the standard practice for the building as established by the owner.

HACC may elect to establish additional requirements for quality, architecture, or design of PBV housing. Any such additional requirements must be specified in the Agreement to enter into a HAP contract and the HAP contract. These requirements must be in addition to, not in place of, compliance with HQS.

> HACC Policy
>
> HACC will identify the need for any special features on a case-by-case basis depending on the intended occupancy of the PBV project. HACC will specify any special design standards or additional requirements in the invitation for PBV proposals, the agreement to enter into HAP contract, and the HAP contract.

Vacancy Payments [24 CFR 983.352(b)]

At the discretion of HACC, the HAP contract may provide for vacancy payments to the owner for a HACC-determined period of vacancy extending from the beginning of the first calendar month after the move-out month for a period not exceeding two full months following the move-out month. The amount of the vacancy payment will be determined by HACC and cannot exceed the monthly rent to owner under the assisted lease, minus any portion of the rental payment received by the owner (including amounts available from the tenant's security deposit).

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HACC Policy

HACC will not provide vacancy payments to the owner.

PART VI: SELECTION OF PBV PROGRAM PARTICIPANTS

17-VI.A. OVERVIEW

Many of the provisions of the tenant-based voucher regulations [24 CFR 982] also apply to the PBV program. This includes requirements related to determining eligibility and selecting applicants from the waiting list. Even with these similarities, there are requirements that are unique to the PBV program. This part describes the requirements and policies related to eligibility and admission to the PBV program.

17-VI.B. ELIGIBILITY FOR PBV ASSISTANCE [24 CFR 983.251(a) and (b)]

HACC may select families for the PBV program from those who are participants in HACC's tenant-based voucher program and from those who have applied for admission to the voucher program. For voucher participants, eligibility was determined at original admission to the voucher program and does not need to be redetermined at the commencement of PBV assistance. For all others, eligibility for admission must be determined at the commencement of PBV assistance.

Applicants for PBV assistance must meet the same eligibility requirements as applicants for the tenant-based voucher program. Applicants must qualify as a family as defined by HUD and HACC, have income at or below HUD-specified income limits, and qualify on the basis of citizenship or the eligible immigration status of family members [24 CFR 982.201(a) and 24 CFR 983.2(a)]. In addition, an applicant family must provide social security information for family members [24 CFR 5.216 and 5.218] and consent to HACC's collection and use of family information regarding income, expenses, and family composition [24 CFR 5.230]. The PHA may also not approve a tenancy if the owner (including a principal or other interested party) of the unit is the parent, child, grandparent, grandchild, sister, or brother of any member of the family, unless needed as a reasonable accommodation. An applicant family must also meet HUD requirements related to current or past criminal activity.

HACC Policy

HACC may determine an applicant family's eligibility for the PBV program in accordance with the policies in Chapter 3 in conjunction with an individualized tenant selection plan for each property that is first reviewed and approved by HACC.

In-Place Families [24 CFR 983.251(b)]

An eligible family residing in a proposed PBV contract unit on the date the proposal is selected by HACC is considered an "in-place family." These families are afforded protection from displacement under the PBV rule. If a unit to be placed under contract (either an existing unit or a unit requiring rehabilitation) is occupied by an eligible family on the date the proposal is selected, the in-place family must be placed on HACC's waiting list. Once the family's continued eligibility is determined (HACC may deny assistance to an in-place family for the grounds specified in 24 CFR 982.552 and 982.553), the family must be given an absolute selection preference and HACC must refer these families to the project owner for an

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appropriately sized PBV unit in the project. Admission of eligible in-place families is not subject to income targeting requirements.

This regulatory protection from displacement does not apply to families that are not eligible to participate in the program on the proposal selection date.

17-VI.C. ORGANIZATION OF THE WAITING LIST [24 CFR 983.251(c)]

HACC may establish a separate waiting list for PBV units or it may use the same waiting list for both tenant-based and PBV assistance. HACC may also merge the PBV waiting list with a waiting list for other assisted housing programs offered by HACC. If HACC chooses to offer a separate waiting list for PBV assistance, HACC must offer to place applicants who are listed on the tenant-based waiting list on the waiting list for PBV assistance.

If HACC decides to establish a separate PBV waiting list, HACC may use a single waiting list for HACC's whole PBV program, or it may establish separate waiting lists for PBV units in particular projects or buildings or for sets of such units.

> HACC Policy
>
> HACC will establish and manage separate waiting lists for individual projects or buildings that are receiving PBV assistance.

17-VI.D. SELECTION FROM THE WAITING LIST [24 CFR 983.251(c)]

Applicants who will occupy units with PBV assistance must be selected from HACC's waiting list. HACC may establish selection criteria or preferences for occupancy of particular PBV units. HACC may place families referred by the PBV owner on its PBV waiting list.

Income Targeting [24 CFR 983.251(c) (6)]

At least 75 percent of the families admitted to HACC's tenant-based and project-based voucher programs during HACC fiscal year from the waiting list must be extremely-low income families. The income targeting requirement applies to the total of admissions to both programs.

Units with Accessibility Features [24 CFR 983.251(c) (7)]

When selecting families to occupy PBV units that have special accessibility features for persons with disabilities, HACC must first refer families who require such features to the owner.

Preferences [24 CFR 983.251(d), FR Notice 11/24/08]

HACC may use the same selection preferences that are used for the tenant-based voucher program, establish selection criteria or preferences for the PBV program as a whole, or for occupancy of particular PBV developments or units. HACC must provide an absolute selection preference for eligible in-place families as described in Section 17-VI.B. above.

Although HACC is prohibited from granting preferences to persons with a specific disability, HACC may give preference to disabled families who need services offered at a particular project or site if the preference is limited to families (including individuals):

- With disabilities that significantly interfere with their ability to obtain and maintain themselves in housing;

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- Who, without appropriate supportive services, will not be able to obtain or maintain themselves in housing; and
- For whom such services cannot be provided in a non-segregated setting.

In advertising such a project, the owner may advertise the project as offering services for a particular type of disability; however, the project must be open to all otherwise eligible disabled persons who may benefit from services provided in the project. In these projects, disabled residents may not be required to accept the particular services offered as a condition of occupancy.

If HACC has projects with more than 25 percent of the units receiving project-based assistance because those projects include "excepted units" (units specifically made available for elderly or disabled families, or families receiving supportive services), HACC must give preference to such families when referring families to these units [24 CFR 983.261(b)].

> HACC Policy
>
> HACC will provide a selection preference when required by the regulation (e.g., eligible in-place families, qualifying families for "excepted units," mobility impaired persons for accessible units). HACC may offer additional preferences for the PBV program or for particular PBV projects or units.

17-VI.E. OFFER OF PBV ASSISTANCE

Refusal of Offer [24 CFR 983.251(e)(3)]

HACC is prohibited from taking any of the following actions against a family who has applied for, received, or refused an offer of PBV assistance:

- Refuse to list the applicant on the waiting list for tenant-based voucher assistance;
- Deny any admission preference for which the applicant qualifies;
- Change the applicant's place on the waiting list based on preference, date, and time of application, or other factors affecting selection under HACC's selection policy;
- Remove the applicant from the tenant-based voucher waiting list.

Disapproval by Landlord [24 CFR 983.251(e) (2)]

If a PBV owner rejects a family for admission to the owner's units, such rejection may not affect the family's position on the tenant-based voucher waiting list.

Acceptance of Offer [24 CFR 983.252]

Family Briefing

When a family accepts an offer for PBV assistance, HACC must give the family an oral briefing. The briefing must include information on how the program works and the responsibilities of the family and owner. In addition to the oral briefing, HACC must provide a briefing packet that explains how HACC determines the total tenant payment for a family, the family obligations under the program, and applicable fair housing information.

Persons with Disabilities

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If an applicant family's head or spouse is disabled, HACC must assure effective communication, in accordance with 24 CFR 8.6, in conducting the oral briefing and in providing the written information packet. This may include making alternative formats available (see Chapter 2). In addition, HACC must have a mechanism for referring a family that includes a member with a mobility impairment to an appropriate accessible PBV unit.

Persons with Limited English Proficiency

HACC should take reasonable steps to assure meaningful access by persons with limited English proficiency in accordance with Title VI of the Civil Rights Act of 1964 and Executive Order 13166 (see Chapter 2).

17-VI.F. OWNER SELECTION OF TENANTS

The owner is responsible for developing written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low-income families and reasonably related to program eligibility and an applicant's ability to fulfill their obligations under the lease. An owner must promptly notify in writing any rejected applicant of the grounds for any rejection [24 CFR 983.253 a)(2) and (a)(3)].

Leasing [24 CFR 983.253(a)]

During the term of the HAP contract, the owner must lease contract units to eligible families that are selected and referred by HACC from HACC's waiting list. The contract unit leased to the family must be the appropriate size unit for the size of the family, based on HACC's subsidy standards.

Filling Vacancies [24 CFR 983.254(a)]

The owner must promptly notify HACC of any vacancy or expected vacancy in a contract unit. After receiving such notice, HACC must make every reasonable effort to promptly refer a sufficient number of families for the owner to fill such vacancies. HACC and the owner must make reasonable efforts to minimize the likelihood and length of any vacancy.

HACC Policy

The owner must notify HACC in writing (mail, fax, or e-mail) within 5 business days of learning about any vacancy or expected vacancy.

HACC will make every reasonable effort to refer families to the owner within 10 business days of receiving such notice from the owner.

Reduction in HAP Contract Units Due to Vacancies [24 CFR 983.254(b)]

If any contract units have been vacant for 120 or more days since owner notice of the vacancy, HACC may give notice to the owner amending the HAP contract to reduce the number of contract units by subtracting the number of contract units (according to the bedroom size) that have been vacant for this period.

HACC Policy

If any contract units have been vacant for 120 days, HACC will give notice to the owner that the HAP contract will be amended to reduce the number of contract units that have been vacant for this period. HACC will provide the notice to the owner within 10

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business days of the 120th day of the vacancy. The amendment to the HAP contract will be effective the 1st day of the month following the date of HACC's notice.

17-VI.G. TENANT SCREENING [24 CFR 983.255]

HACC Responsibility

HACC is not responsible or liable to the owner or any other person for the family's behavior or suitability for tenancy. However, HACC may opt to screen applicants for family behavior or suitability for tenancy and may deny applicants based on such screening.

HACC Policy

HACC will not conduct screening to determine a PBV applicant family's suitability for tenancy.

HACC must provide the owner with an applicant family's current and prior address (as shown in HACC records) and the name and address (if known by HACC) of the family's current landlord and any prior landlords.

In addition, HACC may offer the owner other information HACC may have about a family, including information about the tenancy history of family members or about drug trafficking and criminal activity by family members. HACC must provide applicant families a description of HACC policy on providing information to owners, and HACC must give the same types of information to all owners.

The PHA may not disclose to the owner any confidential information provided in response to a request for documentation of domestic violence, dating violence, sexual assault or stalking except at the written request or with the written consent of the individual providing the documentation [24 CFR 5.2007(a)(4)].

HACC Policy

HACC will inform owners of their responsibility to screen prospective tenants, and will provide owners with the required known name and address information, at the time of the turnover HQS inspection or before. HACC will not provide any additional information to the owner, such as tenancy history, criminal history, etc.

Owner Responsibility

The owner is responsible for screening and selection of the family to occupy the owner's unit. When screening families the owner may consider a family's background with respect to the following factors:

- Payment of rent and utility bills;
- Caring for a unit and premises;
- Respecting the rights of other residents to the peaceful enjoyment of their housing;
- Drug-related criminal activity or other criminal activity that is a threat to the health, safety, or property of others; and
- Compliance with other essential conditions of tenancy.

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PART VII: OCCUPANCY

17-VII.A. OVERVIEW

After an applicant has been selected from the waiting list, determined eligible by HACC, referred to an owner and determined suitable by the owner, the family will sign the lease and occupancy of the unit will begin.

17-VII.B. LEASE [24 CFR 983.256]

The tenant must have legal capacity to enter a lease under state and local law. *Legal capacity* means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner.

Form of Lease [24 CFR 983.256(b)]

The tenant and the owner must enter into a written lease agreement that is signed by both parties. If an owner uses a standard lease form for rental units to unassisted tenants in the locality or premises, the same lease must be used for assisted tenants, except that the lease must include a HUD-required tenancy addendum. The tenancy addendum must include, word-for-word, all provisions required by HUD.

If the owner does not use a standard lease form for rental to unassisted tenants, the owner may use another form of lease, such as a HACC model lease.

HACC may review the owner's lease form to determine if the lease complies with state and local law. If HACC determines that the lease does not comply with state or local law, HACC may decline to approve the tenancy.

HACC Policy

HACC will not review the owner's lease for compliance with state or local law.

Lease Requirements [24 CFR 983.256(c)]

The lease for a PBV unit must specify all of the following information:

- The names of the owner and the tenant;
- The unit rented (address, apartment number, if any, and any other information needed to identify the leased contract unit);
- The term of the lease (initial term and any provision for renewal);
- The amount of the tenant rent to owner, which is subject to change during the term of the lease in accordance with HUD requirements;

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- A specification of the services, maintenance, equipment, and utilities that will be provide by the owner; and
- The amount of any charges for food, furniture, or supportive services.

Tenancy Addendum [24 CFR 983.256(d)]

The tenancy addendum in the lease must state:

- The program tenancy requirements;
- The composition of the household as approved by HACC (the names of family members and any HACC-approved live-in aide);
- All provisions in the HUD-required tenancy addendum must be included in the lease. The terms of the tenancy addendum prevail over other provisions of the lease.

Initial Term and Lease Renewal [24 CFR 983.256(f)]

The initial lease term must be for at least one year. The lease must provide for automatic renewal after the initial term of the lease in either successive definitive terms (e.g. month-to-month or year-to-year) or an automatic indefinite extension of the lease term. For automatic indefinite extension of the lease term, the lease terminates if any of the following occur:

- The owner terminates the lease for good cause
- The tenant terminates the lease
- The owner and tenant agree to terminate the lease
- The PHA terminates the HAP contract
- The PHA terminates assistance for the family

Changes in the Lease [24 CFR 983.256(e)]

If the tenant and owner agree to any change in the lease, the change must be in writing, and the owner must immediately give HACC a copy of all changes.

The owner must notify HACC in advance of any proposed change in the lease regarding the allocation of tenant and owner responsibilities for utilities. Such changes may only be made if approved by HACC and in accordance with the terms of the lease relating to its amendment. HACC must redetermine reasonable rent, in accordance with program requirements, based on any change in the allocation of the responsibility for utilities between the owner and the tenant. The redetermined reasonable rent will be used in calculation of the rent to owner from the effective date of the change.

Owner Termination of Tenancy [24 CFR 983.257]

With two exceptions, the owner of a PBV unit may terminate tenancy for the same reasons an owner may in the tenant-based voucher program (see Section 12-III.B. and 24 CFR 982.310). In the PBV program, terminating tenancy for "good cause" does not include doing so for a business or economic reason, or a desire to use the unit for personal or family use or other non-residential purpose.

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Non-Compliance with Supportive Services Requirement [24 CFR 983.257(c), FR Notice 11/24/08]

If a family is living in a project-based unit that is excepted from the 25 percent per project cap on project-basing because of participation in a supportive services program (e.g., Family Self-Sufficiency), and the family fails to complete its supportive services requirement without good cause, such failure is grounds for lease termination by the owner.

Tenant Absence from the Unit [24 CFR 983.256(g) and 982.312(a)]

The lease may specify a maximum period of family absence from the unit that may be shorter than the maximum period permitted by HACC policy. According to program requirements, the family's assistance must be terminated if they are absent from the unit for more than 180 consecutive days. PHA termination of assistance actions due to family absence from the unit are subject to 24 CFR 981.312, except that the unit is not terminated from the HAP contract if the family is absent for longer than the maximum period permitted.

Continuation of Housing Assistance Payments [24 CFR 982.258]

Housing assistance payments shall continue until the tenant rent equals the rent to owner. The cessation of housing assistance payments at such point will not affect the family's other rights under its lease, nor will such cessation preclude the resumption of payments as a result of later changes in income, rents, or other relevant circumstances if such changes occur within 180 days following the date of the last housing assistance payment by the PHA. After the 180-day period, the unit shall be removed from the HAP contract pursuant to 24 CFR 983.211.

> PHA Policy
>
> If a participating family receiving zero assistance experiences a change in circumstances that would result in a HAP payment to the owner, the family must notify the PHA of the change and request an interim reexamination before the expiration of the 180-day period.

Security Deposits [24 CFR 983.259]

The owner may collect a security deposit from the tenant. HACC may prohibit security deposits in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants.

> HACC Policy
>
> HACC will allow the owner to collect a security deposit amount the owner determines is appropriate.

When the tenant moves out of a contract unit, the owner, subject to state and local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid tenant rent, damages to the unit, or other amounts owed by the tenant under the lease.

The owner must give the tenant a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used to reimburse the owner, the owner must promptly refund the full amount of the balance to the tenant.

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If the security deposit does not cover the amount owed by the tenant under the lease, the owner may seek to collect the balance from the tenant. HACC has no liability or responsibility for payment of any amount owed by the family to the owner.

17-VII.C. MOVES

Overcrowded, Under-Occupied, and Accessible Units [24 CFR 983.260]

If HACC determines that a family is occupying a wrong size unit, based on HACC's subsidy standards, or a unit with accessibility features that the family does not require, and the unit is needed by a family that does require the features, HACC must promptly notify the family and the owner of this determination, and HACC must offer the family the opportunity to receive continued housing assistance in another unit.

HACC Policy

HACC will notify the family and the owner of the family's need to move based on the occupancy of a wrong-size or accessible unit within 10 business days of HACC's determination. HACC will offer the family the following types of continued assistance in the following order, based on the availability of assistance:

PBV assistance in the same building or project;

PBV assistance in another project; and

Tenant-based voucher assistance.

If HACC offers the family a tenant-based voucher, HACC must terminate the housing assistance payments for a wrong-sized or accessible unit the earlier of the expiration of the term of the family's voucher (including any extension granted by HACC) or the date upon which the family vacates the unit. If the family does not move out of the wrong-sized unit or accessible unit by the expiration of the term of the family's voucher, the PHA must remove the unit from the HAP contract.

If HACC offers the family another form of assistance that is not a tenant-based voucher, and the family does not accept the offer, does not move out of the PBV unit within a reasonable time as determined by HACC, or both, HACC must terminate the housing assistance payments for the unit at the expiration of a reasonable period as determined by HACC and remove the unit from the HAP contract.

HACC Policy

When HACC offers a family another form of assistance that is not a tenant-based voucher, the family will be given 30 days from the date of the offer to accept the offer and move out of the PBV unit. If the family does not move out within this 30-day time frame, HACC will terminate the housing assistance payments at the expiration of this 30-day period.

HACC may make exceptions to this 30-day period if needed for reasons beyond the family's control such as death, serious illness, or other medical emergency of a family member.

Family Right to Move [24 CFR 983.261]

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The family may terminate the lease at any time after the first year of occupancy. The family must give advance written notice to the owner in accordance with the lease and provide a copy of such notice to HACC. If the family wishes to move with continued tenant-based assistance, the family must contact HACC to request the rental assistance prior to providing notice to terminate the lease.

If the family terminates the lease in accordance with these requirements, HACC is required to offer the family the opportunity for continued tenant-based assistance, in the form of a voucher or other comparable tenant-based rental assistance. If voucher or other comparable tenant-based assistance is not immediately available upon termination of the family's lease in the PBV unit, HACC must give the family priority to receive the next available opportunity for continued tenant-based assistance.

If the family terminates the assisted lease before the end of the first year, the family relinquishes the opportunity for continued tenant-based assistance.

17-VII.D. EXCEPTIONS TO THE OCCUPANCY CAP [24 CFR 983.262]

HACC may not pay housing assistance under a PBV HAP contract for more than 25 percent of the number of dwelling units in a project unless the units are [24 CFR 983.56]:

- In a single-family building;
- Specifically made available for elderly and/or disabled families; or
- Specifically made available for families receiving supportive services as defined by HACC. At least one member must be receiving at least one qualifying supportive service.

If a family at the time of initial tenancy is receiving and while the resident of an excepted unit has received Family Self-Sufficiency (FSS) supportive services or any other service as defined as defined by HACC and successfully completes the FSS contract of participation or the supportive services requirement, the unit continues to count as an excepted unit for as long as the family resides in the unit.

A family (or remaining members of a family) residing in an excepted unit that no longer meets the criteria for a "qualifying family" in connection with the 25 percent per project cap exception (e.g., a family that does not successfully complete its FSS contract of participation or supportive services requirements, or a family that is no longer elderly or disabled due to a change in family composition where the PHA does not exercise discretion to allow the family to remain in the excepted unit), must vacate the unit within a reasonable period of time established by HACC, and HACC must cease paying housing assistance payments on behalf of the non-qualifying family.

If the family fails to vacate the unit within the established time, the unit must be removed from the HAP contract unless the project is partially assisted, and it is possible for the HAP contract to be amended to substitute a different unit in the building in accordance with program requirements; or the owner terminates the lease and evicts the family. The housing assistance payments for a family residing in an excepted unit that is not in compliance with its family obligations to comply with supportive services requirements must be terminated by HACC.

The PHA may allow a family that initially qualified for occupancy of an excepted unit based on elderly or disabled family status to continue to reside in a unit, where through circumstances

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beyond the control of the family (e.g., death of the elderly or disabled family member or long-term or permanent hospitalization or nursing care), the elderly or disabled family member no longer resides in the unit. In this case, the unit may continue to be counted as an excepted unit for as long as the family resides in that unit. Once the family vacates the unit, in order to continue as an excepted unit under the HAP contract, the unit must be made available to and occupied by a qualified family.

HACC Policy

The PHA will allow families who initially qualified to live in an excepted unit to remain when circumstances change due to circumstances beyond the remaining family members' control.

In all other cases, when the PHA determines that a family no longer meets the criteria for a "qualifying family" in connection with the 25 percent per project cap exception, the PHA will provide written notice to the family and owner within 10 business days of making the determination. The family will be given 30 days from the date of the notice to move out of the PBV unit. If the family does not move out within this 30-day time frame, the PHA will terminate the housing assistance payments at the expiration of this 30-day period.

The PHA may make exceptions to this 30-day period if needed for reasons beyond the family's control such as death, serious illness, or other medical emergency of a family member.

The PHA may refer other eligible families to the excepted units. However, if there are no eligible families on the waiting list and the owner does not refer eligible families to the PHA, the PHA will amend the HAP contract to reduce the total number of units under contract.

PART VIII: DETERMINING RENT TO OWNER

17-VIII.A. OVERVIEW

The amount of the initial rent to an owner of units receiving PBV assistance is established at the beginning of the HAP contract term. Although for rehabilitated or newly constructed housing, the agreement to enter into HAP Contract (Agreement) states the estimated amount of the initial rent to owner, the actual amount of the initial rent to owner is established at the beginning of the HAP contract term.

During the tem of the HAP contract, the rent to owner is redetermined at the owner's request in accordance with program requirements, and at such time that there is a five percent or greater decrease in the published FMR.

17-VIII.B. RENT LIMITS [24 CFR 983.301]

Except for certain tax credit units (discussed below), the rent to owner must not exceed the lowest of the following amounts:

- An amount determined by HACC, not to exceed 110 percent of the applicable fair market rent (or any HUD-approved exception payment standard) for the unit bedroom size minus any utility allowance;
- The reasonable rent; or
- The rent requested by the owner.

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HACC Policy

HACC's goal is to provide as many families with vouchers as possible. Given the budget limitations of the program, HACC must implement policies that control its HAP expenditures.

The rent to owner including utility allowances must not exceed the lowest of:

- An amount determined by HACC
  - For general PBV's an amount not to exceed the HhhhHHigh HOME Rent Limit; or
  - For PBV's with HACC Disposition funds, an amount not to exceed HACC Payment standards
- The reasonable rent; or
- The rent requested by the owner.

Certain Tax Credit Units [24 CFR 983.301(c)]

For certain tax credit units, the rent limits are determined differently than for other PBV units. Different limits apply to contract units that meet all of the following criteria:

- The contract unit receives a low-income housing tax credit under the Internal Revenue Code of 1986;
- The contract unit is not located in a qualified census tract;
- There are comparable tax credit units of the same bedroom size as the contract unit in the same projects, and the comparable tax credit units do not have any form of rental assistance other than the tax credit; and
- The tax credit rent exceeds 110 percent of the fair market rent or any approved exception payment standard;

For contract units that meet all of these criteria, the rent to owner must not exceed the lowest of:

- The tax credit rent minus any utility allowance;
- The reasonable rent; or
- The rent requested by the owner.

HACC Policy

HACC's goal is to provide as many families with vouchers as possible. Given the budget limitations of the program, HACC must implement policies that control its HAP expenditures. It is expected that developers will build units that meet the 60% AMI affordability threshold and have set its renta accordingly.

The rent to owner including utility allowances must not exceed the lowest of:

- An amount determined by HACC
  - For general PBV's an amount not to exceed the HhhhHHigh HOME Rent Limit; or
  - For PBV's with HACC Disposition funds, an amount not to exceed HACC Payment standards
- The reasonable rent; or
- The rent requested by the owner.

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Definitions

A *qualified census tract* is any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50 percent of households have an income of less than 60 percent of Area Median Gross Income (AMGI), or where the poverty rate is at least 25 percent and where the census tract is designated as a qualified census tract by HUD.

Tax credit rent is the rent charged for comparable units of the same bedroom size in the project that also receive the low-income housing tax credit but do not have any additional rental assistance (e.g., tenant-based voucher assistance).

Reasonable Rent [24 CFR 983.301(e) and 983.302(c)(2)]

The PHA must determine reasonable rent in accordable with 24 CFR 983.303. The rent to owner for each contract unit may at no time exceed the reasonable rent, except in cases where the PHA has elected within the HAP contract not to reduce rents below the initial rent to owner and, upon redetermination of the rent to owner, the reasonable rent would result in a rent below the initial rent. However, the rent to owner must be reduced in the following cases:

- To correct errors in calculations in accordable with HUD requirements
- If additional housing assistance has been combined with PBV assistance after the execution of the initial HAP contract and a rent decrease is required pursuant to 24 CFR 983.55
- If a decrease in rent to owner is required based on changes in the allocation of the responsibility for utilities between owner and tenant

If the PHA has not elected within the HAP contract to establish the initial rent to owner as the rent floor, the rent to owner shall not at any time exceed the reasonable rent.

> PHA Policy
>
> The PHA will elect within the HAP contract not to reduce rents below the initial level, with the exception of circumstances listed in 24 CFR 983.302(c)(2). If, upon redetermination of the rent to owner, the reasonable rent would result in a rent below the initial rent, the PHA will use the higher initial rent to owner amount.

Use of FMRs, Exception Payment Standards, and Utility Allowances [24 CFR 983.301(f)]

When determining the initial rent to owner, HACC must use the most recently published FMR in effect and the utility allowance schedule in effect at execution of the HAP contract. When redetermining the rent to owner, HACC must use the most recently published FMR and the utility allowance schedule in effect at the time of redetermination. At its discretion, HACC may for initial rent, use the amounts in effect at any time during the 30-day period immediately before the beginning date of the HAP contract, or for redeterminations of rent, the 30-day period immediately before the redetermination date.

Any HUD-approved exception payment standard amount under the tenant-based voucher program also applies to the project-based voucher program. HUD will not approve a different exception payment stand amount for use in the PBV program.

Likewise, HACC may not establish or apply different utility allowance amounts for the PBV program. The same utility allowance schedule applies to both the tenant-based and project-based voucher programs.

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HACC Policy

Upon written request by the owner, HACC will consider using the FMR or utility allowances in effect during the 30-day period before the start date of the HAP, or redetermination of rent. The owner must explain the need to use the previous FMRs or utility allowances and include documentation in support of the request. HACC will review and make a decision based on the circumstances and merit of each request.

In addition to considering a written request from an owner, HACC may decide to use the FMR or utility allowances in effect during the 30-day period before the start date of the HAP, or redetermination of rent, if HACC determines it is necessary due to HACC budgetary constraints.

Redetermination of Rent [24 CFR 983.302]

HACC must redetermine the rent to owner upon the owner's request or when there is a five percent or greater decrease in the published FMR.

Rent Increase

If an owner wishes to request an increase in the rent to owner from HACC, it must be requested at the annual anniversary of the HAP contract (see Section 17-V.D.). The request must be in writing and in the form and manner required by HACC. HACC may only make rent increases in accordance with the rent limits described previously. There are no provisions in the PBV program for special adjustments (e.g., adjustments that reflect increases in the actual and necessary expenses of owning and maintaining the units which have resulted from substantial general increases in real property taxes, utility rates, or similar costs).

HACC Policy

An owner's request for a rent increase must be submitted to HACC 60 days prior to the anniversary date of the HAP contract, and must include the new rent amount the owner is proposing.

HACC may not approve and the owner may not receive any increase of rent to owner until and unless the owner has complied with requirements of the HAP contract, including compliance with HQS. The owner may not receive any retroactive increase of rent for any period of noncompliance.

Rent Decrease

If there is a decrease in the rent to owner, as established in accordance with program requirements such as a change in the FMR or exception payment standard, or reasonable rent amount, the rent to owner must be decreased regardless of whether the owner requested a rent adjustment, except where the PHA has elected within the HAP contract to not reduce rents below the initial rent under the initial HAP contract. However, HACC may stipulate in the HAP contract that the maximum rent on a unit will not be less than the initial rent.

Notice of Rent Change

The rent to owner is redetermined by written notice by HACC to the owner specifying the amount of the redetermined rent. HACC notice of rent adjustment constitutes an amendment of the rent to owner specified in the HAP contract. The adjusted amount of rent to owner applies for the period of 12 calendar months from the annual anniversary of the HAP contract.

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HACC Policy

HACC will provide the owner with at least 30 days written notice of any change in the amount of rent to owner.

HACC-Owned Units [24 CFR 983.301(g)]

For HACC-owned PBV units, the initial rent to owner and the annual redetermination of rent at the anniversary of the HAP contract are determined by the independent entity approved by HUD. HACC must use the rent to owner established by the independent entity.

17-VIII.C. REASONABLE RENT [24 CFR 983.303]

At the time the initial rent is established and all times during the term of the HAP contract, the rent to owner for a contract unit may not exceed the reasonable rent for the unit as determined by HACC, except where the PHA has elected within the HAP contract to not reduce rents below the initial rent under the initial HAP contract.

When Rent Reasonable Determinations Are Required

HACC must redetermine the reasonable rent for a unit receiving PBV assistance whenever any of the following occur:

- There is a five percent or greater decrease in the published FMR in effect 60 days before the contract anniversary (for the unit sizes specified in the HAP contract) as compared with the FMR that was in effect one year before the contract anniversary date;
- HACC approves a change in the allocation of responsibility for utilities between the owner and the tenant;
- The HAP contract is amended to substitute a different contract unit in the same building or project; or
- There is any other change that may substantially affect the reasonable rent.

How to Determine Reasonable Rent

The reasonable rent of a unit receiving PBV assistance must be determined by comparison to rent for other comparable unassisted units. When making this determination, HACC must consider factors that affect market rent. Such factors include the location, quality, size, type and age of the unit, as well as the amenities, housing services maintenance, and utilities to be provided by the owner.

Comparability Analysis

For each unit, the comparability analysis must use at least three comparable units in the private unassisted market. This may include units in the premises or project that is receiving project-based assistance. The analysis must show how the reasonable rent was determined, including major differences between the contract units and comparable unassisted units, and must be retained by HACC. The comparability analysis may be performed by HACC staff or by another qualified person or entity. Those who conduct these analyses or are involved in determining the housing assistance payment based on the analyses may not have any direct or indirect interest in the property.

HACC-Owned Units

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For HACC-owned units, the amount of the reasonable rent must be determined by an independent agency approved by HUD in accordance with PBV program requirements. The independent entity must provide a copy of the determination of reasonable rent for HACC-owned units to HACC and to the HUD field office where the project is located.

Owner Certification of Reasonable Rent

By accepting each monthly housing assistance payment, the owner certifies that the rent to owner is not more than rent charged by the owner for other comparable unassisted units in the premises. At any time, HACC may require the owner to submit information on rents charged by the owner for other units in the premises or elsewhere.

17-VIII.D. EFFECT OF OTHER SUBSIDY AND RENT CONTROL

In addition to the rent limits discussed in Section 17-VIII.B above, other restrictions may limit the amount of rent to owner in a PBV unit. In addition, certain types of subsidized housing are not even eligible to receive PBV assistance (see Section 17-II.D).

Other Subsidy [24 CFR 983.304]

To comply with HUD subsidy layering requirements, at the discretion of HUD or its designee, a PHA shall reduce the rent to owner because of other governmental subsidies, including tax credits or tax exemptions, grants, or other subsidized funding.

For units receiving assistance under the HOME program, rents may not exceed rent limits as required by that program.

For units in any of the following types of federally subsidized projects, the rent to owner may not exceed the subsidized rent (basic rent) or tax credit rent as determined in accordance with requirements for the applicable federal program:

- An insured or non-insured Section 236 project;
- A formerly insured or non-insured Section 236 project that continues to receive Interest Reduction Payment following a decoupling action;
- A Section 221(d)(3) below market interest rate (BMIR) project;
- A Section 515 project of the Rural Housing Service;
- Any other type of federally subsidized project specified by HUD.

Combining Subsidy

Rent to owner may not exceed any limitation required to comply with HUD subsidy layering requirements.

Rent Control [24 CFR 983.305]

In addition to the rent limits set by PBV program regulations, the amount of rent to owner may also be subject to rent control or other limits under local, state, or federal law.

PART IX: PAYMENTS TO OWNER

17-IX.A. HOUSING ASSISTANCE PAYMENTS [24 CFR 983.351]

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During the term of the HAP contract, HACC must make housing assistance payments to the owner in accordance with the terms of the HAP contract. During the term of the HAP contract, payments must be made for each month that a contract unit complies with HQS and is leased to and occupied by an eligible family. The housing assistance payment must be paid to the owner on or about the first day of the month for which payment is due, unless the owner and HACC agree on a later date.

Except for discretionary vacancy payments, HACC may not make any housing assistance payment to the owner for any month after the month when the family moves out of the unit (even if household goods or property are left in the unit).

The amount of the housing assistance payment by HACC is the rent to owner minus the tenant rent (total tenant payment minus the utility allowance).

In order to receive housing assistance payments, the owner must comply with all provisions of the HAP contract. Unless the owner complies with all provisions of the HAP contract, the owner does not have a right to receive housing assistance payments.

17-IX.B. VACANCY PAYMENTS [24 CFR 983.352]

If an assisted family moves out of the unit, the owner may keep the housing assistance payment for the calendar month when the family moves out. However, the owner may not keep the payment if HACC determines that the vacancy is the owner's fault.

HACC Policy

If HACC determines that the owner is responsible for a vacancy and, as a result, is not entitled to the keep the housing assistance payment, HACC will notify the landlord of the amount of housing assistance payment that the owner must repay. HACC will require the owner to repay the amount owed in accordance with the policies in Section 16-IV.B.

At the discretion of HACC, the HAP contract may provide for vacancy payments to the owner. HACC may only make vacancy payments if:

- The owner gives HACC prompt, written notice certifying that the family has vacated the unit and identifies the date when the family moved out (to the best of the owner's knowledge);
- The owner certifies that the vacancy is not the fault of the owner and that the unit was vacant during the period for which payment is claimed;
- The owner certifies that it has taken every reasonable action to minimize the likelihood and length of vacancy; and
- The owner provides any additional information required and requested by HACC to verify that the owner is entitled to the vacancy payment.

The owner must submit a request for vacancy payments in the form and manner required by HACC and must provide any information or substantiation required by HACC to determine the amount of any vacancy payment.

HACC Policy

HACC will not make vacancy payments.

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17-IX.C. TENANT RENT TO OWNER [24 CFR 983.353]

The tenant rent is the portion of the rent to owner paid by the family. The amount of tenant rent is determined by HACC in accordance with HUD requirements. Any changes in the amount of tenant rent will be effective on the date stated in HACC notice to the family and owner.

The family is responsible for paying the tenant rent (total tenant payment minus the utility allowance). The amount of the tenant rent determined by HACC is the maximum amount the owner may charge the family for rental of a contract unit. The tenant rent covers all housing services, maintenance, equipment, and utilities to be provided by the owner. The owner may not demand or accept any rent payment from the tenant in excess of the tenant rent as determined by HACC. The owner must immediately return any excess payment to the tenant.

Tenant and HACC Responsibilities

The family is not responsible for the portion of rent to owner that is covered by the housing assistance payment and the owner may not terminate the tenancy of an assisted family for nonpayment by HACC.

Likewise, HACC is responsible only for making the housing assistance payment to the owner in accordance with the HAP contract. HACC is not responsible for paying tenant rent, or any other claim by the owner, including damage to the unit. HACC may not use housing assistance payments or other program funds (including administrative fee reserves) to pay any part of the tenant rent or other claim by the owner.

Utility Reimbursements

If the amount of the utility allowance exceeds the total tenant payment, HACC must pay the amount of such excess to the tenant as a reimbursement for tenant-paid utilities, and the tenant rent to the owner must be zero.

HACC may pay the utility reimbursement directly to the family or to the utility supplier on behalf of the family. If HACC chooses to pay the utility supplier directly, HACC must notify the family of the amount paid to the utility supplier.

> HACC Policy
>
> HACC will make utility reimbursements to the family.

17-IX.D. OTHER FEES AND CHARGES [24 CFR 983.354]

Meals and Supportive Services

With the exception of PBV assistance in assisted living developments, the owner may not require the tenant to pay charges for meals or supportive services. Non-payment of such charges is not grounds for termination of tenancy.

In assisted living developments receiving PBV assistance, the owner may charge for meals or supportive services. These charges may not be included in the rent to owner, nor may the value of meals and supportive services be included in the calculation of the reasonable rent. However, non-payment of such charges is grounds for termination of the lease by the owner in an assisted living development.

Other Charges by Owner

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The owner may not charge extra amounts for items customarily included in rent in the locality or provided at no additional cost to unsubsidized tenants in the premises.

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Chapter 18
SPECIAL PROGRAMS

Tenant-Based Rental Assistance (TBRA)

The funds serve targeted populations, usually in partnership with one or more local service providers who ensure that the families are receiving the supportive services they need to be stable and successful. Funds may be contracted to partner agencies to administer or may be administered by the PHA on behalf of partner agencies. In both cases, partner agencies are responsible for identifying participating families and determining the amount and duration of the rental assistance.

This initiative allows the PHA to reach more households, and sometimes different households, than through the traditional voucher program alone. These households are included in the count of households served each month.

Target populations for Program Based Assistance are families for whom:

1.) Success on the Section 8 Housing Choice Voucher would be unlikely;
2.) The delay in accessing rent assistance due to the Section 8 waiting list would most likely have devastating results (recidivism, relapse, death, homelessness, etc.); or
3.) The need for rental subsidy is short term while the client is receiving the support needed to achieve self-sufficiency.

Identified partners work with the PHA to set up program policies that are specific to the target population they are serving. The PHA ensures the policies are clear, equitably managed, and in compliance with Fair Housing laws. However, all programs have common elements.

Common Program Elements

Uses of Funds: Rental Assistance funds may be used for rent assistance, rent arrears with a current landlord, move-in fees and deposits, utility assistance and arrears, motel vouchers if housing is identified but not immediately available, and documented debt to a past landlord (other than a housing authority).

HACC Policy:
Funds will be used for Rent, Utility Allowance and Deposit Assistance. The assistance will be for 12 months only.

Eligibility: Eligibility for Program Based Assistance will be as low barrier as possible in order to provide housing access for hard-to-serve households. The only limitations on eligibility will be:

1.) The household must include at least one person who is a U.S. citizen, U.S. national, or noncitizen with eligible immigration status;
2.) The household may not include any member who is subject to lifetime registration requirement under a state sex offender registration program;
3.) The household may not include any member who has been convicted of production/manufacture of methamphetamine on premises of federally assisted housing;
4.) No one in the household may owe the PHA money;
5.) Annual gross income cannot exceed 50% of area median income at time of program entry

Subsidy Determination Method: Each partner is required to write clear policies and procedures for how subsidy amount and duration will be determined; and these policies must be applied to all participants in that partner's program.

Service Requirements: The PHA is making these funds available to target populations in partnership with one or more partners who are experts in providing the supports families need to remain stably housed and, where appropriate, move towards self-sufficiency. Therefore, partner agencies are required to make services available to all families accessing Program Based Assistance. Partner agencies will also have the discretion to discontinue rental assistance to households who violate their program policies or fail to engage in services after repeated attempts at engagement.

HACC Policy:
Funds are to be used in conjunction with the ReBoot/WorkSource Program.

Alternative Inspection Requirements: The PHA has an option to allow alternative inspection requirements for units assisted with rent assistance that the PHA has contracted to community partners. Rather than requiring full Housing Quality Standards (HQS) inspections, the PHA will require that these units meet the habitability standards, unit inspection requirements, and leadbased paint visual assessment requirements currently required by HUD's Homelessness Prevention and Rapid Re-housing Program (HPRP). These alternative inspection requirements will allow the staff of the PHA's jurisdictional and community partners to conduct inspections themselves rather than rely on the PHA's inspections staff. Using the HPRP inspection requirements ensures housing standards while increasing efficiency and cost effectiveness.

I. Authorization

The HOME Investment Partnership Program was authorized by Title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12721 et seq.). The HOME program is implemented through the United States Department of Housing and Urban Development and is subject to the requirements of Section 24 of the Code of Federal Regulations, Part 92 (HOME Rule). Tenant-based Rental Assistance is an eligible use of HOME funds under 24 CFR 92.209.

II. Changes to Guidelines

Clackamas County may issue revisions to these guidelines at any time. The Subrecipient will be sent revised copies as they are updated.

III. Acronyms

United States Department of Housing and Urban Development (HUD)
Clackamas County, Health, Housing & Human Services Dept, Community Development (County)
Housing Authority of Clackamas County (HACC)
HOME Investment Partnership Program (HOME)
Homeless Management Information System (HMIS)
Tenant Based Rental Assistance (TBRA)

IV. Definitions

A. **HOME-Assisted Units** or **HOME Unit** as defined at 24 CFR 92.2 means a unit that was partially or totally rehabilitated, constructed, or otherwise assisted with the use of HOME Funds.

B. **Coupon**. A coupon is the household's authorization to look for a unit. It can take the form of a written statement of authorization.

C. **Income:**

a. Adjusted Income is a household's annual income less mandatory deductions listed in the "Technical Guide for Determining Income and Allowance for the HOME Program". Adjusted Income needed for calculating the TBRA subsidy and the tenant's share of rent.

b. Annual Income is the gross amount of income that a household anticipates to receive during the coming year. Annual income is calculated by using the Section 8 definition of annual income found at 24 CFR Part 5.609.

c. Very low-income household, as defined at 24 CFR 92.2, means that the household's total income does not exceed 50% of the County's median income. Income limits are established by household size and revised annually by HUD. Current income limits can be found at *http://www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/income/index.cfm*

D. **Rent:**

a. **Payment (Rent) Standard**. The payment (rent) standard represents the rent plus utility cost of moderately priced units that meet HUD HQS in Clackamas County. For this TBRA program, the payment (rent) standard is the Fair Market Rent (FMR) based on bedroom size as established by HUD. Current FMR's can be found at *http://www.huduser.org/portal/datasets/fmr.html* .

b. **Contract Rent** is the rent charged by the owner.

c. **Gross Rent** is the contract rent plus the applicable utility allowance.

E. **Subrecipient** as defined at 24CFR 92.2 is "a public agency or nonprofit organization selected by the participating jurisdiction to administer all or a portion of the participating jurisdiction's HOME program."

F. **Utility Allowance** is the estimated average monthly cost of utilities to be paid by the tenant, separately from rent to the owner.

V. Program Operation

The TBRA program will be operated by a **Subrecipient** selected by the County. These guidelines articulate the County's policies and requirements for implementing the TBRA program and are consistent with the County's Consolidated Plan and the HOME Rule.

VI. TBRA Program Overview and Parameters

A. Target Population: The target population is very low-income homeless families with children that are at risk of homelessness, have persistent housing instability or are currently experiencing homelessness.

B. Calculating the Amount of Rental Assistance: This TBRA program uses the Section 8 Voucher Program as a model to determine the amount of rental assistance provided. The Section 8 Voucher Program calculates the difference between 30% of the household's monthly adjusted income and the payment (rent) standard. This gap is the constant amount of monthly assistance provided.

C. Form of Assistance: TBRA assistance will be provided to the beneficiaries as a grant.

D. There is a $10 Minimum Rent for the TBRA in the State of Oregon.

VII. Eligible Activities

A. Clackamas County's TBRA can be used to undertake one or a combination of the following activities:

a. Free-standing rental assistance program where tenants have the option of choosing their own housing. Up to 12 months of rent assistance per household to help pay the costs of monthly rent and utilities.

b. Security deposits, regardless of whether the Subrecipient is providing on-going tenant-based rental assistance. The maximum amount of HOME funds that may be provided for the security deposit is the equivalent of two months' rent for the unit.

c. Utility deposit assistance, only in conjunction with either rental assistance or a security deposit program. Utility deposits are limited to these services: electric, gas, water, trash and sewer. The Subrecipient will use HACC's utility allowance for the Section 8 program.

B. Combining TBRA with other programs or subsidies

TBRA assistance may be used for households participating in other subsidy programs, but ONLY when the other program does not provide sufficient assistance to lower a household's rental payment to 30 percent of income. In such cases, TBRA may be provided as supplemental assistance to further reduce the household's rent payment to 30 percent of income.

VIII. Self-Sufficiency Programs

The Subrecipient may require TBRA recipients to participate in self-sufficiency programs as a condition of assistance.

IX. Ineligible Activities

HOME TBRA funds **cannot** be used for the following:

- Project-based rental assistance. Households must be free to use the assistance in any eligible unit.
- Rental assistance to a household receiving rental assistance under another federal state or local rental assistance program, if the TBRA subsidy would result in lowering the household's rent and utility costs to less than 30% of the household income.
- Assisting resident owners of cooperative housing that qualifies as home ownership housing. Cooperative and mutual housing may qualify as either rental or owner-occupied housing under the TBRA Program, depending upon the provisions of the agreement applying to the unit.
- Preventing displacement or providing relocation assistance to households as a result of non-federally funded activities. TBRA funds may be used only as relocation assistance for federally-funded activities.
- Providing TBRA rental assistance for overnight or temporary shelter, e.g. hotel or motel vouchers. The TBRA subsidy must be sufficient to enable the household to rent a transitional or permanent housing unit that meets Housing Quality Standards (HQS).
- Move-in costs such as credit checks or application fees.
- Moving cost assistance.
- Case management or support services.
- Utility deposits without rental assistance.
- Utility payments.
- Payment of arrearages.

- Allowing the "portability" of TBRA outside of Clackamas County except in cases as outlined such as VAWA.
- Any costs that are the responsibility of the tenant and are not included in the TBRA subsidy calculation and written tenant agreement.

X. Waiting Lists

The Subrecipient must establish a waiting list for families applying for TBRA. The Subrecipient may choose to use HACC's Section 8 waiting list or may establish a separate waiting list. Pursuant to 24 CFR 92.209, any persons already on the Section 8 waiting list who receives TBRA assistance, must retain their Section 8 eligibility after receiving HOME TBRA.

HACC Policy
HACC will maintain a separate TBRA wait list and referrals must come from ReBoot/Clackamas Community College/WorkSource.

XI. Eligibility for Assistance

A. Target Populations

The Subrecipient may establish local preferences for special needs groups in a broad, community-wide TBRA program or may design a program that exclusively serves one or more special needs groups, provided that assistance and related services are made available to all persons with special needs or disabilities that can benefit from such services.

B. Income-Eligibility. The Subrecipient must:

- Verify the income of a participating household before assistance is provided, i.e. prior to signing a contract for TBRA.
- Follow the guidance provided in HUD's Technical Guide for Determining Income and Allowances for the HOME Program.
- Re-examine the household's income annually.

C. Eligibility requirements other than income may be verified using four acceptable methods, in order of preference:

1. Written: The staff person gets third party written verification directly from the information source, i.e., employer, DSHS, Employment Security, etc.
2. Oral: If verification is oral, the staff person must initiate the conversation, and document the conversation in the client file. This documentation should include the name, telephone number, and position/title of the third party, the date and time of the conversation, and the name and signature of the person requesting the verification.
3. Documented: This type of verification is used when the information desired does not require verification by a third party, such as birth certificates, documentation from other agencies (with identifying marks or letterhead) or social security cards.
4. Self-Declared: Client written statements or affidavits are acceptable only when other verifications are not available. This method is accepted only as a last resort.

XII. Tenant Selection

A. The Subrecipient shall adopt a written tenant selection policy and criteria that meet the requirements of 24 CFR 92.253. The policy must specify how households to be assisted will be selected. The County must approve the tenant selection policy.

   If the Subrecipient establishes a preference for individuals with disabilities or for a specific category of individuals with disabilities (e.g., persons with chronic mental illness), TBRA assistance and the related services should be made available to all persons with disabilities who can benefit from such services.

B. The Subrecipient may establish other preferences that are not discriminatory in intent or effect.

   Local preferences cannot be administered in a manner that limits the opportunities of persons based on race, color, religion, sex, national origin, handicap, or familial status. A person given a preference for the TBRA program may not be prohibited from applying for or participating in other available programs or forms of assistance for which he or she might qualify.

C. TBRA recipients who also have applied for Section 8 assistance retain, for the purpose of the Section 8 waiting list, any tenant selection preference for which they qualified at the time TBRA was provided.

XIII. Length of TBRA Agreement

The TBRA Agreement cannot exceed 12 months. However, assistance on behalf of an individual household can be extended under subsequent contracts if the Subrecipient continues to administer a TBRA program and has funds available.

XIV. Lease Requirements and Tenant Protections

HOME TBRA payments will be made to the unit owner. The term of the rental assistance contract must begin on the first day of the lease. For a rental assistance contract between the Subrecipient and an owner, the term of the contract must end upon termination of the lease.

The lease between a tenant and an owner of rental housing assisted with HOME funds must be for not less than one year, unless by express mutual agreement between the tenant and the owner, and may not contain any of the provisions enumerated at 24 CFR 92.253 (Tenant and Participant Protections). To ensure compliance with the applicable provisions of 24 CFR 92.253, the tenant and owner must execute the TBRA Lease Addendum.

XV. Unit Selection

A. **Unit Type**. The TBRA tenant may select units that are publicly or privately-owned. However, TBRA may not be provided to a family who proposes to rent a unit that receives project-based rental assistance through federal, state or local programs, if the TBRA assistance would lower the household's rent and utility costs to less than 30% of the household income.

B. **Reasonableness**. Units must rent for a reasonable amount, compared to rents charged for comparable, unassisted units. The Subrecipient must document the basis of their rent reasonableness determinations, using the Rent Reasonableness Checklist and Certification form. Although documentation of three comparable units is preferable, in some rural areas this may be difficult or impossible. In these cases, comparable units from neighboring communities are acceptable if the rents are similar. Documentation of fewer than three units is also acceptable with a written explanation.

   A rental lease must be disapproved if the rent is not reasonable, based on rents charged for comparable unassisted units.

The following issues should be considered when determining rent comparability:

- Location – in many markets location is the key determinant of housing price.
- Size – use of number of bedrooms and square footage to compare size.
- Utilities included – consider the type and fuel source of utilities.
- Condition – only units in similar condition should be compared.
- Amenities – consider such amenities as garage, appliances, and lot size.

C. **Housing Quality Standards (HQS). All units must meet Section 8 Housing Quality Standards (HQS). Inspections must be made at initial occupancy and annually during the length of assistance. Clackamas County will conduct the physical inspection.**

D. **Lead Based Paint.** HUD Lead Regulation 24 CFR Part 35, Subpart M, applies to the TBRA program. **The regulation only applies to structures built before 1978 that house children under the age of six.** A summary of the key requirements for TBRA can be found at *www.hud.gov/offices/cpd/affordablehousing/training/web/leadsafe/tenantbased/keyrequirements.cfm*

See EXHIBIT 1 for details on Lead Based Paint Requirements.

E. **Occupancy Standards**.

The occupancy standard for this TBRA program is two persons per bedroom plus one additional person for the unit. The maximum number of persons per unit is:

Number of Bedrooms	Maximum Persons\Unit
0 BR	1
1 BR	3
2 BR	5
3 BR	7
4 BR	9

Unborn children are not counted.

In conjunction with the annual re-examination of income, the Subrecipient should re-examine the household's size and composition to determine whether the current unit is still suitable and appropriate.

XVI. Calculating the Subsidy

A. The subsidy can be no greater than the difference between the established payment (rent) standard and 30 percent of the household's adjusted monthly income.

B. The minimum household contribution shall be 10 percent of gross income.

C. The maximum subsidy is calculated by subtracting 30 percent of the participant's monthly-adjusted income from the payment (rent) standard. The household pays the difference between the maximum subsidy and the gross rent for the unit, even if this amount is more or less than 30 percent of monthly-adjusted income.

The rent charged by the owner must be reasonable, but is not limited by the payment standard. The model offers the household flexibility in the percentage of income it contributes to housing costs, and in the cost of the unit selected.

- If the household selects a unit with a gross rent that is less than the payment standard, the household will pay less than 30 percent of its adjusted income.

- If the household selects a unit with a gross rent that is more than the payment standard, the household will pay more than 30 percent of its adjusted income.

D. Adjusting for Tenant-Paid Utilities

The Subrecipient must consider how utilities will be paid. The household's contribution is intended to cover both rent and utilities. If all utilities are included in the rent, the household's entire contribution goes to the owner. If the household pays separately for at least some utilities, the Subrecipient must determine how much of the household's contribution should go to pay utilities and how much to the owner.

XVII. Deposit Assistance

The Subrecipient may provide security and utility deposit assistance to all eligible applicants or require a separate determination of need.

A. Security Deposits

The maximum amount of a security deposit is the equivalent of two months' rent for the unit. Only the prospective tenant, not the owner, may apply for TBRA security deposit assistance. However, security deposit payments will be made to the owner.

In lieu of security deposits, the Subrecipient may, at its discretion, assume liability for damages and other allowable costs in an arrangement with the property owner.

Refund: During (or at the end of) the period of the TBRA contract with the landlord, any return of deposits must be returned to the Subrecipient. The Subrecipient must remit any returned deposits to the County immediately upon receipt. If the TBRA tenant successfully stays in the unit after the period of assistance has ended then the deposit can stay with the tenant.

B. Utility Deposits

The Subrecipient will use the HACC's utility allowance for the Section 8 program. Utility deposits may be made in conjunction with the provision of rental assistance or security deposit programs, but cannot be operated separately as a "stand alone" program. Utility deposits may be paid for any of the tenant-paid utility services included on the utility allowance schedule. This includes fuel for cooking, heating and lighting (electric, gas, propane, etc.), and water/sewer and trash collection, if not provided as a city service, but does not include telephone or cable deposits.

Utility deposits will be made to the appropriate utility company.

XVIII. Program Implementation

Key Program forms are listed on Exhibit 2.

A. Affirmative Marketing and Outreach Activities

The Subrecipient should identify those households that have been determined to be "least likely to apply," and determine what special outreach activities will ensure that this population is fully informed about the program. The Subrecipient must activate their affirmative marketing policies prior to the initiation of their TBRA program and take specific actions to provide information and attract eligible persons from all racial, ethnic and gender groups in the housing market.

Outreach to Prospective Owners -- The Subrecipient should conduct outreach to owners of rental property to stimulate their interest in the program.

Outreach to Eligible Households -- The Subrecipient must assure that information about the program reaches the broadest possible range of potentially qualified applicants. The marketing approach must

address: *how* the program will be announced and the method for taking applications (i.e., in person, by mail).

The Subrecipient must maintain a file containing all marketing efforts (i.e., copies of newspaper ads, copies of letter, etc.) The records, which help assess the results of these actions, must be available for inspection by Clackamas County.

B. Accept Applications

All applications must be in written form and contain sufficient information to enable the Subrecipient to determine household income and eligibility. A household file should be created for each application. This file should contain the application, documentation of the household's eligibility, copies of program forms, and correspondence.

Each application received should be reviewed for completeness and to determine if the applicant is obviously ineligible. The Subrecipient will place all applicants who are apparently eligible on the waiting list, pending verification of the information provided. Applicants are selected from the waiting list in the order established by the Subrecipient's preference policy.

C. Determine Eligibility

To determine a household's eligibility, the Subrecipient must verify:

- The household's situation to determine if it qualifies for targeted assistance;
- Household size and composition to determine the unit size; and
- Household income and adjustments to income to determine income eligibility and to calculate the subsidy amount for which the household qualifies.

Applicants who are determined ineligible should be notified in writing of this decision, and should be given an opportunity to appeal the decision. Applicants who are determined eligible will be issued coupons or similar authorization.

D. TBRA Agreement between tenant, County and NHA.

The agreement includes HOME language and specifies the number of months.

E. Authorization for assistance payments and TBRA Briefing

The issuance of authorization for rent or other assistance payments authorizes the household to begin the search for housing. The authorization is generally issued in person, during a counseling session with the household, often called the "**TBRA Briefing**".

The purpose of the **TBRA Briefing** is to ensure that the household understands its responsibilities, as well as those of the Subrecipient and the owner, and has sufficient guidance to make an informed choice of housing. The briefing should cover:

- Roles and responsibilities of the tenant, owner, and Subrecipient.
- Limitations on the rent the owner may charge, including how utility allowances are used in this determination.
- Subsidy calculations -- how the Subrecipient and household shares are calculated.
- Security deposit policy -- how much may be charged, who pays, and who receives any refund.
- Authorization expiration and extension policies.
- Guidance on selection of a unit, including HQS requirements and procedures for submitting the Request for Unit Approval. Households should be counseled against signing any lease until the Subrecipient has approved the unit.
- **Lead based paint information. See Exhibit 1**

- Fair housing information, including any search assistance that may be available, and the process for filing a complaint in the case of discrimination.

The Subrecipient may maintain a list of available properties to assist households in their search. However, the Subrecipient must make it clear that the coupon holder is free to choose units other than those on the list.

F. Unit Approval

(1) Request for Unit Approval. Once the household has located a unit and the owner has agreed to participate, the household and the owner jointly submit the Request of Unit Approval.

The Request for Unit Approval provides essential information about the property (bedroom size, utility combination, proposed rent, ownership information). The submission of this document triggers the HQS inspection, rent negotiations, and review of the owner's lease.

(2) Housing Quality Inspection. Clackamas County will inspect each unit to confirm that it meets Section 8 HQS. If the unit initially fails HQS, the owner may be given a reasonable amount of time to correct deficiencies, or the coupon holder may elect to look for another unit. An agreement with the owner should not be executed until the owner has made all repairs. (An exception may be made for corrections to defective exterior paint if winter weather makes this impossible.) The results of each inspection should be recorded on an inspection form and retained in the household's file.

(3) Determine Rent Reasonableness.

G. Final Subsidy Calculation

Once the unit has been approved, a final subsidy calculation is required to determine the Subrecipient's and the household's share of the rent.

H. Tenant Lease, TBRA Lease Addendum and TBRA Rental Assistance Contract

(1) The Lease

The TBRA tenant and the owner or designee must enter into a lease that shall continue until: (1) the lease is terminated by the landlord in accordance with state landlord/tenant laws; (2) the lease is terminated by the tenant in accordance with the lease or by mutual agreement; or (3) termination of the TBRA Rental Assistance Contract by the program administrator. The term must be for not less than one year, unless the tenant and the owner mutually agree upon another term.

The tenant and owner must execute the TBRA Lease Addendum to ensure that the lease does not include any of the provisions prohibited in 24 CFR 92.253. The Subrecipient must disapprove a lease if the rent is not reasonable, based on rents that are charged for comparable unassisted rental units.

(2) The TBRA Rental Assistance Contract

The property owner or designee and the Subrecipient must enter into a HOME Rental Assistance Contract. The Contract will begin on the first day of the lease between the owner and the tenant and will terminate on the last day of the lease. The Contract may be renewed, depending on the availability of TBRA funds.

The term of the Rental Assistance Contract may not exceed 12 months and must begin on the first day of the term of the lease. All participating households must be notified that funding for their rental assistance contract may not exceed 12 months. A copy of this notification must be kept in the client's file. The term of a rental assistance contract need not end on termination of the lease, but no payments can be made after termination of the lease until a client enters into a new lease.

The Lease Addendum and the TBRA Rental Assistance Contract are signed by the owner, tenant, and the Subrecipient, and must be executed before subsidy payments commence.

I. TBRA Set Up and Other Financial Records

The Subrecipient must enter household characteristics into spreadsheet provided by County before any payments are made.

The Subrecipient must maintain their financial records in such a manner that is easily possible to summarize subsidy amounts provided by household and by owner.

KEY PROCESSING STEPS
AFFIRMATIVE MARKETING AND OUTREACH Publicly announce availability of TBRA Outreach to prospective applicants Outreach to prospective owners
APPLICATION Accept application Initial screening Place apparently eligible applicants on waiting list Notify ineligible applicants
ELIGIBILITY DETERMINATION Select households based upon preference Verify household preferences, composition, income Notify ineligible applicants
AUTHORIZATION ISSUANCE Conduct **TBRA Briefing** for household Provide assistance to household during search
REQUEST FOR UNIT APPROVAL Applicant/owner submit request Clackamas County conducts HQS inspection Subrecipient reviews owner lease
EXECUTION OF DOCUMENTS TBRA Rental Assistance Contract TBRA Lease Addendum
TBRA Set Up Report Enter household characteristics into spreadsheet
PAYMENTS BEGIN

XIX. Program Administration - General

A. Subrecipient Responsibilities

- Set up and administer the TBRA program in accordance with HOME regulations;
- Submit all required reports and information to the County within specified timeframes;
- Keep up-to-date on any program changes or revisions, and implement them; and
- Ensure all funds are spent according to the contract for eligible expenses.

B. Annual HQS Unit Inspections

All units assisted with TBRA funds meet Section 8 HQS. Each unit under contract must be inspected, at least annually, to assure that this requirement is met. Units may also be inspected as a result of housing quality complaints initiated by the owner or the tenant.

If a unit fails to pass in inspection, the owner may be given a reasonable period of time (e.g., 24 hours for emergency conditions or 30 days for less serious conditions) to correct the deficiencies. If the owner fails to make the needed corrections, the Subrecipient may, with adequate notice to the owner and household, terminate the TBRA Rental Assistance Contract and require the household to move to another location in order to continue to receive assistance. The Subrecipient may also temporarily suspend its payments until the owner remedies the HQS deficiencies.

The Subrecipient must comply with all lead based paint requirements in Exhibit 1.

C. Annual Eligibility Determinations

The Subrecipient must re-verify household size, composition, income and its share of the rent annually. If the household's income exceeds the HUD Income Limit the household's assistance must be ended. In order to assure that the re-examination is completed on time and that adequate notice is given to both the owner and tenant of changes in the household's eligibility or share of the rent, the re-examination process should begin 60 – 90 days in advance of the household's one-year anniversary date.

D. Processing Requests for Rent Increases

Typically, owners offer leases that specify the rent for one year. Unless the Subrecipient has negotiated a two-year rent, most owners will request a rent increase at the end of the first year of the contract. The Subrecipient must again determine that the proposed rent is reasonable in comparison to rents charged for comparable, unassisted units, and also that it is within any other limitations established in the Subrecipient's program.

For the Section 8 program, HUD publishes annually an Annual Adjustment Factor that is used to adjust contract rents. The Subrecipient may use this Annual Adjustment Factor, available from HACC to determine the maximum allowable contract rent increase.

E. Moves and Termination of Tenancy

Owners must comply with local tenant-landlord ordinances. The Subrecipient may impose additional requirements. Other requirements should be imposed only when the Subrecipient has a specific reason for intervening in the tenant-landlord relationship. For example, the Subrecipient using TBRA assistance in conjunction with a self-sufficiency program in which the Subrecipient is providing additional counseling or support may want to consider requiring the owner to notify the Subrecipient before taking any termination action. The Subrecipient should also have a written policy about how any termination of tenancy will affect the household's TBRA assistance.

The Subrecipient must develop standards outlining when owners participating in the TBRA program may terminate tenancy or refuse to renew a lease. These standards must be established in writing and

be included in the lease agreement and, if applicable, the agreement between the Subrecipient and the owner. If a TBRA tenant is evicted for cause, the Subrecipient must determine whether the household may receive assistance in another unit.

Tenants may elect to move to another unit, as permitted by the lease. The TBRA Rental Assistance Contract contains provisions that terminate the Subrecipient's agreement with the owner when the household moves out. To assure that subsidy is not paid on units no longer occupied by an eligible household, the Subrecipient should require households to give advance notice of their plans to move out, and owners to inform the Subrecipient when tenants move out.

A household who wishes to move must follow the same procedures used to issue the original authorization. The Subrecipient must make it clear to the household and the new owner whether the household is entitled to receive assistance only for the balance of months remaining in its original contract, or for another initial assistance period.

F. Local Policies and Procedures

The Subrecipient must develop, and make available to Clackamas County upon request, local program policies and procedures that include, at a minimum:

- The agency's marketing approach.
- A tenant selection policy.
- A tracking system to identify children at risk for lead paint poisoning.
- Standards for owner rent increases.
- A policy of household moves.
- A policy on termination and denial of assistance.

The Subrecipient should review key program operating procedures at least annually to determine if revisions are required.

G. Outreach and Success Rates

The program should analyze participant success rates, and make use of the results to determine if aspects of program design could be changed to improve the success rate. For example, if most of those who fail to make use of the TBRA assistance are households requiring large units, it may be that the payment standard for such units is too low. Similarly, if minority families disproportionately require time extensions in order to find acceptable units, the Subrecipient may need to increase marketing to potential owners and review the briefing process to ensure that all applicants are informed about file fair housing rights and resources.

H. Administrative Efficiency

The Subrecipient should review the length of time that various aspects of the TBRA program take, including the time between initial application and coupon issuance, and between coupon issuance and lease-up. This information can give clues about ways to improve the administrative efficiency of the program. For example, if the time between coupon issuance and lease-up is lengthy, it could be attributable to slow HQS monitoring procedures, poor communication with property owners, or slow paperwork processing.

I. Performance Measures

Subrecipient must perform services defined in the Subrecipient's TBRA Program Application for the Agreement period, with amendments, if any; in accordance with all applicable local, state, and federal laws, ordinances, codes, regulations and policies. Clackamas County reserves the right to modify the terms of the performance standards, measures, and outcomes by contract amendment at any time for the duration of the term of the contract.

1. Number of Families Served

   Subrecipient must meet at least 90 percent of the number of families identified in their Scope of Work. The Subrecipient shall submit a written explanation if it fails to meet these goals. The County may require the Subrecipient to submit a revised Scope of Work for the remainder of the contract or choose to reduce any future requests for funding.

2. Expenditures

   Clackamas County will review the Subrecipient's expenditures as reported on the TBRA invoices and compared to the Subrecipient's expenditure projections. If a Subrecipient fails to expend TBRA funds at the projected rate, it must submit a written explanation. The County may require an updated budget.

3. Funds Reduction

   The level of funds reduction for failure to meet performance standards, outcomes or expenditure projections shall be negotiated between the County and the Subrecipient, with Clackamas County retaining the authority to set the reduction level.

J. Budget Revisions

The TBRA approved budget is outlined in the Subrecipient Agreement. Funds may be transferred between the Rental Assistance and Security/Utility Deposit categories. A description of the amount(s) transferred must be submitted to Clackamas County prior to submitting expenditure reports reflecting the revisions.

K. Monitoring

Clackamas County will monitor TBRA Subrecipient through data and documentation collected in the monthly vouchering process, periodic program reports, and periodic on-site monitoring. Subrecipient will also be subject to monitoring and evaluation by HUD.

XX. Program Administration – Reimbursement, Recordkeeping and Reporting

A. General TBRA Program Administration Records

The Subrecipient must maintain records of the administrative plan that describes all policies and procedures necessary for the administration of the TBRA program.

B. Financial Management Systems

The Subrecipient must maintain records that disclose all costs allowable for reimbursement.

C. HMIS Compliance Required

The Subrecipient will comply with:

1) All current HMIS Policy & Procedures;
2) HMIS Participation Agreement; and
3) All HMIS TBRA reporting requirements to be developed by Clackamas County.

D. Requests for Reimbursement

The County will pay the Subrecipient on a cost reimbursement basis. Subrecipient must bill Clackamas County for reimbursement of allowable costs as indicated in the Subrecipient Agreement. Payment will be made upon receipt of all required documents and reports.

The Subrecipient shall submit a signed request for reimbursement on a form provided by the County each quarter. The request for reimbursement must include the following:

1) To initiate payment for a household, the County must provide HUD with specific household information. To accomplish this, Subrecipient must provide County with the demographic information identified on the HUD form "Tenant Based Rental Assistance (TBRA) Set Up Form HOME Program" one time only for each assisted household. The household information must accompany the first invoice for each household and must be submitted on a spreadsheet developed by the County.
2) The request for reimbursement shall also include a summary of expenses incurred for each household along with source documentation (copy of lease agreement, etc.). In addition, an HMIS report documenting the type and amount of financial assistance for each household shall accompany the invoice.

Information on the request for reimbursement form, the household demographics, the source documentation and the summary of expenses incurred for each specific household from the HMIS reports must all correlate.

E. Recordkeeping

The Subrecipient must establish and maintain the following records and make them available to Clackamas County upon request:

- Documentation of household eligibility and certification of household income.
- Documentation of compliance with HQS, including the lead-based paint requirements in Exhibit 1, that the unit met HQS standards at the time the family occupied the unit; and that the rent is reasonable.
- Records on racial and ethnic groups and single heads of households by gender or other such information that HUD from time to time might require.
- Records that document eligible matching contributions as outlined in 24 CFR 92.
- Records that document compliance with affirmative action and nondiscrimination requirements.

F. Project closeout

The Subrecipient will provide documentation to the County at project completion showing that the project activities were completed in accordance with the Agreement and the sources and value of its contribution to the project are equal to those specified in the Budget Summary in the Statement of Work.

EXHIBIT 1

LEAD BASED PAINT

HUD Lead Regulation 24 CFR Part 35, Subpart M, applies to the TBRA program. **The regulation only applies to structures built before 1978 that house children under the age of six.** The following summarizes the key requirements for TBRA found at www.hud.gov/offices/cpd/affordablehousing/training/web/leadsafe/tenantbased/keyrequirements.cfm

1. Evaluation

   The County will conduct a visual assessment of a unit **prior to occupancy** and at least annually thereafter. The visual assessment identifies deteriorated paint, dust, debris, and other residue. The visual assessment must be done by a person who is trained in visual assessment. That training is available on HUD's website at www.hud.gov/lea/leahome.html.

2. Paint Stabilization

   The property owner must correct any conditions identified in the HQS inspection, including stabilizing deteriorated paint identified in the visual inspection. Paint stabilization can involve repairing the substrate, scraping and repainting the surface. All deteriorated paint must be stabilized by properly trained or supervised workers using lead-safe work practices (www.hud.gov/offices/cpd/affordablehousing/training/web/leadsafe/keyrequirements/safepractices.cfm). Documentation of safe work practices is required, and consists of having copies of certificates of safe work practices training completion on file for those doing the lead reduction work.

   When work is complete, the Subrecipient must ensure that the unit passes clearance and keep a copy of the clearance report. Failure to get clearance on any unit where lead hazard reduction activities have occurred results in rental assistance being discontinued for the unit. Keep records of any unit where clearance is required but has not been obtained to ensure that the unit does not become rent assisted, even if another eligible household wants to live there.

3. **Communication with Residents (TBRA Briefing)**

   The Subrecipient must ensure that residents receive the following communications:

   - **Lead Hazard Information Pamphlet.** The resident must receive this pamphlet prior to occupying the unit. If the Contract can document that the resident received the pamphlet previously (e.g. from the owner), the Subrecipient is not required to provide the pamphlet again but the **receipt must be documented**.
   - **Lead Disclosure Notice.** Residents must also receive, from the owner, a Lead Disclosure Form notifying them of any known lead-based paint or hazards in the unit, prior to occupying the unit.
   - **Notice of Lead Hazard Reduction.** Within 15 days of the completion of the paint stabilization and clearance, the resident must receive a Notice of Lead Hazard Reduction.
   - **Notice of Lead Hazard Evaluation.** Because a visual assessment is not a method of lead hazard evaluation, a notice of lead hazard evaluation is not required. However, if any lead hazard evaluation is conducted, for example in the event of a child with an Environmental Intervention Blood Lead Level (EIBLL), such a notice is required and must be posted at the applicable work site.

4. Ongoing Maintenance

The owner is required to conduct ongoing maintenance in units occupied by residents with children under age six receiving TBRA. The Subrecipient must monitor those efforts as part of periodic inspections.

5. Environmental Intervention Blood Lead Levels

The Subrecipient must check with the local or state health department at least quarterly for a list of children with elevated blood lead levels in their service area. This must be cross-checked with the addresses of the rental assistance units in which children reside. Documentation from these quarterly contacts must be kept on file.

The Subrecipient and property owners must take specific steps after receiving notice that a child with EIBLL is living in a unit receiving TBRA.

a. **Requirements.** The Subrecipient must take required steps when it receives notification of a child with an EIBLL. These steps include:

- Verify and report the information to the state or local public health agency;
- Conduct a risk assessment within 15 calendar days;
- Respond to the evaluation result. If lead hazards are identified, then interim controls or abatement must be done within 15 calendar days of the risk assessment using Safe Work Practices, and clearance is required. Otherwise the unit will cease to be certified; and
- Provide notices to residents.

b. **Activities before Notification.** If the Subrecipient begins evaluation and lead hazard reduction activities after a child's blood level is tested, but before being notified of the child with an EIBLL, the Subrecipient must finish these activities, but does not need to repeat them.

c. **If a Child Moves.** If a child with an EIBLL moves before the Subrecipient has completed the risk assessment and lead hazard reduction measures, the Subrecipient must ensure that these measures are completed, and the unit must be certified free of lead-based paint hazards before the unit will be eligible for assistance.

6. Reimbursable Expenses

Risk assessments, paint inspections, clearance, or training may be reimbursable with TBRA administrative funds only. There are no TBRA funds available for lead hazard reduction. The burden to pay for lead reduction work is on the building owner.

7. Other

a. **Leases.** Leases must include a provision that the lessee shall immediately notify the Subrecipient when a newborn or additional child under the age of six comes into the household.

b. **TBRA Application.** The TBRA application must ask about any children under six years old. Subrecipient must establish a tracking system. The files of client households that have children under six should all be flagged.

Shelter Plus Care Program (S+C)

Index:

Section 1: Program Introduction

Section 2: Eligible Activities and Participants

Section 3: Leasing, Income, Recertification

Section 4: Supportive Services Match

Section 5: Financial Management: Claims, Cost Savings, Loccs

Section 6: Reporting Requirements: Completing the Annual Progress Report (APR), HMIS & Closeout

Conflict of Interest

Forms needed for the program. Contact S+C Coordinator at HACC.

S+C Application including:
Homeless Documentation Form, includes HUD definition of homeless and chronic homelessness
Disability Form,
Program Agreement
Release Form,
Income Form,
Zero Income Affidavits

S+C Landlord Lease Packet includes:
Participant Form with Contractor (TRA)
Request for Unit Approval Form (TRA Scattered site)
Rental Assistance Payment Contract with Landlord and Contractor (TRA)
Lease Addendum (TRA)
Rent Reasonable Form (TRA)
Rental Calculation Form (TRA)
Housing Quality Inspection Form (HQS) TRA

Section 1: Program Introduction

The Shelter Plus Care (S+C) program is authorized under Subtitle F of the McKinney-Vento Homeless Assistance Act.

Since 1992, HUD has awarded Shelter Plus Care (S+C) funds to state and local governments and public housing agencies (PHAs) to serve a population that has been traditionally hard to reach - homeless persons with disabilities such as serious mental illness, chronic substance abuse, and/or AIDS and related diseases.

The S+C program was built on the premise that housing and services need to be connected in order to ensure the stability of housing for this population. Consequently, S+C provides rental assistance that local grantees must match with an equal value of supportive services appropriate to the target population.

Local S+C projects are typically implemented through partnerships that include:
- a grantee;
- one or more nonprofit housing sponsors that coordinate leasing of housing for program participants; and
- a network of supportive services providers.

Program Purpose:
The purpose of the program is to provide permanent housing in connection with supportive services to homeless people with disabilities and their families.

The primary target populations are homeless people who have:
- serious mental illness; and/or
- chronic problems with alcohol, drugs or both; and/or
- Acquired immunodeficiency syndrome (AIDS) or related diseases.

The program provides rental assistance and assistance for utilities for a variety of housing choices, accompanied by a range of supportive services funded by other sources.

Program Goals:
The goals of the S+C Program are to assist homeless individuals and their families to:
- Increase their housing stability;
- Increase their skills and/or income; and
- Obtain greater self-sufficiency.

Funding Process:
Funding for new S+C projects is awarded competitively through HUD's Continuum of Care process to eligible applicants: States, units of local government and public housing authorities (PHAs). Successful applicants become "grantees" once the S+C grant agreement is fully executed.
HUD publishes an annual Notice of Funding Availability (NOFA) in the Federal Register announcing the combined competition for three homeless assistance programs: Shelter Plus Care, the Supportive Housing Program and the Section 8 Moderate Rehabilitation Single Room Occupancy (SRO) Program for Homeless Individuals.

Following review of the Continuum of Care applications, HUD selects projects for funding based upon the criteria found in the NOFA. Successful applicants will receive a Letter of Conditional Award. The letter outlines any conditions the S+C applicant must meet before the grant can be executed and program activities can begin. The grant agreement must be signed by both the applicant and HUD. The term of the grant begins as of the date that HUD signs the agreement.

When a local sponsor wishes to apply for these programs, it is important that they work with their local Continuum of Care and the Indiana Housing and Community Development Authority (HACC) while planning their project.

The collaboration of local providers, state agencies, and the federal government is the backbone of our Shelter + Care programs. In keeping with Shelter + Care's intent to reduce homelessness, program participants are encouraged to work towards greater stability and self sufficiency by developing short and long term goals with their service provider. Service providers assist individuals with various housing related needs including communication with their landlord. Participants are supported in pursuing treatment, case management, educational and job training opportunities. The 'care' component must be equivalent to the rent portion of the subsidy on a grant-by-grant basis. A typical example: if the subsidized rent is $410/month, there needs to be a matching value of services.

Grantees, Sponsors, and Supportive Services Providers:
At the local level, S+C projects typically involve a partnership among a grantee agency, one or more housing sponsors, and a network of supportive services providers.

- Grantees are ultimately responsible for the S+C grant, but may either administer the local project directly or delegate project responsibilities to one or more sponsors. Grantees must be a unit of local government, a public housing authority, or a state.
- Sponsors are usually nonprofit organizations that provide housing to homeless people with disabilities. Grantees may delegate responsibility for rental assistance administration to one or more sponsors. Sponsors may also provide supportive services.
- Supportive services providers enable participants to maintain stable housing, address their social service and treatment needs, build skills, and enhance their ability to make decisions about their lives.

Program participants pay 30% monthly adjusted gross income or 10% of their monthly gross income (whichever is higher) of their income towards rent and Shelter Plus Care subsidizes the remaining portion of the rent.

Supportive services should be accessible and flexible and target housing stability. The tenant's needs and goals should be clearly reflected in the design of the supportive services program. Service programs may require adjustment as the needs and interests of individual tenants evolve and change. Support services should help ensure stability, maximize each tenant's ability to be self-sufficient, and be appealing and easily accessible.

Projects vary in how they provide services, but they uniformly stress housing stability as a basic and primary goal. In promoting housing stability, service providers focus on helping tenants meet their lease obligations, including paying rent, maintaining a safe and healthy living environment, allowing others the peaceful enjoyment of their homes and complying with lease obligations. In addition, services should foster, to the extent possible, independent living.

The S+C statute requires that grantees provide opportunities for at least one current or formerly homeless individual to participate in a board of directors or other policy-making entity to advise on decisions affecting S+C housing.
This requirement may be waived if the grantee is unable to comply and provides HUD with an alternate plan for consulting with homeless people about the local project. [24 CFR 582.300]

Section 2: Eligible Activities and Participants

1. Homeless: To be eligible for assistance, the participants need to meet particular guidelines. First, the individual applying for assistance must be **homeless**.

In general, a person is considered homeless, if without HUD assistance, he or she would have to spend the night in a homeless shelter or in a place not meant for human habitation. More specifically, an individual is considered homeless if he or she is:

- Sleeping in an emergency homeless shelter;
- Sleeping in places not meant for human habitation, such as cars, parks, sidewalks, or abandoned or condemned buildings
- Living in transitional/supportive housing but having come from streets or emergency shelters*

*If your S+C is a Samaritan Project (100% chronic homeless), the client cannot come from transitional housing/supportive housing, they have to come from an emergency shelter or the streets.

Samaritan Project is for chronically homeless persons. HUD defines a chronically homeless person as an "an unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more OR has had at least (four) episodes of homelessness in the past three years." To be considered chronically homeless a person must have been on the streets or in an emergency shelter (i.e, not transitional housing) during these stays.

How to Document Persons who are Homeless:

From an Emergency Shelter:
The grantee or project sponsor must have written verification from the emergency shelter staff that the participant has been residing at an emergency shelter for homeless persons. The verification must be on agency letterhead, signed and dated.

From Transitional Housing:
The grantee or project sponsor must have written verification from the transitional housing facility staff that the participant has been residing in the transitional housing. The verification must be on agency letterhead, signed and dated.

The grantee or project sponsor must also have written verification with a letter from the original agency verifying that the participant was living on the streets or in an emergency shelter prior to living in the transitional housing facility (see above for required documentation) or was discharged from an institution or evicted prior to living in the transitional housing facility and would have been homeless if not for the transitional housing (see below for required documentation).

Exception: If you have a Chronic Homeless Population S+C Program, the clients must come from an emergency shelter and/or the streets only.

From Living on the Street:
The grantee or project sponsor should obtain information to verify that a participant is coming from the street. This may include names of other organizations or outreach workers who have assisted them in the recent past who might provide documentation. If you are unable to verify that the person is coming from the street, have the participant prepare or you prepare a written statement about the participant's previous living place and have the participant sign the statement and date it.

If an outreach worker or social service agency referred the participant to your agency, you must obtain written verification from the referring organization regarding where the person has been residing. This verification should be on agency letterhead, signed and dated.

Persons coming from a Short-term Stay (up to 30 consecutive days) in an Institution:
The grantee or project sponsor must have written verification on agency letterhead from the institution's staff that the participant has been residing in the institution for 30 days or less. The verification must be signed, dated, and on agency letterhead.

The grantee must also have written verification that the participant was residing on the street or in an emergency shelter prior to the short-term stay in the institution.

Definition of Disability and Documentation:
The definition of disabled [24 CFR 582.5] that is used as the basis for determining eligibility in the S+C program is the same as that used in the Section 811 (Supportive Housing for Persons with Disabilities) program.

Persons with disabilities are defined as:
"Persons with disabilities" — a household composed of one or more persons at least one of whom is an adult who has a disability. A minor child with a disability would not qualify for S+C.

1. A person shall be considered to have a disability if such person has a physical, mental, or emotional impairment which is expected to be of long-continued and indefinite duration; substantially impedes his or her ability to live independently; and is of such nature that such ability could be improved by more suitable housing conditions.

Results in substantial functional limitations in three or more of the following areas of major life activity;
(A) Self-care
(B) Receptive and expressive language;
(C) Learning;
(D) Mobility;
(E) Self-direction;
(F) Capacity for independent living; and
(G) Economic self-sufficiency; and
-Reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services that are of lifelong or extended duration and are individually planned and coordinated.

2. Participants must have a **disability** that the need for treatment is expected to be of a long, continued, and indefinite duration; the disability **substantially impedes** his/her ability to live independently and that the disability could be improved by more suitable housing conditions. For example, drug or alcohol abuse or an HIV/AIDS condition that does not substantially impede a person's ability to live independently and **does not** qualify as a disability in the S+C Program.

The primary disabilities with the program are:
- The individual has a primary diagnosis of a serious mental illness.
- A disability that includes drug and/or alcohol abuse or dependency or both
- An individual diagnosed with AIDS/HIV to be eligible.

The verification of the disability must be a credentialed psychiatric title (MD) or medical professional trained to make such a determination (example: Ph.D., RN). The possession of a title such as case manager or substance abuse counselor does not by itself qualify a person to make a determination.

It is important to remember that a participant only needs to be diagnosed with one disability to be eligible, yet they must be homeless.

The target disability population that you documented on the McKinney Vento application to HUD is the population that you need to target. You cannot change your target population without approval from HUD first.

Written documentation that a person's disability meets the program definition must come from a credentialed psychiatric or medical professional trained to make such a determination. The possession of a title such as case manager or substance abuse counselor does not by itself qualify a person to make that determination. "Self-certification" is also unacceptable.

Eligible Activities:
The statute that created the S+C program strictly limits the kinds of activities that may be funded through S+C grants. The eligible activities are: restricted to rental assistance for program participants and administrative costs associated with administering the rental assistance.

Rental Assistance

Grantees make housing affordable for program participants by using S+C grant funds to pay the difference between the actual rent for a unit and 30 percent of the participant's adjusted income. (See Section 3 for more information on determining allowable rent levels and calculating tenant rent payments.)

Rental assistance can take several forms:
- monthly rent payments;
- when necessary, a security deposit in an amount up to two month's rent;
- one month's rent for damages to unit; and
- one month's rent for housing units vacated by a program participant. The term "vacated" excludes brief periods of inpatient care (limited to 90 days for each occurrence). (See 582.105 (d))
  (See Cost Savings/Grant Savings regarding damage deposit info).

Grant funds can also be used to help offset utility costs paid by the participant if utilities are not included in the rent. Where rent does not include utilities, the tenant's contribution is reduced to allow for a reasonable utility allowance.
- Grantees may obtain a utility allowance schedule from HACC. We have one prepared annually and they come out in April.
- If the reasonable utility allowance is more than the tenant rent contribution, the tenant must be reimbursed for the difference from S+C grant funds.

Assistance to Non-citizens:
HUD offers the language below as guidance to grantees:
The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 impose restrictions on eligibility for receipt of public benefits. Governmental entities should consult with their legal counsel for interpretation. Nonprofit charitable organizations are not required to, but may, verify an applicant's citizenship or immigration status. If a nonprofit elects to do so, they should also consult with legal counsel, as they must follow the procedures required by the Act.

Tenant-based Rental Assistance (TRA) component:
Under the TRA component, an applicant may request funds to provide rental assistance on behalf of program participants who choose their own housing units. If a participant decides to move, he or she may take their rental assistance to the new housing unit.

Applicants may require participants to live in a particular structure for the first year of assistance and in a particular area for the remaining period of assistance, or may require participants to live in a particular area for the entire rental assistance period. Such a requirement may be implemented if it is necessary to facilitate the provision of supportive services.

S+C Application Process for Participants:
Sponsors need to complete the S+C Intake Application Packet for the participant prior to admission to the Shelter Plus Care Program. Sponsors must have written documentation in the client's files that qualifies each participant as having met the program definition of disability and homeless criteria.

HMIS Intake and Discharge Forms from the HMIS system,
Documentation of Disability Form,
Homeless Documentation Form, Chronic Homeless form if needed
Confidentiality Release Form,
Income Documentation Form.
Zero Income Affidavits

Section 3: Leasing & Income, Recertification Requirements:

Applicants need to have very low income or no income to be eligible for the project. If a client does have an income, they will be required to make a co-payment on their rent and/or utility bills. The amount of the co-pay is dependent on their monthly gross income at a 30% rate or 10% rate whichever is higher. (See calculating rent section)

Low-income means an annual income not in excess of 80 percent of the median income for the area, as determined by HUD. HUD may establish income limits higher or lower than 80 percent of the median income for the area on the basis of its finding that such variations are necessary because of the prevailing levels of construction costs or unusually high or low family incomes.

Very low-income means an annual income not in excess of 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income limits higher or lower than 50 percent of the median income for the area on the basis of its finding that such variations are necessary be**)** cause of unusually high or low family incomes.

As required by statute, S+C program operators must reexamine participants' income at least annually and make any needed adjustments to the participants' rent contribution amount.
The S+C participant may request an interim reexamination if there is a change in family composition (such as the birth of a child) or a decrease in household income.
Participants whose income increases during the year do not have to have their rent increased until the next scheduled (annual) reexamination.

Locating Units and Developing Relationships with Landlords:

S+C housing can take several forms: scattered-site rental units, clustered units within a building or development, or an entire building that houses only S+C clients.

Most S+C components require that grantees or sponsors establish relationships with landlords who are willing to lease units to S+C participants.

Conducting outreach to landlords and explaining the purpose of the program is very important because many landlords have little experience with formerly homeless and disabled tenants. Grantees must demonstrate the benefits offered to landlords and participants alike, including:

- Certainty of payment;
- Assurance that participants will receive the supportive services they need; and
- Support from the sponsor if any problems arise.

Locating Housing:
For TRA Scattered Sites, the purpose of S+C is to provide permanent housing to homeless individuals with disabilities. Participants may search for a studio, single family detached unit, duplex or two family units, an apartment or a manufactured home. Case workers should assist participants in locating a unit that is best for that individual or family. Participants may not move into units that do not correspond with their family size.

The applicant has 60 days from the time of assignment to use a slot. If the slot is not utilized the applicant or their service provider(s) may request up to two 30-day extensions. Extension requests must be submitted in writing to the Sponsor. A verbal extension would be appropriate as long as it was written in the file accordingly. Extensions will be granted to applicants when it is shown that housing is actively being sought

or for other good cause (i.e. hospitalization, family emergencies, etc). If an extension is not requested or approved, then the slot may be re-assigned.

Household Composition - Unit Sizes and limitation:

Clients can only lease a unit within the county the program was awarded. The client cannot rent a unit larger than their household. Example:

Single: Single unit. There are no 2 bedrooms for storage, medical supplies, etc.
Single with a caregiver: 2 bedroom. Requires a Medical Doctor to certify that the participant requires a live-in caregiver. Caregiver only allowed one room. The caregiver's income is not included in rent calculation.
Couple/Married: Single unit. No separate rooms for a couple. There is no requirement that couples be married in order to live together. The income of the partner would have to be considered for the rental calculation.
Families – Example; Mother with 2 children: Three bedrooms is the limit.
Two Children/Different Sex: Share a room until one of them is six (6) years or older.
No More than 2 in room. In no case will more than two (2) persons be assigned to a single bedroom.
Two children - Same Sex*:* must share a room (pregnant teenager – share with infant)
Child in Foster/CPS: A child who is temporarily away from the home because of placement in foster care may be considered a member of the family in determining the family unit size, for up to **one-year duration** from the time of placement.
Other friends and family members: would not be able to live with the client.
Household must have custody or joint custody: in order to be allowed to have a bedroom for child. Visitation does not qualify for having a bedroom.
For Family S+C Programs: If participant has no child or custody of child at time of intake but later retains custody, the program is allowed to obtain a larger unit to accommodate the child.

Subsidy Size by Number of Units:
The number of bedrooms appropriate to the family size:

Subsidy Standards			HQS Standards	
Size of Unit	Min. occupancy	Max. occupancy	Unit Size	Max. occupancy
0-BR	1	1	0-BR	1
1-BR	1	2	1-BR	2
2-BR	2	4	2-BR	4
3-BR			3-BR	6
4-BR			4-BR	8
5-BR			5-BR	10

HACC Standard: Landlord Forms/Leasing: Utilize the landlord and leasing forms that are part of the Landlord S+C Package.

- Participant Form with Contractor
- Request for Unit Approval Form
- Rental Assistance Payment Contract with Landlord and Contractor
- Lease Addendum
- Rent Reasonable Form

- Rental Calculation Excel Form (TRA & SRA)
- Housing Quality Inspection Form (HQS) TRA and SRA

Housing Quality Standards:

Housing Quality Standards (HQS) set acceptable conditions for interior living space, building exterior, heating and plumbing systems, and general health and safety. Before any rental assistance may be provided, the grantee, or another qualified entity acting on the grantee's behalf (but not the entity providing the housing), must physically inspect each S+C unit to ensure that it meets HQS. [582.305(a)]

- Sponsors that are SRA owned units cannot be inspected by the agency that owns the property. Contact your local housing authority to see if they would be able to provide the inspections.

Any housing quality problems must be corrected within 30 days from the start of the lease, and the sponsor must verify that all problems have been corrected. For first time inspection, the client should not sign lease until the inspection passes. The sponsor should have the initial inspection within 10 working days of finding the unit.

- During recertification of the unit, the landlord is required to repair any structural damages to the unit. Ultimately, the landlord is responsible for all damages to be repaired. If there are life hazardous issues, require the damage to be repaired within 24 hours.

Some HQS violations constitute a hazardous situation for the family. Families should not move into a new unit until the situation is remedied. If a participating family already occupies the unit they should make arrangements to leave the unit until the situation is remedied, particularly where there is any imminent danger to their health or safety.

If a family already occupies a unit and there is an endangering failure of HQS, the owner must make repairs within twenty-four hours.

Emergency situations include:

- Unsafe or inoperable heating systems
- Any “red-tagged” heating units.
- Significant water or sewer malfunctions
- Non-functioning water heater.
- Any “red-tagged” water-heating units.
- Water heater lacking pop-off valve and drip leg
- Detection of high levels of carbon monoxide.
- Gas leaks.
- Missing or malfunctioning smoke detectors.
- Lead-based paint.
- Unsafe, exposed, or sparking wiring.
- Severely unsafe structural defects such as rotting floors.
- Citation of the unit for any health and safety violation, by the Health Department.
- Non-locking doors, windows, or other openings to the outside.

In any instance where a problem is found with a unit that has the potential of endangering the health or safety of the occupants, it is to be considered an HQS violation, whether or not it is specified in the regulations or Guidebook.

With S+C Program, the HQS inspector does not have to be certified.

HACC Standard: Utilize the HQS Section 8 Forms. Part of the S+C intake application.

HQS standards are detailed in 24 CFR 982.401 for the TRA, SRA, and PRA components. For the SRO component only, HQS standards are found in 24 CFR 882.803 (b)

Reasonable Rent:

Rents for units leased with S+C assistance must meet a "rent reasonableness" test. This section describes this standard for rents and how a reasonable rent is documented.

For TRA, S+C program operators must determine whether the rent being charged for an assisted unit is both:

- reasonable in relation to rents being charged for comparable unassisted units with similar features and amenities; **and**
- not more than rents currently being charged by the same owner for comparable unassisted units. [See Section 582.305(b)]

HACC Standard: Utilize GoSection8 website to do the rent reasonable checks at www.Gosection8.com

HACC recommends that the rent reasonable be performed at the annual review. The rent for the S+C assisted unit may not exceed the reasonable rent for that area. But while the rents for SRA, TRA, or PRA units may be set at the reasonable rent level even if it is higher than the HUD Fair Market Rent limits.
Keep in mind that leasing SRA, TRA, and PRA units at rents higher than the FMR may cause problems down the line since the original **Shelter Plus Care grant amounts are calculated by multiplying the number of units to be assisted by the FMR, not the "reasonable rent."** Administrative costs, damage payments and rent increases can only be covered if the total grant amount exceeds the actual costs of serving the number of people proposed to be served in the S+C application.

Calculating Tenant Rent Payments:
To determine the rent payment for a S+C participant, program operators need to follow these steps:

1. Calculate 10 percent of monthly gross income.
2. Calculate 30 percent of monthly adjusted income.
3. Determine whether a welfare rent may apply, and, if so, determine the amount**.**
4. Determine which of these three rent amounts is the highest.
5. Set the participant's monthly rent contribution at this amount.

The definitions of annual gross income, adjusted income, and welfare rent and the allowable deductions and adjustments to income are described in detail in CPD Notice 96-3 (full listing of exclusions, etc) and can also be found in regulation at 24 CFR Part 5 Subpart F. A few things to keep in mind when making these calculations are:

- Types of income that must be included are employment income, social security, welfare assistance, unemployment benefits, and disability or worker's compensation.
- Some income may be eligible for exclusion. Examples include income earned by children under age 18, payment received for the care of foster children or adults, and reimbursement for the cost of

medical expenses. These amounts are subtracted from household income before the rent contribution is calculated.

- The "disallowance of increase in annual income" provision in 24 CFR 5.617 does not apply to the S+C program.
- Welfare Rent

HUD considers FMR – Fair Market Rent with utilities included. When looking for units with utilities included within the FMR range would be best for the client and the sponsors (utilize rent reasonable also). The McKinney Vento Application awards are based upon the FMR for each unit. FMR sheets are sent out by HUD every October.

Income Recertification Requirements:

As required by statute, S+C program operators must reexamine participants' income at least annually and make any needed adjustments to the participants' rent contribution amount.

- The S+C participant may request an interim reexamination if there is a change in family composition (such as the birth of a child) or a decrease in household income.
- Participants whose income increases during the year do not have to have their rent increased until the next scheduled (annual) reexamination.

Documenting Rental Income:

- Program operators need to document the amounts of rental income collected from S+C participants and the method used to determine these amounts.
- If a worksheet is used, it should clearly document how the rent contribution for each participant was determined.
- Documentation of participants' sources of income should also be kept in the files.

Once a client is accepted onto the program, Income verification for ALL family members such as:

1. Wage verification
2. Social Security verification (SSI, SSDI) –will accept letter from Social Security Office or payment verification form
3. Spend Down verification – will accept letter or payment verification from Social Security Office
4. TANF verification –will accept letter from TANF Office
5. Child Support verification –will accept a letter from the Child Support Office or verification from a check
6. Food Stamp Verification – Will accept a letter from TANF Office or the V-Can system.

- Banking Verification – Need copy of last banking statement
- Medical Deductions – Contact pharmacy for documentation of total spent for the year
- Child Care expenses – Will only accept letter from the agency providing service.

The requirements for calculating rent payments for S+C participants are detailed in CPD Notice 96-3 (Tenant Rent Calculation Manual for McKinney Vento Funds)

Occupancy Issues:

HACC recognizes there are times when it may be necessary for an individual to leave their current housing. At these times, the Sponsor will work toward a satisfactory resolution for both the tenant and the landlord in the hopes of keeping both the tenant and landlord engaged in the program.

Vacating unit: If a participant in the program vacates a unit for more than 30 days for any reason without giving a 30-day written notice to both the Sponsor and the landlord the assistance payment for the unit may continue for a maximum of 30-days from the end of the month in which the unit was vacated. If the tenant returns to their unit before the last day of the assistance payment Shelter Plus Care will continue to provide the subsidy. "Vacate" means to be absent from the unit (i.e. visiting family, vacationing, jail time, etc). The term vacate does not include brief periods of inpatient care. **The assistance payments for individuals receiving inpatient care may continue for a period not to exceed 90 days per occurrence**

A unit will be considered abandoned if the Sponsor is unable to verify occupancy by a participant after a good faith effort has been made to locate the participant

Moving: In accordance with the lease or rental agreement, a participant may move from a current unit to another unit only if a 30-day written notice has been submitted by the first day of the month previous to the move to both the Sponsor and the landlord. If a participant leaves a unit at the conclusion of a 30-day notice and wishes to continue to receive assistance the participant must keep Sponsor informed of such plans. If the participant does not locate another unit within 30-days and does not maintain contact with the Sponsor, the tenant could be terminated from the program.

Landlord Request: If the tenant cooperates with the landlord's request to leave, they may keep their assigned slot and continue the program. The case manager should assist the client to look for another unit.

Death: In the case of death, rent will be paid for the lesser of up to the date the tenant's possessions are removed or for up to 14 days after a tenant has died. If the family has not removed the possessions they must pay market rent for any additional time needed.

Occupancy/Program Agreements:
The S+C program regulations allow you considerable flexibility in developing occupancy agreements that may help ease participants' transition to the long-term housing and services offered by the local S+C project. Similarly, HUD encourages program operators to work with participants to avoid circumstances that might lead to termination of rental assistance.

Elements of an Occupancy Agreement:

- Participants are not required to enter a long-term lease but must sign an initial occupancy agreement for a term of at least one month. This agreement is automatically renewable upon expiration, except on prior notice by either the tenant or the landlord.
- At the discretion of the grantee or housing sponsor, participants *may* be required to take advantage of supportive services as a condition for obtaining the rental assistance. The requirements may be included in the lease/sublease (SRA) or as a separate attachment.

HACC Standard:

HACC recommends that S+C sponsors consider flexible supportive services and utilize The Housing First model that emphasizes:

- Housing is a choice, not a placement. Housing is a person's home, not a treatment program.
- Flexible supportive services that emphasis tenants needs and individual goals
- Tenants hold leases and full rights and obligations of tenancy
- Participation in services is voluntary and not a condition of tenancy
- Case managers work to build relationships with tenants, and support them in maintaining their housing.

Program Agreement:
If the sponsor chooses to utilize a program agreement, we highly recommend that the program agreements are not too restrictive and that they do not place unrealistic rules on the clients. Instead, the program agreement should follow the restrictions as stated on the lease that was signed by the client/tenant and the landlord.

If the Sponsor requires the participant to take part in supportive services, the Sponsor must have a separate program agreement with the participant (24 CFR 582.315). It is highly recommended that all Project Sponsors have a Program Agreement with the Participants that is signed by both parties and dated. The program agreement should give the requirements of the program and the possible reasons for terminations. The agreement should also state the policy and procedure for appeals. The agreement should be included in the participants file.

Annual Recertification of Participant:
Participants need to be re-certified for Shelter Plus Care **annually.** The re-certification process is similar when they first applied however there is no new application. Below are items that are required each new year. The annual re-certifications should follow the dates on the lease.

- Require a housing inspection
- Require an income verification
- Require a copy of the newly signed lease with landlord
- Require a New Landlord Packet Forms that coincide with the lease

Waiting List:
A waiting list may be utilized if necessary however sponsors should have written procedures for maintaining their waiting list. Because of the intake criteria and that S+C is permanent housing; waiting lists are usually not useful.

Termination from the Program:
Participants can be terminated from Shelter Plus Care for a number of reasons. However, termination is always the last result. Before a recommendation of termination is approved, we must first do all that we are capable of doing to resolve all situations.
Rental assistance *may* be terminated if a participant violates conditions of lease. Program regulations recommend, however, that grantees exercise judgment and take into consideration extenuating circumstances so that participants are only terminated for the most serious rule violations.

Listed below may be actions for termination:

- Eviction from the residence due to violation of the landlord/tenant agreement by the participant or those family members living with the participant.
- If the participant moves to another HUD funded project or moves out of the unit without notice.

- Incarcerated for more than 30 days
- Hospitalized for either medical or psychiatric reasons for more than 90 days
- Voluntarily termination
- Submission of incorrect information
- Non-compliance with the financial portion of the rental assistance
- Violation of the Occupancy Agreement/Program agreement if different from the lease.
- Subleasing to other persons
- Illegal activity

Termination Requirements:
If termination is necessary, principles of due process must be followed. At a minimum, this process must include:

- Written notice to the participant containing a clear statement of the reason for the termination and at least 30 days notice and a date to when they can appeal the decision.
- A review of the decision, during which the participant has the opportunity to present written or verbal objections before someone other than the person (or a subordinate of the person) who made or approved the termination decision; and
- Prompt written notice of the final decision to the participant.

The S+C Program permits grantees to resume assistance to persons or families whose assistance was previously terminated. If this occurs, there is no need to document disability again. Homeless documentation will be required to be attained again.

Appeal Process:
The Project Sponsor should determine a written policy and procedures regarding appeal process for those who are denied or terminated from the S+C Program. These policies and procedures should be provided to all participants at the beginning of the program. This could be part of the Occupancy/Program Agreement and should be part of their file – signed and dated by client and staff.

Shelter Plus Care Portability:
If an individual elects to move from their current town, the Sponsor must ensure the new location is part of the grant jurisdiction. The rental assistance subsidy is portable within a jurisdiction as defined by the grant application.

Section 4: Supportive Services Match

This section addresses the role of supportive services within the S+C program, including service provision requirements, the types of services likely to be appropriate to the target S+C participants, and how to best coordinate with service providers. It also discusses the supportive service match requirement and how to document the match appropriately. Full details on the S+C regulations governing supportive services and match requirements can be found in 24 CFR 582.110.
As the name of the program indicates, a key goal of the Shelter Plus Care program is to connect housing and services. Appropriate supportive services are essential to helping individuals and families remain in a stable housing environment. In order to ensure that grantees provide needed services, the law requires grantees to match rental assistance with an equal amount of supportive services from other sources.
Supportive services are the key to maintaining Shelter Plus Care Participants in housing. Sponsors must be able to provide HACC with reasonable assurances that supportive services are being made available to participants for the entire term of the rental assistance (24 CFR 582.110 (B). Under this program, these services must be paid for with sources of funding other than the S+C grant. Each Sponsor must have the skills and experience working with homeless and disabled clients to provide the support necessary to keep

clients housed. Keeping participants housed is essential to a successful program, which is why we require all Sponsors to offer intensive case managements, ongoing supportive services and assist in locating appropriate housing.

If Sponsors partner with a mental health center or similar agency to provide social services, the Sponsor should enter into a Memorandum of Understanding with the partner clearly outlining responsibilities.

For further technical assistance, HACC recommends Sponsors refer to "Putting the Support in Supportive Housing" by the Corporation for Supportive Housing. A free pdf file of this publication is available at www.csh.org.

Providing Appropriate Services:
Appropriate services should be offered to S+C participants, and should be tailored to meet the needs of each individual participant.

Appropriate Eligible Services:
In general, and as the definition of "supportive service" in the S+C regulation (section 582.5) indicates, a supportive service qualifies as a matching resource when it addresses the "special needs" of the individual. Examples of supportive services that might be provided by you or one of your sponsors include:

- Health care
- Mental health treatment
- Alcohol and other substance abuse services
- Childcare services
- Case management
- Counseling
- Education and/or job training
- Other services essential for achieving and maintaining independent living, such as courses on household budgeting

Not eligible for match: inpatient acute hospital care.

Case Management – Service Provision Requirements:
The statute states that supportive services must be offered to S+C participants in an amount equal to or greater than the total rental assistance through the S+C grant.

The statute does not exclude any source of funding for the purposes of meeting the supportive services match requirement, except that S+C grant funds cannot be used for supportive services in any event. The sources may be Federal, State, local, or private. Of course, supportive services must be an eligible use of the source program's funds. For example, the HOME Program cannot be used to meet the S+C match requirement since supportive services are not an allowable use of HOME funds. The services may be created specifically for the S+C program or already be in operation.

Supportive service may be provided by a variety of entities including S+C sponsors, the grantee, or social service agencies in the community. The services may be offered by paid staff or by volunteers.
Service plans need to be developed and tailored to each participant's needs, both at program entry and over time. You must perform ongoing assessments of participants' service needs and make adjustments to service plans as needed. (See 24 CFR 582.300 b-c.) This is essential so that tenants are not made to receive specific services for which there may no longer be a need.

In order to qualify as match, the supportive service must:

- Address the special needs of the population being served.
- Be appropriate or assist participants in obtaining appropriate services.

Over time, some tenants may require few if any supportive services. When this happens, you may wish to consider offering these tenants the option of receiving Section 8 vouchers, if available in your community, thus freeing up rental assistance dollars in your S+C Program for new tenants.

Outreach:
S+C grantees must make an ongoing effort to ensure that eligible hard-to-reach persons are identified and served by the program. Outreach activities to identify eligible homeless people are considered a supportive service, and the value of outreach activities that occur after the execution of the grant agreement counts toward meeting the match requirement.

Evaluation of Client Satisfaction:
A program evaluation should be completed on a quarterly basis. This is a measure of consumer compliance with the program, satisfaction ratios, and improvement suggestions. A 10% consumer base sample is required from the population.

Documentation Responsibilities – Match, APR, Closeout
Given the importance of the match requirement, it is especially critical that service providers understand their responsibilities in tracking and documenting services offered to S+C participants. Grantees and their partners need to develop procedures and reporting formats to collect and compile this information. Because the service needs of S+C participants are high, it is likely that the value of supportive services provided to them far exceeds the value of the S+C rental assistance. However, in order to get credit for having met the statutory match requirement, these supportive services must be adequately documented. This section provides guidance and suggestions for documenting the match.

What Counts as Match?
The following items count toward the supportive service match requirement:
- Salaries paid to grantee staff to provide supportive services to participants;
- The value of supportive services provided to participants by other organizations or by professionals volunteering their professional services;
- Supportive services provided by other volunteers (at the rate of $10 per hour);
- The prorated value of any lease on a building used for supportive services to program participants;
- The cost of outreach activities after the grant agreement has been signed.

Requirements for Calculating Match:
As a S+C grantee, you must match the total value of S+C rental assistance provided through the grant with an equal value of supportive services. Grant funds spent on eligible administrative costs are not subject to the match requirement.

The match is an overall grant wide requirement, not year-by-year, component-by-component or participant-by-participant. Since HUD assumes that the provision of supportive services will vary according to the needs of the participants, any given participant is not required to receive the same amount of services as rental assistance. As a result, the value of the services provided may be higher or lower than the value of rental assistance for any given year.

Keep in mind that the match must be reported annually in the Annual Progress Report (APR); therefore, the grantee should request information on supportive services from providers at regular intervals at least yearly

and preferably more often - quarterly. Good management practices would dictate that a standard reporting format be developed and made available to each service provider **before** they begin providing services.

Utilize the Quarterly Match Form.
A sample format and instructions will help support service providers to provide accurate documentation for the match:

1. Pull the clinical records on all S+C clients.
2. Check the client record against the activities listed on the Supportive Services match tracking form (see example in Appendix F.)
3. Check YES if the service or referral for each service took place.
4. In HOURS column, indicate how much time was spent on each service or referral.
5. In RATE column, indicate hourly rate for staff providing service.
6. In MATCH $ column, calculate the dollar amount of service or referral provided.
7. Sign and date the verification at the bottom of the page. This form remains part of the Federal records.
8. Return completed form to grantee.

Instructions should accompany the reporting format that includes a listing of what qualifies as match under the program. However, it is the responsibility of the grantee to check that the match claimed is eligible and verify the match dollars claimed.
Determining the amount spent on matching services might look like this:

Example: The prorated salary paid to a case manager who works with eligible S+C participants may be counted as match. If the service provider, who earns $30,000 a year, spends 50% of her time providing eligible services to S+C participants, then half of her salary and benefits may be counted as match.	
50% of case manager salary (at $30,000 a year)	=**$15,000**
+ 50% of benefits paid by employer (estimated at 30% of salary or $9,000 a year)	=**$4,500**
= **$19,500** that may be counted as supportive service match under S+C	

The following items count as match:

- Salaries paid to grantee's staff to provide supportive services to participants;
- The value of supportive services provided to participants by other organizations or by professional volunteering their professional services, except for donated professional services, which may be counted as customary charge for the services.
- The value of time and supportive services provided by other volunteers (at the rate of $10 per hour);
- The prorated value of any lease on a building used for supportive services, for program participants.
- The cost of outreach activities

The supportive services may be newly created for the program or already in operation, and may be provided or funded by other Federal State, local, or private programs. Only services that are provided after execution of the contract may be counted towards the match.

HACC Standard: Documentation of the Match: Utilize Quarterly Match form to be submitted to the HACC (Grantee) quarterly based upon the cycle year of each particular program.

A blank match form is available upon request from HACC.

Section 5: Financial Management – Claims, Cost Savings, Loccs:

A LOCCS status of funds report is similar to a bank statement. It is a monthly report listing all of a grantee's sponsors by grant and S+C component, including funds spent-to-date and remaining balances. The authorized grant amount is listed in the first column under Authorized. The second and third columns show the amount spent-to-date under Disbursed and Disbursement in Process. The last column shows the remaining balance of funds available under the grant.
Grantees should carefully monitor these reports, paying particular attention to the balance and the end date of the grant to ensure that the program is on track to spend its funds within the grant term.

Claims:

HACC Standard: The Project Sponsors are required to claim for reimbursement from HACC (Grantee) only what the S+C program paid for the client's rent and/or utilities. They do not claim the client's portion paid to the landlord or to the Sponsor (if it is a SRA program). The claim forms needs to be completed and include documentation that the rents were paid. A LOCCS Form also needs to be included to show the number of units, the disability of each client and the amount that is being requested on the claim. *A budgeted claim form and a Loccs form will be sent to your agency after the contract (between HACC and your agency) has been signed.*

The claim should be submitted once a month (12 claims per operating year). Each claim should be submitted to HACC by the 20th day of the month following payment of rental assistance. The original signed copy needs to be sent to the S+C Coordinator with HACC. Require documentation of rents being paid for that month.

Rental assistance is the only eligible activity under the S+C Program. These funds provide the operating costs of the shelter excluding the cost of services. The applicant must provide supportive services in an amount at least equal to the rental assistance provided during the term of the grant.
In addition to rent and utilities, "rental assistance" includes up to one month's rent each for a security deposit and damage payment. There is a small amount (up to 8 percent of the grant) of administering the housing assistance which is called cost savings.

Administration Activity/Cost Savings:
Grantees may use up to 8% of the S+C grant for certain administrative costs associated with the program. The allowable uses include:

- Receiving new participants into the program;
- Providing housing information and search assistance;
- Determining participant income and rent contributions;
- Inspecting units for compliance with Housing Quality Standards (See Section 3); and
- Processing rental payments to landlords.

Tthe funds available for administrative costs are determined by statute; the amount of the S+C grant award is based on:

(Number of units to be assisted) x (HUD's Fair Market Rent in effect at the time the application is approved for the unit sizes the grantee expects to lease) x (the number of months of rental assistance to be provided)

In most cases, the actual costs of rental assistance are lower than the amount used to calculate the grant. This happens for several reasons. First, most participants contribute something to their rent, so they do not need the full FMR subsidy. In addition, in many communities sponsors are able to find units to lease that are less than the local FMRs.

As a result, grantees generally have excess funds to help cover the costs of administering the rental assistance. However, if making rental subsidy payments for the number of Shelter Plus Care participants specified in the grant agreement leaves less than 8 percent of the grant remaining, then the amount set aside out of the S+C grant for administrative costs cannot exceed that lower percentage. The grantee must pay for any administrative costs in excess of this cap with funds from some other source.

Distribution of the Administrative Costs

Many local S+C projects involve a grantee and one or more sponsors, among whom program responsibilities are shared.

HUD does not specify who can be reimbursed for administrative costs, only that these costs may **not** be more than 8 percent of the grant. Thus, grantees can apportion the funds according to which agency performs the eligible administrative tasks. For example, a PHA who handles the HQS inspections and tenant rent calculations may receive most if not all of the available administrative funds from the grantee as reimbursement for these eligible activities.

Grant savings" may occur for two reasons:

1. Actual rents for units occupied by S+C participants are lower than the FMR used to calculate the grant award; and/or
2. S+C tenant rent contributions reduce the amount of grant funds required for rental assistance.

Ineligible Administrative Costs

HUD recognizes that there are other administrative costs necessary to running a local Shelter Plus Care project. But, by statute, administrative costs other than those described above cannot be covered by S+C grant funds.

Administrative costs that are **not** covered include:

- Costs of administering the grant;
- Costs of preparing reports to HUD; and
- Costs associated with conducting audits of the grant.

Eligible Administrative Costs

Grant savings may be used for the following:

- Pay administrative costs as described: Processing rental payments to landlords, examining participant income, inspecting units for compliance with housing quality standards, receiving participants into the program. Costs must be paid out of the original grant amount. No additional funds (from HUD) will be provided to administer the housing assistance.
- HQS (up to 8 percent);
- Repair damage to the units (up to one month's rent)*;
- Cover rent increases up to locally determined reasonable rents (See Section 3); and
- Serve a greater number of participants.

None of these uses requires HUD pre-approval.

*There are some clients that have many occurrences of damage to their apartments (especially TRA scattered site programs). The repair costs can be up to one month's rent. If the costs exceed this amount, the tenant should be responsible for the other costs. The Landlord may be required to take their own action as necessary, by either evicting the client or taking to court. If a client matches these issues, it is highly recommended that a client's case management goals these types of issues, so that continued stable housing can be achieved.

Notes

S+C rental assistance cannot be used for housing that is currently receiving Federal funding for rental assistance or operating costs under another program. For example, a building that is already receiving project–based Section 8 assistance may not have tenants who are receiving S+C rental assistance.
If the S+C program is within their first five (5) years of the program, the FMR that they put on the cost savings form is the original FMR for the first (1) year of the program. The costs savings is based upon that first year.

Once the S+C program reaches its 6th year (renewal year), then they can start utilizing the current FMR each year after. Cost Savings can only be claimed after the agency is at 70% capacity. The agency is required to attach documentation that a cost savings did occur. HACC has an excel form to help calculate the savings.

HACC Requirement: Cost Savings Claiming Process: Utilize HACC Excel Form

Cost Savings can only be claimed on a quarterly basis in equal parts. The sponsor can only claim what is documented and only what is available. Only 8% of the grant total is available for cost savings reimbursement.

Cost Savings can be denied until findings of their last monitoring are resolved.

Other Available Administration Funds:

HACC provides an additional $40 per client from CSBG Funds. The Sponsor needs to claim this each month when claiming reimbursement for rental assistance costs.

This is only available when the Sponsor is meeting compliance and as long as the CSBG funds are available to HACC.

Section 6: Reporting Requirements: Completing the Annual Progress Report (APR), HMIS & Closeout Form, Conflict of Interest

Purpose of the APR:

HUD uses the APR to review the progress of your S+C project annually. Performance of your project is tracked using the following three outcomes:

- Increased residential stability;
- Increased skill level and/or income; and
- Greater self-sufficiency.

Grantees can also use the APR as a tool for evaluating performance and setting future program goals.

Reporting Requirements:
Grantees must submit an Annual Progress Report (APR) for Competitive Homeless Assistance Programs (HUD Form 40118) within 90 days of the end of each operating year. The report should be submitted to the CPD Division Director for the local HUD office responsible for managing the grant.

Note that the APR is used for reporting not only on S+C grants, but also on HUD's other competitive homeless programs – the Supportive Housing Program and Section 8 Moderate Rehabilitation for SROs. Some sections of the report do not apply to S+C grants. Grantees should read the APR instructions carefully to make sure they complete the report appropriately for S+C grants.

It is important to complete the report accurately and submit it on time. The reports are a valuable source of information that HUD Headquarters uses to respond to inquiries about the program from Congress and others, including justifications for program funding requests during the annual appropriations process.

Tips for Completing the APR:
The APR documents project enrollments and departures, participants' demographic characteristics, and outcomes including participants' length of stay in housing, changes in skills and income, and changes in levels of self-sufficiency.

As discussed in Section 4, grantees must also document the S+C match by reporting the value of supportive services received by S+C participants during the year. You are advised to develop a standard form for supportive service providers to use to report services received by S+C participants (the agency can utilize the Quarterly Match Form) This information must be collected and summarized at least annually for inclusion in the APR.

Collecting and compiling the information for the APR requires close cooperation between the grantee and local project sponsors. Grantees will need to develop and implement systems and procedures for collecting this information **before** the S+C grant program begins operating!

HACC Standard Program Reporting: An Annual Progress Report (APR) must be completed by the Project Sponsor and submitted to HACC (60) sixty days after the end of the operating year. The APR must be printed off from HMIS system. If you need assistance with the HMIS System, contact the HMIS staff.

The HMIS APR is reviewed by HACC prior to them sending it to HUD Field Office. It is imperative this form be complete and exact. If there are any errors, HACC will contact you to correct them prior to sending to HUD.

- Verification of supportive service match
- Accomplished percentages of the three performance goals and verification of admissions and discharges of the program during the year

The APR categories should be reviewed throughout the year in order to monitor your program's performance.

The APR will reflect if participants are being discharged with positive outcomes like increase in income, increased mainstream resources, employment if able and being discharged to other permanent housing – example Section 8 or other subsidized housing. If the APR reflects that persons are leaving with negative

outcomes, example being discharged to an emergency shelter or transitional housing, and leaving with less resources, your agency should look at your strategies and/or rules of how to affectively modify these types of outcomes.

When determining your program goals, keep in mind the difference between input and outcomes. Program objectives should be quantified performance measurements of outcomes in the lives of the participants, not measurements of inputs.

For example, "Ninety percent of participants eligible for food stamps will receive food stamps within two months of entering the program" is an outcome. This is a good example of a quantified performance.

"Ninety percent of participants will apply for food stamps" is an input. This is a poor example.

HACC Monitoring:

It is the policy of the Indiana Housing and Community Development Authority (HACC) to monitor its Shelter Plus Care sub-recipients on an annual basis. Two types of reviews will be used to monitor sub-recipients: On Site Review and Remote Review. An On Site Review will consist of a complete review of the sub-recipient's program and financial records as well as random review of Housing Quality Standard inspections. Remote Reviews will require sub-recipients to submit requested documentation to the HACC for review. Remote Reviews will address specific topics, such as participant eligibility, from random files. It is the policy of the HACC to perform On Site Reviews of not less than thirty (30) percent of its sub-recipients annually. The remaining sub recipients will be engaged in topical Remote Reviews.

The following risk factors will be used in determining which sub-recipients will be selected for On-Site Reviews:

1. Staff turnover;
2. Utilization of grant funds;
3. Claim iteration (deviation from monthly claims);
4. APR performance;
5. Consumer Complaints;
6. Unresolved HUD Finding (including APR Findings);
7. Compliance with terms and conditions of HACC S+C Agreement; and
8. Time of last On-Site Review.

Each program's past performance will be analyzed and compared against the full spectrum of HACC's Shelter Plus Care programs. Programs with highest risk will be selected for On-Site Review.

Prior to either On Site or Remote Reviews, HACC will notify sub-recipient in writing of the type and date of the review. HACC will also provide sub-recipient with specific instructions and an explanation of review process.

These are some items in participant files that will be reviewed and other administration:

- S+C Intake application forms including: Homeless & Disability Documentation
- HQS Inspection
- Rental Assistance calculation & income information
- Copy of signed lease
- S+C Landlord Packet Forms being utilized
- Signed Program/Occupancy Agreement
- Re-certification requirements: HQS, rental calculation, signed lease and Lease packet completed

- Discharge date and information
- Termination Policies and Procedures
- Appeals procedures for participants
- Financial files – compare claims that were reimbursed with records
- Cost Savings being utilized correctly

HMIS:
HUD requires all Sponsors to enter participant data into the Hoosier Information Management (HMIS). Sponsors should contact HACC HMIS staff for technical assistance. The Sponsor is responsible for entering correct information into HMIS and obtaining necessary consents.

HACC utilizes the HMIS Intake Form and the Discharge form as part of the S+C application and file. HACC requires that S+C Sponsors utilize HMIS system to pull their annual progress report (APR).

If your agency is a Contractor with HACC and HACC is the Sponsor and the Grantee (S+C II and S+C III), HACC will enter the data into the HMIS System. Your agency is required to send HMIS Intakes and HMIS Discharge Forms along with your claims forms monthly.

Closeout Forms:
After the grant year has ended, a closeout form will need to be completed by the Project Sponsor and sent to HACC. This is a purely financial form and will need to be completed at least 60 days after the year has been completed and after all claims have been reimbursed for that year. This form will ensure that HACC numbers and the agencies numbers match. If there is a discrepancy, HACC will contact the Project Sponsor. A blank closeout form is available upon request from HACC.

Conflict of Interest:
(1) In addition to the conflict of interest requirements CFR **§ 582.400** in 24 CFR part 85, no person who is an employee, agent, consultant, officer, or elected or appointed official of the recipient and who exercises or has exercised any functions or responsibilities with respect to assisted activities, or who is in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, either for himself or herself or for those with whom he or she has family or business ties, during his or her tenure or for one year thereafter. Participation by homeless individuals who also are participants under the program in policy or decision making under § 582.300 of this part does not constitute a conflict of interest.
(2) Upon the written request of the recipient, HUD may grant an exception to the provisions of paragraph (b)(1) of this section on a case-by-case basis when it determine that the exception will serve to further the purposes of the program and the effective and efficient administration of the recipient's project. An exception may be considered only after the recipient has provided the following:

(i) For States, units of general local governments, PHAs and IHAs, a disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and

(ii) For all recipients, an opinion of the recipient's attorney that the interest for which the exception is sought would not violate State or local law.

(3) In determining whether to grant a requested exception after the recipient has satisfactorily met the requirement of paragraph (b)(2) of this section, HUD will consider the cumulative effect of the following factors, where applicable:

(i) Whether the exception would pro-vide a significant cost benefit or an essential degree of expertise to the project which would otherwise not be available;

(ii) Whether the person affected is a member of a group or class of eligible persons and the exception

will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

(iii) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision making process with respect to the specific assisted activity in question;

(iv) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (b)(1) of this section;

(v) Whether undue hardship will result either to the recipient or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

(vi) Any other relevant considerations.

[58 FR 13892, Mar. 15, 1993, as amended at 61

SHELTER PLUS CARE CHECK LIST

FOR NEW AND YEARLY RE-CERTIFCATIONS

NEED THE FOLLOWING FOR FILE

_____Homeless Documentation – 3rd party verification

_____Disability Form signed by medical professional

_____ Program Agreement

_____Permission to Release Information Form

_____ Zero Income if Applicable

_____Income information form along with copies of SSDI, SSI, Work, child support, etc. (recert requirement)

_____Housing Quality Inspection Passed – copy included – (recert requirement)

_____ Rent Reasonable list of comparables/form (recert requirement)

_____Income Calculation Excel Sheet Completed (recert requirement)

_____Signed copy of new lease (recert requirement)

_____Signed Lease Addendum (recert requirement)

_____Signed RAP Form with Landlord (recert requirement)

_____Signed RAP Form with Participant/Client (TRA) or Sublease with Tenant & Contracting Agency (SRA) (recert requirement)

_____Copy of HMIS Intake and Discharge

_____ Other __Case Management Notes/Letters_____

To: Shelter Plus Care Sub-Recipients **Notice:** FSP-07-004
From: HACC Community Services Department
Date: September 24, 2007
Re: HACC Shelter Plus Care Conflict of Interest Policy

CONFLICT OF INTEREST POLICY FOR HACC SHELTER PLUS CARE PROJECTS

No person who is an employee, agent, consultant, officer, or elected or appointed official of either the Indiana Housing and Community Development Authority or a sub-recipient of an Indiana Housing and Community Development Authority Shelter Plus Care grant and who exercises or has exercised any functions or responsibilities with respect to assisted activities, or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds there under, either for himself or herself or for those with whom he or she has family or business ties, during his or her tenure or for one year thereafter.

Participation by homeless individuals who also are participants under the program in policy or decision-making under 24 CFR § 582.300 does not constitute a conflict of interest.

To: Shelter Plus Care Sub-Recipients **Notice:** FSP-07-005
From: HACC Community Services Department
Date: September 24, 2007
Re: HACC Shelter Plus Care Administration Claims

HACC is amending the Shelter Plus Care Manual concerning Shelter Plus Care Administration claims. Please keep in mind that there are two ways that HACC Shelter Plus Care Sponsors and Sub-Recipients can claim administration reimbursement: 1) Claiming up to 8% of the grant award for eligible administration fees

made available through "grant savings" pursuant to 24 CRF 582.105; and 2) $40 per unit leased per month which is made available through HACC's CSBG-D allocation.

In the past, HACC instructed Sponsors and Sub-Recipients that they may use up to 8% of the Shelter Plus Care award for eligible administration costs if the program was operating at 100% capacity. Effective immediately, the policy is being amended: Sponsors and Sub-Recipients may use up to 8% of the Shelter Plus Care award for eligible administration costs if your program is operating at 70% capacity. Prior to claiming Shelter Plus Care administration reimbursement, a Sponsors or Sub-Recipient must have HACC approve its method of tracking "grant savings." Please review the literature that was provided at the May 15, 2007 Grant Savings workshop for details on how to track grant savings. Further information can be found in HUD's Shelter Plus Care Desk Guide, Section 2.1 Eligible Activities. Sponsors and Sub Recipients must also have in place a procedure for tracking eligible Shelter Plus Care administrative expenses. Administration reimbursements utilizing grant savings must be claimed quarterly rather than monthly. If your agency needs further technical assistance in this matter, please contact Lori Dimick or Rodney Stockment. HACC encourages all Sponsors and Sub-Recipients with grant savings operating at or above 70% to claim administrative costs.

CSBG-D funds used to reimburse administrative costs on a per unit basis will continue to be made available to Sponsors and Sub-Recipients in 2008. Unlike your Shelter Plus Care award, these funds are allocated on the calendar year. As such, *all administration claims for the calendar year 2007 must be submitted by January 15, 2007*. This should be done utilizing your monthly claim form. Please continue to claim both rental assistance and CSBG administration reimbursements every month.

Please contact Rodney Stockment, 317-233-1814 or rstockment@HACC.in.gov for more information concerning this notice.

To: Shelter Plus Care Sub-Recipients **Notice:** FSP-07-003
From: HACC Community Services Department
Date: September 24, 2007
Re: Earned Income Disregard

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24 CFR 561.7 (a)(b)(c)(d) allows PHA's and recipients of selected federally funded housing programs to disregard any increase in income if: 1) the increased income is due to employment of a family member who has been previously unemployed; 2) the family member's income increases while receiving or within 6 months of receiving welfare; or 3) a family member's income increases during his or her participation in a self-sufficiency or job training program.
The disregard is known as the Earned Income Disregard (EID). EID is available for all public housing residents. The earned income disallowance for disabled individuals is only applicable to those participants in the HOME Investment Partnerships Program, the Housing Opportunities for Persons with AIDS program (HOPWA), the Supportive Housing Program, and the Housing Choice Voucher Program; however, **EID IS NOT APPLICABLE TO THE SHELTER PLUS CARE PROGRAM.**

A prior HACC income calculation form included the EID as a line item. Please disregard this deduction immediately. A new income calculation form will be distributed to all sub-recipients. If you have disregarded income for participants pursuant to the EID, please notify the HACC to the attention of Rodney Stockment, rstockment@HACC.in.gov .
Sub-recipients will not be held responsible for the prior use of the EID; rather, the purpose of this survey is to allow HACC to reconcile its grant accounts as well as recalculate rents, which may have a potential effect on participants. Please call Rodney Stockment if you have any questions concerning this notice: 317-233-1814.

To: Shelter Plus Care Sub-Recipients **Notice:** FSP-07-002
From: HACC Community Services Department
Date: September 24, 2007
Re: HACC Shelter Plus Care Monitoring Policy

It is the policy of the Indiana Housing and Community Development Authority (HACC) to monitor its Shelter Plus Care sub-recipients on an annual basis. Two types of reviews will be used to monitor sub-recipients: On Site Review and Remote Review. An On Site Review will consist of a complete review of the sub-recipient's program and financial records as well as random review of Housing Quality Standard inspections. Remote Reviews will require sub-recipients to submit requested documentation to the HACC for review. Remote Reviews will address specific topics, such as participant eligibility, from random files. It is the policy of the HACC to perform On Site Reviews of not less than thirty (30) percent of its sub-recipients annually. The remaining sub recipients will be engaged in topical Remote Reviews.

The following risk factors will be used in determining which sub-recipients will be selected for On-Site Reviews:

9. Staff turnover;
10. Utilization of grant funds;
11. Claim iteration (deviation from monthly claims);
12. APR performance;
13. Consumer Complaints;
14. Unresolved HUD Finding (including APR Findings);
15. Compliance with terms and conditions of HACC S+C Agreement; and
16. Time of last On-Site Review.

Each program's past performance will be analyzed and compared against the full spectrum of HACC's Shelter Plus Care programs. Programs with highest risk will be selected for On-Site Review.

Prior to either On Site or Remote Reviews, HACC will notify sub-recipient in writing of the type and date of the review. HACC will also provide sub-recipient with specific instructions and an explanation of review process.

GLOSSARY

A. ACRONYMS USED IN THE HOUSING CHOICE VOUCHER (HCV) PROGRAM

AAF	Annual adjustment factor (published by HUD in the *Federal Register* and used to compute annual rent adjustments)
ACC	Annual contributions contract
ADA	Americans with Disabilities Act of 1990
AIDS	Acquired immune deficiency syndrome
BR	Bedroom
CDBG	Community Development Block Grant (Program)
CFR	Code of Federal Regulations (published federal rules that define and implement laws; commonly referred to as "the regulations")
CPI	Consumer price index (published monthly by the Department of Labor as an inflation indicator)
EID	Earned income disallowance
EIV	Enterprise Income Verification
FDIC	Federal Deposit Insurance Corporation
FHA	Federal Housing Administration (HUD Office of Housing)
FHEO	Fair Housing and Equal Opportunity (HUD Office of)
FICA	Federal Insurance Contributions Act (established Social Security taxes)
FMR	Fair market rent
FR	Federal Register
FSS	Family Self-Sufficiency (Program)
FY	Fiscal year
FYE	Fiscal year end
GAO	Government Accountability Office
GR	Gross rent
HA	Housing authority or housing agency
HAP	Housing assistance payment
HCV	Housing choice voucher
HQS	Housing quality standards
HUD	Department of Housing and Urban Development
HUDCLIPS	HUD Client Information and Policy System

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IPA	Independent public accountant
IRA	Individual retirement account
IRS	Internal Revenue Service
JTPA	Job Training Partnership Act
LBP	Lead-based paint
LEP	Limited English proficiency
MSA	Metropolitan statistical area (established by the U.S. Census Bureau)
MTCS	Multi-family Tenant Characteristics System (now the Form HUD-50058 submodule of the PIC system)
MTW	Moving to Work
NOFA	Notice of funding availability
OGC	HUD's Office of General Counsel
OIG	HUD's Office of Inspector General
OMB	Office of Management and Budget
PASS	Plan to Achieve Self-Support
PHA	Public housing agency
PIC	PIH Information Center
PIH	(HUD Office of) Public and Indian Housing
PS	Payment standard
QC	Quality control
REAC	(HUD) Real Estate Assessment Center
RFP	Request for proposals
RFTA	Request for tenancy approval
RIGI	Regional inspector general for investigation (handles fraud and program abuse matters for HUD at the regional office level)
SEMAP	Section 8 Management Assessment Program
SRO	Single room occupancy
SSA	Social Security Administration
SSI	Supplemental security income
SWICA	State wage information collection agency

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TANF	Temporary assistance for needy families
TPV	Tenant protection vouchers
TR	Tenant rent
TTP	Total tenant payment
UA	Utility allowance
UFAS	Uniform Federal Accessibility Standards
UIV	Upfront income verification
URP	Utility reimbursement payment
VAWA	Violence Against Women Reauthorization Act of 2013

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B. GLOSSARY OF SUBSIDIZED HOUSING TERMS

Absorption. In portability (under subpart H of this part 982): the point at which a receiving PHA stops billing the initial PHA for assistance on behalf of a portability family. The receiving PHA uses funds available under the receiving PHA consolidated ACC.

Accessible. The facility or portion of the facility can be approached, entered, and used by persons with disabilities.

Adjusted income. Annual income, less allowable HUD deductions and allowances.

Administrative fee. Fee paid by HUD to the PHA for administration of the program. See §982.152.

Administrative plan. The plan that describes PHA policies for administration of the tenant-based programs. The Administrative Plan and any revisions must be approved by the PHA's board and included as a supporting document to the PHA Plan. See §982.54.

Admission. The point when the family becomes a participant in the program. The date used for this purpose is the effective date of the first HAP contract for a family (first day of initial lease term) in a tenant-based program.

Affiliated individual. With respect to an individual, a spouse, parent, brother, sister, or child of that individual, or an individual to whom that individual stands in loco parentis (in the place of a parent), or any individual, tenant, or lawful occupant living in the household of that individual

Amortization payment. In a manufactured home space rental: The monthly debt service payment by the family to amortize the purchase price of the manufactured home.

Annual. Happening once a year.

Annual contributions contract (ACC). The written contract between HUD and a PHA under which HUD agrees to provide funding for a program under the 1937 Act, and the PHA agrees to comply with HUD requirements for the program.

Annual income. The anticipated total income of an eligible family from all sources for the 12-month period following the date of determination of income, computed in accordance with the regulations.

Applicant (applicant family). A family that has applied for admission to a program but is not yet a participant in the program.

Area exception rent. An amount that exceeds the published FMR. See 24 CFR 982.504(b).

As-paid states. States where the welfare agency adjusts the shelter and utility component of the welfare grant in accordance with actual housing costs.

Assets. (See *net family assets.*)

Auxiliary aids. Services or devices that enable persons with impaired sensory, manual, or speaking skills to have an equal opportunity to participate in, and enjoy the benefits of, programs or activities receiving federal financial assistance.

Biennial. Happening every two years.

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Bifurcate. With respect to a public housing or Section 8 lease, to divide a lease as a matter of law such that certain tenants can be evicted or removed while the remaining family members' lease and occupancy rights are allowed to remain intact.

Budget authority. An amount authorized and appropriated by the Congress for payment to PHAs under the program. For each funding increment in a PHA program, budget authority is the maximum amount that may be paid by HUD to the PHA over the ACC term of the funding increment.

Child. *A* member of the family other than the family head or spouse who is under 18 years of age.

Child care expenses. Amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.

Citizen. *A* citizen or national of the United States.

Cohead. An individual in the household who is equally responsible for the lease with the head of household. A family may have a cohead or spouse but not both. A cohead never qualifies as a dependent. The cohead must have legal capacity to enter into a lease.

Common space. In shared housing, the space available for use by the assisted family and other occupants of the unit.

Computer match. The automated comparison of databases containing records about individuals.

Confirmatory review. An on-site review performed by HUD to verify the management performance of a PHA.

Consent form. Any consent form approved by HUD to be signed by assistance applicants and participants to obtain income information from employers and SWICAs; return information from the Social Security Administration (including wages, net earnings from self-employment, and retirement income); and return information for unearned income from the IRS. Consent forms expire after a certain time and may authorize the collection of other information to determine eligibility or level of benefits.

Congregate housing. Housing for elderly persons or persons with disabilities that meets the HQS for congregate housing. A special housing type: see 24 CFR 982.606–609.

Contiguous MSA. In portability (under subpart H of part 982): An MSA that shares a common boundary with the MSA in which the jurisdiction of the initial PHA is located.

Continuously assisted. An applicant is continuously assisted under the 1937 Act if the family is already receiving assistance under any 1937 Housing Act program when the family is admitted to the voucher program.

Contract authority. The maximum annual payment by HUD to a PHA for a funding increment.

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Cooperative (term includes mutual housing). Housing owned by a nonprofit corporation or association, and where a member of the corporation or association has the right to reside in a particular apartment, and to participate in management of the housing. A special housing type (see 24 CFR 982.619).

Covered families. Statutory term for families who are required to participate in a welfare agency economic self-sufficiency program and who may be subject to a welfare benefit sanction for noncompliance with this obligation. Includes families who receive welfare assistance or other public assistance under a program for which federal, state or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for the assistance.

Dating violence. Violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim; and where the existence of such a relationship shall be determined based on a consideration of the following factors:

- The length of the relationship
- The type of relationship
- The frequency of interaction between the persons involved in the relationship

Dependent. A member of the family (except foster children and foster adults) other than the family head or spouse, who is under 18 years of age, or is a person with a disability, or is a full-time student.

Dependent child. In the context of the student eligibility restrictions, a dependent child of a student enrolled in an institution of higher education. The dependent child must also meet the definition of *dependent* as specified above.

Disability assistance expenses. Reasonable expenses that are anticipated, during the period for which annual income is computed, for attendant care and auxiliary apparatus for a disabled family member, and that are necessary to enable a family member (including the disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source.

Disabled family. A family whose head, cohead, spouse, or sole member is a person with disabilities; two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides.

Disabled person. See *person with disabilities.*

Disallowance. Exclusion from annual income.

Displaced family. A family in which each member, or whose sole member, is a person displaced by governmental action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to federal disaster relief laws.

Domestic violence. Felony or misdemeanor crimes of violence committed by a current or former spouse of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim

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who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.

Domicile. The legal residence of the household head or spouse as determined in accordance with state and local law.

Drug-related criminal activity. The illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute, or use the drug.

Economic self-sufficiency program. Any program designed to encourage, assist, train or facilitate the economic independence of assisted families, or to provide work for such families. Can include job training, employment counseling, work placement, basic skills training, education, English proficiency, Workfare, financial or household management, apprenticeship, or any other program necessary to ready a participant to work (such as treatment for drug abuse or mental health treatment). Includes any work activities as defined in the Social Security Act (42 U.S.C. 607(d)). Also see 24 CFR 5.603(c).

Elderly family. A family whose head, cohead, spouse, or sole member is a person who is at least 62 years of age; two or more persons who are at least 62 years of age living together; or one or more persons who are at least 62 years of age living with one or more live-in aides.

Elderly person. An individual who is at least 62 years of age.

Eligible family A family that is income eligible and meets the other requirements of the 1937 Act and Part 5 of 24 CFR. See also *family.*

Employer identification number (EIN). The nine-digit taxpayer identifying number that is assigned to an individual, trust, estate, partnership, association, company, or corporation.

Evidence of citizenship or eligible status. The documents which must be submitted as evidence of citizenship or eligible immigration status. See 24 CFR 5.508(b).

Extremely low-income family. A family whose annual income does not exceed the federal poverty level or 30 percent of the median income for the area, whichever number is higher. Area median income is determined by HUD, with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than 30 percent of median income if HUD finds such variations are necessary due to unusually high or low family incomes. See 24 CFR 5.603.

Facility. All or any portion of buildings, structures, equipment, roads, walks, parking lots, rolling stock, or other real or personal property or interest in the property.

Fair Housing Act. Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988.

Fair market rent (FMR). The rent, including the cost of utilities (except telephone), as established by HUD for units of varying sizes (by number of bedrooms), that must be paid in the housing market area to rent privately owned, existing, decent, safe, and sanitary rental housing of modest (non-luxury) nature with suitable amenities. See periodic publications in the *Federal Register* in accordance with 24 CFR Part 888.

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Family. Includes but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status, and can be further defined in PHA policy.

- A family with or without children (the temporary absence of a child from the home due to placement in foster care is not considered in determining family composition and family size)
- An elderly family or a near-elderly family
- A displaced family
- The remaining member of a tenant family
- A single person who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family.

Family rent to owner. In the voucher program, the portion of rent to owner paid by the family.

Family self-sufficiency program (FSS program). The program established by a PHA in accordance with 24 CFR part 984 to promote self-sufficiency of assisted families, including the coordination of supportive services (42 U.S.C. 1437u).

Family share. The portion of rent and utilities paid by the family. For calculation of family share, see 24 CFR 982.515(a).

Family unit size. The appropriate number of bedrooms for a family, as determined by the PHA under the PHA subsidy standards.

Federal agency. A department of the executive branch of the federal government.

Foster child care payment. A payment to eligible households by state, local, or private agencies appointed by the state to administer payments for the care of foster children.

Full-time student. A person who is attending school or vocational training on a full-time basis (carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended). See 24 CFR 5.603.

Funding increment. Each commitment of budget authority by HUD to a PHA under the consolidated annual contributions contract for the PHA program.

Gender identity. Actual or perceived gender-related characteristics.

Gross rent. The sum of the rent to owner plus any utility allowance.

Group home. A dwelling unit that is licensed by a state as a group home for the exclusive residential use of two to twelve persons who are elderly or persons with disabilities (including any live-in aide). (A special housing type: see 24 CFR 982.610–614.)

Handicap. Any condition or characteristic that renders a person an individual with handicaps. (See *person with disabilities*.)

HAP contract. The housing assistance payments contract. A written contract between the PHA and an owner for the purpose of providing housing assistance payments to the owner on behalf of an eligible family.

Head of household. The adult member of the family who is the head of the household for purposes of determining income eligibility and rent.

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Household. A household includes additional people other than the family who, with the PHA's permission, live in an assisted unit, such as live-in aides, foster children, and foster adults.

Housing assistance payment. The monthly assistance payment by a PHA, which includes: (1) A payment to the owner for rent to the owner under the family's lease; and (2) An additional payment to the family if the total assistance payment exceeds the rent to owner.

Housing agency (HA). See *public housing agency.*

Housing quality standards (HQS). The HUD minimum quality standards for housing assisted under the voucher program.

HUD. The U.S. Department of Housing and Urban Development.

Imputed asset. An asset disposed of for less than fair market value during the two years preceding examination or reexamination.

Imputed asset income. The PHA-established passbook rate multiplied by the total cash value of assets. The calculation is used when net family assets exceed $5,000.

Imputed welfare income. An amount of annual income that is not actually received by a family as a result of a specified welfare benefit reduction, but is included in the family's annual income and therefore reflected in the family's rental contribution.

Income. Income from all sources of each member of the household, as determined in accordance with criteria established by HUD.

Income for eligibility. Annual income.

Income information means information relating to an individual's income, including:

- All employment income information known to current or previous employers or other income sources
- All information about wages, as defined in the state's unemployment compensation law, including any social security number; name of the employee; quarterly wages of the employee; and the name, full address, telephone number, and, when known, employer identification number of an employer reporting wages under a state unemployment compensation law
- Whether an individual is receiving, has received, or has applied for unemployment compensation, and the amount and the period received
- Unearned IRS income and self-employment, wages, and retirement income
- Wage, social security, and supplemental security income data obtained from the Social Security Administration.

Individual with handicaps. See *person with disabilities.*

Initial PHA. In portability, the term refers to both: (1) A PHA that originally selected a family that later decides to move out of the jurisdiction of the selecting PHA; and (2) A PHA that absorbed a family that later decides to move out of the jurisdiction of the absorbing PHA.

Initial payment standard. The payment standard at the beginning of the HAP contract term.

Initial rent to owner. The rent to owner at the beginning of the HAP contract term.

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Institution of higher education. An institution of higher education as defined in 20 U.S.C. 1001 and 1002. See Exhibit 3-2 in this Administrative Plan.

Jurisdiction. The area in which the PHA has authority under state and local law to administer the program.

Landlord. Either the owner of the property or his/her representative, or the managing agent or his/her representative, as shall be designated by the owner.

Lease. A written agreement between an owner and a tenant for the leasing of a dwelling unit to the tenant. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP contract between the owner and the PHA.

Live-in aide. A person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who:

- Is determined to be essential to the care and well-being of the persons;
- Is not obligated for the support of the persons; and
- Would not be living in the unit except to provide the necessary supportive services.

Living/sleeping room. A living room may be used as sleeping (bedroom) space, but no more than two persons may occupy the space. A bedroom or living/sleeping room must have at least one window and two electrical outlets in proper operating condition. See HCV GB p. 10-6 and 24 CFR 982.401.

Local preference. A preference used by the PHA to select among applicant families.

Low-income family. A family whose income does not exceed 80 percent of the median income for the area as determined by HUD with adjustments for smaller or larger families, except that HUD may establish income limits higher or lower than 80 percent for areas with unusually high or low incomes.

Manufactured home. A manufactured structure that is built on a permanent chassis, is designed for use as a principal place of residence, and meets the HQS. (A special housing type: see 24 CFR 982.620 and 982.621.)

Manufactured home space. In manufactured home space rental: A space leased by an owner to a family. A manufactured home owned and occupied by the family is located on the space. See 24 CFR 982.622 to 982.624.

Medical expenses. Medical expenses, including medical insurance premiums, that are anticipated during the period for which annual income is computed, and that are not covered by insurance (a deduction for elderly or disabled families only). These allowances are given when calculating adjusted income for medical expenses in excess of 3 percent of annual income.

Minor. A member of the family household other than the family head or spouse, who is under 18 years of age.

Mixed family. *A* family whose members include those with citizenship or eligible immigration status, and those without citizenship or eligible immigration status.

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Monthly adjusted income. One twelfth of adjusted income.

Monthly income. One twelfth of annual income.

Mutual housing. Included in the definition of *cooperative.*

National. *A* person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.

Near-elderly family. A family whose head, spouse, or sole member is a person who is at least 50 years of age but below the age of 62; or two or more persons, who are at least 50 years of age but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age of 62 living with one or more live-in aides.

Net family assets. (1) Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.

- In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income under §5.609.
- In determining net family assets, PHAs or owners, as applicable, shall include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefore. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

Noncitizen. *A* person who is neither a citizen nor national of the United States.

Notice of funding availability (NOFA). For budget authority that HUD distributes by competitive process, the *Federal Register* document that invites applications for funding. This document explains how to apply for assistance and the criteria for awarding the funding.

Office of General Counsel (OGC). The General Counsel of HUD.

Overcrowded. A unit that does not meet the following HQS space standards: (1) Provide adequate space and security for the family; and (2) Have at least one bedroom or living/sleeping room for each two persons.

Owner. Any person or entity with the legal right to lease or sublease a unit to a participant.

PHA Plan. The annual plan and the 5-year plan as adopted by the PHA and approved by HUD.

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PHA's quality control sample. An annual sample of files or records drawn in an unbiased manner and reviewed by a PHA supervisor (or by another qualified person other than the person who performed the original work) to determine if the work documented in the files or records conforms to program requirements. For minimum sample size see CFR 985.3.

Participant (participant family). A family that has been admitted to the PHA program and is currently assisted in the program. The family becomes a participant on the effective date of the first HAP contract executed by the PHA for the family (first day of initial lease term).

Payment standard. The maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family).

Person with disabilities. *For the purposes of program eligibility*. A person who has a disability as defined under the Social Security Act or Developmental Disabilities Care Act, or a person who has a physical or mental impairment expected to be of long and indefinite duration and whose ability to live independently is substantially impeded by that impairment but could be improved by more suitable housing conditions. This includes persons with AIDS or conditions arising from AIDS but excludes persons whose disability is based solely on drug or alcohol dependence. *For the purposes of reasonable accommodation.* A person with a physical or mental impairment that substantially limits one or more major life activities, a person regarded as having such an impairment, or a person with a record of such an impairment.

Portability. Renting a dwelling unit with a Section 8 housing choice voucher outside the jurisdiction of the initial PHA.

Premises. The building or complex in which the dwelling unit is located, including common areas and grounds.

Previously unemployed. With regard to the earned income disallowance, a person with disabilities who has earned, in the 12 months previous to employment, no more than would be received for 10 hours of work per week for 50 weeks at the established minimum wage.

Private space. In shared housing, the portion of a contract unit that is for the exclusive use of an assisted family.

Processing entity. The person or entity that, under any of the programs covered, is responsible for making eligibility and related determinations and any income reexamination. In the HCV program, the "processing entity" is the "responsible entity."

Project owner. The person or entity that owns the housing project containing the assisted dwelling unit.

Public assistance. Welfare or other payments to families or individuals, based on need, which are made under programs funded, separately or jointly, by federal, state, or local governments.

Public housing agency (PHA). Any state, county, municipality, or other governmental entity or public body, or agency or instrumentality of these entities, that is authorized to engage or assist in the development or operation of low-income housing under the 1937 Act.

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Qualified family (under the earned income disallowance). A family participating in an applicable assisted housing program or receiving HCV assistance:

- Whose annual income increases as a result of employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment;
- Whose annual income increases as a result of increased earnings by a family member who is a person with disabilities during participation in any economic self-sufficiency or other job training program; or
- Whose annual income increases, as a result of new employment or increased earnings of a family member who is a person with disabilities, during or within six months after receiving assistance, benefits or services under any state program for temporary assistance for needy families funded under Part A of Title IV of the Social Security Act, as determined by the responsible entity in consultation with the local agencies administering temporary assistance for needy families (TANF) and Welfare-to-Work (WTW) programs. The TANF program is not limited to monthly income maintenance, but also includes such benefits and services as one-time payments, wage subsidies and transportation assistance--provided that the total amount over a six-month period is at least $500.

Qualified census tract. With regard to certain tax credit units, any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50 percent of households have an income of less than 60 percent of Area Median Gross Income (AMGI), or where the poverty rate is at least 25 percent, and where the census tract is designated as a qualified census tract by HUD.

Reasonable rent. A rent to owner that is not more than rent charged: (1) For comparable units in the private unassisted market; and (2) For comparable unassisted units in the premises.

Reasonable accommodation. A change, exception, or adjustment to a rule, policy, practice, or service to allow a person with disabilities to fully access the PHA's programs or services.

Receiving PHA. In portability: A PHA that receives a family selected for participation in the tenant-based program of another PHA. The receiving PHA issues a voucher and provides program assistance to the family.

Recertification. Sometimes called *reexamination.* The process of securing documentation of total family income used to determine the rent the tenant will pay for the next 12 months if there are no additional changes to be reported.

Remaining member of the tenant family. The person left in assisted housing who may or may not normally qualify for assistance on their own circumstances (i.e., an elderly spouse dies, leaving widow age 47 who is not disabled).

Rent to owner. The total monthly rent payable to the owner under the lease for the unit (also known as contract rent). Rent to owner covers payment for any housing services, maintenance, and utilities that the owner is required to provide and pay for.

Residency preference. A PHA preference for admission of families that reside anywhere in a specified area, including families with a member who works or has been hired to work in the area (See *residency preference area*).

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Residency preference area. The specified area where families must reside to qualify for a residency preference.

Responsible entity. For the public housing and the Section 8 tenant-based assistance, project-based voucher assistance, and moderate rehabilitation programs, the responsible entity means the PHA administering the program under an ACC with HUD. For all other Section 8 programs, the responsible entity means the Section 8 owner.

Secretary. The Secretary of Housing and Urban Development.

Section 8. Section 8 of the United States Housing Act of 1937.

Section 8 covered programs. All HUD programs which assist housing under Section 8 of the 1937 Act, including Section 8 assisted housing for which loans are made under Section 202 of the Housing Act of 1959.

Section 214. Section 214 of the Housing and Community Development Act of 1980, as amended.

Section 214 covered programs. The collective term for the HUD programs to which the restrictions imposed by Section 214 apply. These programs are set forth in 24 CFR 5.500.

Security deposit. A dollar amount (maximum set according to the regulations) which can be used for unpaid rent or damages to the owner upon termination of the lease.

Set-up charges. In a manufactured home space rental, charges payable by the family for assembling, skirting, and anchoring the manufactured home.

Sexual assault. Any nonconsensual sexual act proscribed by federal, tribal, or state law, including when the victim lacks capacity to consent (42 U.S.C. 13925(a)).

Sexual orientation. Homosexuality, heterosexuality or bisexuality.

Shared housing. A unit occupied by two or more families. The unit consists of both common space for shared use by the occupants of the unit and separate private space for each assisted family. (A special housing type: see 24 CFR 982.615–982.618.)

Single person. A person living alone or intending to live alone.

Single room occupancy housing (SRO). A unit that contains no sanitary facilities or food preparation facilities, or contains either, but not both, types of facilities. (A special housing type: see 24 CFR 982.602–982.605.)

Social security number (SSN). The nine-digit number that is assigned to a person by the Social Security Administration and that identifies the record of the person's earnings reported to the Social Security Administration. The term does not include a number with a letter as a suffix that is used to identify an auxiliary beneficiary.

Special admission. Admission of an applicant that is not on the PHA waiting list or without considering the applicant's waiting list position.

Special housing types. See subpart M of part 982. Subpart M states the special regulatory requirements for: SRO housing, congregate housing, group homes, shared housing, cooperatives (including mutual housing), and manufactured homes (including manufactured home space rental).

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Specified welfare benefit reduction. Those reductions of welfare benefits (for a covered family) that may not result in a reduction of the family rental contribution. A reduction of welfare benefits because of fraud in connection with the welfare program, or because of welfare sanction due to noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

Spouse. The marriage partner of the head of household.

Stalking. To follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate; or to place under surveillance with the intent to kill, injure, harass, or intimidate another person; and in the course of, or as a result of, such following, pursuit, surveillance, or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or to cause substantial emotional harm to (1) that person, (2) a member of the immediate family of that person, or (3) the spouse or intimate partner of that person.

State wage information collection agency (SWICA). The state agency, including any Indian tribal agency, receiving quarterly wage reports from employers in the state, or an alternative system that has been determined by the Secretary of Labor to be as effective and timely in providing employment-related income and eligibility information.

Subsidy standards. Standards established by a PHA to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions.

Suspension. The term on the family's voucher stops from the date the family submits a request for PHA approval of the tenancy, until the date the PHA notifies the family in writing whether the request has been approved or denied. This practice is also called *tolling.*

Tax credit rent. With regard to certain tax credit units, the rent charged for comparable units of the same bedroom size in the building that also receive the low-income housing tax credit but do not have any additional rental assistance (e.g., tenant-based voucher assistance).

Tenancy addendum. For the housing choice voucher program, the lease language required by HUD in the lease between the tenant and the owner.

Tenant. The person or persons (other than a live-in aide) who executes the lease as lessee of the dwelling unit.

Tenant rent to owner. See *family rent to owner*.

Term of lease. The amount of time a tenant agrees in writing to live in a dwelling unit.

Total tenant payment (TTP). The total amount the HUD rent formula requires the tenant to pay toward rent and utilities.

Unit. Residential space for the private use of a family. The size of a unit is based on the number of bedrooms contained within the unit and generally ranges from zero (0) bedrooms to six (6) bedrooms.

Utilities. Water, electricity, gas, other heating, refrigeration, cooking fuels, trash collection, and sewage services. Telephone service is not included.

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Utility allowance. If the cost of utilities (except telephone) and other housing services for an assisted unit is not included in the tenant rent but is the responsibility of the family occupying the unit, an amount equal to the estimate made or approved by a PHA or HUD of the monthly cost of a reasonable consumption of such utilities and other services for the unit by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful living environment.

Utility reimbursement. In the voucher program, the portion of the housing assistance payment which exceeds the amount of rent to owner.

Utility hook-up charge. In a manufactured home space rental: Costs payable by a family for connecting the manufactured home to utilities such as water, gas, electrical and sewer lines.

Very low-income family. A low-income family whose annual income does not exceed 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income limits higher or lower than 50 percent of the median income for the area on the basis of its finding that such variations are necessary because of unusually high or low family incomes. This is the income limit for the housing choice voucher program.

Veteran. A person who has served in the active military or naval service of the United States at any time and who shall have been discharged or released therefrom under conditions other than dishonorable.

Violence Against Women Reauthorization Act (VAWA) of 2013. Prohibits denying admission to the program to an otherwise qualified applicant or terminating assistance on the basis that the applicant or program participant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking.

Violent criminal activity. Any illegal criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against the person or property of another.

Voucher *(housing choice voucher).* A document issued by a PHA to a family selected for admission to the housing choice voucher program. This document describes the program and the procedures for PHA approval of a unit selected by the family. The voucher also states obligations of the family under the program.

Voucher holder. A family holding a voucher with an unexpired term (search time).

Voucher program. The housing choice voucher program.

Waiting list. A list of families organized according to HUD regulations and PHA policy who are waiting for a unit to become available.

Waiting list admission. An admission from the PHA waiting list.

Welfare assistance. Income assistance from federal or state welfare programs, including assistance provided under TANF and general assistance. Does not include assistance directed solely to meeting housing expenses, nor programs that provide health care, child care or other services for working families. For the FSS program (984.103(b)), *welfare assistance* includes only cash maintenance payments from federal or state programs designed to meet a family's ongoing basic needs, but does not include food stamps, emergency rental and utilities assistance, SSI, SSDI, or social security.

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ADMINISTRATIVE PLAN

FOR THE

HOUSING CHOICE VOUCHER PROGRAM

Product # 301-002

January 1, 2005

Revision Date	Revision Date
September 1, 2005	August 1, 2010
May 1, 2006	May 1, 2011
December 1, 2006	April 1, 2012
July 1, 2007	April 1, 2013
August 1, 2008	May 1, 2014
November 1, 2008	April, 2015
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Model Administrative Plan

TEMPORARY ADDENDUM DOCUMENT

INTRODUCTION

On January 22, 2013, HUD issued Notice PIH 2013-03 to acknowledge and address the budget and staff constraints that many PHAs have faced in recent years. The notice provides four optional methods to reduce administrative burden, which are addressed below.

HUD posted Frequently Asked Questions (FAQs) about the notice on March 1, 2013.

On November 5, 2013, HUD issued Notice PIH 2013-26 to extend for an additional year the temporary compliance provisions described in Notice PIH 2013-03. Originally set to expire on March 31, 2014, the notice will now remain effective until March 31, 2015.

Before implementing any of the temporary policy options, the PHA must notify HUD by e-mail. The e-mail must state which of the four options will be implemented.

The PHA must revise its administrative plan before any of the temporary policies are implemented. This document, with board approval, contains the PHA's policies for implementation. The PHA must also evaluate whether adoption of any of the temporary policies would constitute a significant amendment to its annual plan, and must revise the annual plan if necessary.

The temporary provisions that an agency may adopt include:

> **Option 1: Allow option to use participants' past income in verifying income**. This option may simplify the verification process by eliminating the need for family-provided documents, such as pay stubs, in some situations.
>
> **Option 2: Allow households to self-certify assets of $5,000 or less**. Due to the imputed asset calculation, assets with a value of $5,000 or less have little to no impact on TTP. The notice allows agencies to accept a self certification to save administrative time.
>
> **Option 3: Allow optional streamlined annual reexaminations for elderly families and disabled families on fixed incomes**. For elderly and disabled families whose income is limited to such fixed sources as Social Security or a pension, the agency can reduce administrative time by simply updating income on an annual basis for any cost of living adjustments. If the family has other sources of income that are not fixed a streamlined reexamination would not be an option.
>
> **Option 4: Allow PHAs to establish a payment standard of not more than 120 percent of the fair market rent (FMR) without HUD approval as a reasonable accommodation**. The agency can approve a payment standard between 111% and 120% of fair market rent (FMR) without field office approval as a reasonable accommodation on a case-by-case basis. This has the effect of affirmatively furthering fair housing by expanding affordable housing choices for a person with disabilities.

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HUD has clarified that Option 1 and Option 3 are mutually exclusive. Therefore, the PHA may not implement both options.

Policies contained in this temporary addendum will override existing administrative plan policies until March 31, 2015.

OPTION 1: USE OF ACTUAL PAST INCOME

HUD requires that the use of actual past income must be based on income received during the most recent 12-month period shown in the EIV system. This same 12-month period must be used to determine annual income from non-EIV income sources, such as TANF.

The option must be applied to all participant families. However, anticipated future income must be used to determine annual income:

- For all applicant families
- At the family's request, and
- When the family's declared income differs substantially from EIV data.

For past income shown in the family's EIV report, no additional verification is required unless the family requests use of anticipated income, or there is a substantial difference between the EIV data and family-declared income.

HACC Policy:

The PHA not be implementing Option 1.

OPTION 2: SELF-CERTIFICATION OF ASSETS OF $5,000 OR LESS

This option permits the PHA to temporarily accept family self-certification of assets when the total net value of the family's assets does not exceed $5,000. The option reduces administrative burden by eliminating the time-consuming verification process for assets which have minimal impact on the family's subsidy level.

The family's self-certification on application and reexamination forms may be accepted when all adult family members sign the applicable form.

The PHA must continue to report all assets on Form HUD-50058, including assets of families with net assets which do not exceed $5,000.

If the family's assets exceed $5,000 in net value, the PHA must verify the assets according to existing PHA policy.

HACC Policy

HACC will implement Option 2, and will comply with all HUD requirements.

For families whose assets do not exceed $5,000 in net value, HACC will accept family self-certification of asset value and anticipated income.

HACC may require additional verification if necessary to document that assets do not exceed $5,000 in net value.

OPTION 3: STREAMLINING OF ANNUAL REEXAMINATIONS FOR ELDERLY AND DISABLED FAMILIES ON FIXED INCOMES

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Option 3 is intended to reduce administrative burden by permitting the PHA to streamline some of its annual reexaminations

Under this option, the PHA will temporarily bypass its existing policies on verification of income. The option is only applicable to families:

- Whose head, spouse or cohead is either at least 62 years old or disabled, AND
- Who receive income only from fixed income sources.

Fixed income sources include Social Security and SSI, governmental or private pensions, and other periodic payments that are of substantially the same amounts from year to year.

In a streamlined annual reexamination, the PHA calculates annual income by applying any published cost of living adjustment (COLA) to the previously-verified income amount.

HACC Policy

HACC will implement Option 3, and will comply with all HUD requirements.

For elderly and disabled families with fixed incomes, HACC will recalculate annual income by applying any published COLA to previously-verified amounts. Current documentation of fixed income is not required.

If the family receives any income from a non-fixed income source, HACC will not streamline the annual reexamination.

OPTION 4: APPROVAL OF EXCEPTION PAYMENT STANDARDS AS REASONABLE ACCOMMODATION

References: Notice PIH 2010-11; Notice PIH 2010-26

The PHA is required to approve an exception payment standard as a reasonable accommodation for a family that includes a person with disabilities, if the exception is necessary to make the program accessible to and usable by persons with disabilities. The exception may be necessary to permit the family to rent a unit with accessible features.

Current rules permit the PHA to approve an exception payment standard up to 110% of the applicable fair market rent (FMR). Field office approval is required for exceptions from 111% to 120% of FMR, and HUD headquarters approval is required for exceptions above 120%. HUD has noted that the requirement for field office approval has resulted in delays which may prevent the family from renting the unit.

Option 4 temporarily eliminates the requirement for field office approval, and permits the PHA to approve exception payment standards of up to 120% of FMR in this situation. Exceptions above 120% of FMR still require approval from HUD headquarters.

Under this option, the PHA must maintain file documentation of rent reasonableness and documentation that the unit has features required to meet the needs of the person with disabilities.

HACC Policy

HACC will implement Option 4, and will comply with all HUD requirements.

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When a family that includes a person with disabilities requires an exception payment standard as a reasonable accommodation, HACC will approve or deny requests for exceptions up to 120% of the applicable FMR.

Requests for exception payment standards over 120% of FMR will be forwarded to HUD headquarters, with supporting documentation as described in Notice PIH 2010-11.

HACC will maintain file documentation as required by HUD, including documentation of rent reasonableness and documentation of unit features required by the disabled family member.

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