

ATTACHMENT

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ADMINISTRATIVE PLAN FOR THE HOUSING CHOICE VOUCHER PROGRAM



**ADMINISTRATIVE PLAN
FOR THE HOUSING CHOICE
VOUCHER PROGRAM**

**Housing Authority of the
County of Riverside**

**FINAL
Significant Amendment
Effective July 1, 2015**

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Chapter 1

STATEMENT OF POLICIES AND OBJECTIVES

INTRODUCTION

The Housing Choice Voucher (Section 8) Program was enacted as part of the Housing and Community Development Act of 1974, which re-codified the U.S. Housing Act of 1937. The Act has been amended from time to time, and its requirements are described in, and implemented through this Administrative Plan.

Administration of the Housing Choice Voucher Program and the functions and responsibilities of the Housing Authority of the County of Riverside (HA) staff shall be in compliance with the United States Department of Housing and Urban Development's (HUD) Housing Choice Voucher Program Regulations as well as federal, state and local fair housing laws and regulations.

The HA is committed to the goals and policies contained in the Housing Element of the General Plan for the County of Riverside and the County of Riverside Consolidated Plan.

A. PURPOSE OF THE PLAN

The purpose of the Administrative Plan is to establish policies for carrying out the programs in a manner consistent with HUD requirements and local objectives. The Plan covers both admission and continued participation in these programs.

The HA is responsible for complying with all changes in HUD regulations pertaining to these programs. If such changes conflict with this Plan, HUD regulations will have precedence.

B. SERVICE POLICY/ACCOMMODATIONS

This policy is applicable to all situations described in this Administrative Plan when a family initiates contact with the HA, when the HA initiates contact with a family including when a family applies, and when the HA schedules or reschedules appointments of any kind.

It is the policy of this HA to be customer service oriented in the administration of our housing programs, and to exercise and demonstrate a high level of professionalism while providing housing services to the families within our jurisdiction.

The HA's policies and practices are designed to provide assurances that all persons with disabilities will be provided accommodations, whenever reasonable, so that they may have equal access to the housing programs and related services. Persons requiring special accommodations due to a disability must notify the HA of their needs.

In matters where the HA has discretion, waivers to existing policy shall be determined by the Director or designee.

C. TRANSLATION OF DOCUMENTS

The Housing Authority will provide verbal translation of documents into Spanish, as well as other languages when feasible.

D. FAMILY OUTREACH

It is the goal of the HA to assure that participating families in the program are representative of the County's targeted population groups, as identified in the Consolidated Plan of its area of operation. The HA will publicize and disseminate information to make known the availability of housing assistance and related services for low income families on an as needed basis. The HA will publicize the availability and nature of housing assistance for low income families in a newspaper of general circulation, minority media, through the agency's website at www.harivco.org and by other suitable means (such as distributing information to non-profit agencies within the county).

E. PRIVACY RIGHTS AND PROVIDING INFORMATION TO OWNERS

The HA's policy regarding release of information is in accordance with state and local laws which restricts the release of family information.

The HA's practices and procedures are designed to safeguard the privacy of applicants, program participants, and participating owners or property managers. All applicant and participant hard files and imaged files will be stored in a secure location that is only accessible by authorized staff. Owner records will be filed and/or imaged with the participant's file.

In accordance with HUD requirements, the HA will furnish prospective owners with the names and addresses of current and prior landlords of applicants and participants for tenant screening purposes.

F. EQUAL OPPORTUNITY

The HA practices equal opportunity in hiring, promotion and conditions of employment. The HA will comply with the equal opportunity housing requirements in regard to non-discrimination in housing.

G. SPECIAL HOUSING TYPES

The HA routinely provides Manufactured home space rental assistance and will provide Shared Housing, and Single Room Occupancy (SRO), as a reasonable accommodation to applicants and participants who request it in order to make the program more accessible. All units must pass Housing Quality Standards as outlined in the Code of Federal Regulations. Except where specifically regulated, all HA policies in this Administrative Plan also apply to the special housing types.

H. RULES AND REGULATIONS

This Administrative Plan is set forth to define the HA's local policies for operation of the housing programs in the context of federal laws and regulations. All issues related to Housing Choice Voucher Program not addressed in this document are governed by such federal regulations, HUD memos, notices and guidelines, or other applicable law.

I. JURISDICTION

The HA's area of operation is all of the incorporated and unincorporated cities and areas in Riverside County.

J. MONITORING PROGRAM PERFORMANCE

The HA will monitor program performance in compliance with the Annual Contributions Contract and other applicable laws, regulations and guidelines. It is the agency's objective to receive the highest rating from HUD using the Section 8 Management Assessment Program (SEMAP).

The HA will monitor Housing Quality Standards (HQS) in accordance with the Code of Federal Regulations 24 CFR Part 982, by conducting quality control inspections in an amount necessary to meet HUD requirements.

K. PROGRAM INTEGRITY MONITORING (PIM)

The Housing Authority of the County of Riverside administers Program Integrity Monitoring (PIM). The purpose of the program is to ensure that public funds are paid only on behalf of qualified and eligible participants, and to landlords and owners who comply with all contract provisions in accordance with federal regulations. (Refer to Appendix E)

PIM also staffs a toll-free fraud hotline [(800) 300-0439]. Through this hotline, the public can anonymously report any suspected participant/owner/employee fraud. The fraud hotline number is available through the internet web site, and Housing Authority newsletters.

L. REQUESTS FOR INFORMATION FROM FILES

The HA will make public records available to all persons, unless otherwise exempted from disclosure by applicable law. Copies of disclosable public records may be purchased from the HA or they can be viewed at no charge at the HA offices during normal business hours. The HA charges \$0.50 for the first page copied and \$0.10 for each additional page thereafter. To the extent permitted by law, under certain circumstances the HA may recover additional costs in connection with retrieving electronic data.

M. USE OF ADMINISTRATIVE FEE RESERVE

The HA Board of Commissioners must authorize any withdrawal from administrative fee reserves proposed through the annual budget approval process. The Board of Commissioners must authorize any amount in excess of \$75,000 per occurrence that is used during the fiscal year in addition to the previously approved amount.

N. CODE OF CONDUCT

All employees are expected to abide by the Code of Conduct for the Housing Authority, which is included as Appendix B of this document.

Chapter 2

ELIGIBILITY FOR ADMISSION

INTRODUCTION

This chapter defines the HUD and HA criteria for admission and denial of admission to the program. The policy of the HA is to strive for objectivity and consistency in applying these criteria to evaluate the eligibility of families who apply. The HA staff will review all information provided by the family carefully and without regard to factors other than those defined in this chapter. Families will be provided the opportunity to explain their circumstances, to furnish additional information, if needed, and to receive an explanation of the basis for any decision made by the HA pertaining to their eligibility.

To be eligible for participation, an applicant must meet HUD criteria, as well as any permissible additional criteria established by the HA, i.e., Policy on Zero Tolerance of Criminal Activity (see Appendix C), and established local preferences (see Chapter 4).

The family's placement on the waiting list will be made in accordance with their registration date, and self-disclosed preferences.

A. QUALIFICATION AS A FAMILY (24 CFR 5.403)

The applicant must qualify as a family. A family includes but is not limited to, regardless of marital status, actual or perceived sexual orientation, or gender identity, the following:

A single (one) person, who may be an elderly person, a displaced person, disabled person, near-elderly person, or any other single person; or

A group of persons residing together and such group includes, but is not limited to:

A family with or without minor(s) (a minor who is temporarily away, 182 days or less, from the home because of placement in foster care is considered a member of the family)

An elderly family

A near-elderly family

A disabled family

A displaced family; and

The remaining member of a tenant family

Head of Household

The head of household is the adult member of the household who is designated by the family, is wholly or partly responsible for paying the rent, and has the legal capacity to enter into a lease under state/local law. Emancipated minors who qualify under state law may be recognized as the head of household.

Live-In Aide (24 CFR 982.316)

A family that consists of one or more elderly, near-elderly or disabled persons may request that the HA approve a live-in aide to reside in the unit and provide necessary supportive services for a family member who is a person with disabilities. The HA must approve a live-in aide if needed as a reasonable accommodation in accordance with 24 CFR Part 8 to make the program accessible to and usable by the family member with a disability. A statement from a licensed professional supporting the need for a Live-In Aide will be required. This statement must be renewed every year at the annual recertification. For relocations the verification must be current within the last 120 days.

Live-in aide means a person who resides with one or more elderly persons, near-elderly or disabled persons, and who:

1. Is determined by the HA to be essential to the care and wellbeing of an elderly person or a person with disabilities,
2. Is not obligated for the support of the person(s),
3. Would not be living in the unit except to provide the necessary supportive services.

Occasional, intermittent, multiple or rotating care givers do not meet the definition of a live-in aide since 24CFR Section 982.402(b)(7) implies live-in-aides must reside with a family permanently for the family unit size to be adjusted in accordance with the subsidy standards established by the PHA. Therefore, regardless of whether these caregivers spend the night, an additional bedroom should not be approved (PIH 2009-22).

A PHA may only approve one additional bedroom for a live- in aide. Although a live-in aide may have PHA-approved family member/s live with him/her in the assisted unit, no additional bedrooms will be provided for the family members of the live-in aide. The PHA must ensure that housing quality standards (HQS) will not be violated and that there will be no more than two people per bedroom or living/sleeping space in the unit in accordance with 24 CFR § 982.401(d)(2)(ii). If the approval of additional family members of a live- in aide would result in the violation of HQS, the additional family members of the live- in aide may not be approved. PIH 2010-51 (HA)

A live-in aide is treated differently than family members:

1. Income of the live-in aide will not be counted for purposes of determining eligibility or level of benefits.
2. Live-in aides will not be considered as a remaining household member of the tenant family or be entitled to any housing assistance independent of the participant and will sign a certification to that effect.

At any time, the HA may refuse to approve a particular person as a live-in aide, or may withdraw such approval, if:

1. The person commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
2. The person violates the Policy on Zero Tolerance of Criminal Activity; or
3. The person currently owes rent or other amounts to the HA or to another HA in connection with Housing Choice Voucher Program or Public Housing Assistance under the 1937 Act;
4. The live-in aide requires a live-in aide or care provider for themselves;
5. The HOH requires a live-in aide, the HOH may not be a live-in aide/caretaker for someone else.

6. The live-in aide would not be living in the unit except to provide the necessary supportive services (i.e. spouse/co-head or parent of a child).
7. The person is already living in the unit as a household member

Multiple Families in the Same Household - Joint Custody of Minor(s)

When two families living together apply for assistance, (such as a mother and father and a daughter with her own husband or minor(s), they will be treated as a single family unit.

Minors who are subject to a joint custody agreement, but live with one parent at least 51 percent of the time will be considered members of the household. "51 percent of the time" is defined as 183 days of the year, which do not have to run consecutively.

When both parents are trying to claim the minor, the HA will consider court records as the authority for custody. In the absence of court records, the parent whose address is listed in the school records will be allowed to claim the school-age minor as a dependent and as a member of that household.

B. INCOME LIMITS [24 CFR 982.201 (b) (1)]

HUD determines income limits for admission to the Housing Choice Voucher Program. To be eligible, the applicant must be a family in any of the following categories:

- A "very low income" family;
- A low-income family that is "continuously assisted" under the 1937 Housing Act;
- A low-income family that meets additional eligibility criteria specified in the PHA administrative plan. Such additional PHA criteria must be consistent with the PHA plan and with the consolidated plans for local governments in the PHA jurisdiction;
- A low-income family that qualifies for voucher assistance as a non-purchasing family residing in a HOPE 1 (HOPE for public housing homeownership) or HOPE 2 (HOPE for homeownership of multifamily units) project. (Section 8(o)(4)(D) of the 1937 Act (42 U.S.C. 1437f(o)(4)(D));
- A low-income or moderate-income family that is displaced as a result of the prepayment of the mortgage or voluntary termination of an insurance contract on eligible low-income housing as defined in § 248.101 of this title;
- A low-income family that qualifies for voucher assistance as a non-purchasing family residing in a project subject to a resident homeownership program under § 248.173 of this title.

A family who is determined to be over the Very Low (50% of median) Income Limits at time of release will be withdrawn from the waiting list and sent a denial letter.

C. DISCLOSURE OF SOCIAL SECURITY NUMBERS- PIH 2010-3 and 24 CFR 5.216

All applicants and participants are required to disclose a social security number. PHAs will not need to re-verify previously disclosed valid SSNs. PHAs may rely on documentation of the SSN provided by another government agency (federal or state). Addition of new household members at least 6 years of age or under the age of 6 and who **has an assigned SSN**, the participant must disclose the SSN and provide documentation of the SSN to the PHA at the time of request to add new household member or during interim re-exam. The new household member **cannot** be added to the family composition until the family has complied with SSN disclosure and verification

requirements. Addition of new household members under the age of 6 **without an assigned SSN**, are included as household members and entitled to benefits and the Head of Household is given 90 days to provide documentation of the SSN (with the potential for an extension of an additional 90 days) if the HA determines that the failure to provide proof of the SSN was due to circumstances outside the family's control. Failure to furnish verification of social security numbers is grounds for denial or termination of assistance.

D. CITIZENSHIP/ELIGIBLE IMMIGRATION STATUS (24 CFR Part 5)

Mixed Families

An applicant family is eligible for assistance so long as at least one member is a citizen or eligible immigrant. Families that include eligible and ineligible individuals are called mixed households. Such applicant families will be given notice that their assistance will be prorated and that they may request a hearing if they contest this determination.

No eligible members

Applicant families that include no eligible members will be ineligible for assistance. Such families will be denied admission and offered an opportunity for a hearing.

Non-citizen students

Non-citizen students as defined by HUD in the non-citizen regulations are not eligible for assistance.

Appeals

For this eligibility requirement only, the applicant is entitled to a hearing exactly like those provided for participants.

E. SUITABILITY OF FAMILY

It is the responsibility of the owner to screen the applicants as to their suitability for tenancy.

F. CHANGES IN ELIGIBILITY PRIOR TO EFFECTIVE DATE OF THE CONTRACT

Changes that occur after the issuance of a Voucher, but before the execution of a lease and contract must be processed so that under no circumstance will a family be admitted if they are over the HUD published 50% Area Median Income Limit. For example, if a household goes over the income limit prior to lease up, the applicant is no longer eligible for the program [24 CFR 982.201(b)(4)]. They will be notified in writing of their ineligible status and their right to an informal review.

In order to be compliant with regulatory requirements, the Housing Authority will release families to result in a lease up of 75% of the families being at or below 30% of the median income (extremely low income). If a family has a change in income that results in the family exceeding the 30% income limits for the family size at the time of verification and up until voucher issuance and/or prior to lease up, the family's income will be updated and they will be returned to the waiting list and notified in writing. The family will be eligible for a future release between 30% and 50% of the income limits (very low income).

Non-income changes that are reported after voucher issuance will not affect the preference eligibility of the household once the preference criterion has been verified.

G. INELIGIBLE FAMILIES

Families who are determined to be ineligible will be notified in writing of the reason for denial and given an opportunity to request an informal review, or an informal hearing if they were denied due to non-citizen status.

Chapter 3

APPLYING FOR ADMISSION

INTRODUCTION

The HA Section 8 waiting list will open July 1, 2015 for new registrations. This chapter describes the policies and procedures for completing the waiting list registration, placement on the waiting list, and completion of the Section 8 Application, including verifications and other required documents. Registrants will be placed on the waiting list in accordance with this Plan.

EXTRAORDINARY LOCAL PREFERENCE

Up to a total of 15% of annual admissions will be targeted for an extraordinary local preference for the following registrants: Referrals by the Court Program (A program run by Riverside County Family and Dependency Drug Courts); and, registrants displaced by government action or emergency as certified by a city, county or state agency official (executive level or above), etc. The approval of the Director or designee is necessary for an extraordinary local preference. These admissions must meet the County of Riverside Residency Preference except for those who are displaced by government action. **24 CFR 982.204 (a) and 24 CFR 982.207 (a) (2) and (3).**

A. WAITING LIST REGISTRATION

At such time as the Housing Choice Voucher Program waiting list reopens, public notice will be issued and outreach will be conducted by distribution of waiting list registration forms to libraries, non-profit organizations and other public agencies. Advertisement of the housing programs is done on an as needed basis in the local paper of record, minority newspapers, other media and the agency's website at www.harivco.org. Outreach and advertisement notices include:

1. A brief description of the housing programs
2. Basic information on eligibility requirements
3. The HA's address, website and telephone number

When the Housing Choice Voucher Program waiting list reopens, any family asking to be placed on the waiting list for Housing Choice Voucher rental assistance must complete a registration form. Until registrants are able to register independently using the agency's new web-based waiting list portal, registrations will be taken on the Internet, by mail, or by personal delivery to the HA offices. Once the agency's web-based waiting list portal is fully operational, registrations must be completed online. Requests for reasonable accommodations for persons with disabilities will be reviewed on a case-by-case basis. Please note that in order to be placed on the waiting list, a valid address must be provided since the HA's primary form of communication is by mail. This is to avoid an applicant being withdrawn or removed from the waiting list for failure to respond to correspondence or returned mail. If an applicant has no valid address (homeless, etc.), it is suggested that they obtain a Post Office (PO) Box or provide a valid General Delivery Address. Upon request, reasonable accommodations will be made for persons with disabilities.

When the waiting list registration form is received by the HA, first time registrants will receive a letter that confirms placement on the waiting list. The person whose name is listed on the registration will be considered the Head of Household and will be the person entitled to the placement on our waiting list. The letter will include instructions to verify information and report changes as they occur. Registrants are required to inform the HA of changes in family composition,

income, and address, as well as any changes in their preference status (See Chapter 4) using the Housing Authority's web-based portal.

In addition, between October 1st and December 31st of every year, registrants are required to update their waiting list registration once annually using the Housing Authority's web-based waiting list portal. An annual update is required, regardless of whether there are any changes to the household's registration information. Failure to do so will result in the withdrawal of all waiting list registrations. Reasonable Accommodation (RA) requests will be accommodated should a registrant who is a person with disabilities be unable to use the web-based portal. Reasonable Accommodation requests must be submitted in writing during the October-December update period. All other RA requests submitted by persons with disabilities will be reviewed and considered for approval based on verification and nexus. Failure of the household to update their registration during the annual 3 month update period will result in the registrant being removed from all waiting lists.

The purpose of the registration form is to permit the HA to determine placement on the waiting list based on the information provided by the applicant. Registrants are also required to respond to requests from the HA to update information on their registration, or to determine their continued interest in assistance. Failure to provide information or to respond to mailings will result in the registrant being removed from the waiting list.

B. HOUSING CHOICE VOUCHER PROGRAM APPLICATION

When funding is available, registrants will be sent a Housing Choice Voucher Program Application Eligibility Questionnaire (EQ) according to their preference-determined sequence by the date the registration was received by the HA. This process is followed regardless of family size. All adult members must complete and sign the Application Eligibility Questionnaire, as well as accompanying forms including the HUD Form 9886, Release of Information, HUD Form 52675, What You Should Know About EIV, What is Fraud Form, IRS Form 4506-01, HUD Form 92006 Supplemental and Optional Contact Information, and the Declaration of Citizenship. Failure to provide necessary certifications and release as required by the HA will be cause for denial of the application.

The Housing Choice Voucher Program Application Eligibility Questionnaire and related verifications determines the family's ability to claim a preference. The qualification for preference must exist at the time the preference is verified regardless of the length of time an applicant has been on the waiting list because the preference is based on current status. If the family does not meet the current preferences, they are returned to the Waiting List.

If the HA utilizes an interview at the time of the full application, it is the applicant's responsibility to reschedule the interview if she/he misses the appointment. Appointments are rescheduled only if missing the appointment is justifiable and the request is made no later than 10 calendar days from the original appointment date. Requests for rescheduled appointments must be submitted in writing with verification (doctor's note, etc.) as to the reason for the reschedule. If the applicant does not reschedule a missed meeting, the HA will deny the application. Upon request, reasonable accommodations will be made for persons with a disability.

If the HA determines at or after the interview that additional information or document(s) are needed, the HA will request the document(s) or information in writing. The family will be given 10

calendar days to supply the information. If the information is not supplied in this time period, the HA will provide the family a notification of denial for assistance and their name will be withdrawn from the waiting list.

If an applicant is denied assistance and withdrawn from the waiting list, the applicant will be offered an opportunity to request an informal review.

The Eligibility Questionnaire is used to determine final eligibility for Voucher issuance and requires full verification. After the verification process is completed, the HA will make a final determination of eligibility. This decision is based upon information provided by the family, the verification completed by the HA, and the current eligibility criteria in effect. If the family meets the preferences and is determined eligible, a briefing will be scheduled to issue a Voucher and explain the family's obligations and the program requirements.

During the initial eligibility determination process and any subsequent eligibility reexaminations, all contact such as correspondence, telephone calls, interviews, or inspections will be documented by the Housing Specialist.

Chapter 4

SELECTION OF FAMILIES FROM WAITING LIST

INTRODUCTION

It is the HA's objective to ensure that the families are placed in the proper order on the waiting list so that an offer of assistance is not delayed to any family, or made to any family prematurely. This chapter defines the eligibility criteria for the HA, and it explains the waiting list order which the HA has adopted to meet local housing needs.

By maintaining an accurate waiting list, the HA will be able to perform the activities which ensure that an adequate pool of qualified registrants will be available so that program funds are used in a timely manner.

A. WAITING LIST PREFERENCES

The HA has implemented the following preferences for drawing names from the waiting list. In accordance with California State Law [HSC 34322.2 (b)], at each level of preference, families meeting the definition of a veteran according to California Military and Veterans Code, Section 980, will have priority. In accordance with Federal Regulations [24 CFR 982.201 (b) (2)], at each level below, from the families that meet the preferences, the Housing Authority will release families to result in a lease up of: 75% of the families will be at or below 30% of the median income (extremely low income), and 25% of the families will be between 30% and 50% of the median income (very low income). Any Project-Based Voucher (PBV) development under HAP Contract will observe preferences outlined in the HAP Contract (i.e. veterans, elderly or families receiving supportive services). If the first level releases do not satisfy the regulations regarding extremely low income families, releases will be done at the second level of preferences until the 75% extremely low income requirement is met.

In order to be compliant with regulatory requirements, the Housing Authority will release families to result in a lease up of 75% of the families being at or below 30% of the median income (extremely low income). If a family has a change in income that results in the family exceeding the 30% income limits for the family size at the time of verification and up until voucher issuance and/or prior to lease up, the family's income will be updated and they will be returned to the waiting list and notified in writing. The family will be eligible for a future release between 30% and 50% of the income limits (very low income).

EXTRAORDINARY LOCAL PREFERENCE

Up to a total of 15% of annual admissions will be targeted for an extraordinary local preference for the following registrants: Referrals by the Court Program (A program run by Riverside County Family and Dependency Drug Courts); and, registrants displaced by government action or emergency as certified by a city, county or state agency official (executive level or above), etc. The approval of the Director or designee is necessary for an extraordinary local preference. These admissions must meet the County of Riverside Residency Preference except for those who are displaced by government action. **24 CFR 982.204 (a) and 24 CFR 982.207 (a) (2) and (3).**

FIRST LEVEL

- 1) County of Riverside Residency Preference, **and**
- 2) Qualified veterans, **or**
- 3) Families whose head of household or co-head is 75 years of age and older, **or**
- 4) Families or Foster Care Youth referred to the HA by the Riverside County Public Child Welfare Agency (PCWA) for admission through the Family Unification Program (HUD designated special purpose vouchers), **or**
- 5) Participants who have utilized a special rental assistance program for a 3 year term and no longer require supportive services, **or**
- 6) Homeless families with minor children residing in shelters.

SECOND LEVEL

- 1) County of Riverside Residency Preference, **and**
- 2) Working Families (see Working Families definition) with minors or Elderly families or Disabled families

THIRD LEVEL

- 1) County of Riverside Residency Preference, **and**
- 2) Non-Working Families or minors

FOURTH LEVEL

- 1) County of Riverside Residency Preference, **and**
- 2) Working families (see Working Families definition) without minors

FIFTH LEVEL

- 1) County of Riverside Residency Preference, **and**
- 2) Non-working families without minors.

The Housing Authority will exhaust all families at each preference level before releasing from the next lower level except as noted above. Date of registration for registrants with equal preferences will determine order of release.

Change in Circumstances

Changes in a registrant's circumstances while on the waiting list may affect the family's entitlement to a preference. Registrants are required to notify the HA when circumstances change.

When a registrant claims an additional preference, she/he will maintain the original date of registration and will be updated on the waiting list in the appropriate order determined by the newly claimed preference. The qualification for preference must exist at the time the preference is verified regardless of the length of time an applicant has been on the waiting list because the preference is based on current status. Preference eligibility is verified at the time of completion of the Housing Choice Voucher Program Application up until voucher issuance.

B. EXCEPTIONS FOR SPECIAL ADMISSIONS (24 CFR 982.203)

If HUD awards program funding that is targeted for a specific group, the HA will admit these families under a special admission procedure. The families will be selected in accordance with the Notice of Funding Availability and the HA's application for funding.

Special admissions families will be admitted outside of the regular waiting list process. They do not have to qualify for any preferences, nor are they required to be on the program waiting list. The HA maintains separate records of these admissions.

C. TARGETED FUNDING

When HUD awards special funding for certain family types, families who qualify are placed on the regular waiting list. When a specific type of funding becomes available, the waiting list is searched for the first family meeting the targeted funding criteria, based on date of registration.

Examples of targeted programs are:

- Mainstream
- Family Unification

D. ORDER OF SELECTION

Families are selected from the waiting list and sent a Housing Choice Voucher Program Application based on the preferences listed above. The waiting list will be organized by date among registrants with equal preference status regardless of family size. Preference information will be verified when families complete a Housing Choice Voucher Program Application and the qualification for preference must exist at the time the preference is verified up until voucher issuance regardless of the length of time an applicant has been on the waiting list because the preference is based on current status.

E. IF PREFERENCES ARE NOT MET

If the applicant does not qualify for a preference, the HA will return the family to the waiting list. The HA will notify the applicant in writing of the reasons why the preference was denied and inform the applicant that they have been returned to the waiting list with their original registration date before they were selected. If the applicant falsifies documents or makes false statements in order to qualify for any preference they will be denied assistance (lifetime ineligible) and offered an opportunity to request an informal review in writing within 10 days. Applicants may exercise other rights if they believe they have been discriminated against.

F. REMOVAL FROM WAITING LIST AND PURGING

If a registrant fails to respond within 30 calendar days to a mailing from the HA, the registrant will be removed from the waiting list. If a letter is returned by the Post Office without a forwarding address, the registrant will be removed from all waiting lists without further notice, and a record will be maintained on the computer. Reasonable accommodations will be made for persons with disabilities.

Between October 1st and December 31st of every year, registrants are required to update their waiting list registration once annually using the Housing Authority's web-based portal. An annual update is required, regardless of whether there are any changes to their registration. Failure to do so will result in the withdrawal of all waiting list registrations. Reasonable Accommodation (RA) requests will be accommodated should a registrant who is a person with disabilities be unable to use the web-based portal but RA requests must be made during the October-December update period. Failure to update their registration during the annual update period will result in the registrant being removed from all waiting lists.

Chapter 5

SUBSIDY STANDARDS

INTRODUCTION

HUD guidelines require that HA's establish subsidy standards for the determination of the Voucher bedroom size, and that such standards provide for a minimum commitment of subsidy while avoiding overcrowding. The standards used for the Voucher size also must be within the minimum unit size requirements of HUD's Housing Quality Standards. This chapter explains the subsidy standards which will be used to determine the Voucher size for various sized families when they are selected from the waiting list, as well as the HA's procedures when a family's size changes, or a family selects a unit size that is different from the Voucher.

A. DETERMINING VOUCHER SIZE

The HA does not determine who shares a bedroom/sleeping room, but there must be at least one person per subsidized bedroom. A living room may be used as a bedroom/sleeping space for up to two persons. The HA's subsidy standards for determining Voucher size shall be applied in a manner consistent with Fair Housing guidelines. All standards in this section relate to the number of bedrooms on the Voucher, not the family's actual living arrangements.

The unit size on the Voucher remains the same as long as the family composition remains the same, regardless of the actual unit size rented. During the HAP contract term, the unit size on the Voucher (subsidy) may only change at the first full recertification after the change in family unit size. [24 CFR 982.505 (c) (5)]

One bedroom shall be assigned for the Head of Household and spouse/co-head, and one bedroom shall be assigned for every two nucleus household members. A living room may be used as a bedroom/sleeping space for up to two persons. Non-nucleus members are not assigned a subsidy. If the Housing Authority is designated as a Shortfall Agency by HUD, or another HUD designation as a result of a funding shortfall, subsidy standards may decrease so that one bedroom will be assigned for every two nucleus household members, regardless of familial, age or gender. A family that consists of a pregnant woman (with no other persons) must be treated as a two-person family [CFR 982.402 (b) (5)].

The HA will not issue a larger bedroom size unless it is through birth of a newborn, adoption or court-awarded custody of a minor child (not emancipated) or marriage. Reasonable accommodation requests will be considered for the addition of a non-nucleus adult who is a person with disabilities and cannot live independently. A larger bedroom size will not be issued if a member of the nucleus family moves out and returns as an adult, unless it is to offer a reasonable accommodation for a disabled family member. If a member returns as an adult and brings additional non-nucleus members with them, the voucher size does not increase. Adding additional non-nucleus members will not be approved if it causes the family to be under-housed.

Exceptions will be made in the documented cases of a live-in aide or as a reasonable accommodation to make the program accessible to and usable by the nucleus family member with a disability. The family unit size for any family consisting of a single person must be either a zero or a one-bedroom unit. A PHA may only approve one additional bedroom for a live-in aide. Although a live-in aide may have PHA-approved family member/s live with him/her in the assisted unit, no

additional bedrooms will be provided for the family members of the live-in aide. The PHA must ensure that housing quality standards (HQS) will not be violated and that there will be no more than two people per bedroom or living/sleeping space in the unit in accordance with 24 CFR § 982.401(d)(2)(ii). If the approval of additional family members of a live- in aide would result in the violation of HQS, the additional family members of the live- in aide may not be approved. PIH 2010-51 (HA)

Any foster members, who are minors, who are in the home at the time of initial voucher issuance, at the time of relocation or at an annual re-examination, and are determined to be long-term placement, will be considered as family members in the determination of subsidy size. For the purpose of determining subsidy size, long-term placement is defined as 12 or more months.

B. CHANGES IN VOUCHER SIZE

Changes for Applicants and Participants:

The Voucher size is determined at the time of Voucher issuance by comparing the family composition to the HA subsidy standards. If an applicant or participant requires a change in the Voucher size, the following guidelines will apply:

Requests for Exception to Subsidy Standard

Upon request by the participant, and if funding is available, the HA may approve a larger subsidy as a reasonable accommodation for a person with disabilities if the family demonstrates a nexus to the disability is present to make the program accessible to and usable by the family member with a disability. This will be verified through a third party licensed professional's verification. Verification of the need must be provided at least annually on a Housing Authority approved form. In addition, requests involving separate bedrooms for medical equipment will be verified at the time of a participant's annual inspection or a special inspection may be conducted after an initial lease up to ensure that program funds are being used for the purpose in which they were intended. A PHA may only approve one additional bedroom for a live- in aide. Although a live-in aide may have PHA-approved family member/s live with him/her in the assisted unit, no additional bedrooms will be provided for the family members of the live-in aide. If the live-in aide passes away, or no longer resides in the assisted unit, the family will be given a 60 day opportunity to locate a new live in aide in order to retain the already approved additional subsidy. Should the family fail to find a new, approvable live-in aide within 60 calendar days, an annual recertification will need to be conducted and the appropriate subsidy will be given. The PHA must ensure that housing quality standards (HQS) will not be violated and that there will be no more than two people per bedroom or living/sleeping space in the unit in accordance with 24 CFR § 982.401(d)(2)(ii). If the approval of additional family members of a live- in aide would result in the violation of HQS, the additional family members of the live- in aide may not be approved. **PIH 2010-51 (HA).**

Subsidy Standards Flexibility: The criteria and standards prescribed for the determination of an applicant's unit size to be listed on the Voucher should apply to the vast majority of families. In some cases, however, the relationship, age, sex, health, or handicap of the family members may warrant the assignment of a different unit size than that which would result from strict application of the criteria. Such flexibility is permissible to the extent the determinations are made on the basis of such factors. Any allowable determinations of this type, however, should be fully documented in the applicant's file.

For example, an elderly, handicapped, or disabled person who requires a live-in aide may be assigned a Voucher to provide a private bedroom for the attendant in addition to the bedroom for the assisted household members who are not disabled or handicapped.

1. **Smaller-Sized Units:** The family may select a smaller-sized unit provided there is at least one sleeping room or living/sleeping room of appropriate size for each two persons in the household. (For example, a 3-bedroom Voucher Holder with 5 family members could select a 2-bedroom unit if there would be two bedrooms for four of the family and a living/sleeping room for the fifth member).

2. **Larger-Sized Units:** The unit size listed on a Voucher does not preclude the family from selecting a larger size unit provided the gross rent does not exceed the Rent Reasonableness limitation for the bedroom size listed on the Voucher (for example, a 2-bedroom Voucher Holder could select a 3-bedroom unit not to exceed the 2-bedroom Rent Reasonableness Limitation and the family's share of the rent and utilities does exceed 40% of their household's adjusted monthly income). A higher payment standard will not be approved in situations when a household has selected a larger unit size than the household's authorized subsidy size. Note: Effective 7/1/14, the utility allowance was modified pursuant to the Federal Register. Instead of applying the actual unit size, the utility allowance is now calculated using the "lower of" authorized subsidy size or unit size.

NOTE: At Initial Lease-Up for a unit, the Family Share of rent and utilities cannot exceed 40% of their Adjusted Monthly Income if the gross rent exceeds the applicable payment standard.

The unit size designated on the Voucher must remain unchanged, regardless of the actual unit size selected.

Under-housed (unit too small for size of family)

If a unit does not meet HQS space standards due to an increase in family size by birth, adoption, court awarded custody or marriage, the HA will issue a Voucher upon eligibility determination for relocation.

Over-housed (unit too large for size of family)

If a participant has a decrease in the family size, the family has the option to relocate or remain in the unit they are currently renting. If the family chooses to remain in the unit, the subsidy standard will be lowered at the next annual re-examination. If the family chooses to relocate, the HA will issue a Voucher upon eligibility determination with the correct subsidy standard. The amount the family pays for rent must be affordable and the participant portion of rent and the current utility allowance cannot exceed 40% of their adjusted income at the time of lease up. The approved rent will be based on the payment standard for the number of bedrooms the family is eligible for, or the actual number of bedrooms in the unit, whichever is less. In cases where the gross rent is less than the payment standard, it will be used as the payment standard.

C. UNIT SIZE SELECTED

The family may select a different size unit than that listed on the Voucher using the HUD criteria for Payment Standards provided the unit is rent reasonable and affordable. The amount of assistance is based on the authorized or actual bedroom size, whichever is less.

Chapter 6

ELIGIBILITY FACTORS

INTRODUCTION

The accurate calculation of annual income and adjusted income will ensure that families are not paying more or less money for rent than their obligation under the regulations. This chapter defines the allowable deductions from annual income and how the presence or absence of household members may affect the Total Tenant Payment (TTP). Income and TTP are calculated in accordance with 24 CFR Part 5 and further instructions set forth in HUD Notices, Memoranda and Addenda. The formula for the calculation of TTP is specific and not subject to interpretation. The HA's policies in this chapter address those areas which allow the HA discretion to define terms and to develop standards in order to ensure consistent application of the various factors that relate to the determination of TTP.

A. HOUSEHOLD COMPOSITION

The HA must compute all applicable income of every family member, including those who are temporarily absent. In addition, the HA must count the income of the spouse/co-head or the head of the household if that person is temporarily absent, even if that person is not on the lease. If the spouse/co-head is temporarily absent and in the military, all military pay and allowances (except hazardous duty pay when exposed to hostile fire and any other exceptions to military pay that HUD may define) is counted as income.

Income of persons permanently absent will not be counted.

It is the responsibility of the head of household to report (in writing) changes in income and family composition within 10 calendar days.

The HA will evaluate absences from the unit using this policy.

Absence of Entire Family

These policy guidelines address situations when the family is absent from the unit, but has not moved out of the unit. In cases where the family has moved out of the unit, the HA will terminate the contract and/or the assistance in accordance with appropriate termination procedures contained in this Plan. Sole members may not be absent for more than three weeks, except as an approved reasonable accommodation for persons with a disability (see absence due to medical reasons).

- Families are required to notify the HA before they move out of a unit.
- Families must notify the HA if they are going to be absent from the unit for more than three weeks.
- If it is determined that the family is absent from the unit, the HA will not continue assistance payments. "Absent" means that no family member is residing in the unit. In order to determine if the family is absent from the unit, the HA may, but is not limited to:
 - Write letters to the family at the unit
 - Telephone the family at the unit
 - Interview neighbors

- Verify if utilities are in service
- Contact the landlord
- Conduct special inspections

If the absence which resulted in termination of assistance was due to a person's disability, and the HA can verify that the person was unable to notify the HA in accordance with the family's responsibilities, and if funding is available, the HA may reinstate the family if an accommodation is requested by the family.

Absence of Any Member

Any member of the household will be considered permanently absent if she/he is away from the unit for 180 days in a 12 month period. If the person who is determined to be permanently absent is the sole member of the household, assistance will be terminated in accordance with the HA's "Absence of Entire family" policy.

Absence due to Medical Reasons

Housing Assistance Payments may continue up to 180 days when the subsidized unit is vacant due to hospitalization. However, hospitalization more than one month requires written medical verification that there is a reasonable expectation the person will be able to return to independent living within the six-month period. The participant's share of the rent must be paid during the hospitalization period.

Foster care and Absences of Minor(s)

If the family includes a minor(s) temporarily absent from the home due to placement in foster care, the HA will determine from the appropriate agency when the minor(s) will be returned to the home.

Any foster children or foster adults who are in the home at the time of initial voucher issuance, at the time of relocation or, at an annual re-examination, and are determined to be long term placement, will be considered as family members in the determination of subsidy size. For the purpose of determining subsidy size, long-term placement is defined as 12 or more months.

Temporary Caretaker for Minor(s)

If neither parent remains in the household and the appropriate agency has determined that another adult is to be brought into the assisted unit to care for the minor(s) for an indefinite period, the HA will treat that adult as a visitor for the first 180 days.

The PHA will only approve one additional bedroom for a Caretaker or Guardian. Although a Caretaker or Guardian may have PHA-approved family member/s live with him/her in the assisted unit, no additional bedrooms will be provided for the family members of the Caretaker or Guardian. The PHA must ensure that housing quality standards (HQS) will not be violated and that there will be no more than two people per bedroom or living/sleeping space in the unit in accordance with 24 CFR § 982.401(d)(2)(ii). If the approval of additional family members of a Caretaker or Guardian would result in the violation of HQS, the additional family members of the Caretaker or Guardian may not be approved.

If the appropriate agency cannot confirm the guardianship status of the caretaker, the HA will review the status at six month intervals. If custody or legal guardianship has not been awarded by the court, but the action is in process, the HA will secure verification from social services staff or

the attorney as to the status.

After 180 days the HA will approve a person to reside in the unit as caretaker for the minor(s), and the income will be counted pending a final disposition. The HA will transfer the Voucher to the caretaker for as long as his/her services are required. The HA will work with the appropriate service agencies and the landlord to provide a smooth transition in these cases. When court-awarded custody or legal guardianship has been awarded to the caretaker, the Voucher will be transferred to the caretaker until the minor(s) become able to care for themselves. In no case will the caretaker be eligible to become the remaining member.

Absent Adult

If a member of the household is subject to a court order that restricts him/her from the home for more than six months then the person will be considered permanently absent.

The family will be required to notify the HA in writing within 10 calendar days when an adult family member moves out. The notice must contain a certification by the family as to whether the adult is temporarily or permanently absent.

If a nucleus member leaves the household, or moves out of the household, they will be considered permanently absent.

Visitors

Any person not included on the HUD 50058(except minors as noted below) who has been in the unit more than 14 consecutive days, or a total of 30 days in a 12-month period (unless the lease is more restrictive), will be considered to be living in the unit as an unauthorized household member.

Minors or full time students 18 or older who live away from the home and who visit up to 182 cumulative days per year will be considered eligible visitors (subject to the lease agreement), not family members, and will not be counted in determining the subsidy standard and deductions for the family. Eligible visitors must be reported to and approved by the HA prior to visiting the home.

Reporting Changes in Household Composition to Owner and HA

Reporting changes in household composition to the HA is both a HUD and a HA requirement. The family must submit a written request prior to adding household members. Any person who moves into the assisted unit without written approval from the Housing Authority will be considered an unauthorized household member. Additions to the household by birth, adoption or court-awarded custody must be reported in writing to the HA within 10 calendar days. In addition, the family must obtain prior written approval from the owner when adding members (including minors) and/or a live-in aide to the household.

If a family member leaves the household, the family must report this change to the HA, in writing, within 10 calendar days of the change and certify as to whether the member is temporarily absent or permanently absent. The HA will conduct an interim evaluation for changes in accordance with the interim policy. The HA will require verification of the family member's new address. If the head of household is unable to provide this information because the person's whereabouts are unknown, the head of household will be required to complete a Certified Statement to this effect.

B. INCOME, ALLOWANCES & MINIMUM FAMILY CONTRIBUTION 24 CFR 5.609

SPECIAL NOTICE:

For the allowable period of time covered in this Administrative Plan, the HA may observe the measures permitted in PIH NOTICE 2013-03 and extended via PIH Notice 2013-26. See Chapter 7 for details regarding income streamlining for fixed-income households, self-certification of assets less than \$5,000, and using past income and EIV when verifying income.

HUD regulations define incomes and allowances. The HA will include and exclude income in accordance with 24 CFR Part 5. Once the PHA has verified all income necessary to determine income eligibility and has determined that it is ready to issue the family a voucher, it must compute the family's Annual Income in accordance with HUD regulations. Income will be calculated in accordance with the procedures outlined below:

A. Project the income from all known sources of income expected to come into the home during the 12-month period following the date of initial certification, annual reexamination, or interim reexamination. Regular periods of seasonal work and layoffs should be included.

B. Where it is difficult to project income for the coming 12-month period it may be necessary to:

1. Estimate the anticipated income from all sources, based on verified information. If any estimates are used, based on specific verifications or other information, in computing income or allowable expenses on an annual basis, the PHA should clearly identify the rationale for its estimate and the specific method used;
2. Base the projection on amounts of actual income for the past 12-months if circumstances are expected to remain the same; or,
3. Annualize known income amounts for a 12-month period, even though those amounts are not expected to last for the full 12-months. In such cases, an Interim Reexamination would need to be scheduled for a future date.

C. When the Applicant Family's Total Assets Exceed \$5,000.00, including imputed amounts of assets disposed of for less than market value during the last 2 years, it is necessary for the PHA to make both of the following calculations:

1. Calculate the dollar amount included in the family's annual income which is specifically derived from assets (i.e., interest derived from saving accounts, dividends, interest portions or sale of property, net income from rental of property, etc.), and;
2. Calculate the dollar amount resulting from multiplying the value of the family's total assets based on the current passbook savings rate, as determined by HUD. The PHA must then use the **larger** of the dollar amounts obtained from these two separate calculations in its final computation of the family's Annual Income. The resultant amount is to be included with other income sources to derive the total family income.

D. The Total Tenant Payment shall be the higher of the following, rounded to the nearest dollar:

1. 30 percent of monthly Adjusted Income;
2. 10 percent of monthly Annual Income; or,
3. The minimum rent established by the PHA.

The Total Tenant Payment shall not be increased by more than 10 percent during any twelve month period as a result of redefinition or changes in government regulations. However, Total Tenant Payment may be increased by more than 10 percent during any twelve month period to the extent that the increase is solely attributable to increases in income.

E. Adjusted income is calculated by taking the family's annual income and any applicable deductions for which the family is eligible:

1. A \$480.00 deduction for each dependent (i.e., each family member (other than head, spouse, or foster children) who is either under 18 years of age, is a full-time student of any age and disabled or handicapped).
2. The annual amount of verified medical expense that exceeds three percent of the family's annual income, for families that qualify as "elderly families" or "disabled families".
3. Amounts of reasonable child care expenses for children age twelve (12) and under incurred to the extent the amount allowed does not exceed the income received by the applicant/participant from employment for which these expenses are incurred, or to allow a family member to attend school.
4. Disability Assistance Expenses to pay for care attendants and/or auxiliary apparatus for disabled family member(s) which enable a family member (including the disabled member) to work. The amount allowable as a deduction is the amount that exceeds 3% of Annual Income and cannot exceed the amount earned. Where there are both, medical and disability assistance expenses, the deduction would equal the total of both amounts, less 3% of annual income.

INCOME INCLUSIONS AND EXCLUSIONS

Reference: *Housing Choice Voucher Program Guidebook; Chapter 5: Eligibility and Denial of Assistance; (EXHIBIT 5-2)*

INCOME INCLUSIONS:

- (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 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 a deduction in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (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 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 payments received from social security, annuities, insurance policies, retirement funds, pensions, lotteries, disability or death benefits, and other similar types of periodic receipts, including a lump-sum payment for the delayed start of a periodic payment (but see No. 13 under Income Exclusions);
- (5) Payments in lieu of earnings, such as unemployment, worker's compensation, and severance pay (but see No. 3 under Income Exclusions);
- (6) Welfare Assistance.
 - a. Welfare assistance received by the household.
 - b. The amount of reduced welfare income that is disregarded specifically because the family engaged in fraud or failed to comply with an economic self-sufficiency or work activities requirement.

c. If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustments by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare income to be included as income shall consist of:

- (i) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus
- (ii) 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 persons not residing in the dwelling; and

(8) All regular pay, special pay, and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is head of the family, spouse, or other person whose dependents are residing in the unit (but see paragraph (7) under Income Exclusions).

(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 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).

(10) Compensated Work Therapy (CWT) is a Department of Veterans Affairs (VA) vocational rehabilitation program that endeavors to match and support work ready veterans in competitive jobs, and to consult with business and industry regarding their specific employment needs. In some locations CWT is also known as Veterans Industries; these designations are synonymous. This income will be counted when determining the family's income and rent (from The VASH Resource guide).

NOTE: 24 CFR 982.551(n) states that " an assisted family, or members of the family, may not receive Section 8 tenant-based assistance while receiving another housing subsidy, for the same unit or for a different unit, under any duplicative (as determined by HUD or in accordance with HUD requirements) federal, State or local housing assistance program." HUD has determined that such a housing allowance as may be received under the **Post 9/11 VEAA is not considered a duplicate subsidy. However, the amount received for the housing allowance must be counted when determining the family's income and rent.**

INCOME EXCLUSIONS:

- (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 individuals with disabilities, unrelated to the tenant family, who are unable to live alone); [Note: PIH-2012-1 (HA) was issued 01/06/2012 clarified the Income Exclusion of Kinship, Kin-GAP and Other Guardianship Care Payments. The Department determined that kinship care, Kin-GAP, and similar programs funded by states serve as an alternative to foster care placements and that the compensation to participating relatives or legal guardians is comparable to the compensation to foster care parents. Payments for the care of foster children (including foster adults) are exempt from income. Thus, during annual and/or interim reexamination of family income pursuant to 24 CFR § 960.257 for public housing and 24 CFR § 982.516 for Section 8 programs, kinship, Kin-

GAP and similar state guardianship care payments are to be excluded from a household's income under 24 CFR § 5.609(c)(2).]

(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 (but see No. 5 under Income Inclusions);

(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 by regulation);

(6) 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) (a) Amounts received under training programs funded by HUD;

(b) Amounts received by a person with disabilities 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);

(c) 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;

(d) A resident service stipend. This is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the owner, on a part-time basis, that enhances the quality of life in the development. This may include, but is not limited to fire patrol, hall monitoring, lawn maintenance, and 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; or

(e) 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). For example, amounts earned by temporary census employees whose terms of employment do not exceed 180 days (PIH Notices 2000-1; 2008-26; 2009-19; 2010-38).

(10) Reparations 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 or older (excluding the head of household and spouse);

(12) Adoption assistance payments in excess of \$480 per adopted child;

(13) Deferred periodic payments of supplemental security income and social security benefits that are received in a lump-sum payment or in prospective monthly payments;

(14) 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;

(15) Amounts paid by a state agency to a family with a developmentally disabled family member living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; [Note: Section 102 of the Developmental Disabilities Assistance and Bill of Rights Act(42 U.S.C. 6001(5)).

DEVELOPMENTAL DISABILITY-

(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; **114 STAT. 1684 PUBLIC LAW 106-402-OCT. 30, 2000**
- (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.

(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]; and,

(16) 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 the 1937 Act. A notice will be published in the *Federal Register* and distributed to PHAs identifying the benefits that qualify for this exclusion. Updates will be distributed when necessary. The following is a list of income sources that qualify for that exclusion:

- 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) Payments to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058);
- c) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c));
- d) Income derived from certain sub marginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e);
- e) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f));
- f) Payments received under programs funded in whole or in part under the Job Training Partnership Act (29U.S.C. 1552(b); (effective July 1, 2000, references to Job Training Partnership Act shall be deemed to refer to the corresponding provision of the Workforce Investment Act of 1998 (29 U.S.C. 2931);
- g) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub.L- 94-540, 90 Stat. 2503-04);
- h) The first \$2000 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 \$2000 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);
- i) Amounts of scholarships funded under title IV of the Higher Education Act of 1965, including awards under federal work-study program or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu);
- j) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f));
- k) 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-product liability litigation*, M.D.L. No. 381 (E.D.N.Y.);

- l) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721);
 - m) 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);
 - n) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j));
 - o) 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);
 - p) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d));
 - q) Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran (38 U.S.C. 1805);
 - r) 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 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); and
 - s) Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C. 2931).
- (17) Earned Income Disallowance for persons with disabilities [24CFR5.617]
- (a) Initial Twelve Month Exclusion [24CFR5.617(C)(1)]
 - (b) Second Twelve Month Exclusion and Phase-In [24CFR5.617(C)(2)]
 - (c) Maximum Four Year Disallowance [24CFR5.617 (C) (3)]

Averaging Income

The HA may average income when the income cannot be anticipated using verified sources for a full 12 months.

Income changes from Welfare [24 CFR 5.615 (b)]

The HA will not decrease the family's share of the rent when there is a reduction in welfare benefits that is due to fraud or failure to participate in an economic self-sufficiency program or comply with a work activities requirement.

This prohibition on reduction of assistance is applicable only if the welfare reduction is neither the result of the expiration of a lifetime time limit on receiving benefits, nor a situation where the family has complied with welfare program requirements but cannot obtain employment (e.g., the family has complied, but loses welfare because of a durational time limit such as a cap on welfare benefits for a period of no more than two years in a five year period).

Minimum Rent: (24 CFR 5.630)

The PHA has established a Minimum Rent of \$50 monthly. Families will be required to pay minimum rent unless they request an exemption because of financial hardship. Financial hardship includes these situations:

- (i) When the family has lost eligibility for or is awaiting an eligibility determination for a federal, State, or local assistance program, including a family that includes a member who is a non-citizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for title IV of the Personal Responsibility and Work Opportunity Act of 1996;
- (ii) When the family would be evicted because it is unable to pay the minimum rent;

- (iii) When the income of the family has decreased because of changed circumstances, including loss of employment;
- (iv) When a death of a household member (member of assisted unit) has occurred in the family;
- (v) Other circumstances determined by the PHA or HUD, specifically:
 - a) When a household is a new admission on the VASH program;
 - b) When a household is a new admission on the HCV program and is designated as “Homeless at Admission.”

What happens if family requests a hardship exemption?

- (A) If a family requests a financial hardship exemption, the PHA must suspend the minimum rent requirement beginning the month following the family's request for a hardship exemption until the responsible entity determines whether there is a qualifying financial hardship, and whether such hardship is temporary or long term.
- (B) The PHA must promptly determine whether a qualifying hardship exists and whether it is temporary or long term.
- (C) If the PHA determines that a qualifying financial hardship is temporary, the PHA must reinstate the minimum rent from the beginning of the suspension of the minimum rent. The PHA must offer the family a reasonable repayment agreement, on terms and conditions established by the PHA, for the amount of back minimum rent owed by the family.
- (D) If the PHA determines there is no qualifying financial hardship exemption, the PHA must reinstate the minimum rent, including back rent owed from the beginning of the suspension. The family must pay the back rent on terms and conditions established by the PHA.
- (E) If the PHA determines a qualifying financial hardship is long term, the PHA must exempt the family from the minimum rent requirements so long as such hardship continues. Such exemption shall apply from the beginning of the month following the family's request for a hardship exemption until the end of the qualifying financial hardship.

The financial hardship exemption only applies to payment of the minimum rent (as determined pursuant to Sec. 5.628(a)(4) and Sec. 5.630), and not to the other elements used to calculate the total tenant payment (as determined pursuant to Sec. 5.628(a)(1), (a)(2) and (a)(3)).

Minimum Income

There is no minimum income requirement.

Pro-ration of Assistance for “Mixed” Families

Pro-ration of assistance must be offered to any “mixed” applicant or participant family, provided other eligibility criteria are met. A “mixed” family is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible members.

Utility Allowance and Utility Reimbursement Payments

The Utility Allowance is not a payment issued to the family (except as noted below). It is intended to help defray the cost of utilities not included in the rent and is included in the calculation of the family’s rent to the landlord. A Utility Reimbursement payment is made to the participant family in the amount by which the HAP payment exceeds the rent to owner. When there is a Utility Reimbursement, the HA pays the full amount of rent to the owner and sends the participant family, a utility reimbursement payment. The Housing Authority has the discretion to send the utility reimbursement to the utility company should this be a viable option. This occurs only rarely, usually when a participant family has no income.

Chapter 7

VERIFICATION PROCEDURES

INTRODUCTION

HUD regulations (24 CFR 982.516(a)) require that the factors of eligibility and Total Tenant Payment (TTP) be verified by the HA. Applicants and program participants must furnish proof of their eligibility whenever required by the HA, and the information they provide must be true and complete. The HA's verification requirements are designed to maintain program integrity. This chapter explains the HA's procedures and standards for verification of preferences, income, combined assets exceeding five thousand dollars (\$5000.00), allowable deductions, family status, and changes in family members. The HA will ensure that proper authorization from the family is always obtained before making verification inquiries.

SPECIAL NOTICE:

For the allowable period of time covered in this Administrative Plan, the HA may observe the measures permitted in PIH NOTICE 2013-03 and extended through PIH NOTICE 2013-26. The specifics are outlined below:

PIH NOTICE 2013-03 (extended via PIH NOTICE 2013-26) establishes temporary guidelines for public housing agencies (PHAs) in fulfilling certain Housing Choice Voucher (HCV) program requirements during this period of decreased resources available to PHAs. The guidelines are intended to facilitate the ability of PHAs to continue, without interruption and with minimal burden, the delivery of rental assistance to eligible families in their communities.

Use households actual past income in verifying income.

In determining annual income, the HA will use past income received or earned with the last 12 months.

For the purpose of verifying actual past income, HUD's Enterprise Income Verification (EIV) system must be used, specifically the most recent 12 months of income information available in EIV. Because this EIV report will give actual earnings date verified by a third party, the program participant is no longer required to provide third party documentation (e.g., paystubs, payroll summary report, unemployment monetary benefit notice).

Households will self-certify as to having assets of less than \$5,000

Program participants with assets below \$5,000 typically generate minimal income from these assets which results in small changes to tenant rental payments.

Families with assets are required to report all assets annually. The amount of interest earned on those assets is included as income used to calculate the tenant's rent obligation. Currently, where the family has net family assets in excess of \$5,000, annual income includes the greater of the actual income derived from all net family assets or percentage of the value of such assets based on the current passbook savings rate.

PIH 2013-03 allows the HA to accept a family's declaration of the amount of assets of less than \$5,000, and the amount of income expected to be received from the assets. The application and reexamination documentation, which is signed by all adult family members, will serve as declaration.

Where the family has net family assets equal to or less than \$5,000, the HA does not need to request supporting documentation (e.g. bank statements) from 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 \$5000, the HA must obtain supporting documentation (e.g. bank statements) from the family to confirm the assets. Any assets will continue to be reported on HUD Form 50058.

Allow streamlined annual reexaminations for elderly families and disabled families on fixed incomes.

HAs are statutorily required to verify income and calculate rent annually, including for elderly and disabled families on fixed incomes. PIH 2013-03 allows for the simplification of the requirements associated with determining annual income of participants on fixed incomes (24 CFR 982.516, 960.257).

The HA may conduct a streamlined reexamination of income for elderly families and disabled families when 100 percent of the family's income consists of fixed income. In a streamlined reexamination, the HA will recalculate family incomes by applying any published cost of living adjustments to the previously verified income amount.

The term 'fixed income' includes income from:

1. Social Security payment to include Supplemental Security income (SSI) and Supplemental Security Disability Insurance (SSDI);
2. Federal, State, local, and private pensions plans; and
3. Other periodic payments received from annuities, insurance policies, retirement funds, disability or death benefits, and other similar types of periodic receipts that are of substantially the same amounts from year to year.

A. RELEASE OF INFORMATION

The family will be required to sign specific authorization forms when information is needed that is not covered by the HUD form 9886, Authorization for Release of Information.

A copy of the release of information will be provided to a family member upon request.

Family refusal to cooperate with the HUD prescribed verification system will result in denial of admission or termination of assistance because it is a family obligation to supply any information requested by the HA or HUD.

B. METHODS OF VERIFICATION

PIH Notice 2010-19 (HA) & 24 CFR 5.233

When PIH 2013-03, or subsequent extension notices expire, the HA will verify information through the six methods of verification acceptable to HUD in the following order:

Level Verification Technique Ranking

- 6) Upfront Income Verification (UIV)-Highest** (Mandatory) using HUD's Enterprise Income Verification (EIV) system (not available for income verifications of applicants)
- 5) Upfront Income Verification (UIV)** using non-HUD system-**Highest** (Optional)
- 4) Written third Party Verification-High** (Mandatory to supplement EIV-reported income sources and when EIV has no data; Mandatory for non-EIV reported income sources; Mandatory when tenant disputes EIV reported employment and income information **and** is unable to provide acceptable documentation to support dispute)
- 3) Written Third Party Verification Form-Medium-Low** (Mandatory if written third party verification documents are not available or rejected by the PHA; and when the applicant or tenant is unable to provide acceptable documentation)
- 2) Oral Third Party Verification-Low** (Mandatory if written third party verification is not available)
- 1) Tenant Declaration-Low** (Use as a last resort when unable to obtain any type of third party verification)

Third Party Verification Techniques

Upfront Income Verification (UIV) (Level 6/5): The verification of income before or during a family reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for a number of individuals.

It should be noted that the EIV system is available to all PHAs as a UIV technique. PHAs are encouraged to continue using other non-HUD UIV tools, such as The Work Number (an automated verification system) and state government databases, to validate tenant-reported income.

For each new admission (form HUD-50058 action type 1), the PHA is required to do the following: **i. Review the EIV Income Report to confirm/validate family-reported income within 120 days of the PIC submission date; and **ii.** Print and maintain a copy of the EIV Income Report in the tenant file; and **iii.** Resolve any income discrepancy with the family within 60 days of the EIV Income Report date.

Written Third Party Verification (Level 4): An original or authentic document generated by a third party source dated either within the 60-day period preceding the reexamination or PHA request date. Such documentation may be in the possession of the tenant (or applicant), and is commonly referred to as tenant-provided documents. It is the Department's position that such tenant-provided documents are written third party verification since these documents originated from a third party source. The PHA may, at its discretion, reject any tenant-provided documents-and follow up directly with the source to obtain necessary verification of information.

Examples of acceptable tenant-provided documentation (generated by a third party source) include, but are not limited to: pay stubs, payroll summary report, employer notice/letter of hire/termination, SSA benefit verification letter, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notices. Current acceptable tenant-provided documents must be used for income and rent determinations.

For new income sources or when two pay stubs are not available, the PHA should project income based on the information from a traditional written third party verification form or the best available

information.

Written Third Party Verification Form (Level 3): Also, known as traditional third party verification (a standardized form to collect information from a third party source). PHAs send the form directly to the third party source by mail, fax, or email.

It is the Department's position that the administrative burden and risk associated with use of the traditional third party verification form may be reduced by PHAs relying on acceptable documents that are generated by a third party, but in the possession of and provided by the tenant (or applicant). Many documents in the possession of the tenant are derived from third party sources (i.e. employers, federal, state and/or local agencies, banks, etc.).

Oral Third Party Verification (Level 2): Independent verification of information by contacting the individual income/expense source(s), as identified through the UIV technique or identified by the family. PHA staff should document in the tenant file, the date and time of the telephone call, the name of the person contacted and telephone number, along with the confirmed information.

This verification method is commonly used in the event that the independent source does not respond to the PHA's faxed, mailed, or e- mailed request for information in a reasonable time frame, i.e., ten (10) business days.

Non-Third Party Verification Technique Tenant Declaration (Level 1): The tenant submits an affidavit or notarized statement of reported income and/or expenses to the PHA. This verification method should be used as a last resort when the PHA has not been successful in obtaining information via all other verification techniques. When the PHA relies on tenant declaration, the PHA must document in the tenant file why third party verification was not available.

All original documents will be stamped (or notated) "**Viewed Original**" and imaged into the family file. Original documents will be photocopied and returned to the applicant/participant if specifically requested and at PHA discretion. When documents cannot be photocopied, staff viewing the documents will annotate the file accordingly. A faxed authentic document from the source will be considered as an original document.

C. COMPUTER MATCHING

In addition to EIV, the HA utilizes computer matching with the Department of Social Services (DPSS), and the INS SAVE system. Other computer matching agreements with federal, state, and local government agencies will be utilized if available and cost-effective.

D. ITEMS TO BE VERIFIED

All eligibility factors will be verified, such as waiting list preference, income, deductions and exclusions, combined assets exceeding five thousand dollars (\$5000.00), and household composition.

E. VERIFYING NON-FINANCIAL FACTORS

Verification of Legal Identity

In order to prevent program abuse, the HA will require applicants and members both nucleus and non-nucleus to furnish verification of legal identity for all family members.

Family Relationships

The HA will require familial relationship verification as appropriate and necessary.

Verification of Permanent Absence of Adult Member

If an adult member who was formerly a member of the household is reported permanently absent by the family, the HA will require verification of the new address.

Verification of Change in Family Composition

The HA will verify changes in family composition (either reported or unreported). Third party verification procedures will be used.

Verification of Disability

Third party verification procedures will be used to document permanent disability status.

Verification of Citizenship/Eligible Immigrant Status

To be eligible for assistance, individuals must be U.S. citizens or eligible immigrants. Individuals who are neither may elect not to contend their status. Eligible immigrants must fall into one of the categories specified by the regulations and must have their status verified by Immigration and Naturalization Service (INS). Each family member must declare his or her status. Citizenship is verified via an original Certified Abstract of Birth within the U.S. or its Territories, or an original Social Security Card in the absence of an original Certified Abstract of Birth. Copies do not verify Evidence of Citizenship. Assistance cannot be delayed, denied, or terminated while verification of status is pending except that assistance to applicants may be delayed while the HA hearing is pending.

If an applicant or participant family member fails to sign required declarations and consent forms or provide documents, as required, they must be listed as an ineligible member. If any family member fails to provide and sign as required, the family may be denied or terminated from assistance.

If the HA determines that a family member has knowingly permitted an individual who is not eligible for assistance to reside in the family's unit, the family's assistance will be terminated, unless the ineligible individual has already been considered in prorating the family's assistance.

Verification of Social Security Numbers

All applicants and participants are required to disclose a social security number. PHAs will not need to re-verify previously disclosed valid SSNs. PHAs may rely on documentation of the SSN provided by another government agency (federal or state). For the addition of new household members at least 6 years of age or under the age of 6 and who **has an assigned SSN**, the tenant must disclose the SSN and provide documentation of the SSN to the PHA at the time of request to add new household member or during interim re-exam. The new household member **cannot** be added to the family composition until the family has complied with SSN disclosure and verification requirements. Addition of new household members under the age of 6 **and no assigned SSN**, are included as household members and entitled to benefits and the Head of Household is given 90 days to provide documentation of the SSN. Extensions may be given due to unforeseen circumstances.

Verification of Reasonable Accommodation

Reasonable Accommodation requests for families will be considered when a family includes a person with disabilities. The person with a disability, or guardian or responsible party of the person with a disability, must submit a written Reasonable Accommodation request. In cases where a separate bedroom or live-in aide is requested because of reasonable accommodation, the Housing Authority will verify the need through third party verification from the patient's designated licensed professional.

The HA will approve the exception as a reasonable accommodation if the family demonstrates a nexus to the disability is present to make the program accessible to and usable by the family member with a disability. Verification of the need must be provided annually on a Housing Authority approved form. For relocations the verification must be current within the last 60 120 days. In addition, requests involving separate bedrooms for substantial medical equipment will be verified at the time of a participant's annual inspection or a special inspection may be conducted after an initial lease up to ensure that program funds are being used for the purpose in which they were intended.

If the HA determines that the accommodation for the separate bedroom is not being used for the purpose in which it was intended or the medical equipment is not substantial enough to require a separate bedroom, the HA will conduct a new re-exam giving the family a 30 day notice to lower the subsidy standard. Misrepresentation of a needed accommodation may result in a repayment agreement and/or termination.

Verification of Request for Exception to the Zero Tolerance Policy

If a family member with criminal activity meets the requirements to be granted an exception to the Housing Authority of the County of Riverside's Zero Tolerance Policy (see Appendix C), they may complete a Request for Exception to Zero Tolerance Policy form to be reviewed by an established committee. In some instances, verification such as a police report, proof of completion of diversion, etc. may be required. Victims of domestic violence, date violence, sexual assault, or stalking requesting an exception to the Zero Tolerance Policy will be required to complete HUD Form 50066 "Certification of Domestic Violence, Date Violence, Stalking" and return it to the HA within 14 days of request.

Chapter 8

VOUCHER ISSUANCE AND BRIEFINGS

INTRODUCTION

The HA's objectives are to provide families selected to participate with the tools to help them be successful in obtaining an acceptable housing unit, and to give them sufficient knowledge to derive maximum benefit from the program and to comply with program requirements. When families have been determined to be eligible, the HA will conduct a mandatory briefing to ensure that families understand how the program works. The briefing will provide a broad description of owner and family responsibilities, HA procedures, and how to lease a unit. The family will also receive a briefing packet that provides more detailed information about the program. This chapter describes how briefings will be conducted, the information that will be provided to families, and the policies for how changes in the family composition will be handled.

A. ISSUANCE OF VOUCHERS

When funding is available, the HA will issue Vouchers to new applicants who have been determined eligible and/or those who are relocating. The issuance of Vouchers must be within the dollar limitations set by the Annual Contributions Contract (ACC) budget.

B. BRIEFING TYPES AND REQUIRED ATTENDANCE (24 CFR 982.301)

Initial Applicant Briefing

A full HUD-required briefing will be conducted for applicant families who are determined to be eligible for assistance as well as participants that utilize portability and transfer into the Housing Authority of the County of Riverside's jurisdiction (port-ins).

Briefing Packet

A briefing packet will be given to new applicants at the initial applicant briefing and to those participants who are relocating. The documents and information provided in the briefing packets for the Voucher programs will comply with all HUD requirements. The briefing packet includes owner identification documents containing private information, that once submitted to the HA, will not be considered part of the participant file. The HA may conduct other types of briefings such as relocation and portability briefings for families, and owner briefings.

Other Information to be Provided at the Briefing

Family and owner responsibilities are explained to the new applicant and/or port-in client. In addition to literature and the HA's website, applicants and owners may request specific clarification about program issues from the assigned Housing Specialist or Supervisor.

Guidance and materials are offered to assist the family in selecting a unit. Issues to be considered include: Proximity to employment, public transportation, schools, shopping and the accessibility of services. Applicants are encouraged to evaluate the prospective unit, such as the condition, whether the rent is reasonable, average utility expense, energy efficiency and security. The Housing Authority of the County of Riverside uses a web-based program which gives the family access to owners who wish to rent their properties to recipients of the program. They may also pick up listings in person at both Housing Authority offices. The family will have access to a list of landlords willing to lease to assisted families and non-profit organizations willing to assist in the

housing search. In providing this courtesy list, the HA does not endorse any particular unit or landlord. There is no guarantee that the rents listed are reasonable or approvable, nor any guarantee that the units will pass Housing Quality Standards.

The HA will provide information on the advantages to moving to areas of low poverty. The family will be encouraged to choose a unit carefully and after due consideration.

The family will receive information about the Family Self-Sufficiency program and its advantages.

Owners and participants will be instructed that side payments or any payment not approved by the HA will not be allowed. Acceptance of side payments or additional rent will be grounds for termination from program.

C. ENCOURAGING PARTICIPATION IN LOW POVERTY AREAS

During briefings sessions the Housing Authority encourages families to move to low poverty areas by explaining the advantages of moving to an area that may offer high-quality housing, education and employment opportunities. To increase the available housing stock to its clients, and to facilitate the opportunity for owners and participants to gather for the purpose of leasing a unit, the HA may conduct periodic Rental Fairs at its main office. This gives current participants who are in the relocation process, as well as families newly released from the waiting list, the opportunity to become acquainted with property owners with available units. In addition, landlords are invited to list their property via the Housing Authority website through the landlord portal or may visit the Housing Authority offices to receive the property listing form. The HA offers Landlord Workshops in order to expand its network of property owners and/or managers. The purpose of these workshops is to make special efforts to provide outreach and education to landlords who may not be familiar with the Housing Choice Voucher Program.

D. ASSISTANCE TO FAMILIES WHO CLAIM DISCRIMINATION

The HA provides the family with the HUD Discrimination Complaint form and offers to assist in the completion of the form as well as directing the family to report suspected discrimination to the Fair Housing Council.

E. ASSISTANCE TO FAMILIES WITH DISABILITIES

The HA assists families with disabilities in locating accessible units by:

1. Providing a rental listing (which includes handicapped accessible units) of owners willing to rent to Housing Choice Voucher Program participants, and
2. Providing a listing of service agencies that provide services to help the disabled, and
3. Providing reasonable accommodation by extending the term of the voucher, if warranted.

F. SECURITY DEPOSIT REQUIREMENTS (24 CFR 982.313)

Security deposits charged by owners may not exceed those charged to unassisted tenants or the maximum prescribed by state or local law.

G. TERM OF VOUCHER

(24 CFR 982.303)

During the initial applicant briefing session, each household will be issued a Housing Choice Voucher which represents an agreement between the HA and the family specifying the rights and responsibilities of each party. It does not constitute admission to the program, which occurs when the lease and contract become effective. NOTE: Incoming portable clients retain their Voucher issue and expiration dates from their initial HA.

Expirations

For those families that have an initial Voucher, the term of the Voucher is 60 calendar days.

For participants who are relocating, Vouchers are also valid for a period of 60 calendar days from the last date that assistance was paid. For those families that have an initial HUD-VASH Voucher, the term of the Voucher is 120 days.

If the family needs and requests an extension of the Voucher term as a reasonable accommodation to make the program accessible to and usable by a family member with disabilities, the HA may extend the Voucher term up to the term reasonably required for that purpose. An extension of up to 60 days may be granted. An extension of the term is granted by HA notice to the family.

If the family requests an extension for the Voucher due to other good cause such as illness of a household member, death of a family member, natural disaster, disapproval of a unit by the HA (i.e. the unit that RFTA was submitted for fails to meet HQS, proof of ownership issues, proof of permits for additions/deletions) or other unforeseeable circumstances, the request will be reviewed along with the documentation provided by the family regarding the circumstances requiring the extension. An extension of the term may be granted by HA supervisor and notice to the family.

The family will not be entitled to a review or a hearing if the Voucher has expired. If the family is currently assisted, they may remain as a Housing Choice Voucher Program participant in their unit if there is an assisted contract in effect.

Suspensions

Effective September 21, 2015, the family's voucher term will be suspended from the time the family submits a RFTA to the time the HA notifies the family, in writing, of the RFTA denial.

H. VOUCHER ISSUANCE DETERMINATION FOR SPLIT HOUSEHOLDS (24 CFR 982.315)

Family break-up: The PHA has discretion to determine which members of an assisted family continue to receive assistance in the program if the family breaks up. If a court determines the disposition of property between members of the assisted family in a divorce or separation under a settlement or judicial decree, the PHA is bound by the court's determination of which family members continue to receive assistance in the program. The factors to be considered in making this decision under the PHA policy include:

- (1) Whether the assistance should remain with family members remaining in the original assisted unit.
- (2) The interest of minor or of ill, elderly or disabled family members.
- (3) Whether family members are forced to leave the unit as a result of actual or threatened physical violence against family members by a spouse or other member of the household. (*VAWA protects the victim from losing their HUD assisted housing*).

(4) Other factors specified by the PHA such as recommendations of social service professionals.

Documentation of these factors will be the responsibility of the requesting parties. If documentation is not provided, the HA will terminate assistance on the basis of failure to provide necessary information.

I. REMAINING MEMBER OF TENANT FAMILY-RETENTION OF VOUCHER

To be considered the remaining member of the tenant family, the person must be an eligible immigrant, have been previously approved as part of the family by the HA and be currently living in the unit.

A live-in aide, by definition, is not a member of the family and will not be considered a remaining member of the family.

In order for a minor to continue to receive assistance as a remaining member:

1. The court has to have awarded emancipated minor status to the minor, or
2. The HA has to have verified that the Department of Social Services and/or the Juvenile Court has arranged for another adult to be brought into the assisted unit to care for the minor(s) for an indefinite period.

A reduction in family size may require a reduction in the authorized payment standard.

Retention of a voucher by the remaining member currently living in the unit will only be approved as a result of the death of the Head of Household, or removal of the Head of Household to an assisted living environment, or government facility.

Chapter 9

REQUEST FOR TENANCY APPROVAL (RFTA) AND CONTRACT EXECUTION

INTRODUCTION

After a family is issued a Voucher, they may search for a unit anywhere within the jurisdiction of the HA, or outside of the HA's jurisdiction (portability). If funding is not available to support portability in a higher payment standard area whereby the jurisdiction is "billing" not "absorbing", the family may be denied portability to the higher cost area.

The family must find an eligible unit under the program rules, with an owner/landlord who is willing to enter into a Housing Assistance Payments Contract with the HA. This chapter defines the types of eligible housing, the HA's policies which pertain to initial inspections, lease requirements, owner disapproval, and the processing of RFTA's.

A. REQUEST FOR TENANCY APPROVAL (RFTA) (24 CFR 982.302)

The RFTA and a copy of the proposed lease must be submitted by the family prior to the expiration of the Voucher.

Both the owner and Voucher holder must sign the RFTA. The HA will not permit the family to submit more than one RFTA at a time.

Both the owner, or the owner's designee, and the Voucher holder must be present for the initial inspection. If the owner chooses to have his/her designee present for the inspection in lieu of himself/herself, the designee must have the written authority to sign the Housing Assistance Payments (HAP) Contract.

The following timeline must be observed for all incoming RFTAs:

- The unit must be ready for inspection **no later than** 14 calendar days from the date the RFTA is submitted. Ready for inspection means that ownership is verified, rent is negotiated (if needed) to ensure unit affordability, rent is determined reasonable, **all** utilities are in service and permits (if any) are submitted by the owner for any additions/improvements to the unit.
- The initial inspection will be conducted by HA staff within 7 business days from the date the unit is ready or from the date the RFTA is received by the HA, whichever is later or from the date ownership is verified.
- If the unit fails the initial inspection, repairs must be made within 10 calendar days and a repair inspection will be conducted by HA staff within 4 business days from the date the HA is notified that repairs are completed. For certain repairs, the HA may utilize the Certified Repair Notice (CRN) that both the owner and tenant sign acknowledging the repair has been completed in conjunction with pictures and or receipts, as an alternative for conducting a repair check.
- The unit must pass inspection **no later than** 20 calendar days from the initial inspection or the date the unit is ready, whichever is later.
- The owner must provide a signed HAP Contract and signed Lease Agreement to the HA either on the date of the passed inspection or **no later than** 7 calendar days from the date the participant takes occupancy of the unit.

- The participant must enter into a Lease Agreement **and** take occupancy of the unit **no later than** 60 days from the date the inspection has passed.

The RFTA may be denied if:

- the unit is not ready for inspection within 14 calendar days
- the unit does not pass inspection within 30 calendar days
- the owner does not provide the signed HAP Contract and signed Lease within 7 calendar days
- the owner and/or participant do not provide all HA required information within the requested time frames.
- the participant does not take occupancy of the unit within 60 days from the date the inspection has passed, and/or
- the unit fails initial inspection after previously being an assisted unit and the contract was terminated for failing HQS.

Effective September 21, 2015, the family's voucher term will be suspended from the time the family submits a RFTA to the time the HA notifies the family, in writing, of the RFTA denial.

HUD regulations prohibit the HA from approving a unit if the owner is the parent, child, grandparent, grandchild, sister, brother of any member of the tenant family, unless the HA determines that approving the unit would provide reasonable accommodation for a family member who is a person with disabilities. **[24 CFR 982.306 (d)]**

Review of the RFTA

(24 CFR 982.507 and 982.508)

HA staff will review the rent amount to ensure the rent is reasonable based upon current rents for comparable unassisted units. The voucher program rule requires that the HA's system for determining comparability and reasonable rent take nine factors into consideration: location, size, type, quality and age, amenities, housing services and maintenance, and utilities provided by the owner under the lease. Also, that it is affordable as determined by HUD regulations for the family. Affordable for the family means that the family's share of the rent plus the current utility allowance cannot exceed 40 percent of the household's adjusted monthly income. If the unit does not meet the affordability criteria, the HA will attempt to negotiate the rent with the owner. If the owner does not agree on the contract rent after the HA has tried and failed to negotiate a revised rent, the HA will inform the family and owner that the RFTA is disapproved. Effective September 21, 2015, the family's voucher term will be suspended from the time the family submits a RFTA to the time the HA notifies the family, in writing, of the RFTA denial.

The HA will recalculate the voucher term to add the time the voucher was suspended and issue another RFTA to the family.

Owners must submit their own lease with the HUD lease addendum attached and a property management agreement (if applicable). The HA may review the lease to ensure compliance with HUD regulations, state and local laws. Responsibility for utilities, appliances and optional services must correspond to those provided on the RFTA.

If the HA determines that the RFTA cannot be approved for any reason (see above paragraph A of this section) the RFTA will be disapproved and the landlord and the family will be notified in writing. Effective September 21, 2015, the family's voucher term will be suspended from the time the family submits a RFTA to the time the HA notifies the family, in writing, of the RFTA denial.

The HA will recalculate the voucher term to add the time the voucher was suspended and issue another RFTA to the family.

If the HA determines that the RFTA is approvable, staff will schedule and perform the initial inspection within 7 business days from the date the RFTA is received provided the unit is ready for inspection, or within 7 days from the unit ready date or from the date ownership is verified. Any variance from this time frame will be documented in the family's file.

Residence Limitations

Interest in Unit: The owner may not reside in the assisted unit. The owner may reside in a unit in which a voucher family is participating in a "shared housing" type of assistance. However, the owner may not be a resident owner if the Housing Choice Voucher participant is related to the owner.

Relative Owner: The HA must not approve a unit if the owner is the parent, child, grandparent, grandchild, sister, or brother of any member of the family, unless the HA determines that approving the unit would provide reasonable accommodation for a family member who is a person with disabilities (24 CFR 982.306 (d)).

B. INFORMATION TO OWNERS

The HA is required to provide prospective owners with the address of the applicant and the names and addresses of the current and previous landlords if known. The HA will make an exception to this requirement if the family's whereabouts must be protected due to domestic abuse or witness protection.

The HA will inform owners that it is the responsibility of the landlord to determine the suitability of prospective tenants. They will be encouraged to screen applicants for rent payment history, eviction history, damage to units, and other factors related to the family's suitability as a tenant.

C. OWNER DISAPPROVAL

For purposes of this section, "owner" includes a principal or other interested party. The HA will disapprove the owner for the reasons stated in Chapter 16 of this Plan.

D. CONTRACT EXECUTION PROCESS

The HA prepares the Housing Assistance Payment Contract for execution. The family and the owner will execute the lease agreement, and the owner and the HA will execute the HAP Contract with the owner. Copies of the documents will be furnished to the parties who signed the respective documents.

E. CHANGE IN OWNERSHIP

The HA requires written documentation of any change in ownership. A copy of the recorded grant deed is acceptable documentation. In addition, if the new owner wants to continue receiving Housing Assistance Payments, they must sign a new HAP Contract and provide the Housing Authority a signed lease and/or rental agreement.

Chapter 10

HOUSING QUALITY STANDARDS AND INSPECTIONS

INTRODUCTION

(24 CFR 982.404)

Housing Quality Standards (HQS) are the HUD minimum quality standards for tenant-based programs. HQS inspections are required both at initial occupancy and annually during the term of the lease.

At the HACR's discretion, pursuant to the 2014 Appropriations Act, the HA may conduct HQS inspections on a biennial basis (once every two years) using a consistent methodology plan (i.e. streamlined annual files and high performing landlords with 75% units that pass inspection at the 1st HQS visit). Also pursuant to the 2014 Appropriations Act, in lieu of conducting an HQS inspection for existing voucher-assisted units, the HACR may use Alternate Inspection Methods for annual inspections if the alternative inspection uses an equivalent or higher standard. HQS inspections apply to the building and premises, as well as the unit. Reasonable business hours to conduct housing inspections are between 8:00 am and 5:30 p.m.

These minimum standards may be enhanced by the HA, provided that by doing so the HA does not overly restrict the number of units available for lease under the program. The use of the term "HQS" in this Administrative Plan refers to the combination of both HUD and HA requirements. This chapter describes the HA's procedures for performing HQS and other types of inspections, and standards for the timeliness of repairs. It also explains the responsibilities of the owner and family, and the consequences of non-compliance with HQS requirements for both families and owners.

A. TYPES OF INSPECTIONS

Efforts will be made at all times to encourage owners to provide housing above HQS minimum standards. All utilities and appliances must be in service before the unit will pass HQS.

There are five types of inspections the HA will perform:

1. Initial/Move-in: Conducted within 7 business days of receipt of Request for Tenancy Approval or as soon as possible from the date the unit will be ready for inspection.
2. Annual: Must be conducted within 12 months of the last inspection date.
3. Special/Complaint: At the request of an owner, family, agency or third-party.
4. Move-Out/Vacate: As a courtesy to the owner, the HA may conduct a move-out inspection at the landlord's written request, if damage is a result of the tenant not meeting their obligations and such damage would cause tenant to lose their assistance.
5. Quality Control: Quality control inspections are conducted in an amount necessary to meet HUD requirements.

B. ACCEPTABILITY CRITERIA AND EXCEPTIONS TO HQS

The HA adheres to the acceptability criteria in the program regulations and HUD Inspection Manual.

Additions to HQS:

- Modifications or adaptations to a unit must meet applicable HQS and building codes i.e., must provide copy of signed off final city building permit for additions and/or removed structures.
- All emergency systems must be operable (i.e., pull cords for elderly/disabled complexes).
- Security bars/window bars in rooms that can be used for sleeping must have a quick release mechanism. Such devices shall be releasable or removable from the inside without the use of a key, tool, special knowledge, or force greater than that which is required for normal operation of the escape and rescue opening. *The release mechanism shall be maintained operable at all times* (Chapter 3 – Building Planning of the 2010 California Residential Code, Section R310, Emergency Escape and Rescue Openings).
- Two Earthquake straps (one in the top third and one in the bottom third) are required for all hot water heaters. An exception would be in the case of electric water heaters located inside a cupboard, typically under a countertop and commonly referred to as 30 gallon stubbies (which are half the size of a normal water heater). In these instances, one earthquake strap is preferred but Plumbers tape may be used to secure the water heater.
- A functional cooling system must be in all units located east of, and including Palm Springs.
- One good screen is required on one window in each room.
- All exterior doors must have working deadbolts (inside cannot be keyed – must be keyless) and a doorknob.
- Certified Carbon Monoxide Detectors must be installed in, all dwellings (1 per floor level) having a fossil fuel burning heater or appliance (such as a gas stove, or oven), fireplace or attached garage. (SB183)

C. INSPECTIONS

[24 CFR 982.405 (a)]

The HA conducts an inspection in accordance with Housing Quality Standards at least annually, but no sooner than 120 days prior to the anniversary month of the contract. Special or Quality Control inspections may be scheduled between anniversary dates.

The landlord must correct HQS deficiencies that cause a unit to fail unless the fail item is one for which the participant is responsible. HAP payments will not be made on units that do not meet HQS. The family is responsible for breaches of HQS that are caused by any of the following:

- The family fails to pay for any utilities that the owner is not required to pay for, but which are to be paid for by the tenant;
- The family fails to provide and maintain any appliances that the owner is not required to provide, but which are to be provided by the tenant; or
- Any member of the household or guest damages the dwelling unit or premises (damage beyond ordinary wear and tear).
- The family fails to allow the HA to inspect the unit at reasonable times with reasonable notice.
- If the family does not contact the HA to reschedule the inspection (with good cause), or if the family misses one inspection appointment, the HA will consider the family to have violated a family obligation, and their assistance may be terminated in accordance with the termination procedure in this Plan.

Time Standards for Repairs

[24 CFR 985.3 (f)]

1. Emergency items that endanger the family's health or safety must be corrected within 24 hours of notification.
2. For non-emergency items, all repairs must be completed as specified by the HA, not to exceed 30 days.
3. For major repairs, the Housing Specialist may approve an extension beyond 30 days.

In accordance with the Notice to Repair or Certified Repair Notice, the contract will be terminated if the unit is not in compliance with HQS. If the tenant is the responsible party, a Pre-termination of Assistance Appointment letter will be sent. No payments will be made to the owner after the contract has been terminated.

D. EMERGENCY REPAIR ITEMS

[24 CFR 982.404 (a) (3) (b) (2)]

The following items are considered of an emergency nature and must be corrected by the owner or participant (whoever is responsible) within 24 hours of notice by the Housing Specialist.

- Lack of security for the unit
- Waterlogged ceiling in imminent danger of falling
- Major plumbing leaks or flooding
- Natural gas leak or fumes
- Electrical problem which could result in shock or fire
- Utilities not in service
- No running hot water
- Broken glass where someone could be injured
- Obstacle which prevents tenant's entrance or exit
- Lack of at least one functioning toilet
- Any other item deemed an immediate health or safety hazard

In those cases where there is leaking gas or a potential of fire or other threat to public safety, and the responsible party cannot be contacted, the proper authorities will be notified by the HA.

E. INITIAL HQS INSPECTION

An Initial Inspection will be conducted to:

- Determine if the unit and property meet the HQS as defined by HUD regulations and this Plan.
- Determine if the Rent to Owner is reasonable and document the information to be used in that determination.

Also see Chapter 9, paragraph A, for Initial HQS inspection guidelines and timelines.

F. SPECIAL/COMPLAINT INSPECTIONS

If at any time a family, owner, agency, or third party notifies the HA that the unit does not meet Housing Quality Standards, the HA will conduct an inspection. Move-Out/Vacate: As a courtesy to the owner, the HA may conduct a move-out inspection at the landlord's written request, if damage is a result of the participant not meeting their obligations and such damage would cause participant to lose their assistance.

G. QUALITY CONTROL INSPECTIONS

[24 CFR 982.405 (b)]

The Housing Supervisor or designee will perform Quality Control inspections, in an amount necessary to meet HUD requirements. The purpose of Quality Control inspections is to ascertain that Housing Specialists/Program Assistants are conducting accurate and complete inspections, and to ensure that there is consistency among inspectors in the application of HQS.

Chapter 11

OWNER RENTS, RENT REASONABLENESS, AND PAYMENT STANDARDS

INTRODUCTION

The HA is responsible to ensure that the rents charged by owners are reasonable based upon comparable unassisted units in the rental market. When the HA has determined that the unit meets the minimum HQS, that the lease is approvable, and that the rent is reasonable, it will enter into a Housing Assistance Payment Contract with the owner. This chapter explains the HA's procedures for determination of rent-reasonableness, payments to owners, adjustments to the payment standards, and rent adjustments.

A. OWNER PAYMENT IN THE VOUCHER PROGRAM

The Housing Choice Voucher formula for determining maximum subsidy is the lower of the Payment Standard or the Gross rent (contract rent plus current utility allowance) for the unit minus the family's Total Tenant Payment.

- The maximum subsidy for each family is determined by the payment standard for the Voucher size issued to the family (or the gross rent as stated above), less 30 percent of the family's monthly adjusted income. The actual subsidy level could be less if the family is required to pay the minimum total tenant payment (10 percent of the family's monthly income).
- The Voucher size issued to the family is based on the HA's subsidy standards. The payment standard for the family is based on the lesser of the payment standard for the Voucher size issued or the payment standard for the number of bedrooms of the selected unit.
- The housing assistance payment to the owner is the lesser of the subsidy described above or the rent charged by the owner.

B. LATE PAYMENTS TO OWNERS

The HA must pay the Housing Assistance Payment (HAP) promptly when due to the owner in accordance with the HAP contract. Late payments to owners shall be the lesser of 1) the late payment as stated in the lease between the owner and the tenant, or 2) \$50.00. However, the HA shall not be obligated to pay any late payment penalty if HUD determines that late payment by the HA is due to factors beyond the HA's control. The HA has determined that the HAP payment by the HA is deemed received by the owner upon mailing by the HA. Direct deposit is - required to assist in the prompt receipt of HAP payments.

The HA may only use the following sources to pay a late payment penalty from program receipts under the consolidated ACC: administrative fee income for the program or the administrative fee reserve for the program. The HA may not use other program receipts for this purpose.

C. MAKING PAYMENTS TO OWNERS

Once ownership is verified and the HAP Contract is executed, the HA begins processing monthly payments to the landlord. The HAP to owners will be processed by the Housing Authority Accounting Department.

D. EXCEPTION PAYMENT STANDARD

The HUD field office may approve an exception payment standard up to 120% of the FMR for all units of a given size leased by families in an exception area.

An area exception payment standard may not exceed 120% of the FMR. An area exception payment standard will not be approved unless HUD determines that an exception rent is needed either:

- To help families find housing outside areas of high poverty; or
- Because Voucher holders have trouble finding housing for lease under the program within the term of the Voucher

The HA may approve an exception payment standard up to 110% of the FMR when it has determined that it is needed as a reasonable accommodation to make the program accessible to and usable by the family member with a disability.

E. RENT REASONABLENESS DETERMINATIONS (24 CFR 982.507)

Rent reasonableness determinations are made when units are placed under HAP Contract for the first time, before any increase in rent to the owner, if there is a 5% decrease in the published FMR, and if directed by HUD.

The HA determines rent reasonableness through a database of unassisted rental units in all bedroom sizes throughout the county. Staff is required to add units to this database monthly. Newspapers, rental magazines, calls to property owners and managers and the Internet are some of the sources used to add comparables to the database.

The HA will consider comparable unassisted units preferably within a ½ mile radius, but census tract and/or zip code may also be considered to include the location, quality, size, unit type, age of the unit, amenities, services, maintenance and utilities provided by the owner in determining rent reasonableness. With supervisor approval, exceptions may be considered in remote areas where a ½ mile radius is not sufficient.

A printout showing the rental amount of comparable units in the area is imaged to the family's file, signed and dated by the Housing Specialist, documenting the data used to determine rent reasonableness.

F. PAYMENT STANDARDS AND ADJUSTMENTS (24 CFR 982.503)

The subsidy amount is based on a Payment Standard set by the HA. The HA will review the Payment Standard annually to determine whether an adjustment should be made for some or all unit sizes. The Payment Standard will be reviewed according to HUD's requirements and this Plan, and if an increase is warranted, the Payment Standard will be adjusted within 90 percent to 110 percent of the current HUD-published Fair Market Rent. However, should a HUD waiver be granted to an amount that falls outside the basic range of 90-110%, the HA will adopt the new range as needed to meet funding allocations.

The HA may approve an exception Payment Standard up to 110% of the FMR when it has determined that it is needed as a reasonable accommodation to make the program accessible to and usable by the family member with a disability. In accordance with PIH 2013-18 (HA), "Exception

payment standards **must** remain in effect until or unless a higher payment standard is warranted, requested, and subsequently approved.” The unit size may not exceed the authorized subsidy size for the family. The HA may apply to HUD Headquarters to approve a Payment Standard up to 120% of the FMR if it determines that the increase is needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities in accordance with 24 CFR part 8.

The HA may use some or all of the measures below in making a determination whether an adjustment should be made to the Payment Standards.

- **Lowering of the Payment Standard**

Statistical analysis may reveal the Payment Standard should be lowered, in which case the Payment Standard should not be less than 90 percent of the current FMR. If the FMR is lowered, the Payment Standard will be decreased in accordance with HUD regulations.

- **Financial Feasibility**

Before increasing the Payment Standard, the HA may review the budget and the project reserve to determine the impact projected subsidy increases would have on available funding for the program and number of families served.

For this purpose, the HA will compare the number of families who could be served under higher Payment Standards with the number assisted under current Payment Standards.

G. RENT INCREASES

(24 CFR 982.507)

Owners may not request rent increases to be effective prior to the expiration of the initial term of the lease. An owner request for a rent increase must be in accordance with the lease, state law, HAP contract and HUD regulations. The owner must notify the PHA of any changes in the amount of the rent to the owner at least **60 (sixty) days** before any such changes go into effect (see HAP Contract 15-d). The requested rent increase must be reasonable for market conditions. If the rent comparisons are determined to be lower than the current contract rent, regulations state that at no time can the rent to owner exceed the reasonable rent (i.e. rent comparable/s) most recently determined by the PHA. For this reason, the PHA must complete an interim to lower the contract rent to the new amount as determined by the rent comparisons. If the HA disapproves the owner’s request for a rent increase because the rent is not reasonable, both the participant and the owner will be notified in writing and the family may request that the HA issue the family a Voucher to enable them to relocate.

Chapter 12

REEXAMINATIONS

INTRODUCTION

HUD requires the HA to re-certify the income and household composition of all families at least annually. In addition, the HA is required to inspect the assisted unit at least annually, and to process requests for rent adjustments. These activities must be coordinated to ensure that they are completed in accordance with the regulations. It is a HUD requirement that families report all changes in household composition and income at the annual reexamination. The HA decides what other changes must be reported, and the procedures for reporting all income. This chapter defines the HA's policy for conducting annual reexaminations and coordinating the annual activities. It also explains the interim reporting requirements for families, and the standards for timely reporting.

A. ANNUAL RECERTIFICATION/REEXAMINATION (24 CFR 982.516)

Requirement to Attend

All household members are required to attend scheduled appointments. Failure to appear for a scheduled interview is cause to terminate assistance for failure to comply with the family obligation of providing information to the HA.

Documents Required from the Family

Failure to provide documents required by the HA is a violation of a family obligation and grounds for termination of assistance. The family will be given 10 calendar days to provide requested information and/or documents.

The HA may make exceptions to these policies if the family is able to document an emergency situation that prevented them from attending a scheduled appointment or providing requested information.

Tenant Rent Increases

If the tenant portion of rent increases, a notice of at least 30 days is mailed to the family prior to the effective date of the change whenever possible. If the owner has served the tenant with a Rent Increase Notice, that notice shall serve as the notice to the tenant of the increase in their rent.

If there has been a misrepresentation or a material omission by the family, the family may be terminated and/or required to repay any overpaid HAP to the HA.

Tenant Rent Decreases

If tenant portion of rent decreases, it will be effective on the first day of the month after the written notification of the change. If the family causes a delay in the processing of the reexamination, the rent change will be effective on the first day of the month following completion of the reexamination.

B. REPORTING INTERIM CHANGES

The HA requires program participants to report all changes in household composition or income in writing within 10 days of the change to the HA. This includes additions due to birth, adoption and court-awarded custody. The family must obtain HA and owner approval prior to all other additions to the household.

The U.S. citizenship/eligible immigrant status of additional family members must be declared and verified as required at the first interim unless the change takes place during the regular reexamination.

Interim Reexamination Policy

Participants must report all changes in income, assets, and family household composition in writing within 10 days of change. Changes will be processed if they are anticipated to continue for sixty (60) or more days.

If it has been determined that a participant has misrepresented any information to the PHA that causes the PHA to pay a higher HAP amount, the participant will be required to repay the excess HAP paid on their behalf. If the PHA determines that the participant has been subsidized through the participant's willful misrepresentation of income, assets, or family composition, the PHA shall notify the participant that rental assistance will be terminated and excess HAP repaid and the participant has the right to request a Hearing.

Decreases in Income

The HA will process the change if the decrease in income is **\$100 monthly** or more and anticipated to continue for sixty (60) or more days.

Increases in Income

The HA will conduct interim reexaminations for participants who have an increase in income of **\$50 monthly** or more.

ZERO INCOME FAMILIES:

Families reporting less than \$100 in gross monthly household income will be asked how the family pays for necessary living expenses and the family will be required to complete, sign and date the Certification of Income Form. Such families will be required to provide documentation to the HA every 30 days until such time that the family has no Utility Reimbursement Payment (URP). Families with \$100 or less in gross monthly income will be re-evaluated every 30 days to determine if there are any new sources of income. Failure to provide required information may be cause for termination of rental assistance. HUD excluded income that is designated for a specific purpose (i.e. food stamps, etc.) does not count toward the calculation of gross income.

HA Errors

When the HA finds that an error has been made, an interim reexamination will be conducted to correct the error. A minimum of thirty (30) days notice will be given to participant and owner if the correction results in a decrease in the HAP payment.

Administrative Errors and Omissions: It is crucial that the PHA establish and maintain a high degree of accuracy in administering its program. From time to time minor administrative errors or omissions may be discovered which require immediate PHA action. Administrative errors, omissions, or mistakes made by PHA staff, owners, or participant may include:

1. PHA Errors and Omissions (examples):
 - a. Errors in calculations of Assistance levels;
 - b. Inappropriate determinations of family eligibility;
 - c. Miscalculation of gross rents; or,
 - d. Approval of gross rents above allowable limitations.

2. Owner Errors and Omissions (examples):
 - a. Not informing the PHA that the participant has vacated the unit.
 - b. Not informing the PHA that an error in contract rent has occurred within 10 days of receiving a rent change notification.

3. Tenant Errors and Omissions (examples):
 - a. Omission of a particular asset or income because of lack of information;
 - b. Miscalculation of income; or,
 - c. Misinformation regarding family composition.

Changes in family size/subsidy standards

A larger bedroom size will not be issued if a member of the nucleus family moves out and returns as an adult. In these cases, the HA will not approve the addition of household members if it results in overcrowding according to HQS.

For additions to the family in the following cases, the HA will issue the family a relocation Voucher when the change causes overcrowding according to HQS:

- Additions by marriage
- Addition of a minor who is a member of the nucleus family who had been living elsewhere
- Addition of a HA-approved live-in aide
- Addition due to birth, adoption or court-awarded custody
- Addition of long term placement foster care minor(s) or adults

Family Member moves out

Families are required to notify the HA in writing within 10 days if any family member leaves the assisted household. When the family notifies the HA, they must furnish the following information:

- The date the family member moved out
- The new address, if known, of the family member
- A statement as to whether the family member is temporarily or permanently absent

C. TIMELY REPORTING OF CHANGES IN INCOME AND ASSETS

Families who do not report required changes within time frames established by the HA are considered in violation of a family obligation, and are subject to termination of assistance.

D. NOTIFICATION OF RESULTS OF REEXAMINATIONS

The HUD form 50058 will be completed and transmitted as required by HUD.

Chapter 13

MOVES WITH CONTINUED ASSISTANCE/PORTABILITY

INTRODUCTION

HUD regulations permit families to move with continued assistance to another unit within the HA's jurisdiction, or to a unit outside of the HA's jurisdiction under portability procedures. The regulations also allow the HA the discretion to develop policies which define any limitations on moves. This chapter defines the procedures for moves, both within and outside of the HA's jurisdiction, and the policies and limitations on moves.

A family may move (relocate) to a new unit when the owner has given the family a notice to vacate and the family is eligible for continued assistance or when the family has given proper notice of lease termination and is eligible for continued assistance (see A. Allowable Moves for additional information).

A family may request to move once annually and a notice to vacate may be extended once. The owner must approve any extension in writing. If a family exercises the one month extension and does not vacate after the one extension notice expires, they must either obtain agreement from the landlord to rescind the notice to vacate, or vacate the unit as planned while they search for a new unit. More than one extension will not be granted unless as a reasonable accommodation to make the program accessible to a person with disabilities.

A. ALLOWABLE MOVES

A family may move to a new unit if:

1. The assisted lease for the old unit has terminated because the HA has terminated the HAP contract due to owner breach.
2. The HA has terminated the HAP contract because the family is no longer eligible for the current number of bedrooms.
3. To determine whether the family is eligible for continued assistance, a full reexamination will be done prior to approval of any relocation, unless the Eligibility Questionnaire and verifications in the file are dated within the last 60 days. A household may request one extension of the notice to vacate and it must be approved by the landlord.
4. The owner has given the family a notice to vacate and the family is eligible for continued assistance.
5. The family has given proper notice of lease termination and is eligible for continued assistance.
6. The family:
 - a. Has an income change that will result in a zero HAP at the new assisted unit. In these cases, the contract with the owner will be for a six-month period only (180 days).
 - b. Is currently at zero HAP and must relocate because the current assisted unit is either in foreclosure or up for sale. In these cases, the new contract will only be for the remaining time period left of the original 180 days since the last HAP paid (i.e. the 180 day time period at zero HAP does not restart and includes but is not limited to the time spent searching for a new unit as well as any inspection time and RFTA disapprovals).

7. A mutual agreement has been signed by both the Owner and participant. This applies when a participant is requesting to move before the expiration of the lease term or the owner wishes a participant to move before the expiration of the lease term.

B. RESTRICTIONS ON MOVES

Families will not be permitted to move during the initial term of the lease. Families will not be permitted to move more than once in a 12-month period unless a 6 month lease is in place according 24 CFR 982.309 (a). The HA will deny permission to move if:

- The family owes the HA money
- The family has violated a Family Obligation
- The family is in violation of their lease

The HA may make exceptions to these restrictions if there is an emergency or safety reason for the move or as a reasonable accommodation for a disabled family member.

C. PORTABILITY

Portability applies to families moving out of or into the HA's jurisdiction within the United States and its territories. Under portability, families are eligible to receive assistance to lease a unit outside of the initial HA's jurisdiction.

D. OUTGOING PORTABILITY

When a family requests to move outside of the HA's jurisdiction, the request must specify the area to which the family wants to move. Portability outside of HACR's jurisdiction will be approved if the family is eligible for continued assistance and if funding is available. The HA may deny a family's request to move under portability if the PHA does not have sufficient funding for continued assistance to support the move in accordance with CFR 982.314 (e)(1) and PIH 2008-43. If funding is not available, the family may be denied moving to a higher cost jurisdiction if the receiving agency is "billing" and not "absorbing".

If a family, within two (2) weeks of the voucher effective date, requests to transfer their rental assistance (exercise portability) to another jurisdiction, for mailing purposes a full sixty five (65) day voucher term will be granted. If the family requests portability after the two week window of opportunity, the receiving housing authority must first confirm that they will receive the family with the existing time remaining on the voucher. If the receiving housing authority will not accept the family with the existing time remaining on the voucher, the HA will be unable to exercise portability to that jurisdiction on behalf of the family. A reasonable accommodation for a voucher extension may be requested by the family, and approved by the HA, if a nexus between the disability and the request is present and may require verification by a licensed professional.

The Violence Against Women Act of 2005 provides that the family may receive a voucher and move in violation of the lease under the portability procedures if the family has complied with all other obligations of the voucher program and has moved out of the assisted dwelling unit in order to protect the health or safety of an individual who is or has been the victim of domestic violence, dating violence, or stalking and who reasonably believed he or she was imminently threatened by harm from further violence if he or she remained in the assisted dwelling unit.

E. INCOMING PORTABILITY

Absorption or Administration

The HA will accept a family with a valid voucher from another jurisdiction and either administer or absorb the voucher. When administering assistance for the family, a Portability Voucher will be issued with the same start date as the initial HA. The initial HA may grant extensions in accordance with Federal Regulations. All port-in supporting documents are to be received by mail and EIV's must be in a sealed envelope for confidential purposes to ensure HUD compliance. Incoming ports must have a minimum of 45 days left on their voucher for complete processing. Anything less than 45 days will be returned to their initial PHA.

Initially, the HA will issue a subsidy based on the family composition listed in the initial PHA's 50058. The subsidy issued will be based on the receiving HA's current subsidy standards (HACR). If the receiving PHA (HACR) is not absorbing, any changes must be approved by the initial PHA.

Chapter 14

CONTRACT TERMINATIONS

INTRODUCTION

The Housing Assistance Payments (HAP) Contract is the contract between the owner and the HA which defines the responsibilities of both parties. This chapter describes the circumstances under which the contract can be terminated by the HA and the owner, and the policies and procedures for such terminations.

A. CONTRACT TERMINATION

The term of the HAP contract is the same as the term of the lease. The contract between the owner and the HA may be terminated by the HA, or by the owner terminating the lease.

No future subsidy payments on behalf of the family will be made by the HA to the owner after the month in which the contract is terminated. The owner must reimburse the HA for any subsidies paid by the HA for any period after the contract termination date.

If the family continues to occupy the unit after the HAP contract is terminated, the family is responsible for the entire contract rent.

After a contract termination, if the family meets the criteria for a move with continued assistance, the family may lease-up in another unit. The contract for the new unit may begin during the month in which the family moved from the previous unit.

B. TERMINATION OF LEASE BY OWNER

Upon proper notice, the lease may provide for termination without cause after the initial term of the lease or may terminate by mutual consent between the owner and participant during the initial lease term. In the event that the participant passes away and there are no remaining nucleus family members, the Housing Assistance Payment (HAP) will be paid in full (through the end of the month) in which the participant becomes deceased. An owner is not eligible to retain any portion of HAP for any time period beyond the month in which the participant became deceased.

If it is during the initial lease term, or subsequent lease term, the owner must provide the participant a written notice specifying the grounds for the termination of tenancy. A copy of the notice to vacate and verification of the participant violations must be provided to the HA. If it is not during a lease term, the owner must provide a written notice for a time period that is compliant with the lease or rental agreement that was signed with the participant (i.e. 30 days in most cases). A copy must be provided to the HA. "Good cause" does not need to be demonstrated when the tenant is not in a lease term. If the participant does not vacate based on the owner's notice, the owner must follow state/local laws to evict the participant.

The HA will continue to pay a HAP until the participant vacates the unit or the eviction is concluded, whichever occurs first. In no instance will the HAP be paid for any period beyond the contract termination date, or for the month following the month the tenant vacates the unit.

Federal Regulations *24CFR 982.552 (c) Authority to deny admission or terminate assistance (1) Grounds for denial or termination of assistance states*, "The PHA may at any time deny program

assistance for an applicant or terminate program assistance for a participant, for any of the following grounds: (ii) If any member of the family has been evicted from federally assisted housing in the last five years”.

EVICTIONS

The Contract and lease shall provide that the owner shall not terminate the tenancy except for:

- A.** Serious or repeated violation of the terms and conditions of the lease;
- B.** Violations of Federal, State, or Local Law which imposes obligations on the participant in connection with the occupancy or use of the dwelling unit and surrounding premises; or,
- C.** Other good cause as provided in the lease including, but not limited to, the following:
 - 1. Failure by the family to accept the offer of a new lease by the owner;
 - 2. A family history of disturbance of neighbors or destruction of property, or of living or housekeeping habits resulting in damage to the unit or property;
 - 3. Criminal activity by family members involving crimes of physical violence to persons or property and any illegal drug activity;
 - 4. The Owner's desire to utilize the unit for personal or family use or for a purpose other than for use as a residential rental unit; or,
 - 5. A business or economic reason for termination of the tenancy (such as sale of the property, renovation of the unit, desire to rent the unit at a higher rental rate).
- D.** The Owner must give the PHA a copy of any Eviction Notices served to the participant.
- E.** Family Eligibility for Continued Assistance: Termination of tenancy is not automatically termination of Assistance:
 - 1. If the family is evicted and owes money to the landlord (i.e., unpaid rent), the PHA will determine the family ineligible for issuance of another voucher.
 - 2. If the family is determined to be ineligible for continued assistance at the time of Termination of Tenancy, the PHA is required to notify the family and provide an Informal Hearing.

Please note: A stipulation is still considered an eviction.

C. TERMINATION OF THE CONTRACT BY HA

The term of the HAP contract terminates when the lease terminates, when the family vacates the unit, or when the owner has breached the HAP contract.

The HA may also terminate the contract if:

- The HA terminates assistance to the family
- The family is required to move from a unit which is under-occupied or is overcrowded
- Funding is no longer available under the ACC
- The participant has requested their assistance be terminated
- The participant passes away and there are no remaining nucleus family members

The contract will terminate automatically if 180 days have passed since the last HAP paid (24 CFR 982.455).

In the event that funding is no longer available under the ACC, the HA will implement a “first on, first off” policy on terminating families, meaning that those families who have benefited the longest will be the first to be terminated, excluding any disabled and/or elderly families. All efforts will be

made to give a family no less than a 90 day notice in order to allow them substantial time to prepare. This policy is consistent with Fair Housing guidelines.

D. TERMINATIONS DUE TO INELIGIBLE IMMIGRATION STATUS

The HA will follow HUD rules for terminations due to ineligible immigration status.

Chapter 15

DENIAL OR TERMINATION OF ASSISTANCE

INTRODUCTION

The HA may deny assistance for an applicant or terminate assistance for a participant because of the family's action or failure to act. An applicant who was previously a participant in the Housing Choice Voucher (HCV) program and whose assistance was terminated by **any** Housing Authority may not receive HCV assistance for a minimum of **five** (5) years (**24 CFR 982.552 (c)(1)(iii)**).

This applies to **all members** of the previously assisted household, not just those who were adult members at the time of termination. For members who were minors at the time of termination, or as a reasonable accommodation for persons with disabilities, the HA may allow participation if the member was not involved in the action that led to the termination. The HA will 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 to act. If the termination was due to fraud, the applicant is ineligible for a lifetime.

The HA will provide families with a written description of the family obligations under the program, the grounds under which the HA can deny or terminate assistance, and the HA's informal hearing procedures. This chapter describes when the HA is required to deny or terminate assistance, and the HA's policies for the denial of assistance.

A. GROUNDS FOR DENIAL OF ASSISTANCE (24 CFR 982.552-553)

Form of Denial of Assistance

Denial of assistance for an applicant may include any or all of the following:

1. Denial for placement on the HA waiting list
2. Denying or withdrawing a Voucher
3. Refusing to enter into a HAP contract or approve a lease
4. Refusing to process or provide assistance under portability procedures

Mandatory Denial of Assistance

The HA must deny assistance to applicants for the following reasons:

1. If any member of the family fails to sign and submit HUD or HA required consent forms for obtaining information.
2. The applicant is a student enrolled at an institution of higher education, is under the age of 24, is not a veteran, unmarried and does not have a dependent child, is individually ineligible for Section 8 assistance, or the student's parents are, individually or jointly, ineligible for assistance, as specified in 24 CFR 5.612.
3. If an applicant or any household member has been evicted from federally assisted housing for drug-related criminal activity within three years unless the PHA determines:
 - a. That the evicted household member who engaged in the drug-related criminal activity has successfully completed a supervised drug rehabilitation program; or,
 - b. That the circumstances leading to the eviction no longer exist (for example, the criminal household member has died or is imprisoned).

4. If the HA determines that any household member is currently engaging in illegal use of a drug.
5. If the HA determines that it has reasonable cause to believe that a household member's illegal drug use or a pattern of illegal drug use may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.
6. Any household member has ever been convicted of drug-related criminal activity for manufacture or production of methamphetamine on the premises of federally assisted housing.
7. If any member of the household (including minors) is subject to a registration requirement under a State sex offender registration program. (In this screening of applicants, the HA must perform criminal history background checks necessary to determine whether any household member is subject to a sex offender registration requirement in the State where the housing is located and in other States where the household members are known to have resided.)

Registered Sex Offender Notice: The California Department of Justice, sheriff's departments, police departments serving jurisdictions of 200,000 or more and many other law enforcement authorities maintain for public access a data base of locations of persons required to register pursuant to paragraph (1) of subdivision (a) of Section 290.4 of the Penal Code. The data base is updated on a quarterly basis and is a source of information about the presence of these individuals in any neighborhood. Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.nsopw.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides.

Permissive Grounds for Denial of Assistance

The HA may at any time deny program assistance for an applicant, or terminate program assistance for a participant, for any of the reasons listed below.

1. If the family violates any family obligation under the program.
2. If any member of the family has been evicted from federally assisted housing in the last five years.
3. If a PHA has ever terminated assistance under the program for any member of the family.
4. If any member of the family commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
6. If the family currently owes rent or other amounts to the HA or to another PHA in connection with Section 8 or Public Housing Assistance under the 1937 Act. The family may be given an opportunity to repay the balance in full within 10 calendar days. If the family fails to do so, it will result in the denial of assistance and the family's name being removed (withdrawn) from the waiting list.
7. If 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.
8. If the family breaches an agreement with the HA to pay amounts owed to a PHA, or amounts paid to an owner by a PHA.
9. If the family has engaged in or threatened abusive or violent behavior toward HA personnel "Abusive or violent behavior towards HA personnel" include verbal as well as physical abuse or violence. Use of expletives that are generally considered insulting, racial epithets, or other language, written or oral, that is customarily used to insult or intimidate, may be cause for termination or denial. "Threatening" refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence. Actual physical abuse or violence will always be cause for termination.

10. If the family has been engaged in criminal activity or alcohol abuse as described in 24 CFR 982.553.
11. If the HA determines that any household member is currently engaged in, or has engaged in during a reasonable time before the admission: i) Drug-related criminal activity; ii) Violent criminal activity; iii) other criminal activity which may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity; or iv) other criminal activity which may threaten the health or safety of the owner, property management staff, or persons performing a contract administration function or responsibility on behalf of the HA (including a HA employee or HA contractor, subcontractor, or agent). For purposes of this prohibition, a household member is “currently engaged in” criminal activity if that person has engaged in the behavior recently enough to justify a reasonable belief that the behavior is current.
12. If the HA determines that it has reasonable cause to believe that a 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.

B. GROUNDS FOR TERMINATION OF ASSISTANCE (24 CFR 982.552-553)

Form of Termination of Assistance

Termination of assistance for a participant may include any or all of the following:

1. Refusing to enter into a HAP contract or approve a lease.
2. Terminating housing assistance payments under an outstanding HAP contract.
3. Refusing to process or provide assistance under portability procedures.

Mandatory Termination of Assistance

The HA must terminate program assistance for the following reasons:

1. If a family is evicted from housing assisted under the program for serious violation of the lease.
2. If any member of the family fails to sign and submit HUD or HA required consent forms for obtaining information.
3. If a single-person household is a student enrolled at an institution of higher education, is under the age of 24, is not a veteran, unmarried and does not have a dependent child, is individually ineligible for section 8 assistance, or the student’s parents are, individually or jointly, ineligible for assistance, as specified in 24 CFR 5.612.
4. If the HA determines that any member of the household has ever been convicted of drug-related criminal activity for manufacture or production of methamphetamine on the premises of federally assisted housing.

Permissive Grounds for Termination of Assistance

The HA may at any time deny program assistance for an applicant, or terminate program assistance for a participant, for any of the reasons listed below.

1. If the family violates any family obligation under the program.
2. If any member of the family has been evicted from federally assisted housing in the last five years.
3. If a PHA has ever terminated assistance under the program for any member of the family.
4. If any member of the family commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
5. If the family currently owes rent or other amounts to the HA or to another PHA in connection with Section 8 or Public Housing Assistance under the 1937 Act.

6. If 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
7. If the family breaches an agreement with the HA to pay amounts owed to a PHA, or amounts paid to an owner by a PHA.
8. If the family has engaged in or threatened abusive or violent behavior toward HA personnel
 “Abusive or violent behavior towards HA personnel” include verbal as well as physical abuse or violence. Use of expletives that are generally considered insulting, racial epithets, or other language, written or oral, that is customarily used to insult or intimidate, may be cause for termination or denial. “Threatening” refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence. Actual physical abuse or violence will always be cause for termination.
9. If any household member is currently engaged in any illegal use of a drug; or if a pattern of illegal use of a drug by any household member interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.
10. If the HA determines that any family member has violated the family’s obligation under 24 CFR 982.551 not to engage in any drug-related criminal activity.
11. If an applicant or family violates the Amended Zero Tolerance Policy of Criminal Activity.

C. Violence Against Women Act (VAWA) of 2005

Denial of assistance to an applicant or termination of assistance of a participant for criminal activity are subject to the provisions of the Violence Against Women Act of 2005 as described below:

1. Being a victim of domestic violence, dating violence, or stalking (see glossary for legal definitions) is not a basis for denial of assistance or admission to public or assisted housing if the applicant otherwise qualifies for assistance or admission
2. Incidents or threats of abuse will not be construed as serious or repeated violations of the lease or other “good cause” for termination of the assistance, tenancy, or occupancy rights of a victim of abuse
3. Criminal activity directly relating to abuse, engaged in by a member of a tenant’s household or any guest or other person under the tenant’s control, shall not be cause for termination of assistance, tenancy, or occupancy rights if the tenant or an immediate member of the tenant’s family is the victim of that abuse
4. Notwithstanding the restrictions that VAWA places, the HA may “bifurcate” a lease without regard to whether a household member is a signatory to the lease, in order to evict, remove, terminate occupancy rights, or 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 evicting, removing, terminating assistance to, or otherwise penalizing the victim of such violence who is also a tenant or lawful occupant, and such eviction, removal, termination of occupancy rights, or termination of assistance shall be effected in accordance with the procedures prescribed by federal, state, and local law for the termination of leases or assistance under the relevant program of HUD-assisted housing. Neither the authority nor the procedures under any other law is necessary to bifurcate or otherwise remove an individual from the lease. Furthermore, this federal statutory authority to bifurcate a lease or otherwise remove an individual takes precedence over any federal, state, or local law to the contrary.
5. The HA has authority to terminate voucher assistance for certain family members while permitting other members of a participant family to continue receiving assistance (providing the culpable family member will no longer reside in the unit). The HA’s right to exercise this administrative discretion is not dependent on a bifurcated lease or other eviction action by the owner against an individual family member.

6. Certification of Abuse: The HA will request that the victim complete the HUD form 50066 -- Certification of Domestic Violence, Dating Violence or Stalking. This form must be provided within 14 business days from the date the HA requests it. Without the certification, the HA may terminate assistance.

Family Self Sufficiency (FSS)

The HA will not terminate assistance for FSS families who fail to comply with the FSS Contract of Participation unless participation in FSS is a requirement or condition of the program under which the family was admitted.

D. FAMILY OBLIGATIONS

(24 CFR 982.551)

1. The family must supply any information that the HA or HUD determines is necessary in the administration of the program, including submission of required evidence of citizenship or eligible immigration status (as provided by 24 CFR Part 5). "Information" includes any requested certification, release or other documentation.
The family must supply any information requested by the HA or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition in accordance with HUD requirements.
2. The family must disclose and verify Social Security numbers and must sign and submit consent forms for obtaining information in accordance with HUD regulations.
3. Any information supplied by the family must be true and complete.
4. The family is responsible for an HQS breach caused by the family or their invitees.
5. The family must allow the HA to inspect the unit at reasonable times and after reasonable notice.
6. The family may not commit any serious or repeated violation of the lease.
7. The family must notify the PHA and the owner before the family moves out of the unit or terminates the lease on notice to the owner.
8. The family must give the HA a copy of any owner eviction notice in writing within 10 days of occurrence.
9. The family must use the assisted unit for residence by the family. The unit must be the family's only residence.
10. The composition of the assisted family residing in the unit must be approved by the HA. The family must inform the HA in writing within 10 days of occurrence of the marriage (or the addition of a co-head), birth, adoption or court-awarded custody of a child. The family must request HA approval to add any family member as an occupant of the unit. No other person may reside in the unit (except for a foster child or live-in aide).
11. The family must notify the HA in writing within 10 days of occurrence if any family member no longer resides in the unit.
12. If the HA has given approval, a foster child or a live-in aide may reside in the unit. If the family does not request approval or HA approval is denied, the family may not allow a foster child or live-in aide to reside with the assisted family.
13. Members of the household may engage in legal profit-making activities in the unit, but only if such activities are incidental to primary use of the unit as a residence by members of the family.
14. The family must not sublease or let the unit.
15. The family must not assign the lease or transfer the unit.
16. The family must supply any information or certification requested by the HA to verify that the

family is living in the unit, or relating to family absence from the unit, including any HA-requested information or certification on the purposes of family absences. The family must cooperate with the HA for this purpose. The family must promptly notify the HA of absence from the unit.

17. The family must not own or have any interest in the unit.
18. The members of the family must not commit fraud, bribery or any other corrupt or criminal act in connection with the programs.
19. The members of the family may not engage in alcohol or 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.
20. An assisted family, or members of the family, may not receive Section 8 tenant-based assistance while receiving another housing subsidy, for the same unit or for a different unit, under any duplicative (as determined by HUD or in accordance with HUD requirements) federal, state or local housing assistance program.
21. The members of the household must not abuse 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.

Explanations and Terms

The term “promptly” when used with the family obligations always means “within 10 calendar days.”

Housing Authority Discretion

In deciding whether to deny or terminate assistance because of action or failure to act by members of the family, the HA 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, the length of time since the violation occurred and more recent record of compliance, and the effects of denial or termination of assistance on other family members who were not involved in the action or failure to act. All denials or terminations of assistance will be consistent with fair housing and equal opportunity provisions.

The HA 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.

In determining whether to deny admission or terminate assistance for illegal use of drugs or alcohol abuse by a household member who is no longer engaged in such behavior, the HA 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. For this purpose, the HA may require the applicant or 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.

If the family includes a person with disabilities, the HA will determine if such action is subject to consideration of reasonable accommodation.

Lease Violations

In determining whether a serious or repeated violation of the lease will cause a termination of assistance, the HA will consider all circumstances including whether the owner terminates tenancy through court action for serious or repeated violation of the lease, the tenant's statements and documents, verifications provided by either the owner or the tenant, and any reports of lease violations, neighborhood complaints or other third party information.

HQS Breach

The HA will determine if an HQS breach as identified in HUD Regulations is the responsibility of the family. Families may be given extensions to cure HQS breaches by the HA in accordance with HUD regulations.

Denial of Additions to the Household

Proposed additions to the family may be denied to:

- Persons who have been evicted from public housing.
- Persons who engage in or have engaged in, alcohol or drug-related criminal activity or violent criminal activity.
- Persons who do not meet the HA's definition of family.
- Persons who commit or have committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
- Persons who currently owe rent or other amounts to the HA or to another HA in connection with Section 8 or Public Housing Assistance under the 1937 Act.
- Persons who have engaged in or threatened abusive or violent behavior toward HA personnel.

E. PROCEDURES FOR NON-CITIZENS

Termination due to Ineligible Immigrant Status

Assistance may not be terminated while verification of the participant family's eligible immigration status is pending. Participant families in which all members are neither U.S. citizens nor eligible immigrants must have their assistance terminated; however, they will be given an opportunity for a hearing.

False or Incomplete Information

When the HA has clear, concrete, or substantial documentation (such as permanent resident card or information from another agency) that contradicts the declaration of citizenship made by an applicant or participant, an investigation will be conducted and the individual given an opportunity to present relevant information.

If the individual is unable to verify their citizenship, the HA may give him/her an opportunity to provide a new declaration as an eligible immigrant or to elect not to contend their status. The HA will then verify eligible status, deny, terminate, or prorate as applicable. The HA will deny or terminate assistance based on the submission of false information or misrepresentations.

F. ZERO HOUSING ASSISTANCE PAYMENT FOR TENANTS

The HAP contract terminates automatically 180 calendar days after the last housing assistance payment to the owner. If within the 180 day time frame, the Total Tenant Payment causes the family to be eligible for a housing assistance payment, the HA will resume assistance payments for the family.

G. MISSED APPOINTMENTS AND DEADLINES

It is a family obligation to supply information, documentation, and certification as needed for the HA to fulfill its responsibilities. The HA schedules appointments and sets deadlines in order to obtain required information. The obligations also require that the family allow the HA to inspect the unit and appointments are made for this purpose.

If an applicant or participant does not keep an appointment, does not supply information required by a deadline or does not allow the HA to inspect the unit, the HA may deny or terminate assistance. The family will be given information about the requirement to keep appointments as specified in this Plan.

Appointments may be scheduled and time requirements will be imposed for the following events and circumstances:

- Eligibility for Admissions
- Verification Procedures
- Voucher Issuance and Briefing
- Housing Quality Standards and Inspections
- Re-certifications
- Appeals

Procedure when Family Obligations are not met

When the participant family fails to fulfill their obligations within the time frames established by the HA, a “Pre-Termination of Assistance” appointment will be scheduled for the family. The appointment notice shall inform the family of the obligation not met and the necessary remedy. If the obligation is still not met, a Notice of Intent to Terminate Assistance will be issued. If the family corrects the breach within the time frame allowed for requesting a hearing, the notice may be rescinded. The HA will consider whether the family has a history of non-compliance in making determinations to terminate assistance.

At the same time that the family is notified of a breach in their obligations, a “Conditional Termination of Contract” notice will be sent to the owner. This notice will inform the owner that should the family fail to comply with their obligations, the contract will end.

Chapter 16

OWNER DISAPPROVAL AND RESTRICTIONS

INTRODUCTION

It is the policy of the HA to recruit owners to participate in the program, and to provide owners with prompt and professional service in order to maintain an adequate supply of available housing throughout the jurisdiction of the HA. The regulations define when the HA must disallow an owner participation in the program, and they provide the HA discretion to disapprove or otherwise restrict the participation of owners in certain categories. This chapter describes the criteria for owner disapproval and the various penalties for owner violations.

A. DISAPPROVAL OF OWNER

The owner does not have a right to participate in the program. For purposes of this section, “owner” includes a principal or other interested party.

The HA will disapprove the owner for the following reasons:

- HUD has informed the HA that the owner has been disbarred, suspended, or subject to a limited denial of participation under 24 CFR part 24.
- HUD has informed the HA that the Federal Government has instituted an administrative or judicial action against the owner for violation of the Fair Housing Act or other federal equal opportunity requirements and such action is pending.
- HUD has informed the HA that a court or administrative agency has determined that the owner has violated the Fair Housing Act or other federal equal opportunity requirements
- The owner has violated obligations under a housing assistance payments contract under Section 8 of the 1937 Act (42 U.S.C. 1437f).
- The owner has committed fraud, bribery or any other corrupt 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 renting units that fail to meet state or local housing codes.
- The owner has not paid state or local real estate taxes, fines or assessments.
- HA has received evidence that owner is requesting and accepting side payments for rent.
- 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 by the tenant, any member of the household, a guest or another person under the control of any member of the household that:
 - Threatens the health or safety of, or the right to peaceful enjoyment of the premises by other residents
 - Threatens the health or safety of other residents, or employees of the HA, or of owner employees or other persons engaged in management of the housing
 - 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
 - Engages in drug-related criminal activity or violent criminal activity

- HUD regulations prohibit the HA from approving a unit if the owner is the parent, child, grandparent, grandchild, sister, brother, uncle, aunt, of any member of the tenant family, unless the HA determines that approving the unit would provide reasonable accommodation for a family member who is a person with disabilities.

B. OWNER RESTRICTIONS AND PENALTIES

If an owner commits fraud or abuse or is guilty of frequent or serious contract violations, the HA will restrict the owner from future participation in the program. The HA may also terminate some or all contracts with the owner.

Before imposing a penalty against an owner, the HA will review all relevant factors pertaining to the case, and will consider such factors as the owner's record of compliance and the number of violations.

C. OTHER REMEDIES FOR OWNER VIOLATIONS

Overpayments

If the landlord has been overpaid as a result of fraud, misrepresentation or violation of the Contract, the HA may terminate the Contract and arrange for restitution to the HA and/or family as appropriate.

The HA will make every effort to recover any overpayments made as a result of landlord fraud or abuse. Payments otherwise due to the owner may be debited from future payments in order to repay the HA or the tenant, as applicable. The HA will take court action to recover overpayments when other means fail to result in such collection.

Chapter 17

OWNER OR FAMILY DEBTS TO THE HA

INTRODUCTION

This chapter describes the HA's policies for the recovery of monies which have been overpaid to an owner on behalf of an assisted family. It describes the methods that will be utilized for collection of monies and the guidelines for different types of debts. Before a debt is assessed against a family or owner, the file must contain documentation to support the HA's claim that the debt is owed. The file must further contain written documentation of the method of calculation, in a clear format for review by the owner, the family or other interested parties.

The HA will make every effort to collect monies owed to the HA. The HA will use a variety of collection tools to recover debts including, but not limited to:

- Requests for lump sum payments
- Civil suits
- Repayment agreements
- Abatements
- Collection agencies
- Credit bureaus
- Income tax set-off programs

A. REPAYMENT AGREEMENT FOR FAMILIES

A Repayment Agreement as used in this Plan is a document entered into between the HA and a person who owes a debt to the HA. It is similar to a promissory note, but contains more details regarding the nature of the debt, the terms of repayment, any special provisions of the agreement, and the remedies available to the HA upon default of the agreement.

The maximum amount the Housing Authority will enter into a repayment agreement with a family is \$4800.00. The maximum length of time the HA will enter into a repayment agreement with a family is 24 months. The family will be required to make monthly payments of \$200.00 for a period not to exceed 24 months until paid in full. If the family owes more than \$4800.00, the portion that exceeds \$4800.00 must be paid in full immediately as the Housing Authority will not enter into an agreement for more than \$4800.00. Furthermore, 10% of the Repayment Agreement, regardless of whether it exceeds \$4800.00 or not must be paid in full immediately. The HA reserves the right to modify the terms of the repayment agreement on a case by case basis. Signing a Repayment Agreement does not guarantee continued assistance.

Late Payments

A payment will be considered to be in arrears if it is two months in default and if the payment has not been received by the close of the business day on which the payment was due. If the due date is on a weekend or holiday, the due date will be at the close of the next business day.

If the family's repayment agreement is in arrears, the HA may require the family to pay in full. If the family requests a move to another unit and has a repayment agreement in place, the family will be required to pay the balance in full prior to the issuance of a Voucher.

B. DEBTS DUE TO FRAUD/NON-REPORTING OF INFORMATION

HUD's definition of program fraud and abuse is a single act or pattern of actions that constitutes false statement, omission, or concealment of a substantive fact, made with intent to deceive or mislead.

Program Fraud

Families who owe money to the HA due to program fraud will be required to repay in accordance with the guidelines in the Repayment Section of this chapter and may be terminated from the housing assistance program.

If a family owes \$5,000 or more as a result of program fraud, the case may be referred to the HUD Inspector General. Where appropriate, the HA may refer the case for criminal prosecution.

C. OWNER DEBTS TO THE HA

If the HA determines that the owner has retained Housing Assistance Payments the owner is not entitled to, the HA may reclaim the amounts from future Housing Assistance Payments owed the owner for any units under contract.

If future Housing Assistance Payments are insufficient to reclaim the amounts owed, the HA may:

- Require the owner to pay the amount in full within a maximum of 12 months
- Pursue collections through the court system, the Internal Revenue Service (IRS), Franchise Tax Board (FTB), or any other available method
- Restrict the owner from future participation

Chapter 18

COMPLAINTS AND APPEALS

INTRODUCTION

The informal hearing requirements defined in HUD regulations are applicable to participating families who disagree with an action, decision, or inaction of the HA. This chapter describes the policies, procedures and standards to be used when families disagree with a HA decision. The procedures and requirements are explained for preference denial meetings, informal reviews and hearings. It is the policy of the HA to ensure that all families have the benefit of all protections due to them under the law.

A. COMPLAINTS TO THE HA

The HA will respond promptly to complaints from families, owners, employees, and members of the public. All complaints will be documented. The HA prefers that all complaints be put in writing, however, they may be reported by telephone. Complaints that cannot be substantiated will be so noted.

Complaints from families, owners, or the general public will be referred to the Housing Specialist first. Unresolved complaints or those involving a staff member will be referred to a Housing Supervisor or Program Integrity Monitoring (PIM).

Any complaints of racial, ethnic or sexual harassment involving staff will be handled according to County personnel policies. Any complaints regarding racial, ethnic or sexual harassment not involving staff will be documented, referred to Fair Housing and/or Legal Aid, and will be reviewed by supervisory staff.

B. NOT MEETING PREFERENCES

When it is verified by the HA that an applicant does not meet a preference that they self-certified they did, they will be returned to the waiting list and will be notified in writing of the specific reason.

C. INFORMAL REVIEW

The HA must give an **applicant** an opportunity for an informal review of the HA decision denying assistance to the applicant. Once an applicant has received a denial letter, they have 30 days from the date of their denial letter to request a review in writing. After review, the applicant will be furnished with a written final decision including a statement of the reasons for the final decision.

The HA is not required to provide the applicant an opportunity for an informal review for any of the following:

1. Discretionary administrative determinations by the HA.
2. General policy issues or class grievances.
3. A determination of the family unit size under the HA subsidy standards.
4. An HA determination not to approve an extension or suspension of a voucher term.
5. An HA determination not to grant approval to lease a unit under the program or to approve a proposed lease.
6. HA determination that a unit selected by the applicant is not in compliance with HQS.

7. An HA determination that the unit is not in accordance with HQS because of the family size or composition.

Reviews are provided for applicants who are denied assistance before the effective date of the HAP Contract. The exception is that when an applicant is denied assistance for citizenship or eligible immigration status, the applicant is entitled to an informal hearing.

D. INFORMAL HEARING

The HA must provide **participants** with the opportunity for an informal hearing for decisions related to any of the following:

1. A determination of the family's annual or adjusted income, and the use of such income to compute the housing assistance payment.
2. A determination of the appropriate utility allowance (if any) for tenant-paid utilities from the HA utility allowance schedule.
3. A determination of the family unit size under HA subsidy standards.
4. A determination to terminate assistance for a participant family because of the family's action or failure to act.
5. A determination to terminate assistance because the participant family has been absent from the assisted unit for longer than the maximum period permitted under HA policy and HUD rules.

The HA will give the family prompt notice of such determinations which will include:

- The proposed action or decision of the HA.
- The date the proposed action or decision will take place.
- The family's right to an explanation of the basis for the HA's decision.
- The procedures for requesting a hearing if the family disputes the action or decision.
- The time limit for requesting the hearing.
- To whom the hearing request should be addressed.

The HA is not required to provide a participant family an opportunity for an informal hearing for any of the following:

1. Discretionary administrative determinations by the HA.
2. General policy issues or class grievances.
3. Establishment of the HA schedule of utility allowances for families in the program.
4. An HA determination not to approve an extension or suspension of a Voucher term.
5. An HA determination not to approve a unit or lease.
6. An HA determination that an assisted unit is not in compliance with HQS. However, the HA must provide the opportunity for an informal hearing for a decision to terminate assistance for a breach of the HQS caused by the family as described in 24 CFR 982.551.
7. An HA determination that the unit is not in accordance with HQS because of the family size.
8. A determination by the HA to exercise or not to exercise any right or remedy against the owner under a HAP contract.

E. INFORMAL REVIEW/HEARING PROCEDURES

It is the HA's objective to resolve disputes at the lowest level possible. Informal reviews are granted to applicants and informal hearings are granted to participants. The HA will ensure that applicants and participants will receive all of the protections and rights afforded by the law and the regulations.

Notification of Review/Hearing

When the HA determines that an applicant is denied assistance, and for participants, other specified actions, the family must be notified in writing. The notice must contain:

- The reason(s) the action is being taken,
- The procedure for requesting an informal review/hearing if the applicant/participant does not agree with the decision, and
- The time limit for requesting a review/hearing.

A request for an informal review/hearing must be received in writing by the close of the business day, no later than 10 calendar days from the date of the HA's notification of denial of assistance or intent to terminate assistance. For informal hearings, the information packet must be submitted to the hearing officer by the HA within 10 calendar days of receipt of the request for hearing. An appointment will be scheduled and a letter will be sent by the hearing officer within 5 business days from the date the information packet is received and the informal hearing will be conducted no more than 14 calendar days from the date the appointment letter is sent. For informal reviews, the review must be performed within 14 calendar days from the date the review is requested and the results sent to the applicant by mail within 10 business days after the review. The review will be performed in person unless the applicant requests either a review by phone or letter. The informal review/hearing shall be conducted by the review/hearing officer appointed by the HA who is neither the person who made nor approved the decision, nor a subordinate of that person. The HA appoints a review/hearing officer who is a staff person at the Housing Specialist II level or above, or an individual from outside the HA.

The review/hearing shall concern only the issues for which the family has received the opportunity for a review/hearing. Evidence presented at the review/hearing may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

The applicant/participant will be given the opportunity to present oral or written objections to the decision. Both the HA and the family may present evidence and witnesses. Both the HA and the family may use an attorney or other representative to assist them at their own expense.

A representative with written authorization to act on behalf of the applicant/participant may conduct an informal review/hearing in the absence of the applicant/participant, unless the representative has an interest in the rental assistance, i.e., the owner of the assisted unit.

When the hearing officer receives an information packet for an informal hearing, an informal hearing date will be scheduled and the notification will contain:

1. The date and time of the hearing.
2. The location where the hearing will be held.
3. The family's right to bring evidence, witnesses, legal or other representation at the family's expense.

4. The right to view any documents or evidence in the possession of the HA upon which the HA based the proposed action, and to obtain a copy of such documents prior to the review/hearing. Such documents or evidence must be sent to the family no later than 7 days before the review/hearing date.
5. A notice to the family that the HA will request a copy of any documents or evidence the family will use at the review/hearing. Such documents or evidence must be received by the HA no later than 7 days before the review/hearing date.

After a review/hearing date is scheduled, the family may request to reschedule only upon showing “good cause,” which is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family.

Family rights:

- Examine the documents in the file which are the basis for the HA’s action, and all documents submitted to the Hearing Officer.
- The family must be allowed to copy any such document at the family’s expense.

If the HA does not make the document available for examination on request of the family, the HA may not rely on the document at the hearing.

HA rights:

- Examine at HA offices before the HA hearing any family documents that are directly relevant to the hearing.
- The HA must be allowed to copy any such document at the HA’s expense.

If the family does not make the document available for examination on request of the HA, the family may not rely on the document at the hearing.

The review/hearing officer will **determine** whether the action, inaction or decision of the HA is legal in accordance with HUD regulations and this Administrative Plan based upon the evidence and testimony provided at the review/hearing.

A notice of the review/hearing findings shall be provided in writing to the HA and the family within 10 business days and shall include a clear summary of the decision, reasons for the decision, and the amount of any money owed, if applicable.

When the HA is not bound by review/hearing decisions:

- Concerning matters in which the HA is not required to provide an opportunity for a hearing.
- Which conflict with or contradict HUD regulations or requirements.
- Which conflict with or contradict federal, state or local laws.
- Which exceed the authority of the person conducting the review/hearing.

The HA shall send a letter to the applicant/participant if it determines the HA is not bound by the review/hearing officer’s determination within 21 calendar days. The letter shall include the HA’s reasons for the decision with a copy to the review/hearing officer. All requests for a review/hearing, supporting documentation, and a copy of the final decision will be retained in the family’s file.

F. HEARING AND APPEAL PROVISIONS FOR RESTRICTIONS ON ASSISTANCE TO NON-CITIZENS

Assistance to the family may not be delayed, denied or terminated on the basis of immigration status at any time prior to the receipt of the decision of the INS appeal. Assistance to a family may not be terminated or denied while the informal hearing is pending but assistance to an applicant may be delayed pending the informal hearing.

INS Determination of Ineligibility

If a family member claims to be an eligible immigrant and the INS SAVE system and manual search do not verify the claim, the HA notifies the applicant or participant within 10 calendar days of their right to appeal to the INS within 30 calendar days or to request an informal hearing with the HA either in lieu of or subsequent to the INS appeal.

If the family appeals to INS, they must give the HA a copy of the appeal and proof of mailing or the HA may proceed to deny or terminate. The time period to request an appeal may be extended by the HA for good cause.

The request for an HA hearing must be made within 10 calendar days of receipt of the notice offering the hearing or, if an appeal was made to the INS, within 10 calendar days of receipt of that notice.

After receipt of a request for an informal hearing, the hearing is conducted as described in this plan for both applicants and participants. If the hearing officer decides that the individual is not eligible, and there are no other eligible family members, the HA will deny the applicant family. If there are eligible members in the family, the HA will offer to prorate assistance or give the family the option to remove the ineligible members.

If any family member fails to provide documentation or certification of eligible citizenship/immigration as required by the regulation, that member is treated as ineligible. If all family members fail to provide documentation or certification, the family will be denied or terminated.

Participants whose assistance is prorated (either based on their statement that some members are ineligible or due to failure to verify eligible immigration status for some members after exercising their appeal and hearing rights described above) are entitled to a hearing based on the right to a hearing regarding determinations of tenant rent and total tenant payment.

Families denied or terminated for fraud in connection with the non-citizens rule are entitled to a review or hearing in the same way as terminations for any other type of fraud.

Chapter 19

FAMILY SELF-SUFFICIENCY (FSS) PROGRAM

INTRODUCTION

Family self-sufficiency (FSS) is a HUD program that encourages communities to develop local strategies to help voucher families obtain employment that will lead to economic independence and self-sufficiency. Public housing agencies (PHAs) work with welfare agencies, schools, businesses, and other local partners to develop a comprehensive program that gives participating FSS family members the skills and experience to enable them to obtain employment that pays a living wage.

The purpose of Family Self-Sufficiency (FSS) Program is to provide housing assistance combined with public and private resources that will help families achieve economic independence and self-sufficiency. We believe that when a family's basic needs for affordable and stable housing are met, the family can better focus on other needs, such as skill development and job search.

At this time HACR manages the FSS Program for Section 8 Program participants only. Though only the designated head of the household must sign the FSS Contract of Participation, the program is designed for the whole family and everybody's needs are taken into account. FSS programs partner with other service providers, such as: employment and training agencies, community colleges, job search and placement organizations, alcohol and drug services, childcare providers, youth organizations, older adult services, health services, emergency services, credit and homeownership counselors, the local CalWORKs office, and many more.

A. ENROLLMENT AND RECRUITMENT

All Section 8 participants are eligible for FSS program. A participant cannot be excluded from the program for such reasons as poor work history or lack of basic literacy skills. The FSS Program is a voluntary program. The premise of this program is that everyone deserves a chance for self-sufficiency, regardless of his or her current skill level, ability, or past work performance. In order to enroll in the program, participant's income update must have been completed within the last 90 days along with attending a mandatory one hour informational orientation.

B. CONTRACT OF PARTICIPATION

The participant must sign a five-year Contract of Participation, which states all the agreed upon terms between the participant and the Housing Authority (HA). Participants are expected to complete their goals within five years, though the Contract of Participation may be extended up to two years for good cause. To qualify for an extension, the participant must make the request in writing and include justification for the need for additional time. Contract extensions will be evaluated on a case by case basis.

C. INDIVIDUAL TRAINING AND SERVICE PLAN (ITSP)

The ITSP consists of the participant's final goal, interim goals, and specific steps the participant needs to take in order to accomplish those goals. Typically, goals are focused on attaining full-time employment, job advancement, training and education, financial stability, childcare, and personal growth and development.

D. CASE MANAGEMENT AND COMMUNITY SERVICES

The FSS Coordinator works in partnership with participants to identify and secure resources that yield self-sufficiency. Case management includes supportive counseling, information and referrals, and ongoing goal development and planning, which will ultimately help participants gain skills and lifelong learning that continue beyond their participation in FSS. Participants will be referred to community agencies for additional services to support their self-sufficiency efforts.

E. ESCROW ACCOUNTS

In general, as a family's earned income increases, the amount the family must pay for rent increases. When this happens and earned income exceeds the household earned income that was in effect on initial FSS contract start date and family's Current Adjusted Income is greater than the HUD's published Applicable Lower Income Limit the family would not Qualify for an Escrow credit). If the family is eligible for a monthly escrow credit, HACR takes a portion of the rent subsidy and places it in an interest-bearing escrow account on a monthly basis. The account is held for the family until they have completed all goals set in the Self-Sufficiency Plan. Once the family has met its goals and become independent of government assistance (ex: AFDC, GA, etc.) for a minimum of one year, they may cash out the escrow account. A participant must put their request to graduate from the program and cash out the escrow account in writing. If a family is unable to complete their goals in the prescribed time period the escrow account will be forfeited and the funds will be returned to HACR.

If a family moves into homeownership, they will be declared an FSS graduate. Any accrued escrow funds will be awarded, and the family will end its participation in the FSS program.

If a family graduates from the FSS program and is awarded any accrued escrow funds, that family will not be eligible to re-enroll in the FSS program in the future.

If a family has their FSS Contract of Participation expire or terminate, and no escrow funds have been paid, that family will be eligible to re-enroll in the FSS program after a one-year waiting period.

Upon successful completion of their FSS contract, the FSS family will be asked for a letter requesting graduation from the FSS program. That letter will need to provide: 1) description of the family's situation when they started the FSS program; 2) self-certification regarding welfare assistance in the past 12 months; and 3) the family's plans for the escrow funds. If this letter is not provided after two requests from the Housing Authority, or after 90 days, then the family may be terminated from the FSS program and any accrued escrow funds may be forfeited. In order to graduate, family must be in good standing with the program and meet all contract and regulatory obligations.

F. SUPPORTIVE SERVICES

- A. For each family that is a non-elderly, non-disabled family living in a unit receiving Project Based rental assistance, the family shall participate in the development and implementation of the service plan. Note: HCVP is tenant based rental assistance not project based rental assistance.
- B. Families will be informed of HUD's Family Self-Sufficiency program (FSS) and will be asked to participate in FSS so as to expand their access to services in their communities;
- C. For each family that is a non-elderly, non-disabled family living in a unit receiving Project Based rental assistance, the Housing Authority (HA) shall ensure that an individual service plan is established in consultation with the family and in place within 3 months after lease-up. This plan must include an assessment, an action plan for addressing the family's needs including services to be received, and the identification of long term housing goals. The agreement may require mandatory attendance at self-sufficiency counseling and training sessions; Note: HCVP is tenant based rental assistance not project based rental assistance.
- D. The HA shall ensure that the following services are available directly or by referral/agreement with another agency to each non-elderly, non-disabled family living in a unit receiving Project Based rental assistance (Note: HCVP is tenant based rental assistance not project based rental assistance):
- Basic life skills information/counseling on money management, use of credit, housekeeping, proper nutrition/meal preparation; and access to health care (e.g. doctors, medication, and mental and behavioral health services);
 - Counseling on compliance with rental lease requirements and with HCV program participant requirements, including assistance/referrals for assistance on security deposits, utility hook-up fees, and utility deposits;
 - Job preparation and attainment counseling (where to look/how to apply, dress, grooming, relationships with supervisory personnel, etc);
 - Education and career advancement counseling regarding attainment of general equivalency diploma (GED); attendance/financing of education at technical school, trade school or college; including successful work ethic and attitude models; and
 - Participation in the assessment and implementation of actions to address their needs, including the development of an individual case plan for each adult and the adult's commitment to the plan (each adult is required to sign a service plan agreeing to attend FSS counseling/training sessions and to take other actions as deemed appropriate to the adult's successful transition to self-sufficiency); and
- E. The HA shall ensure either directly or by referral/agreement with another agency that each family living in a unit receiving Project Based rental assistance that is a non-elderly, non-disabled family are regularly case managed and evaluated during the lease term.

CHAPTER 20

PROGRAM INTEGRITY MONITORING (PIM)

[24 CFR 792.101 to 792.204, 982.54]

INTRODUCTION

The U.S. Department of HUD conservatively estimates that 200 million dollars is paid annually to program participants who falsify or omit material facts in order to gain more rental assistance than they are entitled to under the law. HUD further estimates that 12% of all HUD-assisted families are either totally ineligible, or are receiving benefits which exceed their legal entitlement.

The HA is committed to assuring that the proper level of benefits is paid to all participating families, and that housing resources reach only income-eligible families so that program integrity can be maintained. The HA will take all steps necessary to prevent fraud, waste, and mismanagement so that program resources are utilized judiciously.

This chapter outlines the HA's policies for the prevention, detection and investigation of program abuse and fraud.

A. CRITERIA FOR INVESTIGATION OF SUSPECTED ABUSE AND FRAUD

The HA's expectation is that participating families will comply with HUD requirements, provisions of the voucher, and other program rules. The HA staff will make every effort (formally and informally) to orient and educate all families in order to avoid unintentional violations. However, the HA has a responsibility to HUD, the County of Riverside, and to eligible families in need of housing assistance, to monitor participants and owners for compliance and, when indicators of possible abuse come to the HA's attention, to investigate such claims.

The HA will initiate an investigation of a participating family in the event of one or more of the following circumstances:

1. Referrals, Complaints, or Tips

The HA will follow up on referrals from other agencies, companies or persons which are received by mail, by telephone or in person, which allege that a family is in non-compliance with, or otherwise violating the family obligations or any other program rules. Such follow-up will be made providing that the referral contains at least one item of information that is independently verifiable. A copy of the allegation will be retained in the family's file in such a way as to protect and observe the confidentiality of the informant.

2. Internal File Review

A follow-up will be made if HA staff discovers (as a function of a certification or recertification, an interim redetermination, or a quality control review), information or facts which conflict with previous file data, the HA's knowledge of the family, or is discrepant with statements made by the family.

3. Verification of Documentation

A follow-up will be made if the HA receives independent verification or documentation which conflicts with representations in the family's file (such as public record information or credit bureau reports, reports from other agencies).

B. STEPS THE HA WILL TAKE TO PREVENT PROGRAM ABUSE AND FRAUD

The HA management and staff will utilize various methods and practices (listed below) to prevent program abuse, non-compliance, and willful violations of program rules by applicants and participating families. This policy objective is to establish confidence and trust in the management by emphasizing program education as the primary means to obtain compliance by families.

1. Things You Should Know

This program integrity bulletin (created by HUD's Inspector General) will be furnished and explained to all applicants to promote understanding of program rules, and to clarify the HA's expectations for cooperation and compliance.

2. Program Orientation Session

Mandatory orientation sessions will be conducted by the HA staff for all prospective program participants, either prior to or upon issuance of a voucher. At the conclusion of all Program Orientation Sessions, the family representative will be required to sign a "Program Briefing Checklist Certificate" to confirm that all rules and pertinent regulations were explained to them.

3. Resident Counseling

The HA will encourage participants to attend regularly scheduled program briefings as a part of the recertification process in order to clarify any confusion pertaining to program rules and requirements.

4. Review and Explanation of Forms

At appropriate times and/or at the family's request staff may explain all required forms and review the contents of all (re)certification documents prior to signature.

5. Use of Instructive Signs and Warnings

Instructive signs such as the "Things you should Know" form will be conspicuously posted in common areas and interview areas to reinforce compliance with program rules and to warn about penalties for fraud and abuse

6. Participant Certification

All family representatives will be required to sign a "Briefing Checklist" and "Family Obligations" form, as contained in HUD's Participant Integrity Program Manual.

C. STEPS THE HA WILL TAKE TO DETECT PROGRAM ABUSE AND FRAUD

The HA Staff will maintain a high level of awareness to indicators of possible abuse and fraud by assisted families.

1. Quality Control File Reviews

Prior to initial certification, and at the completion of all subsequent recertifications, a percentage of files will be reviewed. Such reviews shall include, but are not limited to:

- Assurance that verification of all income and deductions is present.
- Changes in reported Social Security Numbers or dates of birth.
- Authenticity of file documents.
- Ratio between reported income and expenditures.
- Review of signatures for consistency with previously signed file documents.
- All forms are correctly dated and signed.

2. Observation

The HA Management and Occupancy Staff (to include inspection personnel) will maintain high awareness of circumstances which may indicate program abuse or fraud, such as unauthorized persons residing in the household and unreported income. Observations will be documented in the family's file.

3. Public Record Bulletins

Public Record Bulletins may be reviewed by Management and Staff.

4. State Wage Data Record Keepers

Inquiries to State Wage and Employment record keeping agencies as authorized under Public Law 100-628, the Stewart B. McKinley Homeless Assistance Amendments Act of 1988, may be made annually in order to detect unreported wages or unemployment compensation benefits.

5. Credit Bureau Inquiries

Credit Bureau inquiries may be made (with proper authorization by the participant) in the following circumstances:

- At the time of final eligibility determination
- When an allegation is received by the HA wherein unreported income sources are disclosed.
- When a participant's expenditures exceed his/her reported income, and no plausible explanation is given.

D. THE HA'S HANDLING OF ALLEGATIONS OF POSSIBLE ABUSE AND FRAUD

The HA staff will encourage all participating families to report suspected abuse to **the Program Integrity Monitoring (PIM) division (800-300-0439, ww.programintegrity@rivcoeda.org)**. All such referrals, as well as referrals from community members and other agencies, will be thoroughly documented, remain anonymous and/or placed in the participant's file. All allegations, complaints and tips will be carefully evaluated in order to determine if they warrant follow-up. The **HA Staff** will not follow up on allegations which are vague or otherwise non-specific. They will only review allegations which contain one or more independently verifiable facts.

1. File Review

An internal file review will be conducted to determine if the subject of the allegation is a client of the HA and, if so, to determine whether or not the information reported has been previously

disclosed by the family. It will then be determined if the HA is the most appropriate authority to do a follow-up (more so than police or social services). Any file documentation of past behavior as well as corroborating complaints will be evaluated.

2. Conclusion of Preliminary Review

If at the conclusion of the preliminary file review there is/are fact(s) contained in the allegation which conflict with file data, and the fact(s) are independently verifiable, the HA Staff will initiate an investigation to determine if the allegation is true or false.

E. OVERPAYMENTS TO OWNERS

If the landlord has been overpaid as a result of fraud, misrepresentation or violation of the Contract, the HA may terminate the Contract and arrange for restitution to the HA and/or family as appropriate. The HA will make every effort to recover any overpayments made as a result of landlord fraud or abuse. Payments otherwise due to the owner may be debited in order to repay the HA or the tenant, as applicable.

F. HOW THE HA WILL INVESTIGATE ALLEGATIONS OF ABUSE AND FRAUD

If the HA determines that an allegation or referral warrants follow-up, either the staff person who is responsible for the file, or a person designated by the Executive Director to monitor the program compliance will conduct the investigation. In all cases, the HA will secure the written authorization from the program participant for the release of information. The steps taken will depend upon the nature of the allegation and may include, but are not limited to:

1. Credit Bureau Inquiries (CBI)

In cases involving previously unreported income sources, a CBI inquiry may be made to determine if there is financial activity that conflicts with the reported income of the family.

2. Verification of Credit

In cases where the financial activity conflicts with file data, a *Verification of Credit* form may be mailed to the creditor in order to determine the unreported income source.

3. Employers and Ex-Employers

Employers or ex-employers may be contacted to verify wages which may have been previously undisclosed or misreported.

4. Neighbors/Witnesses

Neighbors and/or other witnesses may be interviewed who are believed to have direct or indirect knowledge of facts pertaining to the HA's review.

5. Other Agencies

Investigators, case workers or representatives of other benefit agencies may be contacted.

6. Public Records

If relevant, the HA will review public records kept in any jurisdictional courthouse. Examples of public records which may be checked are: real estate, marriage, divorce, uniform commercial code financing statements, voter registration, judgments, court or police records, state wage records, utility records, postal records,

7. Department of Motor Vehicles (DMV)

In cases involving suspected unauthorized tenants and/or unreported vehicles.

8. Enterprise Income Verification (EIV) reports

In cases involving unreported income and/or unreported employers

9. Interviews with Head of Household or Family Members

The HA will discuss the allegation (or details thereof) with the Head of Household or family member by scheduling an appointment at the appropriate HA office. A high standard of courtesy and professionalism will be maintained by the HA staff person who conducts such interviews. Under no circumstances will inflammatory language, accusation, or any unprofessional conduct or language be tolerated by the management. If possible, an additional staff person will attend such interviews.

10. Other

The HA may use any other resources or tools available.

G. PLACEMENT OF DOCUMENTS, EVIDENCE AND STATEMENTS OBTAINED BY THE HA

Documents and other evidence obtained by the HA during the course of an investigation will be considered "work product" and will either be kept in the participant's file, or in a separate "work file." In either case, the participant's file or work file shall be kept in a locked file cabinet. Such cases under review will not be discussed among HA Staff unless they are involved in the process, or have information which may assist in the investigation.

H. CONCLUSION OF THE HA'S INVESTIGATIVE REVIEW

At the conclusion of the investigative review, the reviewer will report the findings to the Executive Director or designee. It will then be determined whether a violation has occurred, a violation has not occurred, or if the facts are inconclusive.

I. EVALUATION OF THE FINDINGS

If it is determined that a program violation has occurred, the HA will review the facts to determine:

- The type of violation (procedural, non-compliance, fraud).
- Whether the violation was intentional or unintentional.
- What amount of money (if any) is owed by the family.
- If the family is eligible for continued occupancy.

J. ACTION PROCEDURES FOR VIOLATIONS WHICH HAVE BEEN DOCUMENTED

Once a program violation has been documented, the HA will propose the most appropriate remedy based upon the type and severity of the violation.

1. Procedural Non-compliance (Pre-termination of Assistance Appointment)

This category applies when the family "fails to" observe a procedure or requirement of the HA, but does not misrepresent a material fact, and there is no retroactive assistance payments owed by the family. Examples of non-compliance violations are:

- Failure to appear at a pre-scheduled appointment.
- Failure to return verification in time period specified by the HA.

(a) Warning Notice to the Family

In such cases a notice will be sent to the family which contains the following:

- A description of the non-compliance and the procedure, policy or obligation which was violated.
- The date by which the violation must be corrected, or the procedure complied with.
- The action which will be taken by the HA if the procedure or obligation is not complied with by the date specified by the HA.
- The consequences of repeated (similar) violations.

2. Procedural Non-compliance - Overpaid Assistance.

When the family owes money to the HA for failure to report changes in income or assets, the HA will issue a Pre-termination of Assistance Appointment. This Notice will contain the following:

- A description of the violation and the date(s).
- Any amounts owed to the HA.

(a) Participant Fails to Comply with HA's Notice

If the Participant fails to comply with the HA's notice, and a family obligation has been violated, the HA will initiate termination of assistance (Intent to Terminate Assistance letter). The family will be given the right to disagree and to request an informal hearing with instructions for the request of such hearing.

(b) Participant Complies with HA's Notice

When a family complies with the HA's notice, the staff person responsible will meet with him/her to discuss and explain the Family Obligation or program rule which was violated. The staff person will counsel the participant and may require that they sign Certified Statements regarding their family obligations with the understanding that future incidents may result in termination.

3. Intentional Misrepresentations

When a participant falsifies, misstates, omits or otherwise misrepresents a material fact which results (or would have resulted) in an overpayment of housing assistance by the HA, the HA will evaluate whether or not:

- The participant had knowledge that his/her actions were wrong, and
- The participant willfully violated the family obligations or the law.

(a) Knowledge that the action or inaction was wrong

This will be evaluated by determining if the participant was made aware of program requirements and prohibitions. The participant's signature on various certifications, briefing checklist certificate, Personal Declaration and Things You Should Know are adequate to establish knowledge of wrong-doing.

(b) The participant willfully violated the law

Any of the following circumstances will be considered adequate to demonstrate willful intent:

- An admission by the participant of the misrepresentation.
- That the act was done repeatedly.
- If a false name or Social Security Number was used.
- If there were admissions to others of the illegal action or omission.
- That the participant omitted material facts which were known to him/her (e.g., employment of self or other household member).
- That the participant falsified, forged or altered documents.
- That the participant uttered and certified to statements at an interim (re)determination which were later independently verified to be false.

4. Dispositions of Cases Involving Misrepresentations

In all cases of misrepresentations involving efforts to recover monies owed, the HA may pursue, depending upon its evaluation of the criteria stated above, one or more of the following actions:

(a) Criminal Prosecution

If the HA has established criminal intent, and the case meets the criteria for prosecution, the HA will:

- Refer the case to the local State or District Attorney, notify HUD's Office of the Inspector General (OIG), and terminate rental assistance.
- Refer the case to HUD's OIG, and terminate rental assistance.

(b) Administrative Remedies

The HA will:

- Terminate assistance and demand payment of restitution in full.
- Terminate assistance and execute an administrative repayment agreement in accordance with the HA's Repayment Policy.
- Terminate assistance and pursue restitution through civil litigation.
- Continue assistance at the correct level upon repayment of restitution in full.
- Permit continued assistance at the correct level and execute an administrative repayment agreement in accordance with the HA's repayment policy.

5. The Case Conference (Meeting) for Serious Violations and Misrepresentations

When the HA has established that material misrepresentation(s) have occurred, a Case Conference will be scheduled with the family representative and the HA staff person who is most knowledgeable about the circumstances of the case.

This conference will take place prior to any proposed action by the HA. The purpose of such conference is to review the information and evidence obtained by the HA with the participant, and to provide the participant an opportunity to explain any document findings which conflict with representations in the family's file. Any documents or mitigating circumstances presented by the family will be taken into consideration by the HA. The family will be given two (2) weeks to furnish any mitigating evidence.

A secondary purpose of the Participant Conference is to assist the HA in determining the course

of action most appropriate for the case. Prior to the final determination of the proposed action, the HA will consider:

- The duration of the violation and number of false statements.
- The family's ability to understand the rules.
- The family's willingness to cooperate, and to accept responsibility for his/her actions
- The amount of money involved.
- The family's past history
- Whether or not criminal intent has been established.
- The number of false statements.

6. Notification to Participant of Proposed Action

The HA will notify the family of the proposed action no later than **30-60** days after the case conference by mail.

CHAPTER 21

PROJECT-BASED VOUCHERS

21.1 INTRODUCTION [24 CFR 983. 5]

The Project-Based Voucher (PBV) program is administered by Public Housing Authorities who also administer the tenant-based Housing Choice Voucher program, or Section 8. PBV is assistance that is tied directly to a unit in an approved project, unlike HCV, where assistance is tied to the participant. The policies regarding the Housing Choice Voucher program apply to the PBV program, except where they are specifically altered in this chapter. In administering the Project-Based Voucher program, the goals of this Housing Authority are to:

- Attract more affordable developments to the Housing Authority's jurisdiction;
- Leverage PBV with other financing sources;
- Preserve affordable units that might otherwise become market-rate units;
- Increase affordability of housing for families making at or below 30% of the area median income; and
- Further HUD and Housing Authority goals of deconcentration.

The Housing Authority may enter into contracts for Project-Based Vouchers based on the policies outlined in this chapter.

21.2 LEVEL OF ASSISTANCE [24 CFR 983.6]

The Housing Authority will appropriate no more than 20% of the Section 8 Budget Authority (BA) for Project-Based Vouchers.

21.3 OWNER PROPOSAL SELECTION PROCEDURE [24 CFR 983.51]

The Housing Authority may use one of the following methods to select owner proposals:

1. Request for Proposal (RFP): The Housing Authority may issue a competitive request for PBV proposals. An RFP may not be limited to a single site and may not impose restrictions that practically preclude owner submission of proposals for PBV on different sites. The Housing Authority will publish an RFP in at least one newspaper of general circulation, as well as post the RFP on the Housing Authority website. The submission deadline will be included in the RFP and a detailed application and selection criteria will be provided to all interested parties.
2. At the discretion of the Housing Authority, projects may be selected for PBV assistance using proposals for housing developed using federal, Administrative Plan 21-2, state, or local government housing assistance, community development, or a supportive services program that requires competitive selection of proposals (e.g., HOME, competitively-awarded Low-Income Housing Tax Credit, City of Industry Funds), where the proposal has already been selected in accordance with such program's competitive selection requirements within three years of the Housing Authority's PBV selection date, and the earlier selection proposal did not involve any consideration that the project would receive Housing Authority PBV assistance. Once a project is selected to receive PBV assistance, the Housing Authority will give public notice of its selection on its website at www.harivco.org.

21.4 HOUSING ELIGIBLE FOR ASSISTANCE [24 CFR 983.52 AND 983.53]

The Housing Authority will consider proposals for existing and newly constructed and rehabilitated housing. The following types of housing are ineligible under the Project-Based Voucher Program:

- Shared housing;
- Units on the grounds of a penal, reformatory, medical, mental, or similar public or private institution;
- Facilities providing continuous medical or related care, except an assisted-living facility that provides home health care services;
- Units owned by an educational institution that are designated for occupancy by students of the institution;
- Manufactured homes;
- Transitional housing;
- Units occupied by owners; and
- Units occupied by ineligible families.

21.5 LIMITS ON ASSISTANCE [24 CFR 983.56]

The Housing Authority may only provide Project-Based Voucher assistance to up to 25% of the units in a selected project. Units excepted from this rule are:

- Units that house elderly or disabled families; and
- Families receiving qualified supportive services
- More than 25% of the units in a single-family building (a building with no more than 4 dwelling units) may be assisted with PBV.

21.5.1 Qualified Supportive Services

Units occupied by families receiving qualified supportive services are excepted from the 25% cap on PBV assistance within a single development. Examples of supportive services that qualify for an exception include, but are not limited to:

- Family Self-Sufficiency (FSS) program;
- Welfare-to-Work
- Psychological or medical services
- Drug or alcohol rehabilitative treatment
- Job training or placement services
- Education program where there is a reasonable expectation of leading to self-sufficiency

21.5.2 Qualifications for Supportive Services

It is not necessary that the supportive services be provided at or by the project. At least one member of the family must be receiving the supportive service for the unit to remain excepted from the 25% cap. Participation in medical- or disability-related services is not required as a condition of living in an excepted unit, other than a drug and alcohol treatment program for current abusers, although such services may be offered.

21.5.3 Supportive Services Monitoring

Participant compliance with a supportive service contract will be monitored at least annually. The Housing Authority will request a status update for the participant's supportive service contract at the anniversary of said contract. The Housing Authority may request a status update

on the supportive service contract more frequently, at its discretion. Providers of supportive services must provide the Housing Authority any changes to the program within thirty days of when those changes occur. Providers must also immediately report to the Housing Authority when a family fails to meet the supportive service contract requirements.

21.5.4 Failure to Meet Supportive Service Requirements

When a family living in an excepted unit fails to meet the requirements of a supportive service contract, and is living in the excepted unit because of the supportive services received, the Housing Authority will propose termination of the contract. The family will not be issued a voucher to move. The owner and participant will be given a sixty-day notice of the proposed termination of the HAP contract. The owner may at that time terminate the lease and issue an order to vacate by the HAP contract termination date. If a family fails to meet the requirements of the supportive service contract for good cause, as determined by the Housing Authority, and is qualified to become reinstated in the supportive service program within a reasonable time period, the Housing Authority may counsel the family on its obligations and allow reinstatement of the supportive service contract.

21.6 PROJECT SELECTION CRITERIA [24 CFR 983.57]

The following criteria will be considered when evaluating proposals for Project- Based Voucher assistance:

- Housing that serves families consistent with the needs indicated by preferences for the HACR waiting list; and,
- Housing that provides an appropriate level of supportive services to residents
- Other appropriate criteria consistent with regulation.

21.6.1 Selection Requirements for All Housing Types

A project may be selected to receive PBV assistance only if it is or will be located in a census tract that meets one of the following criteria:

- (i) A HUD-designated Enterprise Zone, Economic Community or Renewal Community;
- (ii) The concentration of assisted units will be or has decreased as a result of public housing demolition;
- (iii) Is undergoing significant revitalization;
- (iv) State, local, or federal dollars have been invested in the area that has assisted in the achievement of the statutory requirement;
- (v) New market rate units are being developed that will positively impact the poverty rate in the area;
- (vi) Meaningful opportunities for educational and economic advancement exist.

Additionally, the site must be suitable in terms of furthering and facilitating all Fair Housing requirements. The site must also meet the **HQS site and neighborhood standards found in Chapter 10.**

21.6.2 Requirements for Selecting Existing and Rehabilitated Housing [24 CFR 983.151]

The Housing Authority will select only existing and rehabilitated housing projects that meet the following criteria:

- (1) The site is adequate in size, exposure, and contour to accommodate the number and type of units proposed, and adequate utilities and streets must be available to service the

site. (The existence of a private disposal system and private sanitary water supply for the site, approved in accordance with law, may be considered adequate utilities.)

(2) Promote greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons.

(3) Be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents.

(4) Be so located that travel time and cost via public transportation or private automobile from the neighborhood to places of employment providing a range of jobs for lower-income workers is not excessive. This requirement does not apply to senior projects.

21.6.3 Requirements for New Construction Housing

The Housing Authority will select only new construction housing projects that meet the following criteria:

(1) The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed, and adequate utilities (water, sewer, gas, and electricity) and streets must be available to service the site.

(2) The site must not be located in an area of minority concentration, except as permitted under number (3) of this section.

(3) A project may be located in an area of minority concentration only if:

(i) 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;

a. Application of this sufficient, comparable opportunities standard involves assessing the following factors:

(i) Significant number of assisted housing units is available outside areas of minority concentration.

(ii) There is significant integration of assisted housing projects constructed or rehabilitated in the past 10 years, relative to the racial mix of the eligible population.

(iii) There are racially integrated neighborhoods in the surrounding area.

(iv) Minority families have benefited from local activities (*e.g.*, acquisition and write-down of sites, tax relief programs for homeowners, acquisitions of units for use as assisted housing units) undertaken to expand choice for minority families outside of areas of minority concentration.

(v) Comparable housing opportunities have been made available outside areas of minority concentration through other programs.

(vi) The project is necessary to meet overriding housing needs that cannot be met in that housing market area.

1. Application of the “overriding housing needs” criterion may permit approval of sites that are an integral part of an overall local strategy for the preservation or restoration of the immediate neighborhood and of sites in a neighborhood experiencing significant private investment that is demonstrably improving the economic character of the area (a “revitalizing area”).

2. An “overriding housing need,” may not serve as the basis for determining that a site is acceptable, if the basis for the decision is that

discrimination related to race, color, religion, sex, national origin, age, familial status, or disability renders sites outside areas of minority concentration unavailable or if the use of this standard in recent years has had the effect of circumventing the obligation to provide housing choice.

- (4) The site must promote greater choice of housing opportunities and avoid undue concentration of assisted persons in areas poverty concentration.
- (5) The neighborhood must not be seriously detrimental to family life or one in which substandard dwellings or other undesirable conditions predominate, unless there is actively in progress a concerted program to remedy the undesirable conditions.
- (6) The housing must be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents.
- (7) Except for new construction housing designed for elderly persons, travel time, and cost via public transportation or private automobile from the neighborhood to places of employment providing a range of jobs for lower income workers, must not be excessive.

21.7 AGREEMENT TO ENTER INTO THE HAP CONTRACT [24 CFR 983.152]

If a rehabilitated or newly constructed project, as defined by regulation, is selected by the Housing Authority to receive Project-Based Vouchers, the Housing Authority will enter into an Agreement (AHAP) with the owner in the form required by HUD. In the AHAP the owner agrees to develop the contract units to comply with HQS, and the Housing Authority agrees that, upon timely completion of the development in accordance with the terms of the AHAP, the Housing Authority will enter into a HAP contract with the owner for the contract units.

21.7.1 Subsidy Layering Review (SLR) [24 CFR 983.55]

The Housing Authority may only provide assistance in accordance with HUD subsidy layering regulations and other requirements. A subsidy layering review will not be required to enter into an agreement or to execute a contract between the Housing Authority and the owner when a project has not received any form of government housing assistance, other than the PBV assistance.

A subsidy layering review is required for any new construction or rehabilitation project receiving a form of government housing assistance in addition to project based vouchers. The Housing Authority will not enter into an AHAP with the owner until the project has successfully passed a subsidy layering review by HUD or other HUD-approved agency. The owner must certify in the HAP contract that the project has not received and will not receive any other form of public assistance during the life of the HAP contract other than that disclosed in the subsidy layering review.

21.7.2 Environmental Review [24 CFR 983.58]

The Project Based Voucher program is subject to National Environmental Policy Act environmental review pursuant to the requirements at 24 CFR Part 983.58 and 24 CFR Part 58. If it is determined that an environmental review is required for new construction or rehabilitation projects, the Housing Authority will not commit any funds under PBV assistance nor enter into an AHAP with the owner until HUD approves a release of funds.

21.7.3 Housing Authority – Owned Units [24 CFR 983.59]

Units where a direct or indirect interest is held by any officer or employee of the Housing Authority are considered Housing Authority-owned units. Project-based vouchers may not be used for public housing units (except as part of HUD-approved RAD conversion as outlined in Chapter 22). Selection of a project owned by the Housing Authority must be consistent with the process outlined in section 21.3 of this chapter. Rent to owner must be determined in accordance with the same requirements for other units, except that the initial contract rent must be determined by an independent entity, approved by HUD, based on an appraisal by a licensed, state-certified appraiser. A HUD-approved, independent entity must also perform all HQS inspections as required by regulation.

21.8 SELECTION OF PARTICIPANTS [24 CFR 983.251]

The Housing Authority will only provide PBV assistance to families determined eligible, consistent with Chapter 2 of this Plan (Eligibility for Admission).

21.8.1 Waiting List

The Housing Authority will use Regional Project Based Voucher waiting lists for PBV projects receiving Project-Based Voucher assistance based on project location. Registrants currently on the Affordable Public Housing and/or tenant-based assistance waiting list will be given an opportunity to place their name on a PBV waiting list, with their original date and time intact. If a new applicant applies to the tenant-based waiting list, the applicant will be given the opportunity to also place their name on any open PBV waiting list.

21.8.2 Protection of In-Place Families

Families who reside in units selected to receive PBV assistance on the proposal selection date and who are also eligible in accordance with Chapter 2 of this Plan, will be given the opportunity to place their name on the appropriate PBV site-based waiting list. An absolute preference will be given to that family to be selected from the waiting list. If the family is then determined fully eligible for the PBV program under all Housing Authority eligibility criteria, the family will then be referred to the owner for an appropriately-sized unit in the project.

21.8.3 Local Preferences

Applicants on any PBV waiting list are subject to the system of local preferences as it pertains to that particular waiting list. PBV regional-based waiting lists will have admissions preferences that reflect the target population of each project. When PBV buildings are selected, the Housing Authority will publicly notice the selection, as well as the target population of each project. As new waiting lists are opened to the public, they will be advertised on the Housing Authority's website, along with its admissions preferences.

Disabled families who need an available *accessible* unit at a particular project may be awarded first preference from the waiting list. Disabled families may not be required to accept the supportive services offered nor can a preference be granted for those with a particular disability.

21.8.4 Refusal of Assistance

If a family refuses an offer of PBV assistance or the owner rejects a family for admission to the owner's PBV units, the Housing Authority may remove the family from the regional-based

waiting list from which they were selected. Such refusal will not affect the family's position on the tenant-based waiting list or any other PBV regional-based waiting list, nor affect any admissions preference for which the family qualifies.

21.9 INFORMATION FOR ACCEPTED FAMILIES [24 CFR 983.252]

When a family accepts an offer of PBV assistance, the Housing Authority will provide the family an oral briefing. Attendance at this briefing is mandatory. The briefing will include:

- A description of how the program works;
- Family and owner responsibilities.

A briefing packet will be provided with information regarding:

- How the Housing Authority determines total tenant payment;
- Family obligations; and
- Applicable fair housing information.

21.10 LEASING OF CONTRACT UNITS [24 CFR 983.253]

Owners must lease contract units only to eligible families, selected and referred by the Housing Authority from the waiting list, during the term of the HAP contract. Owners must develop written tenant selection procedures consistent with the purpose of improving housing opportunities for extremely low and very low-income families, related to program eligibility and an applicant's ability to perform lease obligations. An owner must promptly notify, in writing, any rejected applicant of the grounds for rejection. Owners must follow the Housing Authority's subsidy standards when leasing units to referred families.

21.11 VACANCIES [24 CFR 983.254]

The owner must promptly notify the Housing Authority of any current or expected vacancy in a contract unit. After owner notice, the Housing Authority will promptly refer a sufficient number of families to the owner to fill the vacancy. If any contract unit has been vacant for at least 120 days since the owner notice of vacancy, the Housing Authority may give notice to the owner amending the HAP contract to reduce the number of contract units by the number of units that have been vacant for that period.

21.12 TENANT SCREENING [24 CFR 983.255]

The Housing Authority may take into consideration any admission criteria outlined in Chapter Two of this Plan in order to screen applicants for eligibility; however, it is the responsibility of the owner to screen applicants for behavior and suitability for tenancy. The Housing Authority will provide the owner with the tenant's current and former address, as well as the name and address of the current and/or former landlord, if known. This policy is consistent with information provided to owners under the Housing Choice Voucher program.

21.13 HOUSING ASSISTANCE PAYMENTS CONTRACT

The Housing Authority must enter into a Housing Assistance Payments (HAP) contract with the owner in order to provide housing assistance payments for eligible families. The Housing Authority will make housing assistance payments to the owner in accordance with the HAP contract, for contract units leased and occupied by eligible families during the term of the HAP contract. The Housing Authority will use the most recent HUD-approved form of the HAP contract.

21.13.1 Execution of the HAP Contract [24 CFR 983.204, 24 CFR 983.209]

Before the HAP contract may be executed, the Housing Authority will inspect each contract unit in accordance with section 21.14 of this chapter and Chapter 10 of this Plan (Housing Quality Standards and Inspections). For existing housing, the HAP contract must be executed promptly after selection of the owner proposal and inspection. For new construction or rehabilitated housing, the HAP contract is executed after the Housing Authority has inspected the completed units and is satisfied that said units are completed in accordance with the AHAP and the owner has furnished the required evidence of completion. By execution of the HAP contract, the owner certifies:

- The owner is and will maintain all contract units in accordance with HQS;
- The owner is providing all services, maintenance, equipment and utilities as agreed to under the HAP contract and in the leases with assisted families;
- Each contract unit is leased to an eligible family and the lease complies with the HAP contract and HUD requirements;
- Members of the assisted family reside in the contract unit and it is their only residence;
- The owner, property management personnel and maintenance personnel, are not a relative of any member of the assisted family by blood or operation of law;
- The amount of the housing assistance payment is the correct amount due under the HAP contract;
- The rent to owner for each contract unit does not exceed the rent due to owner for any comparable, unassisted unit;
- The owner will not receive any other payments beyond the tenant rent and housing assistance payments for the contract unit; and
- The family does not own or have any interest in the contract unit.

21.13.2 Term of the HAP Contract [24 CFR 983.205]

The Housing Authority may enter into a HAP contract with an owner for an initial term of not less than one year and not more than fifteen years for each contract unit.

The Housing Authority and owner may agree at any time, including during the initial contract term, to extend the term of the HAP contract for up to fifteen years at each contract expiration date.

The HAP contract may be terminated by the Housing Authority for insufficient funds. If it is determined there are insufficient funds available to continue to assist all contract units for the full term, the Housing Authority may give notice to the owner for all or any of the contract units, in accordance with HUD instructions.

21.13.3 Amendments to the HAP Contract [24 CFR 983.206]

Amendment to Substitute Contract Units – The Housing Authority may amend the HAP contract to substitute a different unit with the same number of bedrooms in the same building for the previously assisted unit. Prior to the substitution, the Housing Authority will inspect the proposed substitution unit and determine reasonable rent.

Amendment to Add Contract Units – At the discretion of the Housing Authority and provided the number of PBV-assisted units in a project will not exceed the 25% cap or the 20% Budget Authority, a HAP contract may be amended during the three-year period immediately following

the execution date of the HAP contract to add additional PBV units to a building. The anniversary and expiration date for the added units will be the same as for the existing units under the HAP contract.

21.14 INSPECTIONS [24 CFR 983.103]

HQS inspections will be conducted in accordance with Chapter 10 of this Plan (Housing Quality Standards and Inspections). The Housing Authority may not perform inspections on units where there is a direct or indirect interest by any of its employees or officers. The Housing Authority will inspect PBV units at the following times:

1. Pre-selection – the Housing Authority will inspect the proposed site before the proposal selection date. For existing units, units must substantially comply with HQS before the proposal selection date. Units must fully comply before the HAP contract may be executed;
2. Pre-HAP contract;
3. Turnover – the Housing Authority must inspect a unit before a new family moves in. The unit must fully comply with HQS before a family may receive assistance in that unit;
4. Annual – The Housing Authority will conduct inspections on a random sample of at least 20% of contract units in a building annually. Turnover inspections are not counted toward annual inspections. If more than 20% of the annual sample fails the HQS inspections, 100% of the contract units in the building must be inspected.
5. Other times – the Housing Authority will inspect PBV units at other times as necessary to insure the contract units are in compliance with HQS and that the owner is providing utilities, maintenance and other services in accordance with the HAP contract.

21.14.1 HQS Violation [24 CFR 983.207]

The Housing Authority may make no HAP payments to the owner during any period in which the contract unit does not comply with HQS or any other HAP contract requirement.

Remedies for HQS violation include abatement or reduction in HAP payments, reduction of contract units, and termination of the HAP contract.

21.15 LEASE [24 CFR 983.256]

Owners must use the same lease for contract units as for unassisted units, with the lease being in accordance with state law. The lease must include the HUD tenancy addendum. All provisions in the tenancy addendum must be included in the lease. Provisions in the addendum shall prevail over provisions in the lease. The initial term of the lease must be for at least one year.

The lease must specify:

- Names of the owner and tenant;
- Identifying information of the unit rented;
- Term of the lease and any provision for renewal;
- The amount of tenant rent to owner;
- Specification of services, maintenance, equipment, and utilities to be provided by the owner;
- The amount of any charges for food, furniture, or supportive services.

21.15.1 Changes in the Lease

If the tenant and owner agree to any changes in the lease, the change must be in writing and must be submitted to the Housing Authority immediately. The owner must notify the Housing

Authority of any proposed change in the lease regarding responsibility for utilities. Such changes may only be made with approval of the Housing Authority. If the Housing Authority approves a change in responsibilities for utilities, rent reasonableness must then be re-determined. The rent to owner will be re-re-calculated from the effective date of the change.

21.15.2 Absence from the Unit

The Housing Authority's absence policies found in Chapter 6 of this Plan (Eligibility Factors) will apply to the PBV program. The lease may specify a maximum period of family absence from the unit that is shorter than that specified by the Housing Authority.

21.15.3 Owner Termination of Tenancy and Eviction

Grounds for owner termination and eviction reflect the policies outlined in Chapter 14 of this Plan (Contract Terminations), except that an owner may not terminate tenancy after the initial term of the lease for business or economic reasons, or to repossess the unit for personal, family, or nonresidential use. If an owner refuses to renew the lease without good cause, the family will be issued a tenant-based voucher and the unit will be removed from the HAP contract.

21.15.4 Security Deposits [24 CFR 983.258]

The owner may collect a security deposit from the tenant. The amount may not exceed that allowed by state and local law or that charged to unassisted units in the same building. When the tenant moves out, the owner may use the amount of the deposit, in accordance with the lease and state and local law, as reimbursement for any unpaid tenant rent, damage to the unit, or any other amount the tenant owes 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. If the balance is not sufficient to cover amounts the tenant may owe under the lease, the owner may seek the remainder from the tenant. The Housing Authority has no liability or responsibility for payment of any amount owed by the family to the owner.

21.16 FAMILY OCCUPANCY OF WRONG-SIZE OR ACCESSIBLE UNIT [24 CFR 983.259]

If the Housing Authority determines that a family is occupying the wrong-size unit, or a unit with accessibility features the family does not require, and is needed by a family that requires the accessibility features, the Housing Authority will offer the family continued assistance in another unit and will notify the family and owner immediately of its offer of continued assistance and determination. The Housing Authority may offer continued assistance either in another PBV unit or a tenant-based voucher. If appropriate, the Housing Authority may refer the family to an available unit with public or private tenant-based assistance (e.g. HOME). If the family is given a tenant-based voucher, policies under the Housing Choice Voucher program regarding voucher issuance and expiration will apply. If a family fails to lease a unit with the tenant-based voucher, assistance will be terminated upon expiration of the voucher (and any subsequent extensions granted by the Housing Authority).

Upon determination that the family is occupying a wrong-size unit or a unit with accessibility features not required by the family and continued assistance is offered in the form of a project-based voucher, the family will have ninety days in which to move to another unit. If the family

fails to move or refuses the offer of continued assistance in another unit, assistance to the family will be terminated.

21.17 DETERMINING RENT TO OWNER [24 CFR 983.301]

The amount of estimated rent to owner must be included in the Agreement for rehabilitated or newly constructed housing. The actual rent to owner must be determined at the beginning of the HAP contract term for all types of housing. The amount of rent to owner is re-determined at the owner's request for a rent increase and when there is a 5% or greater decrease in the published FMR. Except for certain tax credit units specified below, the amount of rent to owner must not exceed the lowest of:

- An amount determined by the PHA that does not exceed 110% of the FMR (or any exception payment standard approved by HUD), minus the utility allowance;
- The reasonable rent; or
- The rent requested by the owner.

21.17.1 Housing Authority – Owned Units

For any units in which any officer or employee has a direct or indirect interest, the initial determination of rent to owner and the annual redetermination of rent to owner will be made by an independent entity, approved by HUD.

21.17.2 Redetermination of Rent to Owner [24 CFR 983.302]

The Housing Authority will only re-determine rent to the owner when the owner requests an increase at the annual anniversary of the HAP contract or when there is at least a 5% decrease in the published FMR. Notice of rent increase and other limitations on rent adjustments must conform to the above stated policies and Chapter 11 of this Plan (Owner Rents, Rent Reasonableness and Payment Standards). If there is a decrease in rent due to a 5% or greater decrease in the published FMR, the rent to owner must be decreased, whether or not the owner requested a rent adjustment. The notice of rent adjustment from the Housing Authority constitutes an amendment of rent to owner specified in the HAP contract. Rent reasonableness will be determined by a HUD-approved, independent entity for units owned by the Housing Authority. The entity will provide a copy of the determination to the Housing Authority and the HUD Los Angeles field office.

21.17.3 Rent Determination for Projects with Other Subsidies [24 CFR 983.304]

Rents may not exceed rent limits as established by the applicable federal program for units subsidized under the following programs:

1. HOME;
2. Insured or non-insured Section 236 project;
3. Formerly insured or non-insured Section 236 project that continues to receive Interest Reduction Payment following a decoupling action;
4. Section 221(d)(3) below market interest rate (BMIR) project;
5. Section 515 project of the Rural Housing Service;
6. Any other type of federally subsidized project specified by HUD.

The Housing Authority may set reasonable rents up to 110 percent of the HUD Market Rent in projects receiving Low-Income Housing Tax Credits (LIHTC), even if the rent level exceeds the maximum rent under the LIHTC program. The Housing Authority may, at its discretion include provisions in the HAP contract to reduce the initial amount of rent to the owner because of other

governmental subsidies.

21.17.4 Rent Control and Other Rent Limitations [24 CFR 983.305]

Rent control and other rent limitations under local, state or federal law will apply.

21.18 PAYMENT TO OWNER [24 CFR 983.351]

The Housing Authority will make HAP payments to the owner in accordance with the HAP contract for the months in which the contracted unit is leased to and occupied by an eligible family. Except for discretionary vacancy payments described in section 21.18.1 of this chapter, the Housing Authority will not make any payments for any month after the month in which the family moves out of the unit. In order to continue receiving HAP payments, the owner must comply with all provisions of the HAP contract, including HQS.

21.18.1 Vacancy Payments [24 CFR 983.352]

If a family moves out of a contract unit, the owner may keep the payment for the full calendar month in which the family moves out. The owner may not keep the payment if the Housing Authority determines that the vacancy is the owner's fault.

21.18.2 Other Charges and Fees [24 CFR 983.354]

The owner may not require the family to pay charges for any meals or supportive services unless the project is an assisted living development, in which case owners may charge tenants, family members, or both for meals and supportive services. These charges may not be included in the rent to owner and may not be used to calculate rent reasonableness. Nonpayment of such charges is grounds for termination under the lease only in an assisted living development. The owner may not charge tenants or family members extra amounts for items customarily included in the rent in Riverside County, or provided at no additional cost for unsubsidized tenants on the premises.

CHAPTER 22

RAD CONVERSION Affordable Public Housing Converted to Project-Based Vouchers

HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE AMENDMENT TO ANNUAL PLAN

The Housing Authority of the County of Riverside (HACR) is amending its Annual Plan for 2015 because the Department of Housing and Urban Development (HUD) has conditionally approved three (3) Commitments to Enter into a Housing Assistance Payment (CHAPs) under the Rental Assistance Demonstration (RAD) program for its public housing properties which will result in the full conversion of HACR's public housing portfolio to units assisted with Project Based Vouchers, which are commonly referred to as "Section 8" units.

A. CONVERSION TO PROJECT BASED RENTAL ASSISTANCE OR PROJECT BASED VOUCHERS

Any public housing units converting to assistance under RAD long-term Project Based Voucher contracts shall no longer be subject to the program rules applicable to public housing. The formerly public housing units which become Section 8 units will be subject to the rules of the applicable Section 8 program, as modified by a few rules specific to RAD converted units. These specific RAD-related rules are intended to apply a few important provisions of the public housing rules to the RAD converted units, even though they would not normally be applicable in the Section 8 context.

In connection with the RAD conversions, HACR anticipates converting the public housing units to Project Based Vouchers under the guidelines of PIH Notice 2012-32, REV-1 and any successor Notices. Upon conversion to Project Based Vouchers, the HACR will adopt the resident rights, participation, waiting list and grievance procedures listed in Section 1.6.C & 1.6.D of PIH Notice 2012-32, REV-1 to be applicable to the Project Based Voucher units. These resident rights, participation, waiting list and grievance procedures are appended to this amendment at Attachment 1. The units converted to Project Based Vouchers under the RAD program will be operated consistent with HACR's Project Based Voucher program rules referenced in this annual plan to the extent not specifically required to operate in a different manner by the regulatory and statutory requirements of the RAD Project Based Voucher program referenced above.

A summary of RAD Program Elements Affecting Resident Rights and Participation Waiting List and Grievance Procedures for PBV is appended to this amendment at Attachment 2.

B. COMPLIANCE WITH FAIR HOUSING AND CIVIL RIGHTS REQUIREMENTS

HACR is currently compliant with all fair housing and civil rights requirements and is not under a Voluntary Compliance Agreement.

C. IMPLICATIONS OF RAD CONVERSION ON THE CAPITAL FUND BUDGET

RAD was designed by HUD to assist in addressing the capital needs of public housing by providing HACR with access to private sources of capital to repair and preserve its affordable housing assets. Please be aware that upon conversion, the Authority's Capital Fund Budget will be reduced by the pro rata share of Public Housing Developments converted as part of the Demonstration, and that HACR may also borrow funds to address their capital needs.

HACR anticipates the conversion of all of its inventory of public housing units under RAD over the course of the next few years, in which event the Capital Fund Program will be reduced to zero.

Regardless of any funding changes that may occur as a result of conversion under RAD, HACR certifies that it will maintain its continued service level.

Please find specific information related to the Public Housing Development(s) selected for RAD appended to this amendment at Attachment 3.

D. RESIDENT RIGHTS, PARTICIPATION, WAITING LIST AND GRIEVANCE PROCEDURES

Additional detail regarding resident rights, participation, waiting list and grievance procedures in connection with the post-conversion Project Based Voucher units is appended to this amendment at Attachment 1.

E. RELOCATION PLANS

The HACR does not anticipate having to relocate residents as a result of the RAD conversion. All current public housing residents will have the right to return to a RAD assisted unit after RAD conversion in the event that relocation is required.

F. SIGNIFICANT AMENDMENT DEFINITION

As part of the Rental Assistance Demonstration (RAD), HACR is redefining the definition of a substantial deviation from the agency's annual plan to exclude the following RAD-specific items, provided that the adjustments to the RAD plans are authorized by the Board of Commissioners in the normal course of business:

- Changes to the Capital Fund Budget produced as a result of each approved RAD conversion, regardless of whether the proposed conversion will include use of additional Capital Funds;
- Changes to the construction and rehabilitation plan for each approved RAD conversion;
- Changes to the financing structure for each approved RAD conversion;
- The date the significant amendment is submitted to the PHA Plan website;
- Changes in the number of de minimis units up to the 5% figure permitted by the RAD program rules;
- Decisions to dedicate a portion of the agency's existing capital funds budget and/or public housing reserves as a source of funds for purposes of a RAD conversion and recapitalization transaction; and
- Detailed development of the plans for the transfer of waiting lists to post-RAD conversion waiting lists.

ATTACHMENT 1
RESIDENT RIGHTS, PARTICIPATION, WAITING LIST AND GRIEVANCE PROCEDURES
APPLICABLE TO PROPERTIES CONVERTING TO PROJECT BASED VOUCHERS

EXCERPTS OF PIH NOTICE 2012-32: SECTIONS 1.6.C AND 1.6.D

C. PBV Resident Rights and Participation

- 1. No Re-screening of Tenants upon Conversion.** Pursuant to the RAD statute, at conversion, current households are not subject to rescreening, income eligibility, or income targeting provisions. Consequently, current households will be grandfathered for conditions that occurred prior to conversion but will be subject to any ongoing eligibility requirements for actions that occur after conversion. For example, a unit with a household that was over-income at time of conversion would continue to be treated as an assisted unit. Thus, 24 CFR § 982.201, concerning eligibility and targeting, will not apply for current households. Once that remaining household moves out, the unit must be leased to an eligible family.
- 2. Right to Return.** Any residents that may need to be temporarily relocated to facilitate rehabilitation or construction will have a right to return to an assisted unit at the development once rehabilitation or construction is completed. Where the transfer of assistance to a new site is warranted and approved (see Section 1.6.B.7 and Section 1.7.A.8 on conditions warranting a transfer of assistance), residents of the converting development will have the right to reside in an assisted unit at the new site once rehabilitation or construction is complete. Residents of a development undergoing conversion of assistance may voluntarily accept a PHA or Owner's offer to permanently relocate to another assisted unit, and thereby waive their right to return to the development after rehabilitation or construction is completed.
- 3. Renewal of Lease.** Under current regulations at 24 CFR § 983.257(b)(3), upon lease expiration, a PHA can choose not to renew the lease, without good cause. In such a case, the regulatory consequence is the loss of the assisted unit. Under RAD, the PHA must renew all leases upon lease expiration, unless cause exists. Consequently, 24 CFR §983.257(b)(3) will not apply. This provision must be incorporated by the PBV owner into the tenant lease or tenancy addendum, as appropriate.
- 4. Phase-in of Tenant Rent Increases.** The HACR has established a policy setting the length of the phase in period at three years. If a tenant's monthly rent increases by more than the greater of 10 percent or \$25 purely as a result of conversion, the rent increase will be phased in over 3 years. To implement this provision, HUD is waiving section 3(a)(1) of the Act, as well as 24 CFR § 983.3 (definition of "total tenant payment" (TTP)) only to the extent necessary to allow for the phase-in of tenant rent increases. This policy must be in place at conversion and may not be modified after conversion.

The below method explains the set percentage-based phase-in the HACR will follow according to the phase-in period established. For purposes of this section "standard TTP" refers to the TTP calculated in accordance with regulations at 24 CFR §5.628 and the "most recently paid TTP" refers to the TTP recorded on line 9j of the family's most recent HUD Form 50058.

Three Year Phase-in:

- Year 1: Any recertification (interim or annual) performed prior to the second annual recertification after conversion – 33% of difference between most recently paid TTP and the standard TTP
- Year 2: Year 2 Annual Recertification (AR) and any Interim Recertification (IR) prior to Year 3 AR – 66% of difference between most recently paid TTP and the standard TTP
- Year 3: Year 3 AR and all subsequent recertifications – Full standard TTP

Please Note: In the three year phase-in, once the standard TTP is equal to or less than the previous TTP, the phase-in ends and tenants will pay full TTP from that point forward.

5. Resident Opportunities and Self Sufficiency Service Coordinator (ROSS-SC) programs.

Current ROSS-SC grantees will be able to finish out their current ROSS-SC grants once their housing is converted under RAD. However, once the property is converted, it will no longer be eligible to be counted towards the unit count for future public housing ROSS-SC grants, nor will its residents be eligible to be served by future public housing ROSS-SC grants.

6. Resident Participation and Funding. In accordance with Attachment 1C, residents of covered projects converting assistance to PBVs will have the right to establish and operate a resident organization for the purpose of addressing issues related to their living environment and be eligible for resident participation funding.

7. Resident Procedural Rights. The following items must be incorporated into both the Section 8 Administrative Plan and the owner's lease, which includes the required tenancy addendum, as appropriate. Evidence of such incorporation may be requested by HUD for purposes of monitoring the program.

a. Termination Notification. HUD is incorporating additional termination notification requirements to comply with section 6 of the Act for public housing projects that convert assistance under RAD. In addition to the regulations at 24 CFR § 983.257, related to owner termination of tenancy and eviction, as modified by the waiver in Section 1.6(C)(3) above, the termination procedure for RAD conversions to PBV will require that PHAs provide adequate written notice of termination of the lease which shall not be less than:

i. A reasonable period of time, but not to exceed 30 days:

- If the health or safety of other tenants, PHA employees, or persons residing in the immediate vicinity of the premises is threatened; or
- In the event of any drug-related or violent criminal activity or any felony conviction;

ii. 14 days in the case of nonpayment of rent; and

iii. 30 days in any other case, except that if a State or local law provides for a shorter period of time, such shorter period shall apply.

b. Grievance Process. HUD is incorporating additional procedural rights to comply with the requirements of section 6 of the Act.

For issues related to tenancy and termination of assistance, PBV program rules require the PHA to provide an opportunity for an informal hearing, as outlined in 24 CFR § 982.555. RAD will waive 24 CFR § 982.555(b) in part, which outlines when informal hearings are not required, and require that:

i. In addition to reasons that require an opportunity for an informal hearing given in 24 CFR §982.555(a)(1)(i)-(vi),¹ an opportunity for an informal hearing must be given to residents for any dispute that a resident may have with respect to a PHA (as owner) action in accordance with the individual's lease or the contract administrator in accordance with RAD PBV requirements that adversely affect the resident's rights, obligations, welfare, or status.

- For any hearing required under 24 CFR § 982.555(a)(1)(i)-(vi), the contract administrator will perform the hearing, as is the current standard in the program.
- For any additional hearings required under RAD, the PHA (as owner) will perform the hearing.

ii. An informal hearing will not be required for class grievances or to disputes between residents not involving the PHA (as owner) or contract administrator. This hearing requirement shall not apply to and is not intended as a forum for initiating or negotiating policy changes between a group or groups of residents and the PHA (as owner) or contract administrator.

iii. The PHA (as owner) give residents notice of their ability to request an informal hearing as outlined in

¹ § 982.555(a)(1)(iv) is not relevant to RAD as the tenant-based certificate has been repealed.

24 CFR § 982.555(c)(1) for informal hearings that will address circumstances that fall outside of the scope of 24 CFR § 982.555(a)(1)(i)-(vi).

iv. The PHA (as owner) provide opportunity for an informal hearing before an eviction.

Current PBV program rules require that hearing procedures must be outlined in the PHA's Section 8 Administrative Plan.

- 8. Earned Income Disregard (EID).** Tenants who are employed and are currently receiving the EID exclusion at the time of conversion will continue to receive the EID after conversion, in accordance with regulations at 24 CFR § 5.617. Upon the expiration of the EID for such families, the rent adjustment shall not be subject to rent phase-in, as described in Section 1.6.C.4; instead, the rent will automatically rise to the appropriate rent level based upon tenant income at that time.

Under the Housing Choice Voucher program, the EID exclusion is limited to only persons with disabilities (24 CFR § 5.617(b)). In order to allow all tenants (including non-disabled persons) who are employed and currently receiving the EID at the time of conversion to continue to benefit from this exclusion in the PBV project, the provision in section 5.617(b) limiting EID to only disabled persons is waived. The waiver and resulting alternative requirement only applies to tenants receiving the EID at the time of conversion. No other tenant (e.g., tenants who at one time received the EID but are not receiving the EID exclusion at the time of conversion (e.g., due to loss of employment); tenants that move into the property following conversion, etc.,) is covered by this waiver.

D. PBV: Other Miscellaneous Provisions

- 9. Access to Records, Including Requests for Information Related to Evaluation of Demonstration.** PHAs must agree to any reasonable HUD request for data to support program evaluation, including but not limited to project financial statements, operating data, Choice-Mobility utilization, and rehabilitation work. Please see Appendix IV for reporting units in Form HUD-50058.

- 10. Additional Monitoring Requirement.** The PHA's Board must approve the operating budget for the covered project annually in accordance with HUD requirements.²

- 11. Davis-Bacon Act and Section 3 of the Housing and Urban Development Act of 1968 (Section 3).** Under existing PBV program rules, projects that qualify as "existing housing" under 24 CFR § 983.52(a) are not subject to Davis-Bacon (prevailing wages, the Contract Work Hours and Safety Standards Act, and other related regulations, rules, and requirements) or Section 3 (24 CFR Part 135). However, the Davis-Bacon Act and Section 3 shall apply to all initial repairs that are identified in the Financing Plan to the extent that such repairs qualify as construction or rehabilitation, regardless of whether the project qualifies as "existing housing." Developmental requirements under 24 CFR § 983.154 and fair housing provisions under 24 CFR § 983.152(c)(vi) continue to apply.³

- 12. Establishment of Waiting List.** A public housing project-specific waiting list does not exist and the HACR shall establish PBV regional site-based waiting lists in accordance 24 CFR § 903.7(b)(2)(ii)-(iv) to ensure that registrants on the HACR's public housing community-wide waiting list have been offered placement on the converted project's initial regional site-based waiting lists.

Registrants on the agency's public housing community-wide waiting list who wish to be placed onto the newly-established PBV regional site-based waiting lists must be done so in accordance with the date and time of their original application to the centralized public housing waiting list. Any activities to contact registrants on the public housing waiting list must be conducted in accordance with the requirements for effective communication with persons with disabilities at 24 DFR 8.6 and with the obligation to provide meaningful access for persons with limited English proficiency (LEP).

The HACR will maintain any regional site-based waiting lists in accordance with all applicable

² For PBV conversions that are not FHA-insured, a future HUD notice will describe project financial data that may be required to be submitted by a PBV owner for purposes of the evaluation, given that PBV projects do not submit annual financial statements to HUD/REAC.

³ Applicable to projects with nine or more units.

civil rights and fair housing laws and regulations unless the project is covered by a remedial order or agreement that specifies the type of waiting list and other waiting list policies.

For the purpose of establishing the initial waiting list, the HACR has the discretion to determine the most appropriate means of informing registrants on the public housing waiting list given the number of registrants, HACR resources, and community characteristics of the proposed conversion under RAD. Such activities should be pursuant to the HACR's policies for waiting list management, including the obligation to affirmatively further fair housing.

The HACR may consider contacting every registrant on the public housing waiting list via direct mailing; advertising the availability of housing to the population that is less likely to register, both minority and non-minority groups, through various forms of media (e.g., radio stations, posters, newspapers) within the marketing area, informing local non-profit entities and advocacy groups (e.g., disability rights groups); and conducting other outreach as appropriate. Registrants on the agency's centralized public housing waiting list who wish to be placed onto the newly-established waiting list are done so in accordance with the date and time of their original registration to the centralized public housing waiting list. Any activities to contact registrants on the public housing waiting list must be conducted accordance with the requirements for effective communication with persons with disabilities at 24 CFR § 8.6 and the obligation to provide meaningful access for persons with limited English proficiency (LEP).⁴

To implement this provision, HUD is waiving 24 CFR § 983.251(c)(2). However, after the initial waiting list has been established, the HACR shall administer its waiting list for the converted project in accordance with 24 CFR § 983.251(c).

13. Mandatory Insurance Coverage. The project shall maintain at all times commercially available property and liability insurance to protect the project from financial loss and, to the extent insurance proceeds permit, promptly restore, reconstruct, and/or repair any damaged or destroyed property of a project, except with the written approval of HUD to the contrary.

14. Choice-Mobility. HUD seeks to provide all residents of covered projects with viable Choice-Mobility options. PHAs that are applying to convert the assistance of a project to PBV are required to provide a Choice-Mobility option to residents of covered projects in accordance with the following:⁵

- *Resident Eligibility.* Residents have a right to move with tenant-based rental assistance (e.g., Housing Choice Voucher (HCV)) 12 months after the move-in date, subject to the availability of tenant-based vouchers. Households must submit a written request after the 12 month period has expired if they wish to be issued a tenant-based voucher. Households requesting tenant-based vouchers will be reviewed and if the required 12 month PBV period has occurred, will be moved to the top of the HCV waiting list based on the date and time of their written request.
- If a resident is already a resident of the covered project at the time of conversion to PBV, the resident may request a tenant-based voucher after 12 months of PBV assistance, subject to the availability of tenant-based vouchers. When requests for tenant-based vouchers are made after 12 months of PBV residency, residents must submit a written request for a tenant-based voucher which will be reviewed and if the required 12 month PBV period has occurred, will be moved to the top of the HCV waiting list based on date and time of written request.

15. Agreement Waiver. For public housing conversions to PBV, there will be no Agreement to Enter into a Housing Assistance Payments (AHAP) contract. Therefore, all regulatory references to the Agreement (AHAP), including regulations under 24 CFR Part 983 Subpart D are waived.

16. Future Refinancing. Owners must receive HUD approval for any refinancing or restructuring of permanent debt within the HAP contract term to ensure the financing is consistent with long-term preservation. (Current lenders and investors are also likely to require review and approval of refinancing of the primary permanent debt.)

17. Administrative Fees for Public Housing Conversions. For the initial Calendar Year in which a project's

⁴ For more information on serving persons with LEP, please see HUD's Final guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons (72 FR 2732), published on January 22, 2007.

⁵ The Choice-Mobility requirements that apply to covered PBV projects differ from the requirements that apply to covered PBRA projects.

assistance has been converted, RAD PBV projects will be funded with public housing money. Since the public housing funding will not have been transferred to the PBV account and since this funding is not section 8 assistance the annual contributions contract (ACC) between the HACR and HUD will cover the project units, but be for zero dollars. For this transition period, the ACC will primarily serve as the basis for covering the units and requiring HACR compliance with HUD requirements, but it will not be (as it is in the regular PBV program) the funding vehicle for the PBV RAD vouchers. Given this, and given the fact that the HACR will be receiving full public housing funding for the PBV units during this transition period, the HACR will not receive ongoing section 8 administrative fee funding during this time. Generally, PHAs receive ongoing administrative fees for units under a HAP contract, consistent with recent appropriation act references to "section 8(q) of the [United States Housing Act of 1937] and related appropriations act provisions in effect immediately before the Quality Housing and Responsibility Act of 1998" and 24 CFR 982.152(b). During the transition period mentioned in the preceding paragraph, these provisions are waived, and PHAs will not receive section 8 ongoing administrative fees for PBV RAD units. After this transition period, the ACC will be amended to include section 8 funding that corresponds to the units covered by the ACC. At that time, the regular section 8 administrative fee funding provisions will apply.