

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

*Allocation of Net Pension Liability and Pension Expense to Individual Plans.* Pools where contribution rates within the pool are based on separate relationships, the proportional allocation should reflect those relationships. The allocation method utilized by CalPERS determines the employer's share by reflecting these relationships through the plans they sponsor within the risk pool. Plan liability and asset-related information are used where available, and proportional allocations of individual plan amounts as of the valuation date are used where not available.

Please refer to the CalPERS Public Agency Cost-Sharing Allocation Methodology Report that can be obtained at CalPERS' website under the GASB 68 section, and see Appendix D of this report for the calculation of the plan's proportionate share of total pension liability.

The plans' proportionate share of risk pool pension expense is developed as the sum of the related proportionate shares of the components of the aggregate pension expense.

The following table shows the Plans' proportionate share of the risk pool collective net pension liability over the measurement period.

	Plan Total Pension Liability [a]	Plan Fiduciary Net Position [b]	Plan Net Pension Liability (Asset) [c] = [a]-[b]
Balance at June 30, 2013	\$ 34,868,370	\$ 26,281,268	\$ 8,587,102
Changes for the year:			
Service cost	1,092,442	-	1,092,442
Interest on total pension liability	2,605,478	-	2,605,478
Contributions -employer	-	930,188	(930,188)
Contributions -employee	-	482,605	(482,605)
Net investment income	-	4,606,379	(4,606,379)
Benefit payments, including refunds of employee contributions	(1,349,772)	(1,349,772)	-
<b>Balance at June 30, 2014</b>	<b>\$ 37,216,518</b>	<b>\$ 30,950,668</b>	<b>\$ 6,265,850</b>

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate.* The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 7.50 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.50 percent) or 1 percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Plan Net Pension Liability (Assets)	<u>\$ 11,535,367</u>	<u>\$ 6,265,850</u>	<u>\$ 1,924,131</u>

For the measurement period ended June 30, 2014 (the measurement date), the Authority incurred a pension expense/ (income) of \$29,824 (the pension expense for the risk pool for the measurement period is \$239,824,465).

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

As of June 30, 2015, the Authority reports other amounts for the Plans as deferred outflows and deferred inflows of resources related to pensions as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net differences between projected and actual earnings on pension plan	\$ -	\$ 2,113,305
Contributions subsequent to the measurement date of June 30, 2014	<u>915,292</u>	<u>-</u>
Totals	<u>\$ 915,292</u>	<u>\$ 2,113,305</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future pension expense as follows by measurement period ended June 30:

2015	\$ (528,326)
2016	(528,326)
2017	(528,326)
2018	(528,326)
2019	-
Thereafter	-
	<u>\$ (2,113,304)</u>

*Subsequent Events Related to Pension.* There were no subsequent events that would materially affect the results presented in this disclosure.

*Actuarial Methods and Assumptions Used to Determine Total Pension Liability.* The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2013-14 were from the June 30, 2011 public agency valuations.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For detail, see June 30, 2011 Funding Valuation Report
Asset Valuation Method	Actuarial Value of Assets. For details, see June 30, 2011 Funding Valuation Report.
Inflation	2.75%
Salary Increases	Varies by entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.50% Net of Pension plan Investment and Administrative Expenses; including Inflation.
Retirement Age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of project mortality improvement using Scale AA published by the Society of Actuaries.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

*Expected Rate of Return.* The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10*</u>	<u>Real Return Years 11+**</u>
Global Equity	47%	5.25%	5.71%
Global Fixed income	19%	0.99%	2.43%
Inflation Sensitive	6%	0.45%	3.36%
Private Equity	12%	6.83%	6.95%
Real Estate	11%	4.50%	5.13%
Infrastructure and Forestland	3%	4.50%	5.09%
Liquidity	2%	-0.55%	-1.05%
	<u>100%</u>		

\* An expected inflation of 2.5% used for this period

\*\* An Expected inflation of 3.0% used for this period

*Discount rate.* The discount rate used to measure the total pension liability was 7.50 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

According to the Statement, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. This difference was deemed immaterial to the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan. However, employers may determine the impact at the plan level for their own financial reporting purposes.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for the calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

*Payable to the Pension Plan.* At June 30, 2015, Housing Authority of the County of Riverside reported a payable of \$0 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2015.

**11. OTHER NON-CURRENT LIABILITIES**

The following is a schedule of changes in non-current liabilities for the year ended June 30, 2015:

	Beginning Balance	Additions	Deletions	Ending Balance
Compensated absences	\$ 1,306,602	\$ 171,497	\$ (17,152)	\$ 1,460,947
Other liabilities	916,654	26,813	(53,626)	889,841
Net pension liability	-	6,265,850	-	6,265,850
<b>Total Other Non- Current Liabilities</b>	<b>\$ 2,223,256</b>	<b>\$ 6,464,160</b>	<b>\$ (70,778)</b>	<b>\$ 8,616,638</b>

**12. ECONOMIC DEPENDENCY**

The Authority receives approximately 91% of operating funds used for affordable housing activities from the U.S. Department of Housing and Urban Development.

**13. CONTINGENCIES**

A. Risk Management

The Authority is exposed to various risk of losses related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Claims liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. There were no claims in excess of commercial coverage during the previous three years. These losses include an estimate of claims that have been incurred but not reported. At June 30, 2015, there were no liabilities to be reported.

As of June 30, 2015, the Authority was a participating member of the Housing Authorities Risk Retention Pool (HARRP), a risk-management pool, which provides the following coverage: property; general liability; official's liability; auto liability; employee liability for dishonesty or forgery; and employee liability for theft, disappearance and destruction.

For apartment managers and temporary employees, the Authority is insured for workers compensation claims by California Housing Workers' Compensation Authority (CHWCA) as well as an excess liability policy which provides coverage for claims in excess of the CHWCA policy limits.

For permanent Authority employees who are County employees, the County of Riverside self-insures for workers' compensation.

B. Government Examinations

The Authority is subject to possible examinations made by Federal and State authorities who determine compliance with terms, conditions, laws and regulations governing other grants given to the Authority in the current and prior years.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

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**14. HOUSING AUTHORITY SUCCESSOR AGENCY**

On June 28, 2011, Governor Brown signed AB 1 x 26, the Assembly Bill to dissolve redevelopment agencies throughout the State of California, and AB 1 x 27, the companion bill to allow redevelopment agencies to continue activities after making payment to the state. On December 29, 2011, the California Supreme Court announced its decision to uphold AB 1 x 26 and strike down AB 1 x 27, which eliminated redevelopment agencies.

Pursuant to AB x 26, the County of Riverside Board of Supervisors adopted Resolution No. 2012-35 on January 10, 2012, which designated the Housing Authority of the County Riverside as the Successor Agency for the redevelopment housing functions. On the same date, the Housing Authority accepted, via adoption of Resolution 2012-001, the responsibility of performing all activities as the successor to the redevelopment housing functions. On February 1, 2012 all California redevelopment agencies were eliminated and the Housing Authority assumed all the former redevelopment housing functions previously performed by the redevelopment Agency for the County of Riverside including all rights, powers, assets, liabilities, duties, and obligations associated with the housing activities.

On July 3, 2012 the Board of commissioners adopted Resolution 2012-005 authorizing the Housing Authority to accept any and all assets, liabilities, duties, loans, leases, and obligations associated with the housing activities of the former Redevelopment Agency for the County of Riverside upon approval by the Oversight Board.

On July 17, 2012 the Board of Commissioners adopted Resolution No. 2012-009 to accept the release and transfer of fund assets from the Successor Agency to the Redevelopment Agency for the County Riverside to the Housing Authority. The fund assets include the Low and Moderate Income Housing Funds identified in the July through December 2012 Recognized Payment Obligation Schedule (ROPS) and the Housing Bond Proceeds, held by the Bank of New York Mellon as trustee, for draw downs and reimbursement of enforceable obligations, subject to approval by the Oversight Board.

The transfer of assets that were disclosed in the financial statements of Fiscal Year Ending June 30, 2013 included 57 parcels of land, leases, and deferred loans receivable, which collectively resulted in an extraordinary gain of \$155 million.

In Fiscal Year 2015, a portion of the North Hemet Property was sold for \$220,000, of which the Housing Authority realized a gain of \$185,583.

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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

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**15. PRIOR PERIOD ADJUSTMENTS & CHANGES IN ACCOUNTING PRINCIPALS**

Housing Authority of the County of Riverside financial statements for the year ended June 30, 2015 required a prior period adjustment to net position due to a determination that several of the notes receivable were not recorded in prior years as part of the absorption of the redevelopment agency and required to be added. This resulted in an increase of beginning net position. In addition, the State of California reclaimed a significant portion of the cash transferred to the Authority during the absorption of the redevelopment agency which had been recognized as contributions in the prior fiscal year. This reduction of cash resulted in an equal reduction of net position during the current fiscal year ended June 30, 2015.

Additionally, the Authority implemented changes in accounting principles as required by GASB Statement No. 68. This resulted in the booking of deferred outflows of resources, deferred inflows of resources, and a net pension liability. The net effect was a decrease in net position.

The above adjustments to net position are summarized as follows:

Establish beginning net pension liability	\$ (7,656,913)
Reclaimed cash by the State of California	(16,397,591)
Correction of notes receivable from redevelopment agency	<u>7,929,170</u>
	<u>\$ (16,125,334)</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE**

REQUIRED SCHEDULES OF THE PENSION PLAN  
AS OF MEASUREMENT DATE JUNE 30, 2014

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**SCHEDULE OF THE PENSION PLAN'S PORPORTIONATE SHARE  
OF THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS AS OF THE MEASUREMENT DATE**

Plan's Porportion of the Net Pension Liability (Asset)		0.659839%
Plan's Porportionate Share of the Net Pension Liability (Asset)	\$	6,265,850
Plan's Covered-Employee Payroll	\$	5,842,527
Plan's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll		107.25%
Plan's Proportionate Share of the Fiduciary Net Postion as a Percentage of the Plan's Total Pension Liability		83.16%
Plan's Porportionate Share of the Aggregate Employer Contributions	\$	722,239

**SCHEDULE OF THE PENSION PLAN'S CONTRIBUTIONS AS OF MEASUREMENT DATE**

Actuarially determined contribution	\$	1,124,130
Contributions in relation to actuarially determined contribution		1,124,130
Contribution deficiency (excess)		-
Covered-employee payroll	\$	5,842,527
Contribution as a percentage covered-employees payroll		19.24%

**Notes to Schedule:**

Change in Benefits	<b>None</b>
Change in Assumptions	<b>None</b>

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in the future fiscal years until 10 years of information is available.



**HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE**

COMBINING STATEMENT OF NET POSITION - ALL PROGRAMS  
 JUNE 30, 2015

<b>ASSETS</b>	Public Housing Program	Section 8 Program	Authority Program
<b>Current Assets</b>			
Cash & cash equivalents			
Unrestricted	\$ 785,023	\$ 1,354,035	\$ 6,224,518
Restricted	202,852	1,211,814	16,015,073
<b>Subtotal</b>	<u>987,875</u>	<u>2,565,849</u>	<u>22,239,591</u>
Accounts receivable (net)	9,813	22,410	7,777
Interfund receivables	548,897	342	1,006,379
Due from other governments	7,428	248,166	1,082,780
Accrued interest receivable	-	-	-
Notes receivable - current portion	-	-	5,454
Restricted investments	-	-	206,569
Land held for sale	-	-	38,825,401
<b>Total Current Assets</b>	<u>1,554,013</u>	<u>2,836,767</u>	<u>63,373,951</u>
<b>Noncurrent Assets</b>			
Notes receivable	-	-	84,908,104
Capital assets (net)	7,300,511	1,978	7,863,533
<b>Total Noncurrent Assets</b>	<u>7,300,511</u>	<u>1,978</u>	<u>92,771,637</u>
<b>TOTAL ASSETS</b>	<u>8,854,524</u>	<u>2,838,745</u>	<u>156,145,588</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>159,809</b>	<b>502,770</b>	<b>461,026</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	-	59,820	70
Interfund payables	620,002	342	913,568
Due to other governments	-	-	582,372
Other liabilities	181,881	386,056	370,570
Tenants security deposits	202,852	-	20,658
Compensated absences - current portion	30,145	48,763	83,418
Accrued interest payable	-	-	4,167
Bonds payable-current portion	-	-	165,000
<b>Total Current Liabilities</b>	<u>1,034,880</u>	<u>494,981</u>	<u>2,139,823</u>
<b>Noncurrent Liabilities</b>			
Compensated absences	271,318	438,864	750,765
Other liabilities	-	889,841	-
Net pension liability	1,094,018	3,441,832	1,730,000
Bonds payable	-	-	565,000
Notes payable	-	-	8,322,295
<b>Total Noncurrent Liabilities</b>	<u>1,365,336</u>	<u>4,770,537</u>	<u>11,368,060</u>
<b>TOTAL LIABILITIES</b>	<u>2,400,216</u>	<u>5,265,518</u>	<u>13,507,883</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>368,983</b>	<b>1,160,839</b>	<b>583,483</b>
<b>NET POSITION</b>			
Net investment in capital assets	7,300,511	1,978	1,068,424
Restricted	-	526,472	574,034
Unrestricted	(1,055,377)	(3,613,292)	140,872,790
<b>TOTAL NET POSITION</b>	<u>\$ 6,245,134</u>	<u>\$ (3,084,842)</u>	<u>\$ 142,515,248</u>

**HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE**

COMBINING STATEMENT OF NET POSITION - ALL PROGRAMS  
 JUNE 30, 2015

ASSETS	Blended Component Unit	Eliminating Entries	Totals
<b>Current Assets</b>			
Cash & cash equivalents			
Unrestricted	\$ 65,424	\$ -	\$ 8,429,000
Restricted	-	-	17,429,739
<b>Subtotal</b>	<u>65,424</u>	<u>-</u>	<u>25,858,739</u>
Accounts receivable (net)	-	-	40,000
Interfund receivables	-	(1,555,618)	-
Due from other governments	-	-	1,338,374
Accrued interest receivable	-	-	-
Notes receivable - current portion	-	-	5,454
Restricted investments	-	-	206,569
Land held for sale	-	-	38,825,401
<b>Total Current Assets</b>	<u>65,424</u>	<u>(1,555,618)</u>	<u>66,274,537</u>
<b>Noncurrent Assets</b>			
Notes receivable	59,999	-	84,968,103
Capital assets (net)	-	-	15,166,022
<b>Total Noncurrent Assets</b>	<u>59,999</u>	<u>-</u>	<u>100,134,125</u>
<b>TOTAL ASSETS</b>	<u>125,423</u>	<u>(1,555,618)</u>	<u>166,408,662</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>			
	-	-	1,123,605
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	-	-	59,890
Interfund payables	21,706	(1,555,618)	-
Due to other governments	62,624	-	644,996
Other liabilities	1,459	-	939,966
Tenants security deposits	-	-	223,510
Compensated absences - current portion	-	-	162,326
Accrued interest payable	-	-	4,167
Bonds payable-current portion	-	-	165,000
<b>Total Current Liabilities</b>	<u>85,789</u>	<u>(1,555,618)</u>	<u>2,199,855</u>
<b>Noncurrent Liabilities</b>			
Compensated absences	-	-	1,460,947
Other liabilities	-	-	889,841
Net pension liability	-	-	6,265,850
Bonds payable	-	-	565,000
Notes payable	-	-	8,322,295
<b>Total Noncurrent Liabilities</b>	<u>-</u>	<u>-</u>	<u>17,503,933</u>
<b>TOTAL LIABILITIES</b>	<u>85,789</u>	<u>(1,555,618)</u>	<u>19,703,788</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>			
	-	-	2,113,305
<b>NET POSITION</b>			
Net investment in capital assets	-	-	8,370,913
Restricted	-	-	1,100,506
Unrestricted	39,634	-	136,243,755
<b>TOTAL NET POSITION</b>	<u>\$ 39,634</u>	<u>\$ -</u>	<u>\$ 145,715,174</u>

## HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - ALL PROGRAMS  
FOR THE YEAR ENDED JUNE 30, 2015

	Public Housing Program	Section 8 Program	Authority Program
<b>REVENUES</b>			
<b>Operating Revenues</b>			
Dwelling rental (net)	\$ 1,429,012	\$ -	\$ 245,563
Grants	1,788,179	72,027,965	2,228,170
Management fees	-	-	1,705,359
Other revenue	181,624	418,116	8,219,787
<b>Total Operating Revenues</b>	<b>3,398,815</b>	<b>72,446,081</b>	<b>12,398,879</b>
<b>EXPENSES</b>			
<b>Operating Expenses</b>			
Administrative	1,146,834	6,527,703	5,190,056
Utilities	461,770	-	62,157
Maintenance & operation	1,862,221	85,233	3,849,288
General expenses	89,837	886,496	512,589
Insurance	202,145	3,628	50,900
Housing assistance payments	-	67,768,501	2,438,403
Depreciation	1,022,442	9,224	380,896
<b>Total Operating Expenses</b>	<b>4,785,249</b>	<b>75,280,785</b>	<b>12,484,289</b>
<b>Operating Income (Loss)</b>	<b>(1,386,434)</b>	<b>(2,834,704)</b>	<b>(85,410)</b>
<b>Nonoperating Revenues (Expenses)</b>			
Investment income	1,383	4,906	332,151
Interest expense on notes & bond:	-	-	(123,866)
Extraordinary items, net gain (loss)	-	17,716	(922,812)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>1,383</b>	<b>22,622</b>	<b>(714,527)</b>
<b>Other Financing Sources (Uses)</b>			
Capital contributions	88,504	-	-
Transfers	-	-	50,000
<b>Total Other Financing Sources (Uses)</b>	<b>88,504</b>	<b>-</b>	<b>50,000</b>
<b>Change in Net Position</b>	<b>(1,296,547)</b>	<b>(2,812,082)</b>	<b>(749,937)</b>
Net Position - beginning	8,878,578	3,933,183	153,847,679
Adjustments to beginning net position	(1,336,897)	(4,205,943)	(10,582,494)
<b>Net Position - ending</b>	<b>\$ 6,245,134</b>	<b>\$ (3,084,842)</b>	<b>\$ 142,515,248</b>

# HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2015

	Blended Component Unit	Eliminating Entries	Totals
<b>REVENUES</b>			
<b>Operating Revenues</b>			
Dwelling rental (net)	\$ -	\$ -	\$ 1,674,575
Grants	-	-	76,044,314
Management fees	-	(1,705,359)	-
Other revenue	233,298	-	9,052,825
<b>Total Operating Revenues</b>	<u>233,298</u>	<u>(1,705,359)</u>	<u>86,771,714</u>
<b>EXPENSES</b>			
<b>Operating Expenses</b>			
Administrative	11,582	(1,705,359)	11,170,816
Utilities	-	-	523,927
Maintenance & operation	-	-	5,796,742
General expenses	3,884	-	1,492,806
Insurance	1,000	-	257,673
Housing assistance payments	108,072	-	70,314,976
Depreciation	-	-	1,412,562
<b>Total Operating Expenses</b>	<u>124,538</u>	<u>(1,705,359)</u>	<u>90,969,502</u>
<b>Operating Income (Loss)</b>	<b>108,760</b>	<b>-</b>	<b>(4,197,788)</b>
<b>Nonoperating Revenues (Expenses)</b>			
Investment income	-	-	338,440
Interest expense on notes & bond:	-	-	(123,866)
Extraordinary items, net gain (loss)	-	-	(905,096)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>-</u>	<u>-</u>	<u>(690,522)</u>
<b>Other Financing Sources (Uses)</b>			
Capital contributions	-	-	88,504
Transfers	(50,000)	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(50,000)</u>	<u>-</u>	<u>88,504</u>
<b>Change in Net Position</b>	<b>58,760</b>	<b>-</b>	<b>(4,799,806)</b>
Net Position - beginning	(19,126)	-	166,640,314
Adjustments to beginning net position	-	-	(16,125,334)
<b>Net Position - ending</b>	<u>\$ 39,634</u>	<u>\$ -</u>	<u>\$ 145,715,174</u>

# ATTACHMENT

## B

- Section 9.1 Housing Needs

**Housing Authority of the County of Riverside  
5-Year Plan and Annual Plan  
Identification of Housing Needs and Strategy for Addressing Housing Needs  
July 1, 2015**

**Identification of Housing Needs:**

WAIT LIST STATISTICS	S8	PH
Total on Wait List as of 12/22/2014	13464	36225
Income at or below 30% of Area Median Income (AMI)	10098	28147
Homeless	1602	5795
Elderly	1773	6179
Extreme Elderly (75 years and older)	403	2244
Disabled	3558	10043
Families w/minor children	9057	21105
Working families (families with minor children working 32 hours/week or more)	4419	8411
Veterans	595	1553

**Need: Meeting Waiting List Housing Needs**

**Strategy 1: Maximize the number of affordable units available to the PHA within its current resources by:**

- Maintain or increase section 8 lease-up rates by establishing payment standards that will enable families to rent throughout the jurisdiction
- Undertake measures to ensure access to affordable housing among families assisted by the PHA
- Maintain or increase section 8 lease-up rates by marketing the program to owners, particularly those outside of areas of minority and poverty concentration
- Employ effective maintenance and management policies to minimize the number of public housing units off-line
- Reduce turnover time for vacated public housing units
- Reduce time to renovate public housing units
- Participate in the Consolidated Plan development process to ensure coordination with broader community strategies

**Strategy 2: Increase the number of affordable housing units by:**

- Apply for additional section 8 units should they become available
- Pursue housing resources other than public housing or Section 8 tenant-based assistance

**Need: Families at or below 30% of median**

**Strategy 1: Target available assistance to families at or below 30 % of AMI**

- Employ admissions preferences aimed at families with economic hardships
- Adopt rent policies to support and encourage work

**Section 9.1**

**Need: Homeless families with children residing in shelters**

**Strategy 1: Conduct activities to house homeless families with children living in shelters**

- Partner with local shelters to identify homeless households and register them on the waiting list
- Establish waiting list preference to assist the homeless families with children residing in shelters

**Need: Elderly (62 and older) and Extreme Elderly (75 and older)**

**Strategy 1: Target available assistance to elderly (62 and older) and Extreme Elderly (75 years of age and older):**

- Apply for special-purpose vouchers targeted to the elderly, should they become available
- Establish waiting list preferences to assist the extreme elderly and elderly

**Need: Families with Disabilities**

**Strategy 1: Target available assistance to Families with Disabilities:**

- Apply for special-purpose vouchers targeted to families with disabilities, should they become available
- Affirmatively market to local non-profit agencies that assist families with disabilities
- Establish waiting list preference to assist the disabled
- Educate families and owners on Reasonable Accommodation policies and procedures

# ATTACHMENT

## C

### 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**

# Table of Contents

CHAPTER 1 .....	6
STATEMENT OF POLICIES AND OBJECTIVES.....	6
A.    PURPOSE OF THE PLAN .....	6
B.    SERVICE POLICY/ACCOMMODATIONS.....	6
C.    TRANSLATION OF DOCUMENTS.....	6
D.    FAMILY OUTREACH .....	7
E.    PRIVACY RIGHTS AND PROVIDING INFORMATION TO OWNERS.....	7
F.    EQUAL OPPORTUNITY.....	7
G.    SPECIAL HOUSING TYPES.....	7
H.    RULES AND REGULATIONS .....	7
I.    JURISDICTION .....	7
J.    MONITORING PROGRAM PERFORMANCE.....	8
K.    PROGRAM INTEGRITY MONITORING (PIM).....	8
L.    REQUESTS FOR INFORMATION FROM FILES .....	8
M.    USE OF ADMINISTRATIVE FEE RESERVE .....	8
N.    CODE OF CONDUCT .....	8
CHAPTER 2 .....	9
ELIGIBILITY FOR ADMISSION .....	9
A.    QUALIFICATION AS A FAMILY (24 CFR 5.403).....	9
B.    INCOME LIMITS [24 CFR 982.201 (B) (1)] .....	11
C.    DISCLOSURE OF SOCIAL SECURITY NUMBERS- PIH 2010-3 AND 24 CFR 5.216 .....	11
D.    CITIZENSHIP/ELIGIBLE IMMIGRATION STATUS (24 CFR PART 5).....	12
E.    SUITABILITY OF FAMILY.....	12
F.    CHANGES IN ELIGIBILITY PRIOR TO EFFECTIVE DATE OF THE CONTRACT .....	12
G.    INELIGIBLE FAMILIES.....	13
CHAPTER 3 .....	14
APPLYING FOR ADMISSION.....	14
A.    WAITING LIST REGISTRATION.....	14
B.    HOUSING CHOICE VOUCHER PROGRAM APPLICATION.....	15
CHAPTER 4 .....	17
SELECTION OF FAMILIES FROM WAITING LIST.....	17
A.    WAITING LIST PREFERENCES.....	17
B.    EXCEPTIONS FOR SPECIAL ADMISSIONS (24 CFR 982.203).....	18
C.    TARGETED FUNDING .....	19
D.    ORDER OF SELECTION .....	19
E.    IF PREFERENCES ARE NOT MET.....	19
F.    REMOVAL FROM WAITING LIST AND PURGING .....	19
CHAPTER 5 .....	20
SUBSIDY STANDARDS .....	20
A.    DETERMINING VOUCHER SIZE.....	20
B.    CHANGES IN VOUCHER SIZE .....	21
CHAPTER 6 .....	23
ELIGIBILITY FACTORS .....	23
A.    HOUSEHOLD COMPOSITION .....	23

B.    INCOME, ALLOWANCES & MINIMUM FAMILY CONTRIBUTION 24 CFR 5.609 .....	25
CHAPTER 7 .....	33
VERIFICATION PROCEDURES.....	33
A.    RELEASE OF INFORMATION.....	34
B.    METHODS OF VERIFICATION PIH NOTICE 2010-19 (HA) & 24 CFR 5.233 .....	34
C.    COMPUTER MATCHING .....	36
D.    ITEMS TO BE VERIFIED .....	36
E.    VERIFYING NON-FINANCIAL FACTORS.....	36
CHAPTER 8 .....	39
VOUCHER ISSUANCE AND BRIEFINGS.....	39
A.    ISSUANCE OF VOUCHERS .....	39
B.    BRIEFING TYPES AND REQUIRED ATTENDANCE (24 CFR 982.301).....	39
C.    ENCOURAGING PARTICIPATION IN LOW POVERTY AREAS .....	40
D.    ASSISTANCE TO FAMILIES WHO CLAIM DISCRIMINATION.....	40
E.    ASSISTANCE TO FAMILIES WITH DISABILITIES .....	40
F.    SECURITY DEPOSIT REQUIREMENTS (24 CFR 982.313).....	40
G.    TERM OF VOUCHER (24 CFR 982.303) .....	41
H.    VOUCHER ISSUANCE DETERMINATION FOR SPLIT HOUSEHOLDS (24 CFR 982.315).....	41
I.    REMAINING MEMBER OF TENANT FAMILY-RETENTION OF VOUCHER.....	42
CHAPTER 9 .....	43
REQUEST FOR TENANCY APPROVAL (RFTA) AND CONTRACT EXECUTION.....	43
A.    REQUEST FOR TENANCY APPROVAL (RFTA) (24 CFR 982.302).....	43
B.    INFORMATION TO OWNERS .....	45
C.    OWNER DISAPPROVAL.....	45
D.    CONTRACT EXECUTION PROCESS .....	45
E.    CHANGE IN OWNERSHIP .....	45
CHAPTER 10 .....	46
HOUSING QUALITY STANDARDS AND INSPECTIONS.....	46
A.    TYPES OF INSPECTIONS.....	46
B.    ACCEPTABILITY CRITERIA AND EXCEPTIONS TO HQS .....	46
C.    INSPECTIONS [24 CFR 982.405 (A)] .....	47
D.    EMERGENCY REPAIR ITEMS [24 CFR 982.404 (A) (3) (B) (2)].....	48
E.    INITIAL HQS INSPECTION.....	48
F.    SPECIAL/COMPLAINT INSPECTIONS .....	48
G.    QUALITY CONTROL INSPECTIONS [24 CFR 982.405 (B)].....	49
CHAPTER 11 .....	50
OWNER RENTS, RENT REASONABLENESS, AND PAYMENT STANDARDS.....	50
A.    OWNER PAYMENT IN THE VOUCHER PROGRAM .....	50
B.    LATE PAYMENTS TO OWNERS.....	50
C.    MAKING PAYMENTS TO OWNERS.....	50
D.    EXCEPTION PAYMENT STANDARD.....	51
E.    RENT REASONABLENESS DETERMINATIONS (24 CFR 982.507).....	51
F.    PAYMENT STANDARDS AND ADJUSTMENTS (24 CFR 982.503) .....	51
G.    RENT INCREASES (24 CFR 982.507) .....	52
CHAPTER 12 .....	53
REEXAMINATIONS .....	53
A.    ANNUAL RECERTIFICATION/REEXAMINATION (24 CFR 982.516).....	53
B.    REPORTING INTERIM CHANGES.....	54

C.	TIMELY REPORTING OF CHANGES IN INCOME AND ASSETS.....	55
D.	NOTIFICATION OF RESULTS OF REEXAMINATIONS .....	55
CHAPTER 13 .....		56
MOVES WITH CONTINUED ASSISTANCE/PORTABILITY .....		56
A.	ALLOWABLE MOVES .....	56
B.	RESTRICTIONS ON MOVES.....	57
C.	PORTABILITY .....	57
D.	OUTGOING PORTABILITY .....	57
E.	INCOMING PORTABILITY .....	58
CHAPTER 14 .....		59
CONTRACT TERMINATIONS .....		59
A.	CONTRACT TERMINATION .....	59
B.	TERMINATION OF LEASE BY OWNER.....	59
C.	TERMINATION OF THE CONTRACT BY HA .....	60
D.	TERMINATIONS DUE TO INELIGIBLE IMMIGRATION STATUS .....	61
CHAPTER 15 .....		62
DENIAL OR TERMINATION OF ASSISTANCE.....		62
A.	GROUNDS FOR DENIAL OF ASSISTANCE (24 CFR 982.552-553).....	62
B.	GROUNDS FOR TERMINATION OF ASSISTANCE (24 CFR 982.552-553).....	64
C.	VIOLENCE AGAINST WOMEN ACT (VAWA) OF 2005 .....	65
D.	FAMILY OBLIGATIONS (24 CFR 982.551).....	66
E.	PROCEDURES FOR NON-CITIZENS .....	68
F.	ZERO HOUSING ASSISTANCE PAYMENT FOR TENANTS.....	69
G.	MISSED APPOINTMENTS AND DEADLINES.....	69
CHAPTER 16 .....		70
OWNER DISAPPROVAL AND RESTRICTIONS .....		70
A.	DISAPPROVAL OF OWNER.....	70
B.	OWNER RESTRICTIONS AND PENALTIES .....	71
C.	OTHER REMEDIES FOR OWNER VIOLATIONS .....	71
CHAPTER 17 .....		72
OWNER OR FAMILY DEBTS TO THE HA .....		72
A.	REPAYMENT AGREEMENT FOR FAMILIES.....	72
B.	DEBTS DUE TO FRAUD/NON-REPORTING OF INFORMATION.....	73
C.	OWNER DEBTS TO THE HA .....	73
CHAPTER 18 .....		74
COMPLAINTS AND APPEALS .....		74
A.	COMPLAINTS TO THE HA.....	74
B.	NOT MEETING PREFERENCES .....	74
C.	INFORMAL REVIEW .....	74
D.	INFORMAL HEARING .....	75
E.	INFORMAL REVIEW/HEARING PROCEDURES .....	76
F.	HEARING AND APPEAL PROVISIONS FOR RESTRICTIONS ON ASSISTANCE TO NON- CITIZENS.....	78
CHAPTER 19 .....		79
FAMILY SELF-SUFFICIENCY (FSS) PROGRAM.....		79
A.	ENROLLMENT AND RECRUITMENT .....	79

B.	CONTRACT OF PARTICIPATION.....	79
C.	INDIVIDUAL TRAINING AND SERVICE PLAN (ITSP).....	79
D.	CASE MANAGEMENT AND COMMUNITY SERVICES .....	80
E.	ESCROW ACCOUNTS .....	80
F.	SUPPORTIVE SERVICES.....	81
CHAPTER 20 .....		82
PROGRAM INTEGRITY MONITORING (PIM) .....		82
A.	CRITERIA FOR INVESTIGATION OF SUSPECTED ABUSE AND FRAUD .....	82
B.	STEPS THE HA WILL TAKE TO PREVENT PROGRAM ABUSE AND FRAUD .....	83
C.	STEPS THE HA WILL TAKE TO DETECT PROGRAM ABUSE AND FRAUD.....	83
D.	THE HA'S HANDLING OF ALLEGATIONS OF POSSIBLE ABUSE AND FRAUD .....	84
E.	OVERPAYMENTS TO OWNERS .....	85
F.	HOW THE HA WILL INVESTIGATE ALLEGATIONS OF ABUSE AND FRAUD.....	85
G.	PLACEMENT OF DOCUMENTS, EVIDENCE AND STATEMENTS OBTAINED BY THE HA .....	86
H.	CONCLUSION OF THE HA'S INVESTIGATIVE REVIEW .....	86
I.	EVALUATION OF THE FINDINGS .....	86
J.	ACTION PROCEDURES FOR VIOLATIONS WHICH HAVE BEEN DOCUMENTED .....	86
CHAPTER 21 .....		90
PROJECT-BASED VOUCHERS .....		90
21.1	INTRODUCTION [24 CFR 983. 5] .....	90
21.2	LEVEL OF ASSISTANCE [24 CFR 983.6] .....	90
21.3	OWNER PROPOSAL SELECTION PROCEDURE [24 CFR 983.51] .....	90
21.4	HOUSING ELIGIBLE FOR ASSISTANCE [24 CFR 983.52 AND 983.53].....	91
21.5	LIMITS ON ASSISTANCE [24 CFR 983.56] .....	91
21.6	PROJECT SELECTION CRITERIA [24 CFR 983.57].....	92
21.7	AGREEMENT TO ENTER INTO THE HAP CONTRACT [24 CFR 983.152] .....	94
21.8	SELECTION OF PARTICIPANTS [24 CFR 983.251] .....	95
21.9	INFORMATION FOR ACCEPTED FAMILIES [24 CFR 983.252] .....	96
21.10	LEASING OF CONTRACT UNITS [24 CFR 983.253] .....	96
21.11	VACANCIES [24 CFR 983.254] .....	96
21.12	TENANT SCREENING [24 CFR 983.255].....	96
21.13	HOUSING ASSISTANCE PAYMENTS CONTRACT .....	96
21.14	INSPECTIONS [24 CFR 983.103] .....	98
21.15	LEASE [24 CFR 983.256].....	98
21.16	FAMILY OCCUPANCY OF WRONG-SIZE OR ACCESSIBLE UNIT [24 CFR 983.259].....	99
21.17	DETERMINING RENT TO OWNER [24 CFR 983.301] .....	100
21.18	PAYMENT TO OWNER [24 CFR 983.351] .....	101
CHAPTER 22 .....		102
RAD CONVERSION .....		102
AFFORDABLE PUBLIC HOUSING CONVERTED TO PROJECT-BASED VOUCHERS .....		102
A.	CONVERSION TO PROJECT BASED RENTAL ASSISTANCE OR PROJECT BASED VOUCHERS.....	102
B.	COMPLIANCE WITH FAIR HOUSING AND CIVIL RIGHTS REQUIREMENTS.....	102
C.	IMPLICATIONS OF RAD CONVERSION ON THE CAPITAL FUND BUDGET.....	102
D.	RESIDENT RIGHTS, PARTICIPATION, WAITING LIST AND GRIEVANCE PROCEDURES.....	103
E.	RELOCATION PLANS.....	103
F.	SIGNIFICANT AMENDMENT DEFINITION.....	103
ATTACHMENT 1 RESIDENT RIGHTS, PARTICIPATION, WAITING LIST AND GRIEVANCE PROCEDURES APPLICABLE TO PROPERTIES CONVERTING TO PROJECT BASED VOUCHERS ....		104
EXCERPTS OF PIH NOTICE 2012-32: SECTIONS 1.6.C AND 1.6.D.....		104
C.	PBV RESIDENT RIGHTS AND PARTICIPATION.....	104

**D. PBV: OTHER MISCELLANEOUS PROVISIONS..... 106**

**ATTACHMENT 2 LIST OF RAD PROGRAM ELEMENTS AFFECTING RESIDENT RIGHTS AND PARTICIPATION WAITING LIST AND GRIEVANCE PROCEDURES FOR PBV..... 109**

**ATTACHMENT 3..... 110**

**SPECIFIC INFORMATION RELATED TO THE PUBLIC HOUSING DEVELOPMENTS SELECTED FOR RAD ..... 110**

**APPENDIX A: GLOSSARY ..... 112**

**APPENDIX B: CODE OF CONDUCT ..... 126**

**APPENDIX C: ZERO TOLERANCE POLICY ..... 128**

**APPENDIX D: REASONABLE STEPS TO AFFIRMATIVELY FURTHER FAIR HOUSING ..... 133**

## 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](http://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](http://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 1<sup>st</sup> and December 31<sup>st</sup> 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 1<sup>st</sup> and December 31<sup>st</sup> 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 1<sup>st</sup> 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. GROUND 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](http://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](mailto: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