

**Chapter 7**  
**ESTABLISHING PREFERENCES AND MAINTAINING THE WAITING LIST/TENANT SELECTION**

Applicants who will occupy PBV units must be selected by the PHA from a waiting list that is maintained by the PHA. The PHA will place families referred by the PBV owner/manager on its PBV waiting list when the waiting list is open.

**A. TYPES OF WAITING LISTS**

The PHA will establish separate waiting lists for:

1) Tenant-Based Vouchers

Tenant-based assistance is attached to the family allowing the participant to relocate from one unit to another. Preferences are found in Chapter 4 of the Administration Plan:

2) Project-Based Vouchers

The owner must promptly notify the PHA of any vacancy or expected vacancy in a contract unit. After receiving the owner notice, the PHA will make every reasonable effort to promptly refer a sufficient number of families to the owner in order to fill such vacancies. Vacant units will be filled by families on the current Project-Based waiting list, in order of preference, and then by date and time the pre-application was received where preferences are the same.

There may be site-based waiting lists for the project-based voucher program or the waitlists for different sites may be consolidated if the preferences and/or eligible population is the same.

**a. Non-Excepted Units**

The Housing Authority may maintain one waiting list for project-based vouchers where supportive services are not provided or the Housing Authority may choose to maintain separate waiting lists for different sites. This list will be subject to the following weighted preferences:

- family who is eligible to be a qualified family and residing in unit at the time of conversion to project-based voucher will be given an absolute preference;
- residency (4 points);
- disability (2 points); and
- rent burden and/or homeless (1 point).

(Please see section B “Definition of Preferences” in the following section for more detail.)

For families with the same preferences, families will be pulled from the waiting list based on date and time of the pre-application.

b. Excepted Units with Supportive Services

Project-based assistance is attached to the unit. Families must be receiving housing and at least one supportive service. At the time of initial lease execution between the family and the owner, the family must sign a statement of family responsibility. The statement of family responsibility must contain all the family obligations, including the family's participation in a service program. Supportive services will be provided by the owner/manager or by their contractor. The project-based targeted needs wait list will be utilized to fill vacancies in a property where supportive services are provided. Homelessness may be a screening criteria for the property managers.

Families with family members who meet all of the following SHRA preferences will be assisted first:

- Family who is eligible to be a qualified family and based on supportive services and who is residing in unit at the time of conversion to project-based voucher property will be given an absolute preference;
- Residency (4 points);
- Have a disabled family member (2 points).

c. Excepted Units for Elderly and/or Disabled

The PHA may maintain one waiting list for project-based vouchers for elderly and/or disabled applicants. This list will be subject to the following weighted preferences:

- family who is eligible to be a qualified family and residing in unit at the time of conversion to project-based voucher will be given an absolute preference;
- Elderly or disabled, depending on type of housing available (7 points)
- Residency (3 points)
- For elderly only housing, near elderly (aged 50-61 years of age) (2 points)
- Rent burden and/or homeless (1 point)

**B. DEFINITION OF PREFERENCES**

1. *Residency preference* is given to applicants who live, work, or have been hired to work in Sacramento County, or any political subdivision thereof.

2. *Rent Burden* preference is given to applicants who pay more than 50% of their gross income for rent and utilities. The applicant family must provide copies of receipts, lease, their income and utility bills.

3. *Homeless* preference is to be given to applicants who meet HUD's definition of homeless persons as 1) an individual who lacks a fixed, regular, and adequate nighttime residence; and 2) an individual who has a primary nighttime residence that is (A) a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill); (B) an institution that provides a temporary residence for individuals intended to be institutionalized; or, (C) a public or private place not designed for, a regular sleeping accommodation for human beings.

The Housing Authority will allow up to one week for an applicant to provide a written statement that they are homeless, as a self-declaration.

4. *Disability* preference is given to applicants who have a disabled household member. A person with a disability is defined as "Any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such impairment; or is regarded as having such an impairment."

## C. MULTIPLE WAITING LISTS

If an applicant is placed on a waiting list, they shall be given the option to apply for all other PHA-administered housing programs that also have an open waiting list. Applicants on the tenant-based wait list will be queried for interest on any newly established wait list.

If a family refuses the PHA's offer from one waiting list (i.e., PBV assistance), such refusal does not affect the family's position on another PHA waiting list for another type of assistance (i.e., tenant-based assistance).

The PHA may not take any of the following actions against an applicant who has applied for, received, or refused an offer of PBV assistance:

- Deny any admission preference for which the applicant is currently qualified
- Change the applicant's place on the waiting list based on date and time of application, or other factors affecting selection under the PHA selection policy
- Remove the applicant from the waiting list for tenant-based voucher assistance

If an applicant is pulled from two waiting lists at the same time, they can choose which option to pursue. Applications will be marked by program name to ensure families are directed to the appropriate program.

**D. CENTRALIZED WAITING LISTS**

The PHA may establish a centralized waiting list to serve one population (ie, elderly only, or disable only). One waiting list may be used to fill vacancies at more than one site. In this case, when a family is pulled from one waiting list, they must be given at least two offers at different locations before they can be removed from that waiting list.

All the units available for elderly only housing are single bedroom units that will accommodate up to two persons. The waiting list will only accommodate families up to two persons, including a live in aide.

**E. SCREENING**

The PHA will not screen for behavior (except for criminal background checks). Screening for behavior will be the responsibility of the owner. If a PBV owner rejects a family for admission to the owner's PBV units, such rejection by the owner does not affect the family's position on other waiting lists. (The owner must apply screening criteria in compliance with fair housing regulations).

If a family does not meet the property owner's screening criteria, they are not eligible for an informal review with the PHA. They must appeal the decision to the property owner.

**F. ACCESSIBLE UNITS**

In selecting families to occupy PBV units with special accessibility features for persons with disabilities, the PHA must first refer families who require such accessibility features to the owner. The pre-application will allow families to state whether they need a unit with accessible features so that they can be matched with an appropriate unit. Families will be taken out of order to fill a vacant unit with accessible features in order to accommodate a person with disabilities. Families who do not need the accessible features of a specific unit will be skipped over to the next family on the waiting list that does need the accessible features.

**Filling an accessible unit with a non-disabled person**

When an accessible unit becomes vacant, the PHA will:

1. offer the unit to a current occupant with disabilities living in a Project-Based unit in the same development that requires the accessibility features of the vacant accessible unit and occupying a unit not having those accessibility features. Next, offer the unit to a family living in a Project-Based unit in other developments that requires the accessibility features of the vacant accessible unit and occupying a unit not having those accessibility features. The PHA will pay moving expenses to transfer a resident with a disability to an accessible unit as an accommodation for the resident's disability, unless the accommodation would impose an undue financial and administrative burden.

2. If there is no current resident who requires the accessibility features of the vacant, accessible unit, then the PHA will offer the vacant, accessible unit to an eligible, qualified applicant with disabilities on the waiting list who can benefit from the accessible features of the available, accessible unit.

3. If there is not an eligible qualified resident or applicant with disabilities on the waiting list who wishes to reside in the available, accessible unit, then the PHA should offer the available accessible unit to an applicant on the waiting list who does not need the accessible features of the unit. However, the PHA will require the applicant to execute a lease that requires the resident to relocate to a non-accessible unit within thirty (30) days of notice by the PHA that there is an eligible applicant or existing resident with disabilities who requires the accessibility features of the unit.

The PHA may not prohibit an eligible disabled family from accepting a non-accessible unit for which the family is eligible that may become available before an accessible unit. The owner is required to modify such a non-accessible unit as needed, unless the modification would result in an undue financial and administrative burden.

**Chapter 8  
HOUSING QUALITY STANDARDS AND INSPECTIONS (HQS)**

Refer to CFR 983.103 “Inspecting Units” for Project-Based units approved under the Final Rule effective November 14, 2005

Annually, the PHA will randomly select at a minimum 20 percent of the units to be inspected. If more than 20 percent of the annual random sample of inspected contract units in a building fail, the PHA must re-inspect 100 percent of the contract units in the building.

Phoenix Park

Refer to rule applying to “Unit inspection and housing quality standards” for Project-Based units approved under the Initial Guidance effective January 16, 2001 for Phoenix Park. The PHA must inspect each assisted unit annually.

Chapter 9  
MOVES WITH CONTINUED ASSISTANCE

- 1) Families who are overhoused or underhoused based on SHRA's subsidy standard or families living in units with accessible features that the family does not need, but are needed by another eligible family must:
  - a) The PHA will offer the family the opportunity to receive either continued housing assistance in another appropriate sized PBV unit, or a public housing unit that is currently vacant or provide the family with a HCV voucher to move:
    - i. If the family remains eligible to participate in the PBV program, willing to lease to them within 30 days after receiving notice that another unit has become available, or if the family is given a tenant-based voucher, the family must move within the term of the voucher or
    - ii. The family will be evicted.
      1. If the family is no longer eligible to participate in this PBV program (i.e., the family member with the active services contract for supportive services moves out, without good cause; good cause is defined as circumstances beyond the control of the supportive service recipient, such as death or hospitalization) the remaining family members must move:
        1. To an Non-Excepted or unassisted unit, or
        2. The PHA amends the contract removing this unit from the PBV program and substituting another unit, if possible.
      - b) If the family has been leased for more than one year:
        - i. And if the family remains eligible to participate in the PBV program, receiving notice that another unit has become available, or
        1. The family must move to an appropriate unit within 30 days after receiving notice that another unit has become available, or
        2. The family may request a tenant-based voucher, if tenant-based vouchers are available, and move
        - ii. And if the family is no longer eligible to participate in this PBV program (i.e., the family member with the active services contract for supportive services moves out), the remaining family members must move
          1. To an unassisted unit, or
          2. To a PBV unit where the family would be eligible within 30 days of receiving notice of the unit's availability, or
          3. SHRA amends the contract removing this unit from the PBV program and substituting another unit, if possible.
    - 2) A family may move with continued tenant-based assistance after the first year of occupancy, if tenant-based vouchers are available. The family must give the owner of the PBV unit advanced written notice of intent to vacate (with a copy to the PHA) in accordance with the lease.

3) If tenant-based vouchers are not available, the PHA will maintain a list of PBV families who wish to move. Tenant-based families who have been terminated from the HCV program due to insufficient funding will have priority for vouchers when they become available. Then PBV families on the list will be notified and given priority to receive the next available voucher before pulling from the HCV wait list.

4) If the family terminates the PBV assisted lease before the end of one year, the family relinquishes the opportunity for continued tenant-based assistance.  
If the family is still in the first year of the lease in a PBV unit, they may not be issued a Housing Choice Voucher.

**Chapter 10  
SUPPORTIVE SERVICES**

A family must have at least one member receiving at least one qualifying supportive services. Family participation is not required in medical or disability-related services, other than drug and alcohol treatment in the case of current abusers as a condition of living in an excepted unit, although such services may be offered.

At the time of initial lease-up, if the family residing in an excepted unit, and receiving supportive services, successfully completes the supportive services requirement, the unit continues to count as an excepted unit for as long as the family resides in the unit.

If a family, in an excepted unit, fails without good cause to complete the supportive services requirement, SHRA will take actions provided under 983.261(d), and the owner may terminate the lease in accordance with 983.257(c). At the time of initial lease execution between the family and the owner, the family and the Public Housing Authority (PHA) must sign a statement of family responsibility. The statement of family responsibility must contain all family obligations including the family's requirement to participate in a supportive service. Failure by the family without good cause (incident beyond control of supportive services recipient i.e. deceased or hospitalization) to fulfill its supportive service obligation will be cause for SHRA to terminate assistance. If the unit at the time of such termination is an excepted unit, the exception continues to apply to the unit as long as the unit is made available to another qualifying family.

Families must participate in at least one of the supportive services listed in an Individual Case Plan.

A qualifying supportive service is any program, publicly or privately sponsored listed in the Individual Case Plan (ICP):

- Employment and educational services
- Practical living skills
- Independent living skills
- Credit repair
- Employment readiness
- Computer training

Supportive services will be provided to the applicant in accordance to their ICP provided by the supportive service agency.

**Monitoring of Supportive Service**

SHRA will monitor, annually, the excepted family's continued participation in supportive services and take appropriate action regarding families that fail, without good cause, to complete their supportive services requirement. The participant will be required to provide annual documentation to SHRA stating they are currently participating in the supportive service(s) required in their ICP.

The participant will be required to provide a letter of completion to SHRA, from the supportive service agency when ICP goals have been met.

The participant is required to provide and complete all documentation requested by SHRA. SHRA will third party the supportive service documentation received from the participant with the supportive service agency.

If the participant fails to comply with any family obligations SHRA will:

- Mail a Warning Notice. The participant will be given ten (10) days to provide verification the family is in compliance with family obligations. If family fails to comply;
- Mail a Notice of Mandatory Tenant Conference. If the family fails to attend;
- Mail a Notice of Proposed Termination of Project-Based Voucher Eligibility from and an Informal Hearing Request form. The participant will have fourteen (14) days to reply.

SHRA will work with the supportive service agency to prevent termination of eligibility. If the participant does not become compliant the Project-Based eligibility for the participant will be terminated.

APPENDUM #3  
Veterans Affairs Supportive Housing [24 CFR 982]

**INTRODUCTION**

The HUD-VASH program combines HUD HCV rental assistance for homeless veterans with case management and clinical services provided by the Department of Veterans Affairs (VA) at its medical centers and in the community. Ongoing VA case management, health, and other supportive services will be made available to homeless veterans.

HUD-Veterans Affairs Supportive Housing (HUD-VASH) program will be administered in accordance with regular HCV program requirements (24 CFR Section 982), except as described below.

**A. FAMILY ELIGIBILITY AND SELECTION**

The PHA will instead receive referrals from the Veterans Affairs Medical Center (VAMC). Written documentation of these referrals must be maintained in the tenant file at the PHA.

**B. INCOME ELIGIBILITY**

The PHA must determine income eligibility for HUD-VASH families in accordance with 24 CFR 982.201 or a low income family eligible for VASH and who needs the voucher as a reasonable accommodation. Families whose Annual Income exceeds the applicable income limit will be denied admission.

**C. INITIAL TERM OF THE VOUCHER**

HUD-VASH vouchers are issued with an initial search term of 120 days. Extensions, suspensions, and progress reports will remain under the policies in the PHA's Administrative Plan, but will apply after the minimum 120-day initial search term.

**D. INITIAL LEASE TERM**

Under the HCV program, voucher participants must enter into an initial lease with the owner for one year, unless a shorter term would improve housing opportunities for the tenant and the shorter term is a prevailing market practice.

**E. PORTABILITY OF HUD-VASH VOUCHERS**

An eligible HUD-VASH voucher holder wishing to exercise portability to another jurisdiction must choose a location where there is a VAMC to provide case management services with an available VASH voucher or portability is not allowed.

(1) Portability Moves Where Case Management is Provided by the Initial PHA's Partnering VAMC.

If the family moves under portability, and the initial PHA's partnering VAMC will still be able to provide the necessary case management services due to its proximity to the partnering VAMC, the receiving PHA must process the move in accordance with the portability procedures of 24 CFR 982.355. If the receiving PHA has VASH vouchers available, they may absorb or administer the voucher. Both the VAMC and the PHA must be in support of the family's relocation before approving the family to port.

(2) Portability Moves Where Case Management is provided by the Receiving PHA's Partnering VAMC.

If a family wants to move to another jurisdiction where it will not be possible for the initial PHA's partnering VAMC to provide case management services, the VAMC must first approve the family's relocation and then determine that the HUD-VASH family could be served by another VAMC that is participating in VASH and the receiving PHA must have a HUD-VASH voucher available for this family. In these cases, the families must be absorbed by the receiving PHA either as a new admission (if the family did not participate in the initial PHA's VASH program) or as a portability move-in (after an initial leasing in the initial PHA's jurisdiction). When the VASH voucher is absorbed by the receiving PHA, the initial PHA's HUD-VASH voucher will become available to lease to a new HUD-VASH eligible family, as determined by the partnering VAMC, and the absorbed family will count toward the number of HUD-VASH slots awarded to the receiving PHA

## F. DENIAL OF ASSISTANCE

At initial intake, the VASH family can only be determined ineligible due to:

- income limitations or
- having any member of the household subject to a lifetime registration requirement under a state sex offender registration program.

A PHA cannot deny assistance to a Veteran that previously participated in a Public Housing program (Housing Choice Voucher or Conventional) and still owes money.

In any case where the PHA decides to deny assistance to the family, the PHA must give the family written notice which states:

- The reason(s) for the denial of assistance.
- The family's right to request an informal review to be held before denial of assistance.
- The date by which a request for an informal review must be received by the PHA.

Once the applicant becomes a resident, the resident must follow all of the PHA rules including the family obligations. (see the section in Chapter 15 entitled "Family Obligations")

As a condition of HCV rental assistance, a HUD-VASH eligible family must receive the case management services from the VAMC. Therefore, a HUD-VASH family's HCV assistance must be terminated for failure to participate, without good cause, in case management as verified by the VAMC. However, a VAMC determination that the participant family no longer requires case management is not grounds for termination of assistance.

**G. VASH VOUCHER ISSUANCE**  
Since VASH vouchers are for Homeless Veterans, the vouchers must always remain with the Veterans. In the case of divorce or separation, the voucher remains with the Veteran. If the Veteran dies, the voucher would remain with the remaining members of the tenant family. The family will continue to utilize the HUD-VASH voucher.

## APPENDUM #4 REASONABLE ACCOMMODATION POLICY AND PROCEDURES

### A. FAIR HOUSING POLICY

It is the policy of the Public Housing Authority to comply fully with all Federal, State, and local nondiscrimination laws and with the rules and regulations governing fair housing and equal opportunity in housing and employment.

The PHA shall not deny any family or individual the opportunity to apply for or receive assistance under the Housing Choice Voucher programs on the basis of race, color, sex, religion, creed, national or ethnic origin, age, familial or marital status, disability or sexual orientation.

To Affirmatively Further Fair Housing, the PHA has a commitment to full compliance with applicable civil rights laws, the PHA will provide Federal/State/local information to voucher holders regarding discrimination and any recourse available to them should they be victims of discrimination. Such information will be made available during the family briefing session and placed in their briefing packet. It will include information for applicants on how to file a fair housing complaint, including the provision of the toll-free number for the Fair Housing Complaint Hotline, 1-800-669-9777 and the Federal Information Relay Service at 1-800-887-8339.

Except as otherwise provided in 24 CFR 8.21(c)(1), 8.24(a), 8.25, and 8.31, no individual with disabilities shall be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination because the PHA's facilities are inaccessible to or unusable by persons with disabilities.

Posters and housing information are displayed in locations throughout the PHA's offices in such a manner as to be easily readable from a wheelchair.

The office of the Housing Choice Voucher & Application Division is accessible to persons with disabilities. Accessibility for the hearing impaired is provided via 711, a free relay service.

The Public Housing Authority will provide and review information regarding fair housing rights and responsibilities during family briefing sessions.

#### a. REASONABLE ACCOMMODATIONS POLICY

This policy is applicable to all situations described in this Administrative Plan, including but not limited to when a family initiates contact with the PHA, when the PHA initiates contact with a family, including when a family applies, during residency and when the PHA schedules or reschedules appointments.

An applicant or a participant with a disability must first request an accommodation for the disability before the PHA will deviate from standard practice. Most requests will be reviewed by a Reasonable Accommodation Committee.

The PHA's policies and practices are intended to afford persons with disabilities equal opportunity to obtain the same result, to gain the same benefit or to reach the same level of achievement, as those who do not have disabilities and is applicable to all situations described in this Administrative Plan. To request a reasonable accommodation due to a disability, an applicant or participant must qualify under the following Americans with Disabilities Act (ADA) definition of disability:

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

The PHA will fully comply with the obligations found in HUD Notices PIH 2010-26(HA) and PIH 2006-13 (HA) [Non-Discrimination and Accessibility Notice: Section 504 of the Rehabilitation Act of 1973; the American with Disabilities Act of 1990; the Architectural Barriers Act of 1968 and the Fair Housing Act of 1988].

As referenced in 24 CFR 9.103, "(2) The term 'individual with disabilities' does not include: An individual who is currently engaging in the illegal use of drugs...[t]his exclusion, however, does not exclude an individual [whose drug use is their only disability] with disabilities who-- (A) Has successfully completed a supervised drug rehabilitation program, and is no longer engaging in the illegal use of drugs, or has otherwise been rehabilitated successfully, and is no longer engaging in such use; (B) Is participating in a supervised rehabilitation program, and is no longer engaging in such use."

#### Methods Used to Certify a Person with a Disability and the Need for a Reasonable Accommodation

To verify that an applicant is a person with a disability, PHA staff will first check to see whether the applicant is under the age 62 and receives either Social Security or SSI disability income.

Some applicants or tenants may be persons with disabilities even though they do not have such income. In these cases, a verification form will be sent to a qualified professional having knowledge of the person's disability who can verify the person's status.

The PHA staff will work with the individual client to determine the least intrusive or restrictive means for certifying a disability.

Once the individual's disabled status is established, a professional third-party, competent to make an assessment, must provide written verification that the specific accommodation requested is due to the disability and the specific change is required for equal access to the housing program.

In order to appropriately review some requests (such as when a family requests an additional bedroom for medical equipment) a home visit may be conducted by the PHA. The PHA will provide a written decision to the person requesting the accommodation within a reasonable time. When the request for accommodation is denied, the denial letter will indicate that the applicant may contact staff to discuss alternative modifications. Additionally, the applicant may submit another request for accommodation at any time. If a person is denied the accommodation or feels that the alternative suggestions are inadequate, they may request an informal hearing (which serves as a grievance hearing) to appeal the PHA's decision (please see Chapter 18 of the PHA Administration Plan).

A reasonable accommodation will be made for persons with a disability that requires an advocate or accessible offices. A designee will be allowed to provide information with the written permission of the person with the disability.

Reasonable accommodations will be made for persons requesting PHA mailings to be available in an accessible format.

### Undue Hardship

Requests for reasonable accommodation from persons with disabilities will be granted upon verification that they meet the disability-related need, and do not create an undue financial or administrative burden. The PHA may deny the request and/or present an alternate accommodation that will still meet the need of the person.

An undue administrative burden is one that requires a fundamental alteration of the essential functions of the PHA or when considering the available resources of the Agency the requested accommodation would pose a severe financial hardship on the PHA.

In determining whether an accommodation would create an undue hardship, the following guidelines will apply:

- The nature and cost of the accommodation needed;
- The overall current financial resources of the facility, or facilities, involved in the provision of the reasonable accommodation; and
- The number of persons currently employed at such facility;
- The number of families likely to currently need such accommodation;
- The effect on expenses and resources, or
- The likely impact on the operation of the facility as a result of the proposed accommodation.

*Procedures follow on the next page...*

**C. PROCEDURE FOR PROCESSING REQUESTS FOR REASONABLE ACCOMMODATION OF DISABILITIES**

This procedure establishes a framework for the receipt, processing, and final disposition of informal and formal client reasonable accommodation requests. While individual requests may require special handling, these guidelines are to be followed whenever possible. Proper documentation and tracking for each step in the process is essential.

A brochure has been developed explaining the process for requesting a reasonable accommodation which is distributed to families at initial intake and at annual re-certifications.

**Informal Reasonable Accommodation Requests**

When a client requests a reasonable accommodation which appears, on its face, to be reasonable in relation to the client's visible disability, the Housing Technician, Housing Specialist, or Principal Public Housing Agent should handle the request informally. "Informally" means that the request can be granted with only Supervisory review and approval, without first submitting it to the Reasonable Accommodation Compliance Committee (RACC) for review (RACC review will take place after the fact).

Informal reasonable accommodation requests may be made and granted expeditiously. Staff must still enter information into the appropriate fields of the Reasonable Accommodation Tracking Log and notate the electronic tenant file (in "Memos" for public housing and in "Chronos" for HCV) as to the request and the granting of a specific reasonable accommodation. All reasonable accommodations granted informally shall be reviewed and approved by the appropriate Supervisor or Program Manager prior to implementation.

The Supervisor or Program Manager will use the *Informal and Interactive Tracking* form located at U:/housing authority/reasonable accommodation to document the approval or denial. The Supervisor or Program Manager will then forward the completed form to the RACC. (These steps are important as there is no third party verification for informal requests.)

Annual approvals for informal requests for reasonable accommodations will not be required during subsequent re-certifications. However, if information comes to light that casts doubt on the need for reasonable accommodation, the case worker will, as part of the next annual recertification process, require third party verification in order to verify the continuing nature of the disability and determine if there is a need for future verification.

Some examples of disabilities that may fit the informal approval procedure include:

- Quadriplegics requesting a front door ramp, wider doorways, grab bars, and reduced-height and cut-out kitchen cabinet, or an additional bedroom for an existing live-in aide. The client's self-certification and the caseworker's observations are sufficient to informally grant the reasonable accommodation request when there is a nexus between the observed disability and the requested reasonable accommodation.

- Increases in the Payment Standard up to 110% of the FMR to accommodate disabled residents' higher cost for housing that meets particular needs, when those particular needs are visible.

- A visible disability or impairment which would require an accommodation wherein business will be conducted over the telephone, by home visits, or by other means not involving trips to the office.

The processing of Informal Reasonable Accommodation Requests should be done promptly to reduce the time the client must wait to obtain their reasonable accommodation. When possible, housing staff should immediately begin the process of securing the requested reasonable accommodation.

Informal handling of Reasonable Accommodation Requests should not be used as a "shortcut" to third party verification. If the disability is not visible or the requested accommodation does not appear to be directly related to assisting the client obtain the same benefits of assisted or public housing as any non-disabled applicant or client then it should be put through the formal process.

The Reasonable Accommodation Review Committee shall review each week's reasonable accommodation requests to determine whether informal reviews are being utilized appropriately and communicate any adjustments to staff that may be necessary for efficient and proper handling of these requests.

#### Formal Reasonable Accommodation Requests

Formal processing of reasonable accommodation requests is required when:

- the disability and/or the need for a specific accommodation is not visible; or
- it is not clear how the requested accommodation is related to the disability, or
- the reasonable accommodation is unreasonable, cost prohibitive, or approval at the informal level is uncertain.

In these cases, a Formal Reasonable Accommodation Request must be submitted for the review of the RAOC.

#### Step 1: Client Request for Reasonable Accommodation Due to Disability

Upon a client's request for a reasonable accommodation for a disability, staff should immediately recommend that the client complete, the first two pages of the *Authorization For Use Or Disclosure of Health Information* form. This form will provide the information needed to identify the client, specify their requested accommodation, and authorize their health care or other qualified professional to release information needed to properly verify the client's need for the accommodation they are requesting.

The client may take the first two pages of the *Authorization For Use Or Disclosure of Health Information* form home to obtain the health care provider's contact information (street address or fax number) if they do not have that information readily available, or if it cannot quickly be determined. However, the form must be returned to the office so that housing authority staff can fax the form to the health care professional. This will help to maintain the integrity of the third party verification process that is central to the formal reasonable accommodation process.

### Step 2: Staff Action on the Request

Once the completed pages of the *Authorization For Use Or Disclosure of Health Information* form are received, staff will review the form for completeness and work with the client to clarify the request as needed. Staff will ensure that all appropriate information is provided and will then sign and date the bottom of the form (designated for office use only). The client may be provided with a copy of page 1 of this form as a receipt and verification of the date the form was received in the office. If the first pages of the *Authorization For Use Or Disclosure of Health Information* form are received by mail, the receipt may be sent to the client by mail.

Staff shall send via fax the entire *Authorization For Use Or Disclosure of Health Information* form to the health care professional identified by the client the same day it is requested by the client. Housing staff should advise the client to contact the health care professional to encourage their participation and cooperation in the timely processing of their reasonable accommodation request.

Staff will document in the electronic tenant file ("Yard") (in "Memos" for public housing and in "Chronos" for HCV) the date request received, the accommodation requested and the date which the form was faxed to the health care professional.

Finally, staff sends the Accommodation Request Packet (ARP) to the RACC by interoffice mail to mailcode HCV-A

The ARP consists of the first 2 pages of the *Authorization For Use Or Disclosure of Health Information* form that are sent to the health care professional, along with the fax confirmation sheet, if it is available

The Packet must be sent to the RACC no later than the end of the next business day from the date the forms were received by the client. Generally, all paperwork should be completed the same day.

### Step 3: Front End Processing Responsibility

The Reasonable Accommodation Receiver (RAR) will be responsible for the centralized tracking and filing up until consideration of the RACC.

The RAR will receive Application Packets from staff, compile completed *Authorization For Use Or Disclosure of Health Information* forms from health care professionals, and respond to status questions from clients or process questions from health care professionals.

**Step 4: Role of the RACC**

The RACC reviews all completed reasonable accommodation requests weekly. The members are:

1. The Chair (Accommodation Coordinator, who is a Housing Authority Assistant Director);
2. One Program Manager from the Housing Choice Voucher program;
3. One Program Manager from the Housing Management division;
4. One Site Manager;
5. One Supervisor or above from housing authority Applications (HCV or public housing).

At least three (3) members are necessary to make a decision.

RACC members shall meet to review and evaluate the requested accommodations in light of the provider's verification of disability-related need and recommendations as to the needs for reasonable accommodations.

If the information submitted by the health care professional is incomplete, the RACC may follow up to request additional information or clarification.

The RACC shall also review the *Informal Requests for Reasonable Accommodations* and maintain documentation of these decisions.

The RACC shall determine whether the reasonable accommodation request is:

- Granted; or
- Denied

The RACC may also choose to work interactively with the family to obtain additional information or to look at other alternatives through an interactive process before making a decision.

**Step 5: Client Communication and the Interactive Process**

In the event that the Health Care Professional specified in the ARP is non-responsive for ninety (90) calendar days, a void letter shall be issued saying that no response has been received from the health care professional. The void letter shall specify that any additional information will be considered.

In those cases where an evaluation of the health care provider's recommendation indicates an alternate accommodation may be similarly effective, and based on the RACC's recommendation, the Reasonable Accommodation Coordinator, or designated staff, will engage in an interactive process with the client. This negotiation attempts to reach agreement between the original request and an alternate accommodation that would effectively address the disability-related need as stated by the health care professional. Note that the client must voluntarily agree to an

alternate accommodation. The interactive process should normally be completed within a week, but may take longer if a site inspection is needed or under other special circumstances.

If an alternate accommodation is agreed to, the Reasonable Accommodation Coordinator (or designee) will inform the Accommodation Committee at the next meeting and the alternate accommodation is documented. Consultation with program management staff is essential if there has not been representation on the Reasonable Accommodation Committee.

The interactive process may also be utilized when the RACC needs additional information or the requested accommodation is not clear. In any case, whenever the RACC has complete information from the health care provider, the RACC must always come up with a decision: either to approve or to deny the request and must communicate this decision in writing to the family.

When requests are made for an additional bedroom for medical equipment, a home visit may be scheduled to evaluate the size and quantity of the equipment to be accommodated. This has proven to be more efficient than asking the family to provide descriptions, including measurements, or photos.

#### Step 6: Completing the Reasonable Accommodation Process

When reviewing the information submitted, the RACC is looking for a nexus between the requested accommodation and the disability-related need. The purpose of granting the accommodation is to either allow a disabled person access to the program or to allow a disabled person to obtain all of the same benefits of program participation as a non-disabled person.

The completed and documented file shall be the responsibility of the Reasonable Accommodation Coordinator, who shall securely maintain the central files containing confidential reasonable accommodation processing paperwork separate from the client files.

When the decision is made, the electronic file will be documented (in "Memos" for public housing and in "Chronos" for HCV).

The Reasonable Accommodation Coordinator, or his/her designee, shall issue the final disposition of the reasonable accommodation request in writing to the client. The disposition letter shall provide the client with:

1) A brief rationale for the accommodation's approval, modification, or denial;

2) Specific information regarding the client's right to additional reconsideration if/when they submit further information to support their request,

3) The client is also provided with a phone number, which they may call to speak with the a RACC representative if there are any questions, and

4) The family's right to appeal the Accommodation Committee's determination to a third party, acting as a hearing officer, provided that the written request for a formal

hearing is received within fifteen (15) days from the time they receive their determination letter.

A copy of this letter will be placed in the tenant file. No confidential health-related information shall be included in the tenant or case file.

The senior Accommodation Committee member representing the program from which the client originated shall have the ultimate responsibility to ensure the final accommodation is implemented in a timely manner.

#### **Step 7: No Subsequent Third Party Verification for Formal Requests**

No further annual approvals for reasonable accommodations will be needed during subsequent re-certifications as long as the client's health professional has previously certified that the condition is not expected to improve over the long term.

However, if information comes to light that casts doubt on the need for reasonable accommodation, the case worker may, as part of the next annual recertification process, require third party verification in order to determine the continued need for the verification. If it is believed the reasonable accommodation was granted under false pretenses, an interim examination and re-evaluation may be initiated with supervisory approval.

#### **Step 8: Confirmation at Inspection**

When the RACC approves an additional bedroom for any purpose, a note is sent to the inspectors at the time of annual inspection so that the Agency can verify that the bedroom is continuing to be used for its approved purpose. If the purpose of the bedroom has been changed from what was approved, the inspector will take photographs and send to the Housing Specialist who will then call the family in for a tenant conference. At the tenant conference, the family and the Housing Specialist will determine if the additional bedroom is still needed as a reasonable accommodation or if it is no longer needed for that purpose.

#### **Step 9: Grievance or Appeal Process**

If the RACC denies the requested accommodation, a letter is sent to the family stating that any additional information will be considered at any time it is received. The client is also provided with a phone number, which they may call to speak with the Committee Coordinator. Additionally, the family is notified of their right to appeal the decision by requesting an Informal Hearing before a third party. During the Informal Hearing the family may present their reasons for requesting the reasonable accommodation and any supporting documentation.

(For HCV, please refer to Chapter 18 for *Grievances and Appeals*).

(For Public Housing, please refer to Chapter 13 *Complaints, Grievances and Appeals*).



**ADMINISTRATIVE PLAN ADDENDUM #5**

**INSUFFICIENT FUNDING**

**INTRODUCTION**

The regulation at 24 CFR 982.454 provides that the PHA may terminate HAP contracts, in accordance with HUD requirements, if the PHA determines that funding under the Annual Contributions Contract is insufficient to support continued assistance for families in the program. Before terminating HAP contracts on the basis of insufficient funding, the PHA will ensure that it has carefully considered all cost-savings measures and the impact such terminations will likely have on program participants.

**A. CURRENTLY ASSISTED FAMILIES**

If the Housing Authority determines that it does not have sufficient funding to support continued assistance for families in the program, it will terminate the Housing Assistance Payments (HAP) contract for families that have most recently been admitted to the HCV program. Contracts will be terminated for the families with the newest admission dates until funding is sufficient to support continued assistance for the remaining families. The PHA will give both the families and owners 30 days advance notice of this action. Families whose contracts have been terminated due to lack of funding (they have "zero HAP") will be eligible for assistance again as funds become available based on their admission date. Families with the oldest admission dates will be assisted first.

Families will be terminated from the program 180 days after contract termination (see Chapter 15). The PHA will issue such families a written 30-day notice of the program termination. These families will receive priority to be readmitted to the program before project-based families may move with tenant-based assistance and before new applicants are selected from the HCV wait list. At the time a family is terminated as a result of insufficient funding, PHA staff shall add them to the HCV wait list even if the wait list is closed. These families will be given 30 preference points. Families must submit address changes in writing to ensure they receive notices from the PHA. Families will be selected to be readmitted to the HCV program in order based on their original admission date. Families with the earliest admission dates will be the first to be readmitted. The PHA will only verify income eligibility and conduct a criminal background check for all adult household members, but will not re-verify preferences for these families. Project-based tenants are not subject to contract termination resulting from insufficient funding.

Contracts will not be terminated in cases where families were residing in housing subject to disposition, pre-payment or opt-out and the family chose to receive a tenant based voucher and were admitted to the HCV program within the past 12 months. If these families were admitted to the HCV program more than 12 months prior to consideration of termination, their contract may be terminated as a result of insufficient funds.

The PHA will make all reasonable efforts to prevent disruption of assistance, such as consideration of interprogram transfers (see Chapter 13).

**Moves With Continued Assistance | PIH 2011-28, 2012-42, PIH 2011-3, 24 CFR982.314(e)(1)**

If the PHA has insufficient funding to support continued assistance for participating families, it may deny family requests to voluntarily move. The PHA will inform families submitting requests to move that voluntary moves are prohibited UNLESS the family can show that the PHA will pay the same or lesser amount in subsidy than the current subsidy being paid. Voluntary moves outside of the PHA's jurisdiction will not be prohibited if the receiving PHA is absorbing. Requests to take the voucher to a higher cost area will be denied. Please see Glossary for definitions of higher cost area and higher cost unit. When funding is available and the PHA is allowing voluntary moves to higher cost areas, the PHA will provide such information on its website at [www.shtra.org](http://www.shtra.org).

Families who are involuntary movers will be permitted to move as described in Chapter 13.

Families needing to move in accordance with VAWA or as a Reasonable Accommodation shall not be denied a move. Moves related to VAWA and Reasonable Accommodations will be reviewed and approved at the discretion of the PHA in accordance with PIH 2011-28, 2012-42, and 24CFR982.314(e)(1).

**B. APPLICANTS ISSUED VOUCHERS**

The PHA may over-issue vouchers only to the extent necessary to meet leasing goals. If the PHA finds it is overleased or has insufficient funding, it may cancel vouchers that have already been issued. In such cases, families with canceled vouchers would be returned to the wait list and will be given 20 preference points. When funding becomes available and the PHA is able to select families from the wait list again, the PHA will only verify income eligibility and conduct a criminal background check for all adult household members, but will not re-verify preferences for these families.

Families with PBV will be allowed to receive a tenant based voucher to move before applicant families who had their vouchers canceled.

Families who had their voucher canceled will be pulled from the wait list in the order of their original voucher effective date.

**C. Restoration of Funding**

When funding is available, vouchers will be issued in the following order to assist:

1. Participant families whose housing contracts were terminated due to insufficient funds.

2. Families who were terminated from the program due to insufficient funds.
3. Families eligible for special programs as determined by HUD.
4. PBV families who choose to move with a tenant based voucher.
5. Applicant families whose vouchers were canceled due to insufficient funds.
6. Other applicant families on the HCV wait list.

Payments that are not received until a request has been received from the payee and a stop payment has been placed on the payment. A request for stop payment will be processed no earlier than ten days after the payment issuance date.

#### Excess Payments

The total of rent paid by the family plus the PHA housing assistance payment to the owner may not be more than the contract rent. The owner must immediately return any excess payment to the PHA.

Owners who do not return excess payments will be subject to penalties as outlined in the "Owner or Family Debts to the PHA", Chapter 17 of this Administrative Plan.

#### Late Payments to Owners

It is a local business practice in Sacramento for property managers and owners to charge families a reasonable late fee for rents not received by the owner or property manager by the due date. Therefore, in keeping with generally accepted practices in the local housing market, the PHA must make housing assistance payments to the owner promptly and in accordance with the HAP contract.

The PHA may pay a maximum \$35.00 late fee to the owner for housing assistance payments that are not processed by the PHA by the fifth day of the month, if requested by the owner and due to no fault of the owner, excluding the first two calendar months of the HAP contract term. Late fees will not be paid when any portion of the housing assistance payment has been issued timely.

Proof of "Processed" date will be the date of the check on the HAP register.

The PHA will not be obligated to pay any late payment penalty if HUD determines that late payment is due to factors beyond the PHA's control, such as a delay in the receipt of program funds from HUD. The PHA will not use any program funds for the payment of late fee penalties to the owner.

#### C. RENT REASONABLENESS DETERMINATIONS [24 CFR 982.507]

The PHA will determine and document on a case-by-case basis that the approved rent is reasonable in comparison to rent for other comparable unassisted units in the market. This applies to all programs.

The PHA will not approve a lease until the PHA determines that the initial rent to owner is a reasonable rent. The PHA must reassess rent reasonability before any increase in the rent to owner. The PHA must also reassess rent reasonability if there is a five percent decrease in the published FMR in effect sixty days before the contract anniversary (for the unit size rented by the family) as compared with the FMR in effect one year before the contract anniversary.

The PHA must reassess rent reasonableness if directed by HUD and based on a need identified by the PHA's auditing system. The PHA may elect to reassess rent reasonableness at any other time. At all times during the assisted tenancy, the rent to owner may not exceed the most recently determined reasonable rent assessed by the PHA.

The owner will be advised that accepting each monthly housing assistance payment s/he is certifying that the rent to owner is not more than rent charged by the owner for comparable unassisted units in the premises.

If requested, the owner must give the PHA information on rents charged by the owner for other units in the premises or elsewhere. The PHA may request information on the owner's units elsewhere if:

- the PHA has cause to believe the owner charges higher rents to program participants, or
- the PHA needs rent reasonableness on comparable units.

The data for other unassisted units may be gathered from newspapers, realtors, professional associations, inquiries of owners, market surveys, and other available sources. The market areas for rent reasonableness are zip codes/subdivisions/census tracts/neighborhoods within the PHA's jurisdiction.

The following items may be used for rent reasonableness documentation:

- Size (number of Bedrooms/square footage)
- Location
- Quality
- Amenities (bathrooms, dishwasher, air conditioning, etc.)
- Housing Services
- Age of unit
- Unit Type
- Maintenance
- Utilities

#### Rent Reasonableness Methodology

The PHA uses an "appraisal" method and tests the subject unit against selected units with similar characteristics. Adjustments are made for differences between the subject unit and comparable units on the market.

The PHA maintains an automated database, which includes data on unassisted units for use by staff in making rent reasonableness determinations. The data is updated on an ongoing basis and purged when it is more than eighteen (18) months old.

**D. PAYMENT STANDARDS FOR THE VOUCHER PROGRAM [24 CFR 982.503]**

The Payment Standard is used to calculate the housing assistance payment for a family. In accordance with HUD regulation, and at the PHA's discretion, the Voucher Payment Standard amount is set by the PHA between ninety percent and 110 percent of the HUD published FMR. This is considered the basic range. The PHA reviews the appropriateness of the Payment Standard annually when the FMR is published. In determining whether a change is needed, the PHA will ensure that the Payment Standard is always within the range of ninety percent to 110 percent of the new FMR, unless an exception payment standard has been approved by HUD.

The PHA will establish a single voucher payment standard amount for each FMR area in the PHA jurisdiction. The PHA will establish payment standard amounts for each "unit size". The PHA may have a higher payment standard within the PHA's jurisdiction if needed to expand housing opportunities outside areas of minority or poverty concentration, as long as the payment standard is within the 90-110% of FMR range.

The PHA may approve a higher payment standard within the basic range, if required as a reasonable accommodation for a family that includes a person with disabilities. However, the payment standard cannot be approved over 110% of the Fair Market Rent.

**E. ADJUSTMENTS TO PAYMENT STANDARDS [24 CFR 982.503]**

Payment Standards may be adjusted, within HUD regulatory limitations, to increase Housing Assistance Payments in order to keep families' rents affordable. The PHA will not raise Payment Standards solely to make "high end" units available to Voucher holders. The PHA may use some or all of the measures below in making its determination whether an adjustment should be made to the Payment Standards.

**Assisted Families' Rent Burdens**

The PHA may review its voucher payment standard amounts annually to determine whether more than forty percent (40%) of families in a particular unit size are paying more than thirty percent (30%) of their annual adjusted income for rent.

**Quality of Units Selected**

The PHA will review the quality of units selected by participant families when making the determination of the percent of income families are paying for housing, to ensure that Payment Standard increases are only made when needed to reach the mid-range of the market.

**PHA Decision Point**

The PHA will review the average percent of income of families on the program. If more than twenty-five percent of families are paying more than thirty percent of monthly adjusted income, the PHA will determine whether there is a difference by voucher size, whether families are renting units larger than their voucher size, and whether families are renting units which exceed HUD's HOS and any additional standards added by the PHA in the Administrative Plan.

If families are paying more than thirty percent of their income for rent due to the selection of larger bedroom size units or luxury units, the PHA may decline to increase the payment standard. If these are not the primary factors for families paying higher rents, the PHA will continue increasing the payment standard.

#### Time to Locate Housing

The PHA may consider the average time period for families to lease-up under the Voucher program. If more than fifty percent of Voucher holders are unable to locate suitable housing within the term of the voucher and the PHA determines that this is due to thirty percent of rents in the jurisdiction being unaffordable for families even with the presence of a voucher the Payment Standard may be adjusted.

#### Lowering of the Payment Standard

Lowering of the FMR may require an adjustment of the Payment Standard. Additionally, statistical analysis may reveal that the Payment Standard should be lowered. In any case, the Payment Standard will not be set below ninety percent of the FMR without authorization from HUD.

#### Financial Feasibility

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

The PHA will compare the number of families who could be served under a higher Payment Standard with the number assisted under current payment standards.

#### File Documentation

The PHA will retain a file for at least three years to document the analysis and findings to justify whether or not the Payment Standard was changed.

#### F. EXCEPTION PAYMENT STANDARDS

If the dwelling unit is located in an exception area, the PHA must use the appropriate payment standard amount established by the PHA for the exception area in accordance with regulation at 24 CFR 982.503(c). HUD may approve a payment standard amount that is higher than the basic range for a designated part of the fair market rent areas this is called an "exception area".

#### G. OWNER PAYMENT [24CFR 982.308(g)]

The owner is required to notify the family and PHA, in writing, at least sixty days before any change in the amount of proposed contract rent. Any requested change in rent to owner will be subject to rent reasonableness requirements and available PHA funding.

**Contract Rent Increases [24.CFR 982.519]**

Requests for rent increases will not be approved if:

1. the unit is in an initial lease term.
2. the family and PHA have not received proper notice.
3. the unit is in a failed condition.

If approved, any increase will be effective on the first of the month following the 60-day notice. Upon approval of a rental increase, the new contract rent amount will remain effective for a period of 12 months. Owners may request rent increases no more than once every 12 months.

If the PHA determines in the course of processing a rent increase that the current contract rent amount is not reasonable given market conditions, the PHA will process a rent decrease to the "reasonable" amount. This applies to Project-Based vouchers as well as tenant-based vouchers.

**Chapter 12**  
**RECERTIFICATIONS**  
[24 CFR 982.516]  
**INTRODUCTION**

In accordance with HUD requirements, the PHA will reexamine the income and household composition of all families at least annually. Families will be provided accurate annual and interim rent adjustments. Recertifications and interim examinations will be processed in a manner that ensures families are given reasonable notice of rent increases. All annual activities will be coordinated in accordance with HUD regulations. It is a HUD requirement that families report all changes in household composition. Between regular annual recertifications, HUD requires that families report all changes in household composition, but the PHA decides what other changes must be reported and the procedures for reporting them. This chapter defines the PHA's policy for conducting annual recertifications and coordinating annual activities. It also explains the interim reporting requirements for families, and the standards for timely reporting. The terms *annual recertification* and *annual reexamination* are synonymous.

**A. ANNUAL RECERTIFICATIONS** [24 CFR 982.516]

The PHA will recertify each family's continuing eligibility at least annually.

**The PHA may opt to conduct a streamlined reexamination of income for the Elderly families and Disabled families when 100% of the families' income consists of fixed income. In a streamlined reexamination, the PHA will recalculate family incomes by applying any published cost of living adjustments to the previously verified income amount (PIH 2013-3).**

**Recertification Notice to the Family**

The PHA will maintain a recertification tracking system and the household will be notified by mail at least ninety days in advance of the anniversary date, however, documents will be due prior to the anniversary date. The PHA may require that a family attend a recertification appointment. If requested as an accommodation by a person with a disability, the PHA will provide the notice in an accessible format. The PHA will also mail the notice to a third party, if requested as reasonable accommodation for a person with disabilities.

**Completion of Annual Recertification**

The PHA will have all recertifications for families completed within 12 months of the last annual recertification. This includes notifying the family of any increases in tenant rent at least thirty days before the effective date of change.

**Failure to Respond to Notification to Recertify**

The written notification must state the due date the completed recertification documents are required. The family may call to request an extended due date in case of emergency (as defined in the Glossary).

If the family does not respond by the due date of the first written request, the family will be mailed a second recertification packet with a Mandatory Tenant Conference (MTC) appointment to complete the recertification process. If the family fails to submit a completed recertification packet at the MTC appointment or fails to attend the MTC appointment, the family will be mailed a Notice of Proposed Termination of assistance and an informal hearing request form.

If the family attends the MTC appointment and does not provide the necessary information to complete the recertification, the PHA will mail the family a notice of proposed termination of eligibility and an informal hearing request form.

If the recertification process is delayed due to the family's failure to respond on a timely manner, once the recertification is completed, a warning notice will be issued to the family. If the family violates the same family obligation a second time, after the MTC process the family will be mailed a Notice of Proposed Termination of eligibility and an Informal Hearing request form.

Exceptions to these policies may be reviewed and approved by a supervisor or an authorized staff member if the family is able to document an emergency situation that prevented them from completing the recertification timely or attending the appointment or if requested as a reasonable accommodation for a person with a disability.

### Verification of Information

All information affecting the family's continued eligibility for the program and the family's Total Tenant Payment (TTP) will be verified in accordance with the verification procedures and guidelines described in this Plan. Verifications used for recertification must be dated within 60 days from the PHA request date. All verifications will be placed in the file, which has been established for the family.

When the information has been verified, it will be analyzed to determine:

- The continued eligibility of the participant as a family or as the remaining member of a family;
- The unit size required by the family; and
- The amount of rent the family should pay.

### Tenant Rent Portion Increases at Annual Recertification

If the tenant rent portion increases, a notice of the change will be mailed to the family at least 30 days prior to the effective date of change.

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If less than thirty days are remaining before the scheduled effective date of the annual recertification, the tenant rent portion increase will be effective on the first of the month following a full thirty-day notice.

If there has been a misrepresentation or a material omission by the family, or if the family causes a delay in the recertification processing, there will be a retroactive increase in rent to the scheduled effective date of the annual recertification.

#### Tenant Rent Portion Decreases at Annual Recertification

If the tenant rent portion decreases, the decrease will be effective on the anniversary date.

If the family causes a delay so that the processing of the recertification is not complete by the anniversary date, the tenant rent change will be effective on the first day of the month following completion of the recertification processing by the PHA.

If the participant experiences a decrease in income and the participant reports the change after reporting the annual recertification but prior to the effective date of the annual recertification, the change will be treated as an early annual recertification. The change and annual recertification will be effective the first of the following month that the family reported the change. The next annual recertification date (anniversary date) will be one year from the effective date of the early annual recertification.

#### B. REPORTING INTERIM CHANGES [24 CFR 982.516]

##### Changes in Family Composition

Program participants must report all changes in household composition to the PHA within thirty (30) days of the change. This includes additions due to birth, adoption and court-awarded custody. The family must obtain PHA approval prior to all other additions to the household.

If any new family member is added, the family income must include any income of the new family member. The PHA will conduct a recertification to determine such additional income and will make the appropriate adjustments in the housing assistance payment and family unit size. The U.S. citizenship/eligible immigrant status of additional family members must be declared and verified as required prior to moving in to the unit. Additions of adult family members (18 years or older) will be subject to criminal background checks prior to moving into the unit.

##### Increases in Income

Program participants must report all changes in household income within thirty (30) days of the change. The PHA will conduct interim recertifications when families have an increase in income above \$200 per month, only for the following programs:

- Family Self Sufficiency;
- Home Ownership;
- ~~Zero Income Families; and~~

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- Earned Income Disallowance (EID) qualified families

The PHA will not process a rent adjustment if all reported changes within a 60 day period result in an overall income increase.

If multiple changes of increase and decrease of income are reported by the family within a 60 day period, an annual recertification may be processed.

### Decreases in Income

All program participants must report all decreases in income and other changes that would reduce the amount of tenant rent, such as an increase in allowances or deductions. The PHA must process the change if a decrease in income of at least \$50 per month is reported.

The PHA will process a rent adjustment if the net changes within a 60 day period result in an overall income decrease of at least \$50 as long as the decrease in income will last thirty (30) days or more from the date of reported and verified change.

If multiple changes of increase and decrease of income are reported by the family within a 60 day period, an annual recertification may be processed.

### PHA Errors

If the PHA makes a calculation error, an interim recertification will be conducted, if necessary to correct the error, but the family will not be charged retroactively.

If the PHA makes an error that causes an increase in the family's portion of the rent, the PHA will process the correction retroactively to the effective date of when the action was made.

If the PHA makes an error that causes a decrease in the family's portion of the rent, the PHA will correct the error by processing an interim in a time frame to allow the family 30 days notice of the tenant rent increase.

### C. OTHER INTERIM REPORTING ISSUES [24 CFR 5.615]

The PHA will conduct an interim recertification to count imputed welfare income (defined below) for families whose welfare assistance is reduced specifically because of:

- Welfare fraud; or
- Failure to participate in an economic self-sufficiency program; or
- Noncompliance with a work activities requirement.

The PHA will also conduct an interim recertification to reflect changes in actual welfare income if the welfare assistance reduction is a result of:

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- The expiration of a lifetime time limit on receiving benefits; or
- A situation where the family has complied with welfare program requirements but cannot or has not obtained employment.
- The family has complied with welfare program requirements, but the duration time limit, such as a cap on the length of time a family can receive benefits, and causes the family to lose their welfare benefits.

#### Definition of "Imputed Welfare Income"

Imputed Welfare income is the amount of annual income projected but, not actually received by a family as a result of a specified welfare benefit reduction.

The amount of Imputed Welfare income is determined by the PHA, based on written information supplied to the PHA by the welfare agency, including:

- The amount of the benefit reduction
- The term of the benefit reduction
- The reason for the reduction
- Subsequent changes in the term or amount of the benefit reduction

The family's annual income will include the Imputed Welfare income, as determined at the family's annual or interim recertification, during the term of the welfare benefits reduction (as specified by the welfare agency). The amount of Imputed Welfare income will be offset by the amount of additional income the family receives after the sanction was imposed. When additional income from other sources is at least equal to the Imputed Welfare income, the Imputed Welfare income will be reduced to zero.

If the family was not an assisted participant when the welfare sanction began, Imputed Welfare income will not be included in the annual income.

If the family claims the amount of Imputed Welfare income has been calculated incorrectly, designated staff will review the calculation for accuracy.

#### Family Dispute of Amount of Imputed Welfare Income

If the family disputes the amount of Imputed Income and the PHA denies the family's request to modify the amount, the PHA will provide the tenant with a notice of denial, which will include:

- An explanation for the PHA's determination of the amount of Imputed Welfare income
- A statement that the tenant may request an informal hearing.

A statement that the grievance information received from the welfare agency cannot be disputed at the informal hearing, and the issue to be examined at the informal hearing will be the PHA's

determination of the amount of Imputed Welfare income, not the welfare agency's determination to sanction the welfare benefits.

**Verification of Welfare Before Denying a Request to Reduce Rent**

The PHA will obtain written verification from the welfare agency stating that the family's benefits have been reduced due to fraud or noncompliance with welfare agency economic self-sufficiency or work activities requirements before denying the family's request for rent reduction.

The PHA will rely on the welfare agency's written notice to the PHA regarding welfare sanctions.

**D. NOTIFICATION OF RESULTS OF RECERTIFICATION:**

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

The Subsidy Adjustment Notice and Calculation Summary are mailed to the owner and the tenant. If the family disagrees with the rent adjustment, they may request a tenant conference to review the rent calculations. If the family still disagrees they may request an informal hearing (see Chapter 18, Section D for hearing request procedures).

**E. TIMELY REPORTING OF CHANGES IN FAMILY COMPOSITION**

Changes in family composition require an interim recertification and may result in a change to the tenant rent. The voucher size may be changed at the next annual recertification or if client is in the move process.

**Standard for Timely Reporting of Changes**

The PHA requires that the family report in writing any change of family composition to the PHA within thirty (30) days of when the change occurs.

If the change is not reported within the required time period, or if the family fails to provide documentation or signatures, it will be considered untimely reporting.

**Procedures When the Change is Reported in a Timely Manner**

The PHA will notify the family and the owner of any change in the Housing Assistance Payment to be effective according to the following guidelines:

- Increases in the Tenant Rent are effective on the first of the month following at least thirty days' notice.
- Decreases in the Tenant Rent are effective the first of the month, following the month in which the PHA is provided adequate written documentation. However, no rent

reductions will be processed until all the facts have been verified, even if a retroactive adjustment results.

**Procedures When the Change is Not Reported by the Family in a Timely Manner**

If the family does not report the change as described under Timely Reporting, or provide requested verification within the given timeframe, the family will be considered to have caused a delay in the interim recertification processing and the following guidelines will apply:

- Increases in Tenant Rent will be effective retroactive to the date it would have been effective had it been reported on a timely basis. The family will be liable for any overpaid housing assistance and will be required to pay the debt in full within 60 days.
- Decreases in Tenant Rent will be effective on the first of the month following completion of processing by the PHA and not retroactively.
- If the voucher size is affected, an annual recertification may be processed early to adjust the voucher size and the family will be given a thirty day notice of such a change.

**Procedures When the Change is Not Processed by the PHA in a Timely Manner**

"Processed in a timely manner" means that the change goes into effect on the date it should when the family reports the change in a timely manner. If the change cannot be made effective on that date, the change is not processed by the PHA in a timely manner.

In this case, an increase will be effective after the required thirty days notice prior to the first of the month after completion of processing by the PHA.

If the change resulted in a decrease, the overpayment by the family will be calculated retroactively to the date it should have been effective, and the family will be credited for the amount.

**F. CHANGES IN VOUCHER SIZE AS A RESULT OF FAMILY COMPOSITION CHANGES**

Irrespective of any increase or decrease in the payment standard amount, if the family unit size increases or decreases during the HAP contract term, the new family unit size must be used to determine the payment standard amount for the family beginning at the family's first regular reexamination following the change in family unit size. Exceptions to this policy include:

- An increase in voucher size made as a result of a Reasonable Accommodation will be effective the month following the month of approval.

**G. CONTINUANCE OF ASSISTANCE FOR "MIXED" FAMILIES**

Under the Non-citizens Rule, "mixed" families are families that include at least one citizen or eligible immigrant and any number of ineligible members. The Non-citizens Rule was

implemented on or after November 29, 1996, and mixed families may receive prorated assistance only.

#### **H. MISREPRESENTATION OF FAMILY CIRCUMSTANCES**

If any participant deliberately misrepresents the information on which eligibility or tenant rent is established, the PHA may terminate assistance and may refer the family file/record to the proper authorities for appropriate disposition (See Program Integrity Addendum).

#### **I. WARNINGS**

When a family does not comply with a Housing Authority's request for information or if the family violates a family obligation, after the MTC process, if the Housing Authority does not proceed with termination, a Warning Notice will be issued to the family.

If a family has been issued a warning and the same issue reoccurs, after the MTC process the Housing Authority will send a Notice of Proposed termination and an Informal Hearing request form.

Chapter 13  
MOVES WITH CONTINUED ASSISTANCE/PORTABILITY  
[24 CFR 982.314, 982.353, 982.355(a)]

**INTRODUCTION**

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

**A. ALLOWABLE MOVES**

Families will only be permitted to move once every 12 months with continued assistance if:

- The assisted lease for the old unit has terminated because the PHA has terminated the HAP contract for owner breach, or the lease was terminated by mutual agreement of the owner and the family with PHA approval.
- The owner has given the family 90 days notice to vacate for moves without cause or has obtained a court judgment or other process allowing the owner to evict the family (Unless assistance to the family will be terminated, see "Denial or Termination of Assistance", Chapter 15 of the Administrative Plan); or
- The family has given proper notice of lease termination (assuming that the family has met the requirements to terminate the lease on notice to owner).
- The Violence Against Women Act (VAWA) provides that a family may receive a voucher from a public housing agency and move under the tenant-based assistance program if the family has complied with all other obligations of the Section 8 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 a victim of domestic violence, dating violence, or stalking and who reasonably believed he or she was actually or imminently threatened by harm or further violence if he or she remained in the assisted dwelling unit.

**B. INTERPROGRAM TRANSFERS**

HCV Program participants may, with approval of the PHA's **Executive Director**, be accepted into PHA owned, **managed, or affiliated** properties if:

- Transfers meet all eligibility/suitability criteria; and
- Vacancies permit;

**Comment:** Changes to Section B of this chapter are added on 4/9/13

If HCV incurs a federal funding reduction (i.e. sequestration), the PHA will assist the family in making an interprogram transfer to alternative housing in order to prevent the family from becoming homeless.

**In an interprogram transfer, the family forfeits their HCV voucher and can reapply to the HCV wait list when it is open.**

**C. RESTRICTIONS ON MOVES [24 CFR 982.314, 982.552(a)]**

The PHA will deny permission to move:

- During the initial term of the lease.
- If the family owes any PHA or SHRA money, or is not current with payments as specified in a PHA repayment agreement.
- If the unit is in "fail" status for tenant-responsible items.

- If the family's annual recertification is due within 120 days and the family is moving voluntarily, the move will be delayed until the recertification is completed. Upon receipt of a request to move, the PHA will begin the recertification process. The recertification will be expedited promptly after submission of all paperwork. This will ensure that families lease up a new unit that is affordable to them based on current information. If the family is moving involuntarily, every effort will be made to expedite the recertification also for the same reason, but the family will not be delayed in moving.

- If the family has been approved for a mutual agreement to terminate the lease within the last twelve months and the reason for the request to move is not due to health and safety, reasonable accommodation or VAWA

- If there is insufficient funding for continued assistance **(please see Insufficient Funding Addendum #5).**

Families will only be permitted to move once every 12 months.

The supervisor may consider exceptions to these restrictions if there is an emergency justification for the move over which the participant has no control, or as a reasonable accommodation. Emergency is defined in the glossary of this Administrative Plan.

**D. POLICY FOR MOVES [24 CFR 982.314]**

**Issuance of Voucher**

Families approved to move to a new unit within the PHA's jurisdiction, will be issued a new voucher within 15 business days after all necessary documents have been submitted by the family. The PHA will require a recertification if the family's recertification is due within the next 120 days.

Families who do not have an annual recertification due in the next 120 days will be required to complete a self certification form as a condition of issuance that certifies that no reportable changes have taken place in family income or composition since the last annual re-examination.

If the family reports a change in income or family composition prior to the submission of a Request For Tenancy Approval (RFTA), the move process will be stopped and the reported change in income or family composition will be reviewed to determine if the family remains eligible for the voucher size it has been issued, or if the change will result in the family paying more than 40% of their monthly adjusted income towards rent.

If the family is exercising portability and reports a change, the receiving PHA will first request the initial PHA to complete an interim change. If the initial PHA does not cooperate in a timeframe that will not cause a delay in processing the portability, the receiving PHA will complete an interim change.

Subject to the restrictions on moves, the PHA will issue the authorization (voucher) to move, and may require the family to attend a briefing if they have not done so in the last 18 months. (See Chapter 8, of this Administrative Plan, Section B.)

If the family does not locate a new unit, and remains in the current unit with the owner's approval. The HAP will terminate on the date identified in the Notice to Vacate unless a Notice to Rescind/ Extend the vacate date is delivered to the PHA.

#### Notice Requirements

The family must give the owner at least thirty days written notice of intent to vacate as specified by applicable law and must simultaneously give a copy to the PHA. The notice must be submitted to the PHA no later than the date the family submits a Request For Tenancy Approval (RFTA).

#### Time of Contract Change

A move within the same building or project, or between buildings owned by the same owner, will be processed like any other move except that there will be no overlapping assistance. In a move, assistance stops at the end of the month in which the tenant ceased to occupy, unless proper notice was given to end a lease midmonth. Assistance will start on the new unit on the effective date of the lease and contract. Assistance payments may overlap with Supervisor approval.

#### PORTABILITY [24 CFR 982.353]

Portability applies to families moving out of or into the PHA's jurisdiction within the United States and its territories.

**F. OUTGOING PORTABILITY [24 CFR 982.353, 982.355]**

Within the limitations of the regulations and this policy, a participant family has the right to receive tenant-based voucher assistance to lease a unit outside the PHA's jurisdiction. The PHA will allow the family to exercise its right to portability anywhere in the United States and its territories as long as there is a PHA with a tenant-based program.

When a family requests to move outside of the PHA's jurisdiction, the family's written request must specify the area to which the family wants to move. This PHA will identify the receiving

PHA and approve or deny the request, by submitting a written response to the family. If there is more than one PHA in the area in which the family has selected a unit, the PHA may choose the receiving PHA.

**Restrictions on Portability [24 CFR 982.353]**

The PHA will not permit families to exercise portability:

- If the family is in violation of a family obligation.
- If the family has moved out of its assisted unit in violation of the lease.
- Other reasons as listed in Part C of this Chapter.

**G. INCOMING PORTABILITY [24 CFR 982.354, 982.355]**

**Absorption or Administration**

The receiving PHA will accept a family with a valid voucher from another jurisdiction and administer or absorb the voucher. If administering, the family will be issued a "portable" voucher by the PHA. The term of the voucher will not expire before the expiration date of the initial PHA voucher. The family must submit a request for approval of tenancy for an eligible unit to the receiving PHA during the term of the receiving PHA voucher. The receiving PHA may grant extensions in accordance with this Administrative Plan. However, if the family decides not to lease-up in the receiving PHA's jurisdiction, they must contact the initial PHA to request an extension.

To ensure SHRA has sufficient time to process a family exercising portability into its jurisdiction, SHRA shall require the family to have at least 30 days available on the voucher. If less than thirty days remain on the voucher, SHRA will contact the initial PHA with a request to extend the voucher.

SHRA will not process the family if the initial PHA's voucher has expired.

When the receiving PHA does not absorb the incoming voucher, it will administer the initial PHA's voucher and the receiving PHA's policies will prevail.

The receiving PHA will determine the family unit size for the portable participant family, and will issue a "portable voucher" in accordance with the subsidy standards of the receiving PHA.

#### Incoming Portability and Criminal Background Checks

Families who port into the jurisdiction of SHRA will be held to the same standard as current HCV participants for background checks. Families porting into Sacramento County will have a criminal background check run and their request to port into SHRA's jurisdiction may be denied if they do not meet the standards described in Chapter 15 where screening for criminal activity is discussed.

In order to be consistent with the PHA's policy to check the criminal background of anyone requested to be added to the household, the PHA will conduct a criminal background check on all family members who are at least 18 years or older who chooses to "port" their voucher into Sacramento County. If the results of the criminal background check includes drug or violent criminal activity that has occurred within the last 5 years, the PHA may:

- a. Deny the family's request to port into this jurisdiction and provide them with a copy of the criminal report,
- b. Notify the initial PHA of the results in the criminal background report and provide the initial PHA with a copy of the criminal background report,
- c. Allow the family to rescind their request to exercise portability into the receiving PHA's jurisdiction and return the portability paperwork with the 52665 to the initial PHA indicating the family has elected not to exercise portability into the receiving PHA's jurisdiction.

The PHA's decision to conduct a current criminal background check will not cause a delay in the processing of the family's portability or a loss of the family's right to exercise portability.

If a family fails (please see the standards described in Chapter 15 where screening for criminal activity is discussed) a criminal background check, they will be denied from porting into SHRA's jurisdiction for a period of four months from the date of the denial.

#### Income and Total Tenant Payment of Incoming Portables [CFR 982.355(d)]

SHRA will request the initial PHA to conduct an annual or an interim for families that exercise portability into the jurisdiction of SHRA when a change in income occurs prior to the execution of a Housing Assistance Payment. An updated 50058 will be requested from the initial PHA. If the initial PHA does not make the change, SHRA will complete the change.

SHRA will not approve additions of household members while the family is in the process of porting-in. Addition of household members will be subject to the policy to add members described in Chapter 5 after initial lease-up.

**Reasonable Accommodation Requests and Incoming Portability:**

A reasonable accommodation approved by an initial PHA does not transfer to SHRA with the family. Upon the request of the family, SHRA will verify the need for the reasonable accommodation through the Reasonable Accommodation Committee.

**Requests for Tenancy Approval**

A briefing is required for incoming portability families.

Incoming portable families are subject to the receiving PHA's subsidy standards.

SHRA may extend the voucher of a family and notify the initial PHA. The extension will be granted within the billing date of the initial PHA. If the initial PHA informs SHRA it is not willing to extend the voucher in consideration of future billing, SHRA will deny the extension. If the family leases up successfully, the PHA will notify the initial PHA within ten days, and the billing process will commence.

If the receiving PHA denies assistance to the family, the receiving PHA will notify the initial PHA within fifteen days and the family will be offered an Informal Review or Informal Hearing. When the family submits a Request for Tenancy Approval, it will be processed using the receiving PHA's policies. If the family does not submit a Request for Tenancy Approval or does not execute a lease, the receiving PHA will notify the initial PHA.

The receiving PHA will notify the family of its responsibility to contact the initial PHA if the family wishes to move outside the receiving PHA's jurisdiction under continued portability.

**Regular Program Functions**

The receiving PHA will perform all program functions applicable to the tenant-based assistance program, such as:

- Annual recertifications of family income and participant family composition;
- Annual inspection of the unit; and
- Interim recertifications when requested or deemed necessary by the PHA

**Terminations**

The receiving PHA will notify the initial PHA in writing of any termination of assistance within twenty-one days of the termination or the hearing decision being rendered. If an informal hearing is required and requested by the family, the hearing will be conducted by the receiving PHA. A copy of the hearing decision will be furnished to the initial PHA.

The initial PHA will be responsible for collecting amounts owed by the family for claims paid and for monitoring repayment. If the initial PHA notifies the receiving PHA that the family is in arrears or the family has refused to sign a payment agreement, the receiving PHA will terminate assistance to the family.

#### **Required Documents**

As receiving PHA, the PHA will require the documents listed on the HUD Portability Billing Form 52665 from the initial PHA.

#### **Billing Procedures**

The receiving PHA, will bill the initial PHA monthly for housing assistance payments (HAP) if the family has not been absorbed. The billing cycle for other amounts, including administrative fees and special claims, will be monthly unless requested otherwise by the initial PHA. If the tenant moves in mid-month and the HAP is prorated, all HAP amounts are rounded to the nearest whole dollar.

The receiving PHA will bill 100% of the housing assistance payment, (100% of special claims) and 80% of the administrative fee (at the initial PHA's rate) for each "portability" voucher leased as of the first day of the month. The administrative fee is never prorated and is not rounded. The entire administrative fee is billed for any participant who has a HAP contract effective as of the first day of the month.

The receiving PHA will notify the initial PHA of changes in subsidy amounts and will expect the initial PHA to notify the receiving PHA of changes in the administrative fee amount to be billed. When the administrative fee changes, the new amount will be implemented at the next billing action after the effective date.

**Chapter 14**  
**CONTRACT TERMINATIONS**  
[24 CFR 982.311, 982.314]

**INTRODUCTION**

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

**A. CONTRACT TERMINATION [24 CFR 982.311]**

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

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

If the family continues to occupy the unit after the Housing Choice Voucher contract is terminated, the family is responsible for the total amount of rent due to the owner. The owner will have no right to claim compensation from the PHA for vacancy loss under the provisions of certificate HAP contracts effective before October 1<sup>st</sup>, 1996, with the exception of Moderate Rehabilitation (Mod Rehab) and Project-Based units which may claim compensation for vacancy loss.

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 BY THE FAMILY [24 CFR 982.314(c)(2)]**

Family termination of the lease must be in accordance with the terms of the lease. Families are required to notify the PHA and the owner in writing with at least 30 days notice before they move out of a unit.

**C. TERMINATION OF TENANCY BY THE OWNER**  
[24 CFR 982.310, 982.455, 5.105]

The owner must provide the tenant a written notice specifying the grounds for termination of tenancy, at or before the commencement of the eviction action. The notice may be included in, or may be combined with, any owner eviction notice to the tenant. The owner eviction notice means a notice to vacate, or a complaint, or other initial pleading used under State or local law to commence an eviction action,

During the term of the lease, the owner may not terminate the tenancy except for the grounds stated in the HUD regulations and State or local law. The owner must provide the PHA with a copy of the termination notice. During the term of the lease the owner may terminate tenancy for:

- Serious or repeated violations of the lease, including but not limited to failure to pay rent or other amounts due under the lease, or repeated violation of the terms and conditions of the lease.
- Violations of Federal, State or local law that imposes obligations on the tenant in connection with the occupancy or use of the premises.
- Criminal activity by the tenant, any member of the household, a guest or another person under the tenant's control that threatens the health, safety or right to peaceful enjoyment of the premises by the other residents, by persons residing in the immediate vicinity of the premises.
- Any drug-related criminal activity on or near the premises.
- Tenant history of disturbance of neighbors, destruction of property, or behavior resulting in damage to the premises.
- Other good cause (when in accordance with Federal, State, and local law).

The eviction notice must specify the cause for the eviction.

During the initial term of the lease, the owner may not terminate the tenancy for "other good cause" unless the owner is terminating the tenancy because of something the family did or failed to do. For example, the following are NOT grounds for termination of tenancy during the initial lease term:

- Failure by family to accept offer of new lease or lease revision;
- Owner's desire to use unit for personal or other use; or
- Business or economic reason.

After the initial term of the lease, other good cause includes:

- Business or economic reason for regaining possession;
- Owner's desire to repossess unit for personal use; or
- Tenant's refusal to accept offer of a new lease

The owner may not terminate tenancy if the PHA fails to pay the housing assistance payment or pays it late. PHA failure to make the housing assistance payment is not a violation of the lease between the family and the owner.

## Foreclosures

The following provisions regarding foreclosure expire on December 31, 2014:

- During the term of the lease, the tenant has a right to remain in the unit and cannot be evicted, except for actions that constitute good cause.
  - If the lease ends in less than 90 days, the new owner may not evict the tenant without giving the tenant at a minimum 90 days notice.
  - At the end of the term of the lease, the new owner may terminate the tenancy if the new owner provides a 90-day notice.
  - The new owner may terminate the tenancy if the owner will occupy the unit as a primary residence, and has provided the tenant a notice to vacate at least 90 days before the effective date of such notice. This is the only exception to the rule that the tenant may not be evicted during the term of the lease.
- The foreclosure of a property does not constitute other good cause.

#### Evidence of Criminal Activity

The owner may terminate tenancy and evict by judicial action a family for criminal activity by a family member if the owner determines they have engaged in the criminal activity:

- Regardless of arrest or conviction.
- Without satisfying the standard of proof used for a criminal conviction.

#### Exclusion of Culpable Household Member

The owner may require a tenant to exclude a household member in order for the family to continue to reside in the assisted unit.

#### Consideration of Rehabilitation

When determining whether to terminate the tenancy for illegal drug use or alcohol abuse, the owner may consider whether the family member:

- Is no longer participating in the drug and or alcohol abuse.
- Has successfully completed a supervised drug or alcohol rehab program.
- Has otherwise been successfully rehabilitated.

The owner may require the tenant to submit evidence of any of the three (above). Actions of termination by the owner must be consistent with the fair housing and equal opportunities as stated in 24 CFR 5.105.

Housing assistance payments are paid to the owner under the terms of the HAP contract. If the owner has begun eviction and the family continues to reside in the unit, the PHA must continue to make housing assistance payments to the owner until the owner has obtained a court judgment

or other process allowing the owner to evict the tenant, unless the family moves or other reasons for termination apply.

If the action is finalized in court, the owner must provide the PHA with the documentation, including notice of the lockout date.

**D. TERMINATION OF THE CONTRACT BY PHA**  
[24 CFR 982.404(a), 982.453, 982.454, 982.552(a)(3)]

The term of the HAP contract terminates when the lease terminates, when the PHA terminates program assistance for the family, and/or when the owner has breached the HAP contract. (See "Owner Disapproval and Restriction", Chapter 16 of this Administrative Plan)

The PHA may also terminate the contract if:

- The PHA terminates assistance to the family.
- The family is required to move from a unit when the unit does not meet the HQS space standards because of an increase in family size or a change in family composition.
- Funding is no longer available under the Annual Contributions Contract.
- Family vacates without notice
- Family self-terminates from HCV participation.

The contract will terminate when 180 days pass since the last housing assistance payment to the owner.

**Chapter 15**  
**DENIAL OR TERMINATION OF ASSISTANCE**  
24 CFR [5.902, 5.903, 5.905, 982.4, 982.54, 982.552, 982.553]

**INTRODUCTION**

The PHA may deny or terminate assistance for a family because of the family's action or failure to act. The PHA will provide families with a written description of the family obligations under the program and the grounds under which the PHA can deny or terminate assistance. This chapter describes when the PHA is required to deny or terminate assistance, and the PHA's policies for the denial of a new commitment of assistance and the grounds for termination of assistance under an outstanding HAP contract.

**Public Housing Authority Discretion [24 CFR 982.552(c)2]**

In deciding whether to deny or terminate assistance because of action or failure to act by members of the family, the PHA will consider all of the circumstances in each case, including the seriousness of the case. The PHA will use its discretion in reviewing the extent of participation or culpability of individual family members and the length of time since the violation occurred. The PHA may also review the family's more recent history and record of compliance and the effects that denial or termination of assistance may have on other family members who were not involved in the action or failure to act.

The PHA may impose, as a condition of continued assistance for other family members, a requirement that family members who participated in, or were culpable for the action or failure to act, will not reside in the unit. The PHA may permit the other members of a family to continue in the program.

**DENIAL OF ASSISTANCE**

**A. GROUNDS FOR DENIAL OF ASSISTANCE [24 CFR 982.54, 982.552, 982.553]**

If denial is based upon behavior resulting from a disability, the PHA will delay the denial in order to determine if there is an accommodation that would negate the behavior resulting from the disability.

**HUD Standards for Denial [24 CFR 982.54 (d), 982.552(b), 982.553(a)]**

The PHA must permanently deny assistance to applicants to the HCV program if the PHA determines that any member of the household has ever been convicted of manufacturing or producing methamphetamine on the premises of federally assisted housing.

The PHA must deny admission to an applicant if the PHA determines that any member of the household is subject to a lifetime registration requirement under a State sex offender registration program.

The PHA may deny admission to the program for applicants if the PHA determines that any household member is currently engaging in illegal use of a drug. See Section B of this chapter for the PHA's established standards.

The PHA may deny admission to the program for applicants if the PHA 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. See Section B of this chapter for the PHA's established standards.

The PHA must deny admission to the program for an applicant if any member of the family fails to sign and submit consent forms for obtaining information in accordance with CFR Part 5, subparts B and F.

The PHA must deny admission when required under the regulations to establish citizenship or eligible immigration status.

The PHA must deny if the family member fails to meet the eligibility requirements concerning individuals enrolled at an institution of higher education as specified in 24 CFR 5.612.

**PHA Grounds for Denial of Assistance** [24 CFR 982.551, 982.552(c);982.553]

The PHA may deny program assistance for an applicant, for any of the following reasons:

- Applicant will not be denied for requesting to add a household member who is on parole or probation. The household member who is on probation or parole will be denied.
- If any member of the family has engaged in or threatened abusive or violent behavior toward PHA personnel, contractors, customers on the premises. This includes but is not limited to: verbal abuse, physical abuse, violence or acts of intimidation. Use of epithets 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 denial. "Threatening" refers to oral or written threats or physical gestures that communicate the intent to abuse or commit violence.
- If a member of the household has been indicted, convicted, or otherwise sought by the courts and is fleeing to avoid prosecution, custody, or confinement.
- If the family currently owes rent or other amounts to the HA or to another HA in connection with Housing Choice Voucher (HCV) [previously known as Section 8] or public housing assistance under the 1937 Act.

If the family is not eligible for admission, refer to "Eligibility for Admission", Chapter 2 of this Administrative Plan, for further information.

**Notice of Denial**

In any case where the PHA decides to deny assistance to the family, the PHA must give the family written notice which states:

**B. DENIAL - SCREENING FOR DRUG ABUSE AND OTHER CRIMINAL ACTIVITY [24CFR 982.553]**

**Administration**

All screening shall be administered fairly and in such a way as not to violate rights to privacy or discriminate on the basis of race, color, national origin, religion, sex, or other legally protected groups.

The privacy policy will be posted on the bulletin boards of the PHA's area management offices and copies will be made readily available to applicants upon request. To the maximum extent possible, the PHA will encourage other community and governmental entities in the promotion and enforcement of this policy.

**Screening of Applicants**

Criminal Background screening will apply to any member of the household who is 18 years of age or older, or an emancipated minor.

**Standard for Violation**

The PHA will consider the illegal use of a controlled substance or alcohol abuse to be a pattern if there is more than one arrest or conviction, during the previous 18 months.

"Engaged in or engaging in" violent criminal activity means any act within the past 5 years by an applicant or participant or household member  
Violent criminal activity is any illegal criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against the person or property of another.

In evaluating evidence of negative past behavior, the PHA will give fair consideration to the seriousness of the activity with respect to how it would affect other residents, and/or likelihood of favorable conduct in the future which could be supported by evidence of rehabilitation.

Applicants will be denied assistance if they have been convicted of violent criminal activity within the last 5 years prior to the date of the certification interview.

If an applicant is denied admission to the program for the reasons detailed in this section, the applicant retains the right to appeal (see "Complaints and Appeals", Chapter 18 of this Administrative Plan).

#### Other Criminal Activity

The PHA will deny participation in the program to applicants where the PHA determines there is reasonable cause to believe that the person is/has been involved in drug related criminal activity or engaged in other criminal activity as defined in the Glossary.

#### Denial of Additions to the Household for Criminal Activity:

The PHA may deny any request to add a person to the household who is on either probation or parole.

#### Sex Offenders

The PHA will deny admission if any member of the household is subject to a lifetime registration requirement under a State sex offender registration program, if appropriate. In screening applicants, the PHA will perform criminal history background checks to determine whether any household member is subject to a lifetime sex offender registration requirement.

#### Drug-Related Criminal Activity or Violent Criminal Activity [24 CFR 982.553]

Persons evicted from federally assisted housing because of drug-related criminal activity are ineligible for admission to the Section 8 program for a 5 year period beginning on the date of such eviction.

However, the household may be admitted if, after considering the individual circumstances of the household, the PHA determines that:

- The evicted household member who engaged in drug-related criminal activity has successfully completed a supervised drug rehabilitation program approved by the PHA.
- The circumstances leading to eviction no longer exist because the culpable member is no longer in the household

#### Confidentiality of Criminal Records

The PHA will ensure that any criminal record received is maintained confidentially, not misused or improperly disseminated, and destroyed once the purpose for which it was requested is accomplished.

All criminal reports, while needed by staff for screening for criminal behavior, will be housed in a secured location with access restricted to individuals responsible for such screening.

Misuse of the above information by any employee will be grounds for termination of employment.

If the family is determined eligible for initial or continued assistance, the PHA's copy of the criminal report shall be shredded as soon as the information is no longer needed for eligibility or continued assistance determination.

If the family's assistance is denied or terminated, the criminal record information shall be shredded immediately upon completion of the review or hearing procedures and a final decision has been made.

The PHA will document in the family's file that the family was denied admission or the tenancy was terminated due to findings in the Criminal History Report.

#### Disclosure of Criminal Records to the Family

If the PHA takes any adverse action based on a criminal conviction record, the subject of the report and the applicant or participant will be provided with a copy of the criminal record and an opportunity to dispute the record. Applicants will be provided an opportunity to dispute the record at an informal review.

### **C. DENIAL PROCEDURES FOR NON-CITIZENS [24 CFR 5.514, 5.516, 5.518]**

#### Denial due to Ineligible Immigrant Status

Applicant families in which all members are neither U.S. citizens nor eligible immigrants are not eligible for assistance. The PHA must offer the family an opportunity for a hearing. (See "Eligibility for Admission", Chapter 3, section on Citizenship/Eligible Immigration Status.)

#### Procedure for Denial

If the family (or any member) claimed eligible immigrant status and the INS primary and secondary verifications failed to document the status, the family may make an appeal to the INS and request a hearing with the PHA either after the INS appeal or in lieu of the INS appeal. After the PHA has made a determination of ineligibility, the family will be notified of the determination and the reasons and informed of the option for prorated assistance (if applicable).

### **D. MISSED APPOINTMENTS AND DEADLINES [24 CFR 982.551, 982.552 (c)]**

It is a family obligation to supply information, documentation, appointments and certification as needed for the PHA to administer the program. The PHA schedules appointments and sets deadlines in order to obtain the required information.

An applicant who fails to keep an appointment, or to supply information required by a deadline without notifying the PHA, may be sent a Notice of Denial of Assistance for failure to provide required information.

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

- Eligibility for Admissions
- Verification Procedures
- Certificate/Voucher Issuance and Briefings
- Housing Quality Standards and Inspections
- Appeals

Acceptable reasons for missing appointments or failing to provide information by deadlines are for Good Cause, as defined in the Glossary.

Procedure when Information Not Provided or Appointments are Missed

For most purposes in this Plan, the family will be given two opportunities to address a breach before being issued a notice of denial for breach of a family obligation. These opportunities may be Appointments, written requests for information or both.

**TERMINATION OF ASSISTANCE**

**E. GRUNDS FOR TERMINATION OF ASSISTANCE [24 CFR 982.552, 982.553]**

If termination is based upon behavior resulting from a disability, the PHA will delay the termination in order to determine if there is an accommodation that would negate the behavior resulting from the disability.

**HUD Grounds for Termination [24 CFR 982.552(b), 982.553(a), 982.553(b)]**

The PHA must terminate assistance for participants if at least 180 days have elapsed since the PHA's last housing assistance payment was made on behalf of the family. (See "Contract Terminations", Chapter 14 of this Administrative Plan.) The PHA will notify the family of their hearing rights prior to termination.

The PHA must terminate the assistance of a family under the program if the PHA determines that any member of the household has ever been convicted of manufacturing or producing methamphetamine on the premises of federally assisted housing.

The PHA may terminate assistance for program participants if the PHA determines that any household member is currently engaging in illegal use of a drug. (See Section B of this chapter for the PHA's established standards)

The PHA may terminate assistance for program participants if the PHA 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. See Section B of this chapter for the PHA's established standards.

The PHA must terminate program assistance for a family evicted from housing assisted under the program for serious violation of the lease. (See Glossary for definition of Serious Lease Violation).

The PHA must terminate program assistance for a participant if any member of the family fails to sign and submit consent forms for obtaining information in accordance with CFR Part 5, subparts B and F.

The PHA must terminate assistance when required under the regulations to establish citizenship or eligible immigration status.

The PHA must terminate assistance if the family member fails to meet the eligibility requirements concerning individuals enrolled at an institution of higher education as specified in 24 CFR 5.612.

Additional Grounds for Termination of Assistance [24 CFR 982.551, 982.552(c);982.553]

The PHA may terminate program assistance for a participant, for any of the following reasons:

- If any family member violates any family obligation under the program.
- Physical abuse or violence may be cause for termination. HCV clients who are victims of certain types of violence may be protected under the Violence Against Women Act (VAWA) of 2005 from termination. Clients cannot be terminated from assistance solely because of domestic violence and/or abuse by a partner unless there is other cause for termination (such as non-payment of rent). The abuser may be removed from the voucher while allowing the rest of the household to remain.
- The family pays an amount for rent to the owner not approved by the Housing Authority.
- If any member of the family has engaged in or threatened abusive or violent behavior toward PHA personnel, contractors, customers on the premises. This includes but is not limited to: verbal abuse, physical abuse, violence or acts of intimidation. Use of epithets 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. "Threatening" refers to oral or written threats or physical gestures that communicate the intent to abuse or commit violence.
- If any family member engages in disruptive behavior that threatens health and safety which creates a need for police to be summoned to the HA premises. This may include, but is not limited to refusing to leave when asked by HA staff or Contractors.

- If the entire family is absent from the assisted unit for more than 30 consecutive days, without prior approval to the PHA, the unit will be considered to be vacated and the assistance will be terminated.
- If a member of the household has been indicted, convicted, or otherwise sought by the courts and is fleeing to avoid prosecution, custody, or confinement.
- If the family self-terminates from HCV Program participation.
- Eviction for serious lease violations.
- If the family fails to give the PHA a copy of any termination of tenancy notice (which may include but is not limited to a 30-Day Notice to Vacate or a 3-Day Notice to Pay or Quit) within 15 days.
- If the family is not eligible for admission, refer to "Eligibility for Admission", Chapter 2 of this Administrative Plan, for further information.

#### Mandatory Tenant Conference (MTC)

Before proposing termination of a family's eligibility, the PHA will send a Mandatory Tenant Conference appointment letter to the tenant detailing the allegations / request for information that will be discussed at the Mandatory Tenant Conference. The exception is when the family fails to attend a scheduled appointment, see Chapter 15, Part K.

At the Mandatory Tenant Conference the PHA will conduct a fact finding interview to discuss the allegations / required information and the tenant will be allowed to provide any documentation related to the allegations / or submit required information and complete an affidavit.

A Tenant Conference Disposition notice will be mailed to the tenant informing the tenant how the PHA will proceed in this matter.

#### Notice of Proposed Termination of Assistance

In any case where the PHA decides to terminate assistance to the family, the PHA must give the family written notice which states:

- The reason(s) for the proposed termination.
- The effective date of the termination.
- The family's right to request an Informal Hearing to be held before termination of assistance.
- The family will be provided an Informal Hearing Request form and the date by which a request for an informal hearing must be received by the PHA.

If the PHA proposes to terminate assistance for criminal activity as shown by a criminal record, the PHA will provide the subject of the record and the Head of Household with a copy of the criminal record.

Termination of housing assistance will be effective following a 30-day notice of adverse action.

The PHA will provide written notice of the contract termination to the owner so that it will coincide with the Termination of Assistance, unless the family has vacated the subsidized unit, or the termination date allows the owner to receive overlapping HAPs for two tenants in the same unit. The Notice to the owner will not include any details regarding the reason for termination of assistance.

#### Methods of Termination

Termination of assistance for a participant may include but is not limited to any or all of the following:

- Refusing to enter into a HAP contract or approve a request for tenancy (RFTA).
- Terminating housing assistance payments under an outstanding HAP contract
- Refusing to process or provide assistance under portability procedures.

#### F. TERMINATION FOR DRUG ABUSE AND OTHER CRIMINAL ACTIVITY [24CFR 982.553]

##### Purpose

All federally assisted housing is intended to provide a place to live and raise families, not a place to commit crime, to use or sell drugs or disturb the peaceful quiet of neighbors. It is the intention of the PHA to fully endorse and implement a policy designed to:

- Help create and maintain a safe and drug-free community
- Keep our program participants free from threats to their personal and family safety

##### Administration

All termination of assistance procedures shall be administered fairly and in such a way as not to violate rights to privacy or discriminate on the basis of race, color, nationality, religion, familial status, disability, sex, or other legally protected groups.

The privacy policy will be posted on the bulletin boards of the PHA's area management offices (including 630 I Street) and copies will be made readily available to participants upon request.

To the maximum extent possible, the PHA will encourage other community and governmental entities in the promotion and enforcement of this policy

##### Other Criminal Activity

The PHA may terminate participants from the program where the PHA determines there is reasonable cause to believe that the person is/has been involved in drug related criminal activity or engaged in other criminal activity as defined in the Glossary.

### Sex Offenders

HUD regulations at 24 CFR § 5.856, § 960.204(a)(4), and § 982.553(a)(2) prohibit admission after June 25, 2001, if any member of a household is subject to a State lifetime sex offender registration requirement. This regulation reflects a statutory prohibition. A household receiving assistance with such a member is receiving assistance in violation of federal law.

For any admissions after June 25, 2001 (the effective date of the Screening and Eviction for Drug Abuse and Other Criminal Activity final rule), if the recertification/reexamination screening reveals that the tenant or a member of the tenant's household is subject to a lifetime sex offender registration requirement, or that the tenant has falsified information or otherwise failed to disclose his or her criminal history on their application and/or recertification/reexamination forms, the O/A or PHA will pursue termination of HCV program participation

If an O/A or PHA erroneously admitted a lifetime sex offender, the O/A or PHA must offer the family the opportunity to remove the ineligible family member from the household. If the family is unwilling to remove that individual from the household, the PHA or O/A must terminate assistance for the household.

For admissions before June 25, 2001, there is currently no HUD statutory or regulatory basis to evict or terminate the assistance of the household solely on the basis of a household member's sex offender registration status.

### Standard for Violation for Drug-Related Criminal Activity or Violent Criminal Activity

The PHA will consider the illegal use of a controlled substance or alcohol abuse to be a pattern if there is more than one arrest or conviction, during the previous 18 months.

"Engaged in or engaging in" violent criminal activity means any act within the past 5 years by a participant or household member.

Violent criminal activity is any illegal criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against the person or property of another.

In evaluating evidence of negative past behavior, the PHA will give fair consideration to the seriousness of the activity with respect to how it would affect other residents, and/or likelihood of favorable conduct in the future which could be supported by evidence of rehabilitation.

The PHA may waive the requirement regarding drug-related criminal activity if the person demonstrates successful completion of a credible rehabilitation program approved by the PHA, In appropriate cases, the PHA may permit the family to continue receiving assistance provided

that family members determined to have engaged in the proscribed activities, excluding Head of Household, Spouse or Co-Head, will not reside in the unit. *If the violating member is a minor, the PHA may consider individual circumstances with the advice of the Juvenile Court officials without violating the confidentiality of juvenile court records.* For an adult, the PHA will require the family to sign a written certification the family member is no longer in the home, and will request documentation verifying the offending family member's new residential address.

#### Absence due to Incarceration

If the sole member is incarcerated for more than 30 consecutive days, s/he will be considered permanently absent. Any member of the household, other than the sole member, will be considered permanently absent if s/he is incarcerated for 30 consecutive days.

The PHA will determine if the reason for incarceration is for drug-related or violent criminal activity.

It is the responsibility of the head of household to timely report changes in family composition.

#### Caretaker for Child(ren)

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 children for an indefinite period, the PHA will treat that adult as a visitor for the first 30 days.

If by the end of that period, court-awarded custody or legal guardianship has been awarded to the caretaker, the Voucher will be transferred to the caretaker if qualified as long as original minors are in the home.

If the appropriate agency cannot confirm the guardianship status of the caretaker, the PHA will review the status at 30 day intervals.

If custody or legal guardianship has not been awarded by the court, but the action is in process, the PHA will secure verification from social services staff or the attorney as to the status.

If custody is awarded for a limited time in excess of stated period, the PHA will state in writing that the transfer of the Voucher is for that limited time or as long as they have custody of the children.

The PHA will use discretion as deemed appropriate in determining any further assignment of the Voucher on behalf of the child(ren).

The caretaker will be allowed to remain in the unit, as a visitor, until a determination of custody is made.

The PHA will transfer the voucher to the caretaker, in the absence of a court order, if the caretaker has been in the unit for more than 30 days and it is reasonable to expect that custody will be granted.

When the PHA approves a person to reside in the unit as caretaker for the child(ren), the income should be counted pending a final disposition. The PHA will work with the appropriate service agencies and the landlord to provide a smooth transition in these cases.

If a member of the household is subject to a court order that restricts him/her from the home for more than 30 days, the person will be considered permanently absent.

#### Terminating Assistance for Alcohol Abuse by Household Members

Under the family obligations listed at 24 CFR 982.551, the members of the household must not abuse alcohol in a way that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. Assistance will be terminated due to violation of a family obligation if the PHA determines that a member of the household has demonstrated a pattern of alcohol abuse that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. This includes cases where the PHA determines that there is a pattern of illegal use of controlled substances or a pattern of alcohol abuse.

The PHA will consider the illegal use of a controlled substance or alcohol abuse to be a pattern if there is more than one arrest or conviction, during the previous 18 months.

#### G. FAMILY OBLIGATIONS [24 CFR 982.551]

Failure to comply with Family Obligations may be cause for termination. In addition to family obligations listed in the Code of Federal Regulations:

- The family must supply any information that the PHA or HUD determines is necessary in the administration of the program, including submission of required evidence of citizenship or eligible immigration status
- The family must supply any information requested by the PHA or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition in accordance with HUD requirements.
- The family must disclose and verify social security numbers and must sign and submit consent forms for obtaining information
- All information supplied by the family must be true and complete.
- The family is responsible for a breach of the HQS that is caused by the family including but, not limited to, 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 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 (damages beyond ordinary wear and tear).
- The family must allow the PHA to inspect the unit at reasonable times and after reasonable notice.
- The family may not commit any serious or repeated violations of the lease.
- The family must notify the owner and, at the same time, notify the PHA before the family moves out of the unit or terminates the lease-upon notice to the owner.
- The family must give the PHA a copy of any owner eviction notice within 15 days. This includes 30-day notices, 3-day notices to perform or quit as well as other forms of warning notices
- The family must use the assisted unit for residence by the family. The unit must be the family's only residence.
- The family must not have their mail forwarded to another address or to a Post Office Box.
- The composition of the assisted family residing in the unit must be approved by the PHA. The family must promptly inform the PHA of the birth, adoption or court-awarded custody of a child. The family must request PHA approval to add any other family member as an occupant of the unit. No other person [i.e., nobody but members of the assisted family] may reside in the unit (except for a foster child or live-in aide, with prior approval).
- The family must notify the PHA within thirty (30) days if any family member no longer resides in the unit.
- The family must not sublease or let the unit.
- The family must not assign the lease or transfer the unit.
- The family must supply any information or certification requested by the PHA to verify that the family is living in the unit, or relating to family absence from the unit, including any PHA-requested information or certification on the purposes of family absences. The family must cooperate with the PHA for this purpose. The family must promptly notify the PHA of absence from the unit.
- The members of the family must not commit fraud, bribery or any other corrupt or criminal act in connection with the programs.
- The members of the household may not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises
- The Head of household is responsible to disclose the criminal activity of ALL family members at the time of recertification or if the information is requested. If the Head of Household fails to disclose such activity, the PHA may issue a termination of assistance.

- The members of the household must not abuse alcohol in a way that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises.

- 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.

- The following are additional Family Obligations as identified on HCV Participants' Annual Re-certification :

- The family must notify the PHA of the birth, adoption or court-awarded custody of a child within thirty (30) days.
- Family must notify the HA in writing, within 30 days, when the family is away from the unit for at least 30 days.
- Family must notify the HA in writing, within 30 days, of all changes in income by any family member.
- Unless their lease was effective prior June 17, 1998, the owner must not be a parent, child, grandparent, grandchild, sister, or brother of any member of the family, of any family member. The PHA may waive this restriction as a reasonable accommodation for a family member who is a person with a disability if there is a nexus between the disability-related need and the provisions included in the rental property.

### Enforcing Family Obligations

#### Explanations and Terms

The term "promptly" when used with the family obligations always means "within 30 days." Termination of assistance is always optional except where this Administrative Plan or the 24CFR state otherwise.

#### HQS Breach

The assigned Inspector will determine if an HQS breach as identified in 24 CFR 982.404 (b) is the responsibility of the family. Families may be granted extensions to cure HQS breaches, under reasonable circumstances.

### Confidentiality of Criminal Records

The PHA will ensure that any criminal record received is maintained confidentially, not misused or improperly disseminated, and destroyed once the purpose for which it was requested is accomplished.

All criminal reports, while needed by staff for screening for criminal behavior, will be housed in a secured location with access restricted to individuals responsible for such screening.

Misuse of the above information by any employee will be grounds for termination of employment. Penalties for misuse are contained in Personnel Policies.

If the family is determined eligible for continued assistance, the PHA's copy of the criminal report shall be shredded as soon as the information is no longer needed for continued assistance determination.

If the family's assistance is terminated, the criminal record information shall be shredded immediately upon completion of the review or hearing procedures and a final decision has been made.

The PHA will document in the family's file that the family was terminated due to findings in the Criminal History Report.

#### Disclosure of Criminal Records to the Family

If the PHA takes any adverse action based on a criminal conviction record, the Head of Household and the subject of the criminal record report will be provided with a copy of the criminal record and an opportunity to dispute the record.

#### H. TERMINATION - ZERO HAP ASSISTANCE TENANCIES

The family may remain in the unit at \$0 assistance for 180 days after the last HAP payment and then the assistance will be reviewed for continued assistance or termination. If, within the 180-day timeframe, the PHA receives notice that the family incurs a decrease in their income, which would cause the family to be eligible for a housing assistance payment, the PHA will complete a review of the family's income and resume assistance payments for the family if the review process verifies the family continues to be eligible for the program.

In order for a family to move to another unit during the 180 days of receiving zero assistance, the rent for the new unit would have to be high enough to necessitate a housing assistance payment

#### I. TERMINATION - OPTION NOT TO TERMINATE FOR MISREPRESENTATION [24 CFR 982.551, 982.552(c)]

If the family has misrepresented any facts that caused the PHA to overpay assistance, the PHA will consider the circumstances surrounding any termination of assistance related to the misrepresented facts.

#### J. TERMINATION - MISREPRESENTATION IN COLLUSION WITH OWNER [24 CFR 982.551, 982.552 (c)]

If the family intentionally, willingly, and knowingly commits fraud or is involved in any other corrupt or criminal act in connection with any Federal Housing Program, the PHA may deny or terminate assistance.

**K. TERMINATION - MISSED APPOINTMENTS AND DEADLINES**  
[24 CFR 982.551, 982.552 (c)]

It is a family obligation to supply information, documentation, and certification as needed for the PHA to administer the program. The PHA schedules a Mandatory Tenant Conference (MTC) and sets deadlines in order to obtain the required information. The obligations also require that the family allows the PHA to inspect the unit, and appointments are made for this purpose.

A participant who fails to supply information when requested will be scheduled for an MTC appointment. A participant who fails to supply information as requested at the MTC appointment, fails to attend an MTC appointment, or fails to keep scheduled HQS inspection appointments may be sent a Notice of Proposed Termination of assistance unless "good cause" is provided.

If a participant supplies requested information to the Agency after the deadline the participant will be issued a Warning Notice.

If a participant has been issued a warning for the same program violation, he/she may be issued a Notice of Proposed Termination of HCV Program Participation after the MTC process.

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

- Certificate/Voucher Issuance and Briefings
- Verification Procedures
- Housing Quality Standards Inspections
- Recertifications
- Mandatory Tenant Conferences
- Informal Reviews and Informal Hearings

Acceptable reasons for missing appointments or failing to provide information by deadlines are for Good Cause, as defined in the Glossary.

Procedure when Information Not Provided or Appointments are Missed

A family who fails to submit required information may be scheduled for a Mandatory Tenant Conference (MTC). If the family fails to supply the required information at the MTC appointment, the family will be issued a Notice of Proposed Termination of assistance and an Informal hearing request form.

If a family is scheduled for an MTC by phone or through written notice and fails to attend the appointment, the PHA will issue a Notice of Proposed Termination of the family's assistance unless "good cause" is provided.

After issuance of the Notice of Proposed Termination, if the family offers to correct the breach within the time allowed to request for an informal hearing, the termination may be rescinded

only after the family cures the breach. A formal warning will be issued, notifying the family that future breaches in family obligations to respond in a timely manner may result in termination.

**Chapter 16**  
**OWNER DISAPPROVAL AND RESTRICTION**  
[24 CFR 982.54, 982.306, 982.453]

**INTRODUCTION**

It is the policy of the PHA to recruit owners to participate in the Voucher program. The PHA will provide owners with prompt and professional service in order to maintain an adequate supply of available housing throughout the jurisdiction of the PHA. The regulations define when the PHA must disallow an owner participation in the program, and they provide the PHA 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** [24 CFR 982.306, 982.54(d)(8)]

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 PHA will disapprove the owner for the following reasons:

- HUD or other agency directly related has informed the PHA that the owner has been disbarred, suspended, or subject to a limited denial of participation under 24 CFR part 24.

- HUD has informed the PHA 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 PHA that a court or administrative agency has determined that the owner has violated the Fair Housing Act or other Federal equal opportunity requirements.

- Unless their lease was effective prior June 17, 1998, the owner must not be a parent, child, grandparent, grandchild, sister, or brother, uncle, aunt, niece, nephew, cousin, step relatives, or any other relative of any member of the household. The PHA may waive this restriction as a reasonable accommodation for a family member who is a person with a disability if there is a nexus between the disability-related need and the provisions included in the rental property.

The PHA may disapprove the owner for the following reasons:

- In cases where the owner and tenant bear the same last name, the PHA may, at its discretion, require the family and or owner to certify whether they are related to each other in any way.

- The owner has violated the terms of the housing assistance payments contract. This includes, but is not limited to, charging the tenant, or accepting from the tenant, payments in excess of the approved contract rent for rent of the contract unit (called "side payments").
- The owner has violated any obligation under the HAP contract for the dwelling unit, including the owner's obligations to maintain the unit to HQS, including any standards the PHA has adopted in this policy.
- The owner has committed fraud, bribery or any other corrupt act in connection with any Federal housing program.
- The owner has engaged in drug related criminal activity or 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.
- The owner has failed to comply with regulations, the mortgage or note, or the regulatory agreement for projects with mortgages insured by HUD or loans made by HUD.
- The owner has engaged in or threatened abusive or violent behavior toward PHA personnel. "Abusive or violent behavior" includes verbal as well as physical epithets or other language, written or oral, that is customarily used to 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.
- The PHA will not approve a HAP contract to any relative owner, except when needed as a reasonable accommodation for disability.
- The owner has a history or practice of failing to terminate tenancy of tenants of units assisted under Section 8 or any other federally assisted housing program for activity engaged in by the tenant, any member of the household, a guest or another person under the control of any member of the household that:
  - (i) Threatens the right to peaceful enjoyment of the premises by other residents;
  - (ii) Threatens the health or safety of other residents, of employees of the PHA, or of owner employees or other persons engaged in management of the housing;
  - (iii) Threatens the health or safety of, or the right to peaceful enjoyment of their residences, by persons residing in the immediate vicinity of the premises; or has engaged in drug-related criminal activity or violent criminal activity

**B. OWNER/AGENT RESTRICTIONS [24 CFR 982.306]**

Where it is determined that an owner or agent has violated the terms of the HAP contract, the PHA may do the following:

- Conduct an Owner or Agent conference to determine the extent of the violation;
- Issue a warning against further program violations
- Recommend program disbarment for a period of up to 5 years or permanent disbarment.

In the case where the PHA determines that there has been an overpayment of HAP to the owner, the PHA will issue a repayment notice for any outstanding HAP.

Chapter 17  
OWNER OR FAMILY DEBTS TO THE PHA [24 CFR 982.552]

**INTRODUCTION**

This chapter describes the PHA's policies for the recovery of monies that have been overpaid for families and to owners. It describes the methods that will be utilized for collection of monies and the guidelines for different types of debts. It is the PHA's policy to meet the informational needs of owners and families, and to communicate the program rules in order to avoid owner and family debts. Before a debt is assessed against a family or owner, the file must contain documentation to support the PHA'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.

When families or owners owe money to the PHA, the PHA will make every effort to collect it. The PHA may use a variety of collection tools to recover debts including, but not limited to:

- Requests for lump sum payments
- Civil suits
- Abatements
- Reductions in HAP to owner
- Collection agencies, including the Sacramento County Department of Revenue Recovery
- Credit bureaus
- Income tax refund intercept
- U.S. Department of Housing and Urban Development (HUD)

**A. REPAYMENT OF DEBT TO THE PHA**

**Family**

When a family is determined to have incurred a debt to the PHA, the PHA will meet with the family to inform them of the money owed and the process used to determine the debt. The family will be given the opportunity to make full restitution at this time. When a debt is under \$5000 the PHA will propose termination of eligibility, effective sixty days from the date of the notice. If the family fails to repay the money owed in full during the sixty days, a termination notice will be issued. If the family repays all money owed before the date of termination, the PHA will rescind the termination. However, if the amount owed exceeds \$5,000 the PHA will demand full repayment of the debt, will propose termination of the family's assistance and refer the case to the HUD Office of Inspector General's (OIG) office for prosecution.

In either case a move will not be processed until the debt is paid in full, unless approved by the Assistant Director or designee.

If the debt resulted from the family's failure to report income and the failure to report has occurred in at least one other instance, the PHA will seek repayment of the debt and will propose termination due to the repeated violation, regardless of the amount.

### Owner

If an owner has an overpayment on a HAP check and has other HAP contracts, the overpayment amount will be deducted from the next monthly HAP check. If an owner does not have any other active HAP contracts, the owner has ten (10) working days from the date of notification to:

- Issue a cashier's check or money order for the amount of the overpayment payable to the PHA; or
- Return the un-cashed HAP check

The owner will be subject to collections if the overpayment has not been paid in full.

### B. PROGRAM FRAUD [24 CFR 982.163, [24 CFR 982.453(b)] ]

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, and
- Results in payment of Section 8 program funds in violation of program requirements.

### Repayment For Program Fraud – Families

The Housing Authority will:

- Seek immediate repayment of money owed by families due to program fraud;
- Review the case to determine future eligibility; and
- Refer the case to HUD Office of Inspector General (OIG) for collection or criminal prosecution, if appropriate.

### Repayment for Program Fraud - Owners

If the PHA determines that the owner has retained housing assistance or claim payments the owner is not entitled to, the PHA may reclaim the amounts from future housing assistance or claim payments owed by the owner for any units under contract.

If future housing assistance or claim payments are insufficient to reclaim the amounts owed, the PHA may:

- Require the owner to pay the amount in full within ten (10) days.

- 
- Pursue collections through a collection agency such as Sacramento County Department of Revenue Recovery.
  - Restrict the owner from future participation.

**C. WRITING OFF DEBTS**

Debts will not be written off.

**Chapter 18**  
**COMPLAINTS AND APPEALS**

**INTRODUCTION**

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

**A. COMPLAINTS TO THE PHA**

The PHA will respond promptly to complaints from families, owners, and members of the public. Complaints will be referred to the appropriate staff. The PHA may request that complaints are put in writing. Complaints received relating to non-HCV matters will be routed to the appropriate staff. (See Addendum #1 Program Integrity (E) How the PHA will investigate allegations of abuse and fraud)

The PHA's informal hearing procedures will be distributed to families, in their briefing packets.

**B. DENIALS FOR PREFERENCE**

If the preference verification indicates that an applicant does not qualify for the preference, the applicant will be returned to the waiting list without the local preference, and will be notified in writing of the determination

**C. INFORMAL REVIEW PROCEDURES FOR APPLICANTS**  
[24 CFR 982.54(d)(12), 982.554]

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 immigrant status, the applicant is entitled to an informal hearing.

When the PHA determines that an applicant is ineligible for the program, the family must be notified of their ineligibility in writing. The notice must contain:

- The reason(s) they are ineligible;
- The procedure for requesting a review if the applicant does not agree with the decision, and;
- The time limit for requesting a review.

When denying admission for criminal activity as shown by a criminal record, the PHA will provide the subject of the record to the applicant with a copy of the criminal record upon request.

The PHA must provide applicants with the opportunity for an informal review of decisions denying:

- Qualification for preference
- Issuance of a voucher
- Participation in the program
- Assistance under portability procedures
- Non-Citizen Eligibility

Informal reviews are not required for established policies and procedures and PHA determinations such as:

- Discretionary administrative determinations by the PHA
- General policy issues or class grievances
- A determination of the family unit size under the PHA subsidy standards
- Refusal to extend or suspend a voucher
- Voucher Expiration
- A PHA determination not to grant a request for tenancy
- Determination that unit is not in compliance with HQS
- Determination that unit is not in accordance with occupancy standards due to family size or composition

#### Procedure for Informal Review

A request for an informal review must be received in writing no later than fifteen (15) days from the date of the PHA's notification of denial. The informal review will be scheduled within thirty days from the date the request is received.

The informal review may not be conducted by the person who made or approved the decision under review, nor a subordinate of such person.

The applicant will be given the option of presenting oral or written objections to the decision.

Both the PHA and the family may present evidence and witnesses. The family may use an attorney or other representative to assist them at their own expense.

The review may be conducted by mail and/or telephone if acceptable to both parties. A notice of the review findings will be provided in writing to the applicant within fifteen days after the review. It shall include the decision of the review, and an explanation of the reasons for the decision.

The family may request that the Informal Review be audio-recorded when they submit their written request and the cost of transcribing the Informal Review is borne by the requestor.

All requests for a review, supporting documentation and a copy of the final decision will be retained in the family's file.

Requests for the informal review to be recorded will be considered on a case-by-case basis.

**D. INFORMAL HEARING PROCEDURES [24 CFR 982.555(a-4), 982.54(d)(13)]**

When the PHA makes a decision regarding the eligibility and/or the amount of assistance, applicants and participants must be notified in writing. The PHA will give the family prompt notice of such determinations, which will include:

- The proposed action or decision of the PHA.
- The family's right to an explanation of the basis for the PHA'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.
- A copy of the PHA's hearing procedures.
- The family's option to submit a written request that the Informal Review (IR) be audio recorded. The cost of transcribing the IR will be borne by the requestor.
- The family's right to request a translator to assist them during the IR.

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

- Determination of the family's annual or adjusted income and the computation of the housing assistance payment.
- Appropriate utility allowance used from schedule.
- Family unit size determination under PHA subsidy standards.
- Determination to terminate assistance for any reason.
- Determination to terminate a family's FSS contract, withhold supportive services, or propose forfeiture of the family's escrow account.
- Housing Assistance termination due to having been at zero HAP for 180 days.
- Denial of a reasonable accommodation.

The PHA must always provide the opportunity for an informal hearing before termination of assistance. Informal hearings are not required for established policies and procedures and PHA determinations such as:

- Discretionary administrative determinations by the PHA.
- General policy issues or class grievances.
- Establishment of the PHA schedule of utility allowances for families in the program.
- A PHA determination not to approve an extension or suspension of a voucher term.
- A PHA determination not to approve a unit or lease.

- A PHA determination that an assisted unit is not in compliance with HQS (PHA must provide hearing for family breach of HQS because that is a family obligation determination).
- A PHA determination that the unit is not in accordance with HQS because of the family size.
- A PHA determination to exercise or not exercise any right or remedy against the owner under a HAF contract.
- Voucher expiration.

**Procedure for Requesting an Informal Hearing for Participants**

A request for an informal hearing must be received in writing no later than 15 days from the date of the PHA's notification of adverse action. The informal hearing will be scheduled within 45 days from the date the request is received.

If the complainant does not request an informal hearing within 15 days of the date of written notice, s/he waives his/her right to a hearing, and the PHA's proposed disposition of the grievance will become final.

This section in no way constitutes a waiver of the complainant's right to contest the Authority's disposition in an appropriate judicial proceeding.

**Notification of Informal Hearing**

It is the PHA's objective to resolve disputes at the lowest possible level. The PHA will ensure that applicants and participants will receive all of the protections and rights afforded by the law and the regulations.

When the PHA receives a request for an informal hearing, a hearing shall be scheduled within 45 days from the date the request is received. The notification of hearing will give at least 15 days notice and will contain:

- The date and time of the hearing
- The location where the hearing will be held
- The family's right to bring evidence, witnesses, legal or other representation at the family's expense
- The right to view any documents or evidence in the possession of the PHA upon which the PHA based the proposed action and, at the family's expense, to obtain a copy of such documents prior to the hearing. Requests for such documents or evidence must be received no later than three days before the hearing date.
- A notice to the family that the PHA will request a copy of any documents or evidence the family will use at the hearing. Requests for such documents or evidence must be received no later than three days before the hearing date.

**The PHA's Hearing Process**

After a hearing date is scheduled, the family may request to reschedule a hearing only upon showing "good cause," which is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family. Families have the right to:

- Present written or oral objections to the PHA's determination.
- Examine the documents which are the basis for the PHA's action, which were submitted to the Hearing Officer;
- Copy any relevant documents at their expense;
- Present any information or witnesses pertinent to the issue of the hearing; except for new evidence, or legal briefs which the PHA has not been given at least three full business days to examine (to include making a copy at PHA expense), at PHA offices, prior to the hearing. Such documents should not be left in drop boxes and must clearly be marked as Hearing Documents. In accordance with 24 CFR 982.555, if the family does not make the document available for examination on request of the PHA, the family may not rely on the document at the hearing.
- Request that PHA staff be available or present at the hearing to answer questions pertinent to the case; and
- Be represented by legal counsel, advocate, or other designated representative at their own expense.

If the family requests copies of documents relevant to the hearing, the PHA will make the copies for the family and assess a reasonable fee. In no case will the family or their representative, including legal counsel, be allowed to remove the original file from the PHA's office. In addition to other rights contained in this Chapter, the PHA has a right to:

- Present evidence and any information pertinent to the issue of the hearing;
- Be notified if the family intends to be represented by legal counsel, advocate, or another party;
- Examine and copy any documents to be used by the family prior to the hearing;
- Have its attorney present; and
- Have staff persons and other witnesses familiar with the case present.

The informal hearing shall be conducted by the Hearing Officer appointed by the PHA who is neither the person who made or approved the decision, nor a subordinate of that person. The PHA appoints only qualified hearing officer(s). The hearing shall concern only the issues for which the family has received the opportunity for hearing.

Evidence presented at the hearing may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings. Evidence not presented at the time of the hearing may not be accepted, unless such evidence was unavailable at the time of the hearing due to circumstances beyond the client's control. The decision to allow evidence not available at the time of the hearing will be decided at the hearing officer's discretion. The opposing party will always be given an opportunity to submit a written or oral response. No documents may be presented which have not been provided to the other party before the hearing if requested by the other party. "Documents" includes records and regulations.

The Hearing Officer(s) may ask the family for additional information and/or might adjourn the hearing in order to reconvene at a later date, before reaching a decision.

The hearing may be conducted by mail and/or telephone if acceptable to both parties.

If the family misses an appointment or deadline or is more than 15 minutes late for an appointment, they will be required to show "good cause" (as defined in the Glossary) or the action of the PHA shall take effect and another hearing will not be granted.

The Hearing Officer(s) will determine whether the action, inaction or decision of the PHA is legal in accordance with HUD regulations and this Administrative Plan based upon the evidence and testimony provided at the hearing. Factual determinations relating to the individual circumstances of the family will be based on a preponderance of the evidence presented at the hearing.

A notice of the hearing findings shall be provided in writing to the PHA and the family within 14 days and shall include:

- A clear summary of the decision and reasons for the decision;
- Notice that the Code of Civil Procedure, Sec 1094.6 governs the time within which judicial review must be sought.
- The date the decision goes into effect.
- If the PHA's decision is upheld by the Hearing Officer, a notice of termination of subsidy will be sent, stating that the subsidy will cease at the end of the month, following 30 days notice.

The PHA is not bound by hearing decisions:

- Which concern matters in which the PHA 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; or
- Which exceed the authority of the person conducting the hearing.

The PHA shall send a letter to the participant if it determines the PHA is not bound by the Hearing Officer(s)'s determination within ten days. The letter shall include the PHA's reasons for the decision.

All requests for a hearing, supporting documentation and a copy of the final decision will be retained in the family's file.

#### Transcripts

Either party may arrange, in advance and at the expense of the party making the arrangement, for a transcript of the hearing. Any interested party may purchase a copy of such transcript.

#### Agreement

The parties may agree in writing to follow a different procedure in the resolution of a grievance.

#### E. HEARING AND APPEAL PROVISIONS FOR "RESTRICTIONS ON ASSISTANCE TO NON-CITIZENS" [24 CFR Part 5, Subpart E]

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 on the INS appeal.

Assistance to a family may not be terminated or denied while the PHA hearing is pending, but assistance to an applicant may be delayed pending the PHA hearing.

#### INS Determination of Ineligibility

If an applicant, participant or any family member declares him or herself to be an eligible immigrant and the status is not verified by the INS SAVE or manual verification search system, the PHA will notify the head of household. The notice will be in writing and will include:

1. The name(s) of the person for whom the eligible immigration status was not verified.
2. A statement that their financial assistance will be terminated, if they are a current participant.
3. A statement of the family's eligibility for proration of assistance if the application includes eligible and ineligible family members which is considered a mixed family.
4. A statement of the eligibility for proration and temporary deferral of assistance, if eligible.
5. The right to appeal to the INS within thirty days of the PHA's decision and the right to request an informal hearing within ten days of written notice. The family's right to request an informal hearing with the PHA is in lieu of or subsequent to the INS appeal.

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

After receipt of a request for an informal hearing, the hearing is conducted as described in this chapter for both applicants and participants. If the hearing officer(s) decides that the individual is not eligible, and there are no other eligible family members the PHA will:

- Deny the applicant family.
- Defer termination if the family is a participant and qualifies for deferral.
- Terminate the participant if the family does not qualify for deferral.

If there are eligible member(s) in the family, the PHA will offer to prorate assistance or give the family the option to remove the ineligible member(s).

All other complaints related to eligible citizen/immigrant status:

- If any family member fails to provide documentation or certification as required by the regulation, that member is treated as ineligible. If all family members fail to provide the required documentation, the family will be denied or terminated for failure to comply.
- Participants whose termination is carried out after temporary deferral may not request a hearing since they had an opportunity for a hearing prior to the termination.
- 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.
- The PHA will terminate assistance if it is determined a family has knowingly permitted an ineligible person to live in the assisted unit without authorization.

**F. MITIGATING CIRCUMSTANCES FOR APPLICANTS/PARTICIPANTS WITH DISABILITIES [24 CFR 982.552(c)]**

When applicants are denied placement on the waiting list, or the PHA is terminating assistance, the family will be informed that the presence of a disability may be considered as a mitigating circumstance during the informal review process. Disability status does not affect the Non-Citizenship statute.

**Chapter 19**  
**SPECIAL HOUSING TYPES [24 CFR 982.601]**

**INTRODUCTION**

The PHA will permit the use of the following special housing types in its program:

- Single Room Occupancy Housing
- Group Homes
- Congregate Housing
- Shared Housing
- Cooperative Housing
- Manufactured Homes
- Homeownership
- Mod Rehabilitation Program

**A. SINGLE ROOM OCCUPANCY [24 CFR 982.602]**

HUD has determined that there is a demand for Single Room Occupancy (SRO) in this area. Therefore, a single person may reside in an SRO housing unit.

The PHA will use a separate lease and housing assistance payment contract for each assisted person residing in an SRO unit. [24 CFR 982.603]

**SRO Rent and Housing Assistance Payment [24 CFR 982.604]**

The PHA SRO payment standard is seventy-five percent (75%) of the zero bedroom payment standard schedule. For a person residing in an exception area the payment standard is seventy-five percent (75%) of the HUD-approved zero bedroom exception payment standard amount. While an assisted person resides in SRO housing, the SRO payment standard must be used to calculate the housing assistance payment.

**Utility Allowance**

The utility allowance for an assisted person residing in SRO housing is 75 percent (75%) of the zero bedroom utility allowance.

**Housing Quality Standards**

The PHA will ensure that all SRO units approved for the program are in compliance with all of the Housing Quality Standards for SROs as regulated in 24 CFR 982.605.

**B. CONGREGATE HOUSING [24 CFR 982.606]**

Eligible Congregate Housing Services Program (CHSP) services are those which assist the elderly, non-elderly people with disabilities, and temporarily disabled individuals to live

independently and prevent premature or unnecessary Institutionalization. Congregate Housing is a Project-Based rather than a Tenant-Based program.

The PHA may approve a family member or a live-in aide to reside with the elderly person or a person with disabilities.

The PHA will approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

#### Congregate Housing Lease and HAP Contract [24 CFR 982.607]

For congregate housing there will be a separate lease and HAP contract for each assisted family. Unless there is a live-in aide, the payment standard for a family that resides in a congregate housing unit is the zero-bedroom payment standard on the PHA payment standard schedule. However, if there are two or more rooms in the unit (not including kitchen or sanitary facilities), the payment standard for a family that resides in a congregate housing unit is the one bedroom payment standard amount.

If there is a live-in aide, the live-in aide will be counted in determining the family unit size.

#### Housing Quality Standards

The PHA will ensure that all congregate housing units approved for the program are in compliance with all of the Housing Quality Standards for congregate housing as regulated in 24 CFR 982.609.

#### C. GROUP HOMES [24 CFR 982.610, 982.612]

A group home must be licensed, certified, or otherwise approved in writing by the State, or the State's licensing department.

An elderly person or a person with disabilities may reside in a State-approved group home. If approved by the PHA, a live-in aide may reside in the unit with an elderly person or a person with disabilities.

The PHA must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities. Except for a live-in aide, all residents of a group home must be elderly persons or persons with disabilities. The live-in aide must have the approval of the PHA prior to residing in the unit.

The PHA will not approve assistance for a person to live in a group home if file documentation indicates that the person is in need of continual medical or nursing care.

No more than twelve persons may reside in a group home. This limit covers all persons who reside in the unit, including assisted and unassisted residents and any live-in aide.

**Group Home Lease and HAP Contract [24 CFR 982.611]**

There will be a separate HAP contract and lease for each assisted person living in a group home. The number of persons in the assisted household equals one assisted person plus any PHA-approved live-in aide.

**Group Home Rent and HAP Contract [24 CFR 982.613]**

The rent to the owner for an assisted person may not exceed the pro-rata portion of the reasonable rent for the group home.

*Meaning of pro-rata portion:* for a group home, the term "pro-rata portion" means the ratio derived by dividing the number of persons in the assisted household by the total number of residents (assisted and unassisted) residing in the group home. The number of persons in the assisted household equals one assisted person plus any PHA-approved live-in-aide.

The payment standard used to calculate the HAP is the lower of the payment standard for the family unit size or the pro-rata share of the payment standard for the group home size. The prorated share is calculated by dividing the number of persons in the assisted household by the number of persons (assisted and unassisted) living in the group home.

The reasonable rent for a group home is determined in accordance with 982.503. In determining reasonable rent the PHA will consider whether sanitary facilities, and facilities for food preparation and service, are common facilities or private.

**Maximum Subsidy**

Unless there is a live-in aide, the family unit size is one bedroom. If there is a live-in aide, the live-in aide will be counted in determining the family unit size.

The payment standard for a person who resides in a group home is the lower of the payment standard for the family unit size; or the pro-rata portion of the payment standard amount on the PHA payment standard schedule for the group home size.

**Utility Allowance**

The utility allowance for each assisted person residing in a group home is the pro-rata portion of the utility allowance for the group home unit size.

**Housing Quality Standards**

The PHA will ensure that all group home units approved for the program are in compliance with all of the Housing Quality Standards for group homes as regulated in 24 CFR 982.614.

**D. SHARED HOUSING [24 CFR 982.615]**

Shared housing is a single housing unit occupied by an assisted family and another resident or residents. The shared unit consists of both common space for use by the occupants of the unit and separate private space for each assisted family. An assisted family may share a unit with other persons assisted under the HCV program or with other unassisted persons.

### Occupancy

In shared housing the unit may be a house or an apartment.

The PHA may also approve a live-in aide to reside with a family in order to care for a person with a disability. The PHA must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities. The live-in aide must have the approval of the PHA prior to residing in the unit.

The owner of a shared housing unit may reside in the unit as long as the owner is not related to the tenant. The PHA will not approve shared-housing for a person or family that is related by blood, marriage or adoption to a resident owner, even as a reasonable accommodation.

A resident owner may enter into a HAP contract with the PHA. However, housing assistance may not be paid on behalf of an owner. The PHA will not approve assistance for a person or family that is related by blood, marriage or adoption to a resident owner, even as a reasonable accommodation.

There will be a separate housing assistance payment contract and lease for each assisted family residing in a shared housing unit.

### Rent and HAP Contract

For shared housing, the term "pro-rata portion" means the ratio derived by dividing the number of bedrooms in the private space available for occupancy by a family by the total number of bedrooms in the unit. For example, for a family entitled to occupy three bedrooms in a five bedroom unit, the ratio would be 3/5.

The rent to owner for the family may not exceed the pro-rata portion of the reasonable rent for the shared housing dwelling unit. The reasonable rent must be in accordance with the guidelines set in the "Owner Rents, Rent Reasonableness, and Payment Standards", Chapter 11 of this Administrative Plan.

### Maximum Subsidy

For a family that resides in a shared housing unit the payment standard is the lower of the payment standard amount on the PHA payment schedule for the family unit size or the pro-rata portion of the payment standard amount on the PHA payment standard for the shared housing unit size.

If the PHA approves a live-in aide, the live-in aide will be counted in determining the family unit size.

#### Utility Allowance

The utility allowance for an assisted family living in shared housing is the pro-rata portion of the utility allowance for the shared housing unit.

#### Housing Quality Standards

The PHA will ensure that all shared housing units approved for the program are in compliance with all of the Housing Quality Standards for shared housing as regulated in 24 CFR 982.618.

#### F. COOPERATIVE HOUSING [24 CFR 982.619]

The PHA will approve a family living in cooperative housing if it is determined that assistance under the program will help maintain affordability of the cooperative unit for low-income families. The PHA will not approve assistance for a family in cooperative housing until the PHA has also determined that the cooperative has adopted requirements to maintain continued affordability for low-income families after transfer of a cooperative member's interest in a cooperative unit (such as a sale of the resident's share in a cooperative corporation).

The reasonable rent in cooperative housing is determined in accordance with "Owner Rents, Rent Reasonableness, and Payment Standards", Chapter 11 of this Administrative Plan. For cooperative housing, the rent to the owner is the monthly carrying charge under the occupancy agreement/lease between the member and the cooperative.

The carrying charge consists of the amount assessed to the member by the cooperative for occupancy of the housing. It includes the member's share of the cooperative's debt service, operating expenses, and necessary payments to cooperative reserve funds. However, the carrying charge does not include down payments or other payments to purchase the cooperative unit, or to amortize a loan to the family for this purpose. Gross rent is the carrying charge plus any utility. For a cooperative, rent adjustments are applied to the carrying charge as determined in "Owner Rents, Rent Reasonableness, and Payment Standards", Chapter 11 of this Administrative Plan.

The lease and other appropriate documents will stipulate that the monthly carrying charge is subject to Housing Choice Voucher Program limitations on rent to the owner. The housing assistance payment will be determined in accordance with the guidelines in "Owner Rents, Rent Reasonableness, and Payment Standards", Chapter 11 of this Administrative Plan.

The PHA may approve a live-in aide to reside with the family to care for a person with disabilities. The PHA will approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities. If the PHA approves a live-in aide, the live-in aide will be counted when determining the family unit size.

The live-in aide must have the approval of the PHA prior to residing in the unit.

**Housing Quality Standards**

The PHA will ensure that all cooperative housing units approved for the program are in compliance with all of the Housing Quality Standards outlined in "Housing Quality Standards and Inspections", Chapter 10 of this Administrative Plan, and regulated by 24 CFR 982.401.

**F. MANUFACTURED HOMES [24 CFR 982.620]**

The PHA will permit a family to lease a manufactured home and space with assistance under the program. The PHA will provide assistance for a family that owns the manufactured home and leases only the space.

The PHA may approve a live-in aide to reside with a family to care for a person with disabilities.

The PHA will approve a live-in aide if needed as a reasonable accommodation so that the program is accessible to and usable by persons with disabilities. If the PHA approves a live-in aide, the live-in aide must be counted when determining the family unit size.

**Housing Quality Standards [24 CFR 982.621]**

A manufactured home must meet all the HQS requirements outlined in the "Housing Quality Standards and Inspections", Chapter 10 of this Administrative Plan, and regulated by 24 CFR 982.401. In addition the manufactured home also must meet the following requirements:

- A manufactured home must be placed on the site in a stable manner, and must be free from hazards such as sliding or wind damage.
- A manufactured home must be securely anchored by a tie-down device that distributes and transfers the loads imposed by the unit to appropriate ground anchors to resist wind overturning and sliding.

**Manufactured Home Space Rental [24 CFR 982.622]**

Rent to an owner for a manufactured home space will also include payment for maintenance services that the owner must provide to the tenant under the lease for the space.

Rent to owner does not include the cost of utilities and trash collection for the manufactured home. However, the owner may charge the family a separate fee for the cost of utilities or trash collection provided by the owner.

**Reasonable Rent**

During the assisted tenancy, the rent to owner for the manufactured home space may not exceed a reasonable rent as determined by the PHA.

The PHA will not approve a lease for a manufactured home space until the PHA has determined that the initial rent to owner for the space is a reasonable rent. At least annually during the assisted tenancy, the PHA will re-determine that the rent is reasonable.

The PHA will determine whether the rent to the owner for a manufactured home space is a reasonable rent in comparison to rents for other comparable manufactured home spaces. The PHA will consider the size and location of the space and any services and maintenance provided by the owner in accordance with the lease.

By accepting each monthly housing assistance payment from the PHA, the owner of the manufactured home space certifies that the rent to owner for the space is not more than rent charged by the owner for unassisted rental of comparable spaces in the same manufactured home park or elsewhere. If requested by the PHA, the owner must provide the PHA information on rents for other manufactured home space.

#### Housing Assistance Payments for Manufactured Home Space [24 CFR 982.623]

The Fair Market Rent (FMR) for a manufactured home space will be determined by HUD.

#### HAF for the Voucher Tenancy

There is a separate FMR for a family renting a manufactured home space. The payment standard used to calculate the monthly housing assistance payment for a family. The FMR for the rental of a manufactured home space is generally forty percent (40%) of the published FMR for a two-bedroom unit.

#### Subsidy Calculation for the Voucher Program

During the term of a voucher tenancy, the amount of the monthly housing assistance payment for a family will equal the lesser of:

- The payment standard minus the total tenant payment; or
- The rent paid for rental of the real property on which the manufactured home owned by the family is located (the space rent) minus the total tenant payment.

The space rent is the sum of the following as determined by the PHA:

- Rent to the owner for the manufactured home space;
- Owner maintenance and management charges for the space;
- The utility allowance for tenant-paid utilities.

#### Utility Allowance Schedule for Manufactured Home Space Rental [24 CFR 982.624]

For the first twelve months of the initial lease term only, the allowances will include a reasonable amount for utility hook-up charges payable by the family, if the family actually incurs the expenses because of a move.

Allowances for utility hook-up charges do not apply to a family that leases a manufactured home space in place.

Utility allowances for manufactured home space will not be applied to cover the costs of digging a well or installation of a septic system.

**G. HOMEOWNERSHIP [24 CFR 982.625] to [24 CFR982.643]**

**Overview**

The Section 8 Housing Choice Voucher program permits eligible participants in the Housing Choice Voucher program, including participants with portable vouchers, the option of purchasing a home with their voucher assistance rather than renting.

Eligible families will be current Housing Choice Voucher participants. Public Housing residents are also eligible as long as applicable transfer requirements between the Public Housing program and Housing Choice Voucher program are met and vouchers are available. The Housing Choice Voucher Homeownership Program can only be offered to those eligible for the voucher program. In addition, families can have no outstanding debt to the PHA or other Public Housing Authority, and must have successfully completed a certified homebuyer training program provided by a recognized HUD homeowner-counseling agency.

**Types of Assistance:**

The PHA may provide only one of two forms of homeownership assistance, either:

1. Monthly homeownership assistance payments; or
2. A single down payment assistance grant

SHRA provides monthly homeownership assistance payments

A family may receive only one of two forms of homeownership assistance from the PHA. A family that includes a person who was an adult member of the family that previously received either of the two forms of homeownership assistance may not receive the other form of assistance from any PHA.

**Limitation**

The homeownership program is limited to 5% of the total Housing Choice Voucher program administered by the PHA in any fiscal year, provided that elderly or disabled families shall not be subject to the five percent annual limitation. In addition, no more than 20% of the total number of voucher units funded shall be allocated to the homeownership program at any one time. Elderly or disabled families shall not be included in the calculation of the 20% maximum.

**Eligible Types of Homes**

The family approved for homeownership assistance may purchase any of the following types of homes anywhere within Sacramento County:

1. A new or existing single-family or condominium home, including a home in a planned use development.
2. Cooperative
3. Loft or live/work unit
4. Manufactured home to be situated on a privately owned lot or on a leased pad in a mobile home park.

The home must already exist or be under construction at the time the family commits to purchasing the unit.

#### Portability [24 CFR 982.636]

The PHA will allow portability of homeownership assistance to another jurisdiction, provided the receiving jurisdiction is administering a voucher homeownership program and is accepting new families. Public Housing residents may also be eligible as long as applicable transfer requirements between the Public Housing program and the Housing Choice Voucher program are met and vouchers are available. A family's participation in the Housing Choice Voucher program will be subject to the Housing Choice Voucher Homeownership program and policies of the receiving jurisdiction.

The PHA will verify the form of homeownership assistance a family was receiving from the initial PHA. If the family includes an adult household member who previously benefited from a homeownership down-payment assistance grant, the family will not be eligible to receive homeownership assistance from SHRA.

#### Family Eligibility Requirements [24 CFR 982.627]

Participation in the Housing Choice Voucher Homeownership Program is voluntary. Each homeownership participant must meet the general requirement for admission to the Housing Choice Voucher Program as set forth in the Housing Choice Voucher Program Administrative Plan.

The Housing Choice Voucher Program family must also be eligible to participate in the PHA Homeownership Program, as follows:

1. Be a first-time Home Buyer;
2. Meet minimum income and employment duration requirements;
3. Have fully repaid any outstanding debt owed to the PHA;
4. Not defaulted on a mortgage securing debt to purchase a home under the homeownership option; and
5. Not have any member who has a present ownership interest in a residence at the commencement of homeownership assistance.

**First-Time Homeowner**

Each Housing Choice Voucher Family must be a first-time homeowner, meaning that no member of the household has had an ownership interest in any residence during the three years preceding commencement of homeownership.

A single parent or displaced homemaker who, while married, owned a home with a spouse (or resided in a home owned by a spouse) is considered a "first-time homeowner" for the purpose of the Housing Choice Voucher Homeownership Program. A member of a cooperative who has an existing right to purchase through the lease-purchase agreement also qualifies as a first-time homeowner.

A current participant of the homeownership program who exercises the portability option and purchases another with homeownership assistance is not required to meet the definition of a first-time homeowner.

**Minimum Income Requirement**

At the time the family begins receiving homeownership assistance, the head of household, spouse, and/or other adult household members who will own the home, must have gross annual income of at least equal to the Federal minimum hourly wage multiplied by 2,000 hours.

For the purposes of the Housing Choice Voucher Homeownership Program only, the PHA will disregard any "welfare assistance" income in determining whether the family meets the minimum income requirement. Welfare assistance includes Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI), food stamps, General Assistance, or other welfare assistance specified by HUD. The disregard of welfare assistance income under this section affects the determination of minimum monthly income in determining initial qualification for the homeownership program.

In the case of an elderly or disabled family the PHA shall include welfare assistance for the adult family member who will own the home in determining if the family meets the minimum income requirement.

The determination of income-eligibility for admission to the Housing Choice Voucher program, calculation of the family's total tenant payment, or calculation of the amount of homeownership assistance payments is not affected by this income disregard.

**Employment History**

Each family must demonstrate that one or more adult members of the family who will own the home at commencement of homeownership assistance is employed full-time an average of 30 hours per week and has been continuously employed for one year prior to execution of the sales agreement. One thirty-day break in service during the twelve-month period shall be allowed. The employment history requirement does not apply to an elderly or disabled family.

**Repayment of Any PHA Debts**

Participants in the Housing Choice Voucher Program shall be ineligible for participation in the Housing Choice Voucher Homeownership Program in the event any debt or portion of debt remains owed to the PHA or any other Public Housing Authority.

**Prior Mortgage Defaults**

If the head of household, spouse, or other adult household member who will execute the contract of sale, mortgage, or other loan documents has previously defaulted on a mortgage obtained through the Housing Choice Voucher Homeownership Program, the family will be ineligible to participate in the homeownership program. Default shall be declared when an adult household member does not fulfill his/her mortgage obligations(s) in a timely manner and vacates the premises without making suitable arrangements with the lender(s) and the PHA.

**Family Participation Requirements**

Once a family is determined to be eligible to participate in the program, they must comply with the following additional requirements:

1. Complete a homeownership counseling program approved by the PHA prior to issuance of a homeownership voucher.
2. Locate the home it proposes to purchase within a specified time frame;
3. Submit a sales agreement containing specific components to the PHA for approval;
4. Allow the PHA to inspect the proposed homeownership dwelling to assure that the dwelling meets Housing Quality Standards;
5. Obtain an independent inspection whereby the inspector is licensed and certified to evaluate major building systems and components;
6. Obtain PHA approval of the proposed mortgage;
7. Enter into a written agreement with the PHA to comply with all of its obligations under the Housing Choice Voucher Program, including the Homeownership Option;
8. Use a real estate professional.

**Homeownership Counseling Program**

A family's participation in the home ownership program is conditioned on the family attending and successfully completing a homeownership and housing counseling program approved by the PHA prior to commencement of homeownership assistance.

The homeownership and counseling program will cover home maintenance, budgeting and money management, credit counseling, negotiating purchase price, securing mortgage financing while avoiding predatory lenders, finding a home, fair housing issues, and the advantages of

purchasing and locating homes in areas that do not have a high concentration of low-income families.

The PHA may require families to participate in a PHA-approved homeownership counseling program on an ongoing basis.

#### Locating and Purchasing a Home

A Homeownership Program Voucher will be issued when the family has met all eligibility requirements, including completing the approved homeownership counseling program and pre-approval of a mortgage loan from a lender. From the time the homeownership voucher is issued, the family will have six months to locate a home to purchase. A home shall be considered if the family submits a proposed sales agreement with the requisite components to the PHA. If a suitable home to purchase is not located within six months, the voucher shall expire. If the family had entered into a contract to purchase but the renovation or construction is not complete within the six month period, the voucher will be extended by the length of time necessary to compensate for any such construction delay that is beyond the control of the participant.

The family may convert their Homeownership Voucher to a rental voucher at any time during the original six-month period provided the family had a rental voucher previously. If the family was a Public Housing resident the family will not receive a rental voucher but may choose to remain a resident of Public Housing.

Homeownership Voucher holders and Public Housing residents whose assistance expires must wait a year before reapplying for the Homeownership program.

#### Lease-Purchase

Families may enter into lease-purchase agreements while receiving Housing Choice Voucher assistance. All requirements of the Housing Choice Voucher Program apply to lease-purchase agreements, except that families are permitted to pay an extra amount out-of-pocket to the owner for purchase related expenses – a homeownership premium. Any homeownership premium, defined as an increment of value attributable to the value of the lease-purchase right or agreement, is excluded from PHA rent reasonableness and subsidy calculation, and must be absorbed by the family. When a lease-purchase participant family is ready to exercise their option, they must apply for the homeownership option. If determined eligible for homeownership assistance, the family may be admitted to the homeownership program and must meet all the requirement of these policies. Such families may be allowed to "fast track" their counseling requirement in light of their more abbreviated home search.

#### Sales Agreement

Prior to execution of the offer to purchase or sales agreement, the family must provide the financing terms to the PHA for approval. The sales agreement must provide for inspection by the PHA and the required independent inspection, and that the purchaser is not obligated to purchase unless such inspections are satisfactory to the PHA. The contract must provide for at

least a one year home warranty. The contract must also provide that the purchaser is not obligated to pay for any necessary repairs without approval of the PHA and that the purchaser is not obligated to purchase if the mortgage finance terms are not approved by the PHA. It must also contain a seller certification that the seller is not disbarred, suspended, or subject to a limited denial of participation under 24 CFR part 24.

#### Required Inspections

To assure that the home complies with the housing quality standards of the Housing Choice Voucher Program, homeownership assistance payments may not commence until the PHA first inspects the home. The PHA inspection shall be the initial response to receipt of a sales agreement.

An independent inspection of existing homes covering major building systems also must be completed by a professional selected by the family and approved by the PHA. The independent inspection report must be provided for the PHA. The PHA may disapprove the unit due to information contained in the report or for failure to meet housing quality standards.

#### Financing Requirements

The proposed financing terms must be submitted to and approved by the PHA prior to close of escrow. Balloon payments and loans with predatory practices will not be approved.

Requests to obtain financing for a Home Equity loan will not be approved by the PHA.

The PHA will only approve a request to refinance for the following reasons:

1. To allow the homeowner to take advantage of a lower interest rate.
2. To allow the homeowner to make necessary major repairs. The amount of cash out to make the repair shall not exceed 2% of the initial loan amount.

#### Compliance with Family Obligations

A family must agree in writing to comply with all family obligations under the Housing Choice Voucher program and PHA homeownership policies. The obligations include the following:

1. Any information the family supplies must be true and correct.
2. The family must disclose and verify social security numbers and employer identification numbers, sign and submit consent forms for obtaining information and supply any other information that the PHA or HUD determines to be necessary
3. Submit PHA required reports on the family's progress in finding and purchasing a home.
4. Attend and satisfactorily complete any PHA-required homeownership and housing counseling.

5. Select and pay for a pre-purchase inspection by an independent professional inspector.
6. Enter into a contract of sale with the seller of the unit and promptly provide a copy of the contract of sale to the PHA.
7. Obtain and maintain flood insurance for homes in special flood hazard areas.
8. Comply with the terms of any mortgage securing debt incurred to purchase the home.
9. Promptly notify the PHA in writing when:
  - the family moves away from the home for an extended period of time in accordance with PHA policies or;
  - before the family moves out.
10. Allow only PHA approved family members, live-in aide or foster child to live in the home.
11. Promptly notify the PHA in writing of the birth, adoption, or court awarded custody of a child, and request PHA written approval to add any other family member as an occupant of the home. Promptly notify the PHA in writing if any family member no longer lives in the home.
12. Supply any information as required by the PHA or HUD concerning any
  - mortgage or other debt and information on any satisfaction or payment of the mortgage debt;
  - any sale or other transfer of any interest in the home; or
  - the family's homeownership expenses.
13. Promptly notify the PHA in writing if the family defaults on a mortgage securing any debt incurred to purchase the home.
14. Will not commit fraud, bribery or any other corrupt or criminal act in connection with any Federal housing program not engage in drug-related criminal activity or violent criminal activity.
15. Will not lease, sublet, transfer or convey the home except to grant a mortgage on the home for debt incurred to finance purchase of the home.
16. Will not receive homeownership assistance while receiving another housing subsidy for the same home or a different unit under any Federal, State or local housing assistance program.
17. Comply with any additional PHA requirements for family search and purchase of a home and continuation of homeownership assistance for the family.

Amount of Assistance

The amount of the monthly assistance payment will be based on three factors:  
1. The voucher payment standard for which the family is eligible;

2. The monthly homeownership expense; and
3. The family's household income

The PHA will pay the lower of either the payment standard minus the family contribution (TFC) or the family's monthly homeownership expenses minus the TFC. The Housing Choice Voucher family will pay the difference.

#### Determining the Payment Standard

The voucher payment standard is the fixed amount the PHA annually establishes as the "fair market" rent for a unit of a particular size located within the PHA jurisdiction. In the homeownership program, the initial payment standard will be the lower of either:

- The payment standard for which the family is eligible based on family size; or
- The payment standard which is applicable to the size of the home the family decides to purchase.

The payment standard for subsequent years will be based on the higher of:

- The payment standard in effect at the commencement of the homeownership assistance; or
- The payment standard in effect at the most recent regular reexamination of the family's income and size.

The initial payment standard, for purposes of comparison, shall not be adjusted even if there is a subsequent decrease in family size. The PHA will request HUD approval of a higher payment standard where warranted as a reasonable accommodation for a family that includes a person with disabilities.

#### Determining Monthly Home Ownership Expense

Monthly homeownership expense includes all of the following:

- Principal and interest on the initial mortgage and any Mortgage Insurance Premium (MIP) incurred to finance the purchase and any refinancing of such debt;
- Real estate taxes and public assessments;
- Homeowner's insurance;
- Maintenance expenses per PHA allowance;
- Costs of major repairs and replacements per PHA allowance (replacement reserves);
- Utility allowance per PHA's schedule of utility allowances;
- Principal and interest on mortgage debt incurred to finance major repairs.
- Replacements or improvements for the home including changes needed to make the home accessible; and

- Homeowner association dues, fees or regular charges assessed, if any.

Homeownership expenses for a cooperative member may only include PHA approved amounts for the cooperative charge under the cooperative occupancy agreement including payment for real estate taxes and public assessments on the home, principal and interest on initial debt incurred to finance purchases of cooperative membership shares and refinancing of such debt, home insurance, the allowances for maintenance expenses, major repairs and replacements and utilities, and principal and interest on debt incurred to finance major repairs, replacements, or improvements, including changes needed to make the home accessible.

#### Determining the Family Contribution

The Total Family Contribution (TFC) is that portion of the homeownership expense that the family must pay. TFC is generally 30% of the family's adjusted income, plus any gap between the payment standard and the actual housing cost. All family income (including public assistance) will be counted to determine the family's adjusted monthly income for purposes of determining the amount of assistance.

At year 11 of the homeownership participation the PHA will consider the value of the home as an asset in determining the family's annual income and the household's contribution.

#### Payment to the Family or Lender

The PHA will make the housing assistance payment directly to the lender. At the discretion of the Assistant Director other arrangements may be made on an emergency basis.

#### Buying Another Home with Housing Choice Voucher Homeownership Assistance

The family can move to another unit under the Housing Choice Voucher Homeownership program after five years provided there is no mortgage default, no late payments and no violations of the homeownership obligations during the previous year.

The Housing Authority may deny permission to move to a new unit with continued assistance if it is determined that the Housing Authority does not have sufficient funding to provide additional assistance.

The Housing Authority will not commence housing assistance payments for occupancy of the new unit so long as any family member owns any title or other interest in the prior unit.

All initial requirements for the Housing Choice Voucher Homeownership program must be met with the exception of the requirement that the family must be a first-time homeowner.

The housing authority may require that the family complete additional counseling before and after moving to a new unit under the homeownership program.

Time limits for participation in the homeownership program applies to the cumulative time the family may receive homeownership assistance.

#### Grounds for Termination of Homeownership Assistance

A family's homeownership assistance may be terminated if the family fails to comply with its obligations under the Housing Choice Voucher program, PHA homeownership policies, or if the family defaults on the mortgage. Additional grounds for termination are met when the family fails to:

- Attend and complete ongoing homeownership and housing counseling classes.
- Comply with the terms of any mortgage incurred to purchase and/or refinance the home.
- Provide the PHA with a written 30 days notice of any sale or transfer of any interest in the home (including a short sale or foreclosure); any plan to move out of the home prior to the move; the family's household income and homeownership expenses on an annual basis; any notice of mortgage default received by the family; any loan modification or refinance contracts; any other notices which may be required pursuant to the PHA homeownership policies. Except as otherwise provided in this section, the family may not convey or transfer the home to any entity or person other than a member of the assisted family while receiving homeownership assistance.

Homeownership assistance will only be provided while the family resides in the home. If the family moves out of the home, the PHA will not continue homeownership assistance commencing with the month after the family moves out. Neither the family nor the lender is obligated to reimburse the PHA for homeownership assistance paid for the month the family moves out.

A participant in the Housing Choice Voucher Homeownership Program shall be entitled to the same termination notice and informal hearing procedures as set forth in the Administrative Plan of the Housing Choice Voucher Program.

#### **Recapture of Assistance**

The PHA will not impose or enforce any requirement for recapture of voucher homeownership assistance on the sale or refinancing of a home purchased with assistance under the homeownership program.

#### Default and Continued Participation in the Housing Choice Voucher Program

If the family defaults on any mortgage, the PHA may permit the family to move with continued Housing Choice Voucher rental assistance, if the family demonstrates that it has conveyed title to the home to HUD or its designee, as required by the lender, the PHA, or HUD; and moved from the home within the period established or approved by the lender, the PHA, or HUD.

**Administrative Fee**

For each month that homeownership assistance is paid by the PHA on behalf of the family, the PHA shall be paid the ongoing administrative fee described in 24 CFR 982.152(b).

**Program Changes**

The Assistant Director shall have the discretion to waive or modify any provision of the Housing Choice Voucher Homeownership Program or policies not governed by statute or regulation for good cause or to comply with changes in HUD regulations or directives.

Mortgage Defaults: the PHA may permit the family to move with continued homeownership assistance if the default is due to catastrophic medical reasons or to the impact of a federally declared disaster.

**H. MODERATE REHABILITATION PROGRAM [24 CFR 882 Subpart D and E]**

The Moderate Rehabilitation (Mod Rehab) Program was established through the Housing and Community Development Amendment of 1978 to bridge the gap between Section 8 Substantial Rehabilitation and Section 8 Rental Assistance and was intended to upgrade marginally deteriorated existing buildings for use as assisted rental housing. The program was repealed in 1991 and no new projects are authorized for development.

**Family Outreach**

The PHA uses separate wait lists for tenant based and project based housing.

**Tenant Selection**

All vacant units under the HAP contract must be rented to eligible families referred by the PHA. The owner must be willing to accept applicants from the wait list to fill vacant units when they meet the owner's selection criteria, in order for the unit to continue to be eligible under the HAP contract. Owners may reject referrals from the PHA for reasons related to suitability. The owner must provide the PHA the reason for rejection of the referrals made to Mod Rehab units in writing.

The PHA is responsible for obtaining income, asset and allowance information, conducting verifications and determining tenant eligibility and rent. Applicants taken off the wait list will be requested to complete a full application to determine final eligibility. Families who's Total Tenant Payment, computed in accordance with Federal regulations, exceed the current Gross Rent for the Mod Rehab for the Mod-Rehab unit will not be admitted.

If the PHA is unable to refer a sufficient number of interested applicants from the wait list within 30 days of the owner's notification of the vacancy, the owner may advertise or solicit applicants and refer the families to the PHA for application, verifications, and eligibility determination.

**Determining Unit Size**

The size of the families referred to the Mod-Rehab unit will be based on the number of bedrooms available in the unit pursuant to the Subsidy Standard schedule in this plan.

When a change in family composition requires a change in bedroom size, the PHA will determine whether the unit is overcrowded or under occupied, in which case the owner must offer the family a suitable alternative unit should one be available and the family will be required to move.

If the owner does not have a suitable available unit, the PHA must assist the Family in locating other standard housing in the locality within the Family's ability to pay and require the Family to move to such a unit as soon as possible. In no case will a Family be forced to move nor will housing assistance payments under the Contract be terminated unless the Family rejects without good reason the offer of a unit which the PHA judges to be acceptable.

#### Statement of Family Responsibilities, and Briefing

After the family has been determined eligible, the family will be issued a Statement of Family Responsibility for participation in the Mod-Rehab Program at a briefing. Families who fail to attend two scheduled briefings without prior notification and approval from the PHA may be denied admission based on failure to complete the certification process.

The PHA will conduct the briefing in group or individual sessions and will provide a full explanation of the following:

- Family obligations as stated in the Statement of Family Responsibility and the program regulations;
- That fact that the subsidy is tied to the unit and the family must occupy a unit rehabilitated under the program;
- The family's options under the program should the family be required to move due to an increase or decrease in family size;
- Information as to the Family Rent; and
- The schedule of Allowances for Utilities.

#### Lease Agreement

The owner and tenant must execute a lease agreement and provide an executed copy to the PHA.

#### Security Deposit Requirements

The maximum amount of security deposit that can be collected by the owner shall be the greater of one month's Total Tenant Payment or \$50.00

#### Housing Quality Standards and Inspections

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In addition to the inspections identified in this plan, the PHA will conduct a move-out or vacate inspection at the owner's request only if the owner intends to file a claim for damages and vacancy loss (see Vacancy Loss in the Glossary).

If the owner fails to comply with housing quality standards and other obligations under the contract, the PHA will abate the housing assistance payment for that unit until the owner is in compliance. If the owner fails to meet the compliance requirements within the timeframe specified under the abatement, the assistance for that unit will be terminated.

The termination of any effected unit does not automatically terminate the entire contract. However the contract is amended to reduce the number of eligible units to exclude those units for which the owner failed to bring into compliance with the HQS contract.

Upon amendment or termination of a contract, the family may elect to stay in the unit and pay market rent; however, their rental assistance will terminate since the units does not meet HQS and was removed as an assisted unit under the contract.

If the family was not at fault and they are eligible for continued assistance, the family may continue to receive housing assistance through the conversion of the Mod-Rehab unit to a Housing Choice Voucher. Once the termination notice has been issued, the unit will not be reinstated even if the owner proceeds to make the repairs.

The family will be issued a voucher, which must be used in a non-Mod-Rehab project. The unit continues to count as a Mod-Rehab unit and remains under the Mod-Rehab Annual Contributions Contract (ACC), which provides for such a conversion of unit(s); no amendment to the ACC is necessary to convert to a voucher.

#### Contract Rent Adjustments

Contact rent adjustments are based on the published Annual Adjustment Factor (AAF). The AAF is applied to the original base rent in effect at the time of the HAP contract execution. Rent changes will be applied annually at the anniversary date of the HAP contract.

#### Family Moves

The Mod-Rehab Program provides project based assistance, which is tied to the unit under contract. Therefore, if a family vacates the unit, no additional assistance will be available to the family unless the family transfers to another Mod-Rehab unit with the approval of the PHA and the property owner.

All termination of lease agreement for cause must be carried out through the judicial process under the State and local law. The owner cannot terminate or refuse to renew the lease except upon the following grounds:

- Serious or repeated violation of the terms and conditions of the lease;
- Violation of applicable Federal, State or local law; or

- Other good cause.

The owner must serve a written termination of tenancy to the family, which states the date the tenancy will terminate.

#### Vacancy Loss

*Vacancies after initial occupancy:*

1) If an Eligible Family vacates its unit (other than as a result of action by the owner which is in violation of the Lease or the Contract or any applicable law), the owner may receive the housing assistance payments due under the Contract for so much of the month in which the family vacates the unit as the unit remains vacant. Should the unit continue to remain, the owner may receive from the PHA a housing assistance payment in the amount of 80% of the Contract Rent for a vacancy period not exceeding an additional month. However, if the owner collects any of the family's share of the rent for this period, the payment must be reduced to an amount which, when added to the family's payment, does not exceed 80% of the Contract Rent. Any such excess must be reimbursed by the owner to the PHA. The owner will not be entitled to any payment under this paragraph (b)(1) of this section unless the owner:

- immediately upon learning of the vacancy, has notified the PHA of the vacancy or prospective vacancy; and
- has taken and continues to take all feasible actions specified in paragraphs 24 CFR 882.411(a) (2) and (3).

2) If the owner evicts an eligible family, the owner will not be entitled to any payment under paragraph (b)(1) of this section unless the PHA determines that the owner complied with all requirements of the Contract.

*Prohibition of double compensation for vacancies:* The owner will not be entitled to housing assistance payments with respect to vacant units under this section if the owner is entitled to payments from other sources (for example, payments for losses of rental income incurred for holding units vacant for relocates pursuant to Title I of the HCD Act of 1974 or payments for unpaid rent under §882.414.

#### Denial or Termination of Assistance

In accordance with 24 CFR 882.413 the PHA may terminate assistance to Mod-Rehab participants for the following reasons:

- Failure to comply with all provisions of the lease agreement;
- Failure to maintain tenant responsible utilities; and
- Failure to fulfill all of its obligations under the Statement of Family Responsibility, which include the following:
  1. Providing such family income information and records as may be required in the administration of the program;

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2. Permitting inspection of its dwelling unit at reasonable times after reasonable written notice;
3. Giving at least 30 days notice in writing to the PHA of the family's intention to vacate the unit;
4. Cooperating with the PHA in finding another unit when the family is no longer eligible for the contract unit it occupies because of a change in family size;
5. Not assigning the lease or subleasing the premises;
6. Not providing accommodations for boarders or lodgers; and
7. Engaging in drug-related criminal activity or violent criminal activity, including criminal activity by any family member.

GLOSSARY

**ACRONYMS USED IN SUBSIDIZED HOUSING**

AAAF	Annual Adjustment Factor.
ACC	Annual Contributions Contract
BR	Bedroom
CDBG	Community Development Block Grant
CFR	Code of Federal Regulations.
CR	Contract Rent
FDIC	Federal Deposit Insurance Corporation
FHA	Federal Housing Administration
FCIA	Federal Insurance Contributions Act - Social Security taxes
FMR	Fair Market Rent
FY	Fiscal Year
FYE	Fiscal Year End
GAO	Government Accounting Office
GR	Gross Rent
HAP	Housing Assistance Payment
HCDA	Housing and Community Development Act
HO	Home Ownership
HQS	Housing Quality Standards
HUD	Department of Housing and Urban Development
IRA	Individual Retirement Account
OIG	Office of Inspector General
PBA	Project-Based Assistance
PS	Payment Standard
QC	Quality Control
RFTA	Request for Tenancy Approval
RFP	Request for Proposals
SHRA	Sacramento Housing and Redevelopment Agency
SRO	Single Room Occupancy
TR	Tenant Rent
TTP	Total Tenant Payment
UA	Utility Allowance
URP	Utility Reimbursement Payment

**B. GLOSSARY OF TERMS IN SUBSIDIZED HOUSING**

**ABATEMENT:** Permanent withholding of the HAP for the duration that the assisted unit is not in compliance with Housing Quality Standards after the initial thirty day repair timeframe.

**ABSORPTION:** In portability, the point at which a receiving PHA stops billing the initial PHA for assistance on behalf of a portability family. The receiving PHA uses funds available under the receiving PHA consolidated ACC.

**ACC RESERVE ACCOUNT:** Account established by HUD from amounts by which the maximum payment to the PHA under the consolidated ACC (during a PHA fiscal year) exceeds the

amount actually approved and paid. This account is used as the source of additional payments for the program.

**ADJUSTED INCOME:** Annual income, less allowable HUD deductions.

**ADMINISTRATIVE FEE:** Fee paid by HUD to the PHA for administration of the program.

**ADMINISTRATIVE FEE RESERVE:** Account established by PHA from excess administrative fee income. The administrative fee reserve must be used for housing purposes.

**ADMINISTRATIVE PLAN:** The HUD required written policy of the PHA governing its administration of the Section 8 Certificate and Voucher program. The Administrative Plan and any revisions must be approved by the PHA's board and a copy submitted to HUD.

**ADMISSION:** The effective date of the first HAP contract for a family (first day of initial lease term) in a tenant-based program. This is the point when the family becomes a participant in the program.

**ADULT:** A Person aged 18 years or older.

**ANNUAL CONTRIBUTIONS CONTRACT (ACC):** A written contract between HUD and a PHA. Under the contract HUD agrees to provide funding for operation of the program, and the PHA agrees to comply with HUD requirements for the program.

**ANNUAL INCOME:** The anticipated total Annual Income of an eligible family from all sources for the 12-month period following the date of determination of income computed in accordance with the regulations.

**ANNUAL ADJUSTED INCOME:** The Annual Income (described above) less the HUD-approved allowances.

**APPLICANT (or applicant family):** A family that has applied for admission to a program, but is not yet a participant in the program.

**"AS-PAID" STATES:** States where the welfare agency adjusts the shelter and utility component of the welfare grant in accordance with actual housing costs.

**ASSETS:** (See Net Family Assets.)

**ASSISTED TENANT:** A tenant who pays less than the market rent as defined in the regulations. Includes tenants receiving rent supplement, Rental Assistance Payments, or Section 8 assistance and all other 236 and 221 (d)(3) BMIR tenants, except those paying the 236 market rent or 120% of the BMIR rent, respectively.

**BUDGET AUTHORITY:** An amount authorized and appropriated by the Congress for payment to PHAs under the program. For each funding increment in a PHA program, budget authority is the maximum amount that may be paid by HUD to the PHA over the ACC term of the funding increment.

**CERTIFICATE PROGRAM:** Rental certificate program.

**CHILD CARE EXPENSES:** Amounts paid by the family for the care of minors under 13 years of age where such care is necessary to enable a family member to be employed or for a household member to further his/her education.

**CITIZEN:** A citizen or national of the United States.

**CODE OF FEDERAL REGULATIONS:** Commonly referred to as "the regulations" or "CFR". The CFR is the compilation of Federal rules, which are first published in the Federal Register and define and implement a statute.

**CO-HEAD:** An individual in the household who is equally responsible for the lease with the Head of Household. (A family never has a Co-head and a Spouse and; a Co-head is never a Dependent).

**CONGREGATE HOUSING:** Housing for elderly persons or persons with disabilities that meets the HQS for congregate housing

**COOPERATIVE:** A dwelling unit owned and or shared by a group of individuals who have individual sleeping quarters and share common facilities such as kitchen, living room and some bathrooms.

**CONTIGUOUS MSA:** In portability, an MSA that shares a common boundary with the MSA in which the jurisdiction of the initial PHA is located.

**CONTINUOUSLY ASSISTED:** An applicant is continuously assisted under the 1937 Housing Act if the family is already receiving assistance under any 1937 Housing Act program when the family is admitted to the certificate or voucher program.

**CONTRACT:** (See Housing Assistance Payments Contract.)

**CONTRACT AUTHORITY:** The maximum annual payment by HUD to a PHA for a funding increment.

**CONTRACT RENT:** In the Section 8 Certificate Program, Contract Rent is the total rent paid to the owner, including the tenant payment and the HAP payment from the PHA.

**COVERED FAMILY:** A family which receives benefits from welfare or public assistance from a state or public agency which requires, as a condition of eligibility to receive assistance, the participation of a family member in an economic self-sufficiency program.

**DEPENDENT:** A member of the family household (excluding foster children) other than the family head or spouse, who is under 18 years of age or is a Disabled Person or Handicapped Person, or is a full-time student 18 years of age or over.

**DES. Designated Housing Vouchers:** DES vouchers are made available for non-elderly, disabled families who are living in elderly only public housing or who are on the public housing waiting list. Also see NED.

**DISABILITY ASSISTANCE EXPENSE:** Anticipated costs for care attendants and auxiliary apparatus for disabled family members, which enable a family member (including the disabled family member) to work.

**DISABLED PERSON:** A person who is any of the following:

- (1) A person who has a disability as defined in section 223 of the Social Security Act (42 U.S.C.423).
- (2) A person who has a physical, mental, or emotional impairment that:
  - (i) Is expected to be of long-continued and indefinite duration
  - (ii) Substantially impedes his or her ability to live independently
  - (iii) Is of such a nature that ability to live independently could be improved by more suitable housing conditions
- (3) A person who has a developmental disability as defined in section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(7)).

**DISABLED FAMILY:** A family where the head or spouse meets any of the above criteria for disabled person.

**DISPLACED PERSON/FAMILY:** A person or family displaced by governmental action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized under Federal disaster relief laws.

**DOMICILE:** The legal residence of the household head or spouse as determined in accordance with State and local law.

**DRUG-RELATED CRIMINAL ACTIVITY:** The illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute or use, of a controlled substance (as defined in Section 102 of the Controlled Substance Act (21 U.S.C. 802)).

**DRUG TRAFFICKING:** The illegal manufacture, sale, distribution, use, or possession with intent

to manufacture, sell, distribute or use, of a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)).

**DUPLICATE PRE-APPLICATION:** Multiple pre-applications in which the head of household name and social security number are the same. The first pre-application will be accepted for its date and time however the address and other updated information will be used to update the current record.

**ECONOMIC SELF-SUFFICIENCY PROGRAM:** Is any program designed to encourage, assist, train or facilitate economic independence of assisted families or to provide work for such families. Such programs may include job training, employment counseling, work placement, basic skills training, education, English proficiency, workforce, financial or household management, apprenticeship, or any other program necessary to ready a participant to work (such as substance abuse or mental health treatment).

**EIV:** Enterprise Income Verification System is a HUD computer system used to verify income for program participants.

**ELDERLY HOUSEHOLD:** A family whose head or spouse or whose sole member is at least 62 years of age; may include two or more elderly persons living together or one or more such persons living with another person who is determined to be essential to his/her care and well being.

**ELDERLY PERSON:** A person who is at least 62 years old.

**ELIGIBILITY INCOME:** May 10, 1984, regulations deleted Eligibility Income, per se, because Annual income is now for eligibility determination to compare to income limits.

**ELIGIBLE FAMILY (Family):** A family is defined by the PHA in the administrative Plan, which is approved by HUD.

**EMANCIPATED MINOR:** A person under the age of 18 who is no longer subject to the laws governing parental responsibility. Emancipated minors are seen as legal adults under most circumstances.

**EMERGENCY:** As any documented and verifiable situation endangering the life or health and safety of the family.

**EXCEPTION RENT:** In the certificate program an initial rent (contract rent plus any utility allowance) in excess of the published FMR. In the certificate program the exception rent is approved by HUD, or the PHA under prescribed conditions, and is used in determining the initial contract rent. In the voucher program the PHA may adopt a payment standard up to the exception rent limit approved by HUD for the PHA certificate program.

**EXCESS MEDICAL EXPENSES:** Any medical expenses incurred by elderly or disabled families only in excess of 3% of Annual Income, which are not reimbursable from any other source.

**EXTREMELY LOW-INCOME FAMILY:** A family whose annual income does not exceed 30 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families.

**FAIR MARKET RENT:** The rent, including the cost of utilities (except telephone), as established by HUD for units of varying sizes (by number of bedrooms), that must be paid in the housing market area to rent privately owned, existing, decent, safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities

**FAMILY:** "Family" includes but is not limited:

(a) An Elderly Family or Single Person as defined in 24 CFR 5.403(b),

(b) The remaining member of a tenant family, and

(c) A Displaced Person.

(d) "Family" can be further defined by the PHA.

**FAMILY OF VETERAN OR SERVICE PERSON:** A family is a "family of veteran or service person" when:

1. The veteran or service person (a) is either the head of household or is related to the head of the household; or (b) is deceased and was related to the head of the household, and was a family member at the time of death.
2. The veteran or service person, unless deceased, is living with the family or is only temporarily absent unless s/he was (a) formerly the head of the household and is permanently absent because of hospitalization, separation, or desertion, or is divorced; provided, the family contains one or more persons for whose support s/he is legally responsible and the spouse has not remarried; or (b) not the head of the household but is permanently hospitalized; provided, that s/he was a family member at the time of hospitalization and there remain in the family at least two related persons.

**FAMILY SELF-SUFFICIENCY PROGRAM (FSS PROGRAM) :** The program established by a PHA to promote self-sufficiency of assisted families, including the provision of supportive services. Please refer to the 2012 Family Self Sufficiency Action Plan for additional information on the program.

**FAMILY SHARE:** The amount calculated by subtracting the housing assistance payment from the gross rent.

**FAMILY UNIT SIZE:** The size of the Certificate or Voucher issued to the family based on the PHA's subsidy standards.

**FEDERAL PREFERENCE:** A preference under Federal law for admission of applicant families.

**FEDERAL PREFERENCE HOLDER:** An applicant that qualifies for a Federal preference.

**FOSTER CHILDCARE PAYMENT:** Payment to eligible households by State, local, or private agencies appointed by the State, to administer payments for the care of foster children.

**FULL-TIME STUDENT:** A person who is carrying a subject load that is considered full time for day students under the standards and practices of the educational institution attended. An educational institution includes a vocational school with a diploma or certificate program, as well as an institution offering a college degree.

**FUNDING INCREMENT:** Each commitment of budget authority by HUD to a PHA under the consolidated annual contributions contract for the PHA program.

**GOOD CAUSE:** An unavoidable conflict in a meeting time with another agency, doctor or company which seriously affects the health, safety or welfare of the participant or his/her immediate family. The PHA must be notified in advance for late hearing requests due to illness or Agency error.

**GOOD STANDING:** A family which does not owe an outstanding debt to any PHA; is not delinquent on a repayment agreement; is not subject to adverse action; has not been evicted from Public Housing or been terminated from the HCV program within the last five (5) years.

**GROSS RENT:** The sum of the Contract Rent and the utility allowance. If there is no utility allowance, Contract Rent equals Gross Rent.

**GROUP HOME:** A dwelling unit that is licensed by a State as a group home for the exclusive residential use of two to twelve persons who are elderly or persons with disabilities (including any live-in aide).

**HAP CONTRACT:** (See Housing Assistance Payments contract.)

**HEAD OF HOUSEHOLD:** The head of household is the adult member of the family who assumes legal and financial responsibility for the household and is listed on the application as head.

**HIGHER COST AREA OR HIGHER COST UNIT:** For moves within the initial PHA's jurisdiction, a "higher cost unit" is defined as a unit in which the PHA would have to pay a higher subsidy amount. For portability moves, a "higher cost area" is defined as an area where a higher subsidy amount will be paid for a family because of higher payment standard amounts or "more generous" subsidy standards (e.g., the receiving PHA issues a 3-bedroom voucher to a family that received a 2-bedroom voucher from the initial PHA). (See PIH 2011-3).

**HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974:** Act in which the U.S. Housing Act of 1937 (sometimes referred to as the Act) was recodified, and which added the Section 8 Programs.

**HOUSING ASSISTANCE PAYMENT:** The monthly assistance payment by a PHA. The total assistance payment consists of:

- (1) A payment to the owner under the family's lease.
- (2) An additional payment to the family if the total assistance payment exceeds the rent to the owner. The additional payment is called a "utility reimbursement" payment.

**HOUSING ASSISTANCE PAYMENTS CONTRACT:** (HAP contract). A written contract between a PHA and an owner in the form prescribed by HUD headquarters, in which the PHA agrees to make housing assistance payments to the owner on behalf of an eligible family.

**HOUSING AUTHORITY:** A state, county, municipality or other governmental entity or public body authorized to administer the program. The term "PHA" includes an Indian Housing Authority (IHA), ("PHA" and "IHA" mean the same thing).

**HOUSING QUALITY STANDARDS (HQS):** The HUD minimum quality standards for housing assisted under the tenant-based programs.

**HUD, Department of Housing and Urban Development:** HUD requirements for the Section 8 programs. HUD requirements are issued by HUD headquarters as regulations. Federal Register notices or other binding program directives.

**IMPUTED ASSET:** Asset disposed of for less than Fair Market Value during two years preceding examination or reexamination.

**IMPUTED INCOME:** HUD passbook rate x total cash value of assets. Calculation used when assets exceed \$5,000.

**IMPUTED WELFARE INCOME:** The amount of annual income, not actually received by a family, as a result of a specified benefit reduction

**INITIAL PHA:** In portability, the term refers to both:  
(1) A PHA that originally selected a family that later decides to move out of the jurisdiction of the selecting PHA; and  
(2) A PHA that absorbed a family that later decides to move out of the jurisdiction of the absorbing PHA.

**INITIAL PAYMENT STANDARD:** The payment standard at the beginning of the HAP contract term.

**INITIAL RENT TO THE OWNER:** The rent to the owner at the beginning of the HAP contract term.

**INCOME:** Income from all sources of each member of the household as determined in accordance with criteria established by HUD.

**INCOME FOR ELIGIBILITY:** Annual Income.

**INDIAN HOUSING AUTHORITY (IHA):** A housing agency established either:  
(1) By exercise of the power of self-government of an Indian Tribe, independent of State law, or

- (2) By operation of State law providing specifically for housing authorities for Indians, INS, The U.S. Immigration and Naturalization Service.
- INTEREST REDUCTION SUBSIDIES:** The monthly payments or discounts made by HUD to reduce the debt service payments and, hence, rents required on Section 236 and 221 (d)(3) BMR projects. Includes monthly interest reduction payments made to mortgagees of Section 236 projects and front-end loan discounts paid on BMR projects.
- JURISDICTION:** The area in which the PHA has authority under State and local law to administer the program.
- OWNER:** This term means either the owner of the property or his/her representative or the managing agent or his/her representative, as shall be designated by the owner.
- LEASE:**
- (1) A written agreement between an owner and a tenant for the leasing of a dwelling unit to the tenant. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP contract between the owner and the PHA
- (2) In cooperative housing, a written agreement between a cooperative and a member of the cooperative. The agreement establishes the conditions for occupancy of the member's family with housing assistance payments to the cooperative under a HAP contract between the cooperative and the PHA.
- LEASE ADDENDUM:** In the lease between the tenant and the owner, the lease language required by HUD.
- LIVE-IN AIDE:** A person who resides with an elderly person or disabled person and who: (1) Is determined to be essential to the care and well being of the person. (2) Is not obligated for the support of the person. (3) Would not be living in the unit except to provide necessary supportive services.
- LOCAL PREFERENCE:** A preference used by the PHA to select among applicant families without regard to their Federal preference status.
- LOW-INCOME FAMILY:** A family whose annual income does not exceed 80 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. For admission to the certificate program, HUD may establish income limits higher or lower than 80 percent of the median income for the area on the basis of its finding that such variations are necessary because of the prevailing levels of construction costs or unusually high or low family incomes.
- MANUFACTURED HOME:** A manufactured structure that is built on a permanent chassis, is designed for use as a principal place of residence, and meets the HQS. A special housing type. See 24 CFR 982.620 and 982.621.
- MANUFACTURED HOME SPACE:** In manufactured home space rental: A space leased by an owner to a family. A manufactured home owned and occupied by the family is located on the space. See 24 CFR 982.622 to 982.624
- MARKET RENT:** The prevailing comparable rent being charged in the rental area. Factors considered are unit type, size, age, location, amenities and provided services.
- MEDICAL EXPENSES:** Those total medical expenses, including medical insurance premiums, that are anticipated during the period for which Annual Income is computed, and that are not covered by insurance. A deduction for Disabled and/or Elderly Households only. These allowances are given when calculating adjusted income for medical expenses in excess of 3% of Annual Income.
- MINOR:** A member of the family household (excluding foster children) other than the family head

or spouse who is under 18 years of age.  
**MIXED FAMILY:** A family whose members include those with citizenship or eligible immigration status and those without citizenship or eligible immigration status as defined in 24 CFR 5.504(b)(3)

**MONTHLY ADJUSTED INCOME:** 1/12 of the Annual Adjusted Income.

**NATIONAL:** A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.

**NET FAMILY ASSETS:** Value of equity in savings, checking, IRA and Keogh accounts, real property, stocks, bonds, and other forms of capital investment. The value of necessary items of personal property such as furniture and automobiles is excluded from the definition.

**NON CITIZEN:** A person who is neither a citizen nor a national of the United States.  
**OCCUPANCY STANDARDS:** Now referred to as Subsidy Standards. Standards established by a PHA to determine the appropriate number of bedrooms for families of different sizes and compositions.

**ORIGINAL HOUSEHOLD MEMBER:** A household member, who was a part of the original application and who has not resided outside of the home for more than 180 days.  
**OTHER CRIMINAL ACTIVITY:** Other Criminal Activity is criminal activity that threatens the health, safety or right to peaceful enjoyment of other persons which may include but is not limited to: theft, vandalism, gang affiliation, unlawful entry, burglary, etc.

**OWNER:** Any persons or entity having the legal right to lease or sublease a unit to a participant.  
**PARTICIPANT:** A family that has been admitted to the PHA's certificate program or voucher program. The family becomes a participant on the effective date of the first HAP contract executed by the PHA for the family (First day of initial lease term).  
**PAYMENT STANDARD:** In a voucher or over-FMR tenancy, the maximum subsidy payment for a family (before deducting the family contribution). For a voucher tenancy, the PHA sets a payment standard in the range from 80 to 100 percent of the current FMR/exception rent limit. For an over-FMR tenancy, the payment standard equals the current FMR/exception rent limit.

**PERSONS WITH DISABILITIES:** Individuals with any condition or characteristic that renders a person an individual with a handicap as defined in 24 CFR 8.2.  
**PORTABILITY:** Renting a dwelling unit with Section 8 tenant-based assistance outside the jurisdiction of the initial PHA  
**PREMISES:** The building or complex in which the dwelling unit is located, including common areas and grounds.  
**PREVIOUSLY UNEMPLOYED:** This includes a person with disabilities who has earned in the previous 12 months no more than the equivalent earnings for working 10 hours per week for 50 weeks at the minimum wage. Minimum wage is the prevailing minimum wage in the State or locality.

**PRIVATE SPACE:** In shared housing: The portion of a contract unit that is for the exclusive use of an assisted family.  
**PUBLIC ASSISTANCE:** Welfare or other payments to families or individuals, based on need, which are made under programs funded, separately, or jointly, by Federal, State, or local governments.  
**PUBLIC HOUSING AUTHORITY:** A state, county, municipality, or other governmental entity or public body authorized to administer the programs.

**REASONABLE RENT:** A rent to the owner that is not more than rent charged:  
(1) For comparable units in the private unassisted market; and

(2) For comparable unassisted units in the premises.

**RECEIVING PHA:** In portability: A PHA that receives a family selected for participation in the tenant-based program of another PHA. The receiving PHA issues a certificate or voucher and provides program assistance to the family.

**RECERTIFICATION:** Sometimes called reexamination. The process of securing documentation of total family income used to determine the rent the tenant will pay for the next 12 months if there are no additional changes to be reported. There are annual and interim recertifications.

**RELATIVE:** Any person related by blood, adoption or marriage.

**REMAINING MEMBER OF TENANT FAMILY:** Person left in assisted housing after other family members have left and become unassisted.

**RENT TO THE OWNER:** The total monthly rent payable to the owner under the lease for the unit. Rent to the owner covers payment for any housing services, maintenance and utilities that the owner is required to provide and pay for.

**SECRETARY:** The Secretary of Housing and Urban Development.

**SECURITY DEPOSIT:** Any advance payment, other than an advance for the first month's rent or a deposit for a key or any special equipment.

**SERIOUS LEASE VIOLATIONS:** The following criteria will be used to decide if a serious or repeated violation of the lease will result in termination of assistance:

- If the owner terminates tenancy for serious or repeated violations of the lease.
- If there are police reports, neighborhood complaints or other third party information, that has been verified by the PHA.
- Nonpayment of rent is considered a serious violation of the lease.

**SERVICE PERSON:** A person in the active military or naval service (including the active reserve) of the United States.

**SINGLE PERSON:** A person living alone or intending to live alone.

**SPECIAL ADMISSION:** Admission of an applicant that is not on the PHA waiting list or without considering the applicant's waiting list position.

**SPECIAL HOUSING TYPES:** See Subpart M of 24 CFR 982, which states the special regulatory requirements for SRO housing, congregate housing, group homes, shared housing, cooperatives (including mutual housing), and manufactured homes (including manufactured home space rental).

**SPOUSAL RELATIONSHIP:** An unmarried couple living together in the same household as "husband and wife" or "partners".

**SPOUSE:** The legal husband or wife of the head of the household or a person who is in a spousal relationship with the head of household.

**SUBSIDIZED PROJECT:** A multi-family housing project (with the exception of a project owned by a cooperative housing mortgage corporation or association) which receives the benefit of subsidy in the form of:

1. Below-market interest rates pursuant to Section 221(d)(3) and (5) or interest reduction payments pursuant to Section 236 of the National Housing Act; or
2. Rent supplement payments under Section 101 of the Housing and Urban Development Act of 1965; or
3. Direct loans pursuant to Section 202 of the Housing Act of 1959; or
4. Payments under the Section 23 Housing Assistance Payments Program pursuant to Section 23 of the United States Housing Act of 1937 prior to amendment by the Housing and Community Development Act of 1974;

5. Payments under the Section 8 Housing Assistance Payments Program pursuant to Section 8 of the United States Housing Act after amendment by the Housing and Community Development Act unless the project is owned by a ;
6. A Public Housing Project

**SUBSIDY STANDARDS:** Standards established by a PHA to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions.

**SUSPENSION/TOLLING:** Stopping the clock on the term of a family's certificate or voucher, for such period as determined by the PHA, from the time when the family submits a request for PHA approval to lease a unit, until the time when the PHA approves or denies the request.

**TENANT:** The person or persons (other than a live in aide) who executes the lease as lessee of the dwelling unit.

**TENANT RENT:** The amount payable monthly by the family as PHA-approved rent to the owner.

**TOTAL TENANT PAYMENT (TTP) :** The highest of 30% of the monthly-adjusted income, 10% of total monthly income, the welfare rent or the minimum rent.

**UIV, Up-Front Income Verification.** Refer to EIV (above)

**UNIT:** Residential space for the private use of a family.

**UTILITIES:** Utilities means water, electricity, gas, other heating, cooking fuels, trash collection and sewage services. Telephone, cable and internet services are not considered utilities.

**UTILITY ALLOWANCE:** An average estimated utility cost for the type, size and utility combination that the tenant would be responsible to pay.

**UTILITY REIMBURSEMENT PAYMENT:** The amount, if any, by which the Utility Allowance for the unit, if applicable, exceeds the Total Tenant Payment for the family occupying the unit.

**VACANCY LOSS PAYMENTS:**

MOD-REHAB PROGRAM [24 CFR 882.411]

See Chapter 19, MOD REHABILITATION PROGRAM, Vacancy Loss.

PROJECT-BASED PROGRAM [24 CFR 983.352]

See Addendum #2, PROJECT-BASED PROGRAM, Vacancy Loss.

**VAMC:** Veterans Affairs Medical Center.

**VASH:** Veterans Affairs Supportive Housing. A program which provides vouchers for homeless veterans.

**VERY LOW-INCOME FAMILY:** A Lower-Income Family whose Annual Income does not exceed 50% of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income limits higher or lower than 50% of the median income for the area on the basis of its finding that such variations are necessary because of unusually high or low family incomes. This is the income limit for the Certificate and Voucher Programs.

**VETERAN:** A person who has served in the active military or naval service of the United States at any time and who shall have been discharged or released there from under conditions other than dishonorable.

**VIOLENT CRIMINAL ACTIVITY:** Any illegal criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against the person or property of another.

**VOUCHER HOLDER:** A family holding a voucher with unexpired search time.

**WAITING LIST ADMISSION:** An admission from the PHA waiting list.

**WAITING LIST:** A list of families organized according to HUD regulations and PHA policy that are waiting for subsidy to become available.

**WELFARE ASSISTANCE:** Welfare or other payments to families or individuals, based on need, that are made under programs funded, separately or jointly, by Federal, State, or local governments.

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2013 Administrative Plan

**APPENDUM #1  
PROGRAM INTEGRITY**

**INTRODUCTION**

This chapter covers HUD and PHA policies designed to detect, investigate, resolve and prevent instances of program abuse or fraud. It also describes the actions that will be taken in the case of unintentional errors and omissions.

The PHA 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 PHA will take all steps necessary to prevent fraud, waste, and mismanagement so that program resources are utilized judiciously.

**A. CRITERIA FOR INVESTIGATION OF SUSPECTED ABUSE AND FRAUD**

Under no circumstances will the PHA undertake an inquiry or an audit of a participating family arbitrarily. The PHA's expectation is that participating families will comply with HUD requirements, provisions of the voucher, and other program rules. The PHA staff will make every effort to educate all families in order to avoid unintentional violations. The PHA has a responsibility to HUD, to the community, and to eligible families in need of housing assistance, to monitor participants and owners for compliance and to investigate reports of possible abuse.

The PHA will initiate an investigation and any subsequent follow-up of a participating family only in the event that one or more of the following circumstances occur:

- Referrals, complaints, or tips from other agencies, companies or persons which are received by mail, by telephone, through SHRA's website, or through e-mail which allege that a family is in non-compliance with, or otherwise violating the family obligations or any other program rules. A copy of the allegation will be retained in the family's file.
- Internal file review reveals (as a function of initial eligibility, recertification, interim recertification, or quality control review) information or facts which conflict with file data, the PHA's knowledge of the family, or is discrepant with statements made by the family.
- If the PHA receives independent verification or documentation which conflicts with representations in the family's file (such as public record information, credit bureau reports, or reports from other agencies).

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

The PHA 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 education as the primary means to obtain compliance by families.

The PHA will:

- Provide applicants and participants with information that explains the types of actions a family must take to avoid committing fraud and the penalties for program abuse;
- Conduct mandatory briefing sessions for all prospective program participants, either prior to or upon issuance of a voucher;
- Include a warning statement about the penalties for fraud on key PHA forms and form letters that request information from a family or owner;
- Post instructive signage in a common area to reinforce compliance with program rules and to warn about penalties for fraud and abuse.

### **C. STEPS THE PHA WILL TAKE TO DETECT PROGRAM ABUSE AND FRAUD**

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

#### **1. Quality Control File Reviews**

HCV management / authorized staff will review caseworker files to ensure that:

- Verifications of all income have been submitted in accordance with guidelines. (Refer to Admin Plan, Chapter 7, Section A, Methods of Verification and Time Allowed).
- All allowable deductions are documented (Refer to Admin Plan, Chapter 7, Section H, Verifications of Allowable Deductions from Income).
- Adjusted income is calculated correctly.
- File documents are authentic.
- All forms are correctly dated and signed.

#### **2. Enterprise Income Verification**

The Enterprise Income Verification (EIV) HUD system will be used by authorized staff to validate tenant-reported income and to supplement tenant-provided documents. EIV is anticipated to reduce subsidy overpayments and improve program integrity.

#### **3. Observation of File Data Integrity**

The PHA Management and staff will maintain high awareness of circumstances which may indicate program abuse or fraud. The PHA will provide continuous training to staff regarding program rules and regulations.

#### **4. Fraud Hotline**

- Determine if there is financial activity that conflicts with the reported income of the family via Credit Bureau inquiries (with proper authorization by the participant or applicant);
- Contact employers or ex-employers to verify wages that may have been previously undisclosed or misreported;
- Interview neighbors and/or other witnesses who are believed to have knowledge of facts pertaining to the PHA's review. In such instances, the client's privacy will be protected by the PHA;
- Contact investigators, caseworkers or representatives of other benefit agencies;

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

**D. HOW THE PHA WILL INVESTIGATE ALLEGATIONS OF ABUSE AND FRAUD**

The PHA will document in the family's file that the family was denied admission or the tenancy was terminated due to findings in the Criminal History Report.

If the family's assistance is denied or terminated, the criminal record information will be shredded immediately upon completion of the informal review or informal hearing, a final decision has been made and any appeal deadline has expired.

If the family is determined eligible for initial or continued assistance, the PHA's copy of the criminal report will be shredded as soon as the information is no longer needed for eligibility or continued assistance determination.

All criminal reports will be housed in a secured location with access restricted to individuals responsible for such screening while needed by staff for screening for criminal behavior. Misuse of the above information by any employee may be grounds for termination of employment.

The PHA will ensure that any criminal record received is maintained confidentially, not misused or improperly disseminated, and destroyed once the purpose for which it was requested is accomplished.

**5. Confidentiality of Criminal Records**

The PHA will maintain a public fraud hotline.

- Review public records kept in any jurisdictional courthouse such as real estate, marriage, divorce, uniform commercial code financing statements, voter registration, judgments, court or police records, state wage records, utility records and postal records; and,
- Investigate allegations against a participant/applicant or owner. This review will consist of an internal review of the file or information received to determine the nature of the allegation(s). A determination will be made whether or not the information reported has been previously disclosed to the PHA. The PHA will make a determination as to which is the most appropriate authority to perform any follow-up investigation.
- Conduct a tenant conference to exchange information regarding the allegation(s) with the head of household and / or adult member(s) of the family.

**E. PLACEMENT OF DOCUMENTS, EVIDENCE AND STATEMENTS OBTAINED BY THE PHA**

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

**F. CONCLUSION OF THE PHA'S INVESTIGATIVE REVIEW**

At the conclusion of the investigative review, the reviewer will report the findings to the Supervisor. It will then be determined what action, if any, is appropriate.

**G. EVALUATION OF THE FINDINGS**

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

- The type of violation (procedural, non-compliance, fraud);
- The seriousness of the offense;
- Whether the violation was intentional or unintentional;
- What amount of money (if any) is owed by the family or owner;
- Whether or not the family and/or owner are eligible for continued program participation.

**Procedures For Violations Which Have Been Documented**

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

A warning notice may be mailed to the family if the family is found to be in violation of PHA procedure, policy and/or family obligation. This notice will include the following:

- A description of the alleged abuse or fraudulent activity;
- The corrective action to be taken by the family or PHA to remedy the situation;
- The date by which the violation must be corrected or the procedure complied with;
- The action, which will be taken by the PHA if the procedure or obligation is not complied with by the date, specified by the PHA; and
- The consequences of repeated (similar) violations.

#### **H. FAMILY-CAUSED ERRORS AND PROGRAM ABUSE**

An incorrect subsidy determination caused by a family may be the result of incorrect reporting of family composition, income, assets, or expenses.

An applicant or participant in the HCV program must not knowingly:

- Make a false statement to the PHA;
- Commit fraud, bribery, or any other corrupt or criminal act in connection with any Federal housing program;
- Pay to the owner excess amounts over the amount authorized by the PHA for rent, security deposit and additional services;
- Offer bribes or illegal gratuities to the PHA Board of Commissioners, employees, contractors, or other PHA representatives;
- Offer payments or other incentives to the owner or a third party as an inducement for the third party to make false or misleading statements to the PHA on the family's behalf;
- Use a false name;
- Use falsified, forged or altered documents;
- Misreport family information or circumstances (e.g. income, family composition); or,
- Omit facts that were obviously known by a family member (e.g., not reporting employment income).

#### **Family Reimbursement to PHA**

In the case of the family-caused errors or program abuse, the family will be required to repay any excess subsidy received and/or be terminated. See Administrative Plan, Chapter 17, Debts to the PHA.

#### **Penalties For Program Abuse**

In the case of program abuse caused by a family, the PHA may impose any of the following remedies:

- Require the family to repay excess subsidy amounts paid by the PHA within 60 days;

- Require, as a condition of continuing assistance, that a culpable family member not reside in the unit;
- Deny or terminate the family's assistance; or
- Refer the family for State or Federal criminal prosecution.

#### Tenant Conference for Serious Violations and Misrepresentations

When the PHA suspects that misrepresentation(s) may have occurred, a mandatory tenant conference may be scheduled with the family representative and a PHA staff person who is knowledgeable about the circumstances of the case.

This mandatory tenant conference will take place prior to any proposed action by the PHA. The purpose of the mandatory tenant conference is to:

- Review the information obtained by the PHA with the participant;
- Provide the participant an opportunity to explain any document findings which conflict with representations in the family's file;
- Consider any new information, documents or mitigating circumstances presented by the family; and
- Assist the PHA in determining the course of action most appropriate for the case.

#### Notification to Participant of Proposed Action

The PHA will provide written notification to the family of the proposed action no later than thirty (30) days after the tenant conference.

#### I. CODE OF CONDUCT

The PHA strives to conduct business in accordance with core values and ethical standards. Professional conduct, ethical practices and adherence to all laws, regulations, and government codes are expected by all employees at all times.

The PHA will provide continuous training to staff regarding the PHA's personnel policies and standards.

#### Prohibited Activities

Any of the following will be considered evidence of program abuse by PHA staff:

- Fail to comply with any HCV program requirements for personal gain;
- Fail to comply with any HCV program requirements as a result of a conflict of interest relationship with any applicant, participant, or owner;

- Seek or accept anything of material value from applicants, participating families, vendors, owners, contractors, or other persons who provide services or materials to the PHA;
- Disclose confidential information to outside parties;
- Profit as a result of insider knowledge of PHA activities, policies, or practices;
- Inappropriate or misuse of HCV funds;
- Destroy, conceal, remove, or inappropriately use any records related to the HCV program;
- Embezzle and falsify accounts as defined in the California Penal Code; or
- Commit any other corrupt or criminal act in connection with any Federal housing program.

#### The Consequences of Rule Violations

Any violation of prohibited activities shall be addressed as specified in the PHA's personnel policies on Discipline, Dismissal, and Review.

#### J. OVERPAYMENTS TO OWNERS

The PHA will make every effort to recover any overpayments made as a result of fraud or abuse. If the owner has been overpaid as a result of fraud, misrepresentation or violation of the contract, the PHA may terminate the contract and arrange for restitution to the PHA. Future housing assistance payments may be applied to offset any funds owed to the PHA.

#### K. FRAUD AND/OR MISREPRESENTATION COMMITTED BY A PERSON OR GROUP.

Where it is determined that an individual or group has engaged in activities including, but not limited to misrepresentation, duplicitous activity, fraud, or is complicit in any such activity while acting in any matter related to business with SHRA, the PHA may, at its discretion, refuse to conduct business in any capacity with the individual or group.

**APPENDUM #2  
PROJECT-BASED HOUSING CHOICE VOUCHER PROGRAM**

**CHAPTER I  
OVERVIEW OF PROJECT-BASED VOUCHER PROGRAM**

**INTRODUCTION**

The US Department of Housing and Urban Development (HUD) published a final rule for Project Based Vouchers on October 13, 2005. This governs how the Housing Authority manages project-based vouchers from November 14, 2005 on, along with subsequent amendments to the Economic Recovery Act of 2008. Prior to this final rule, Sacramento Housing and Redevelopment Agency already had 283 project-based vouchers at Phoenix Park and had issued a Request for Proposals, although the decision letter was sent to Saybrook Apartments after November, 2005. Management of Phoenix Park is still determined by the interim rule for project-based vouchers, published January 16, 2001 until/unless HUD approves waivers. It is this housing authority's intent to manage all project-based vouchers consistently. The Housing Authority will pursue waivers for Phoenix Park where there are differences between the interim rule and the final rule.

Based on the provisions of the final rule for Project-Based Vouchers (PBV), published in the Federal Register on October 13, 2005 and effective November 14, 2005, the Sacramento Housing and Redevelopment Agency (SHRA) will project base up to 15 percent of its Housing Choice Voucher funding. SHRA will not be required to reduce the number of PBV units under contract if the Budget Authority is subsequently reduced, but will look first to reducing the number of tenant-based vouchers. No additional funding is provided for this program for either Housing Assistance Payments (HAP) or Administrative costs.

Regulations governing tenant-based vouchers found at 24 CFR 982 also govern project-based vouchers, except where the differences are spelled out in the final rule as defined above, and in 24 CFR 983 and in SHRA's Administrative Plan and any subsequent legislation. The Administrative Plan seeks to clarify areas where the Housing Authority has discretion, but will not repeat all of the regulatory language contained in these documents.

SHRA is a joint powers authority, answering to the SHRA's Commission, the City Council and the County Board of Supervisors to oversee the City and County Redevelopment Agencies and the City and County Housing Authorities. Only the Sacramento County Housing Authority manages the Housing Choice Voucher Program.

The Housing Authority will project base units selected in new construction projects, rehabilitation projects, and or existing projects, as defined in a Request for Proposal (RFP). The Housing Authority will project base no more than 25 percent of the units in a building unless the project meets the following exceptions, and the exceptions were allowed under the specific RFP at the time of consideration. The exceptions to the 25 percent unit limitation are:

- Units in single family homes (four units or less)
- Units in a multifamily building that are made available for qualifying families.
- Qualifying families means elderly or disabled families or families receiving qualifying supportive services. Supportive services is described in Chapter 2 Section B(6) within this addendum.

SHRA is committed to providing PBV with supportive services to families in order to encourage independence and self-sufficiency. This may include families with multiple challenges (such as family members who are disabled and with minor children), or elderly or disabled families.

The Housing Authority will publish a Request for Proposals (RFP) seeking applications from housing owners for new construction, rehabilitation or existing housing to serve families. The RFP will detail the amount of funding available for which of the three types of housing units described above.

### New Construction

Housing units that do not exist on the proposal selection date and are developed after the date of selection pursuant to an Agreement between the PHA and owner for use under the PBV program. New construction projects must be completed within a two-year period after approval of the proposal.

### Rehabilitation

Housing units that exist on the proposal selection date, but do not substantially comply with Housing Quality Standards (HQS) on that date, and are developed, pursuant to an Agreement between the PHA and owner, for use under the PBV program and will take in excess of \$5,000 per unit to make minimal improvement so that they can pass HQS.

### Existing Housing

Housing units that already exist on the proposal selection date and that generally will be considered to substantially comply with the HQS if those units can be made to pass inspection after an infusion of less than \$5,000 per unit. (The units must fully comply with HQS before execution of the HAP contract.)

**Chapter 2  
PROPOSAL SELECTION PROCEDURES**

**A. PROPOSAL SELECTION PROCEDURES**

The PHA will project-base rental units based on a competitive process.

**Competitive Process**

At any time, the PHA may choose to make PBV available in the community by initiating a competitive process. A Request for Proposals (RFP) will be published in the Sacramento Bee, a newspaper of general circulation and on the SHRA website, in order to provide broad public notice of the opportunity to apply for project-based vouchers. The RFP will list the submission deadline and the date and time for a bidder conference. It will include guidelines for the proposal and the evaluation criteria to be used. This RFP is established pursuant to Title 24 of the Code of Federal Regulations, part 983, Subpart B (Selection of PBV Owner Proposals). Procurement will be consistent with PHA's procurement policy and all relevant regulations.

**B. PROPOSAL REQUIREMENTS**

The goal of project-basing vouchers is to ensure long-term viability of affordable housing across a broad continuum of housing types within the County of Sacramento. The RFP will outline the type of project (i.e. existing, new construction or rehabilitation) to be funded. The Housing Authority is committed to providing housing:

- to serve low income families, especially those that are
  - Elderly
  - Disabled
  - Needing supportive services
- which deconcentrate poverty and expands housing and economic opportunities
  - that meets the following goals of the agency:
    - boosts home ownership;
    - revitalizes areas through physical rehabilitation of housing and enrich the quality of life in rental housing by investing in resident services;
    - provides housing resident self sufficiency programs;
    - develops the work force;
    - creates jobs;
    - revitalizes commercial areas;
    - encourages business activities in low income areas; and
    - provides public amenities.

The proposal must be submitted by the property owner and will be evaluated based on its merit. The proposal shall include:

**1) Description of How the Applicant Meets the Need for Affordable Housing as defined in the Consolidated Plan:**

Affordable housing is needed especially to serve the following groups:

- Low-income families who are living in substandard housing,
- Low-income families who are paying more than 50% of their income for housing,
- Disabled families,
- Homeless families,
- Elderly families.

2) Description of How the Proposed Housing Deconcentrates Poverty and Expands Housing and Economic Opportunities:

In order to deconcentrate poverty, the housing development must be located in a low poverty census tract, defined as where less than 14.1% of the population has income less than the poverty level as measured by the 2010 Census. The average poverty rate for the County of Sacramento was 14.1% as of the 2010 Census.

If the census tract where the project-based vouchers are proposed is not in a low poverty census tract, a narrative must be provided showing that:

- The project site is in a census tract that is a HUD designated Enterprise Zone, Economic Community, or Renewal Community, or
- The project site is in a census tract where the concentration of assisted units will be or has decreased as a result of public housing demolition, or
- The project site is in a census tract which the proposed PBV development will be located is undergoing significant revitalization, or
- State, local, or Federal dollars have been invested in the area that has assisted in the achievement of the statutory requirement of deconcentrating poverty and expanding housing and economic opportunities, or
- New market rate units are being developed in the same census tract as the proposed project and it is likely that the market rate units will reduce the poverty rate for the census tract, or
- The project site is in a census tract with greater than 20 percent poverty but in the last five years there has been an overall decline in the poverty rate; and/or
- The project site is in a census tract with meaningful opportunities for education and economic development.

This criteria is met if one of the above is met.

3) The State of Housing to Be Funded

The state of housing:

- New construction, defined as housing units that do not exist at the time of proposal selection

- Housing to be rehabilitated, defined as existing housing units that do not comply with HQS on the date of proposal selection which will require more than \$5,000 per unit to pass HQS inspection
- Existing housing, defined as housing units which already exist and substantially comply with HQS, or where it will cost less than \$5,000 per unit to repair so that they will pass HQS inspection, at the time of proposal selection.

4) The Type of Housing to Be Funded

Single or multi-family units may be considered. For a complete listing of all ineligible units refer to 24CFR 983.53 and 983.54:

5) Number of Units to Be Funded

6) Supportive Services

The Proposal must contain a Memorandum of Agreement, or a letter of commitment, showing a relationship between the housing provider and the service providers (if they are different entities). This Agreement must list:

- What supportive services are to be provided. The proposal must describe at least three services that the owner will provide, directly or indirectly, that help the family move to economic self-sufficiency;
- Where the supportive services are to be provided. It is not necessary for the services to be provided at the project site or by the project;
- Steps the owner will take when a family is not participating in services;
- The type of documentation utilized concerning the family's compliance with their services contract. This documentation must be made available to SHRA for review. Failure of the family to comply may be good cause for SHRA to terminate the family from the PBV program; and
- Timeframe within which the owner will identify a replacement service provider.

Evaluation Criteria

The RFP will describe the process used to rank applications which may include but are not limited to:

- The location of the housing, whether it is in a redevelopment area or an area targeted for blight elimination;
- The size and configuration of the units to serve the unmet needs of targeted populations (i.e., whether serving elderly or disabled large family sizes);
- Long-term viability of the project;
- The proximity of the site to amenities;
- The size and existence of a community center on site;
- The existence of supportive services;

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2013 Administrative Plan

**C. PROPOSAL REVIEW PROCESS**

- Management experience;
- The number of accessible units for persons with disabilities; and
- Other sources of funding; and
- Willingness to accept long-term contract.

If there are no SHRA-owned or controlled applicants, a PBV Selection Panel appointed by SHRA will review, evaluate, rank, and select the proposals.

If one of the respondents presents an Identity of Interest with SHRA, the proposal in question will be forwarded to the HUD field office or HUD-approved independent entity for review. The HUD field office, or designee, will review the proposal to determine that the PHA-owned units were appropriately selected based on the selection procedure specified in the Administrative Plan.

The Selection Panel will review all proposals before selecting units, they will determine that each proposal is responsive to and in compliance with the information provided in the RFP. The Panel will assure that the project meets PBV goals, civil rights requirements, HQS site standards, the project must be consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities, and the site and neighborhood standards.

For existing housing, the PHA must inspect all the units before the proposal selection date to determine whether the units substantially comply with HQS. The PHA may not execute the HAP contract until the units fully comply with HQS.

Proposals that meet the requirements will be evaluated and ranked by the Selection Panel. A Ranking List will be prepared according to points awarded to each proposal. Ranking scores become public information. SHRA may, at its discretion, select one or more of the proposals submitted, or none of the proposals submitted.

SHRA will provide written notice to the owner whose proposal is selected within 45 days of the decision.

SHRA will give prompt public notice once a proposal(s) has been selected. Public notice is publication of public notice in the Sacramento Bee, a local newspaper of general circulation and the SHRA website. The notice will include information about how the public can inspect documentation regarding the selection of the proposal. SHRA will also provide this information directly to owners whose proposals were not selected.

### Chapter 3 SITE AND NEIGHBORHOOD REVIEW

#### Site Selection Criteria

SHRA is working to ensure long-term viability of affordable housing across a broad continuum of housing types within the County of Sacramento. SHRA is targeting projects located in redevelopment areas that are affordable, have received long-term affordable housing financing, and are close to amenities including public transportation and shopping. Proposals providing units specifically to elderly or disabled households or households receiving supportive services, and providing on-site supportive services will be given preference over projects that do not have these characteristics.

In order for the site to be selected for participation in this program, SHRA must:

- determine that the site is consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities;
- determine that the site is eligible to receive project-based vouchers, as defined by 24 CFR 983 published on October 13, 2005 and any other regulations and Notices issued;
- complete a site inspection if the proposal covers existing or rehabilitated housing to ensure that it meets HQS for the site;
- determine that the site is suitable from the standpoint of facilitating and furthering full compliance with the Fair Housing Laws;
- determine that the site has adequate utilities and streets available to service the site; determine that the site meets neighborhood standards.

#### Environmental Review

In the case of existing housing under part 983, the entity responsible for Environmental Review under 24 CFR part 58 must determine whether or not a project selected for PBV assistance is categorically excluded from review under the National Environmental Policy Act and whether or not the assistance is subject to review. The PHA may not enter into an Agreement or HAP contract and may not commit or expend program or local funds for PBV activities until such determination is made.

#### PHA-Owned Units

If housing is selected for PBV where SHRA has an identity of interest, an independent entity approved by HUD must:

- 1) Determine initial rent to owner based on an appraisal by a licensed, state-certified appraiser;
- 2) Determine reasonable rent based on a comparability analysis for other than initial rents;

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- 3) Furnish a copy of the rent determination for SHRA-owned units to SHRA and to the HUD field office; and
  - 4) Complete all HQS inspections and provide a copy of the HQS inspections to the Housing Authority and to the HUD field office.
- The Housing Authority may only compensate the independent entity from ongoing administrative fee income, not other program receipts. The PHA may not charge the family any fee for the appraisal or for other services provided by the independent entity.

#### Chapter 4 HAP AMENDMENTS, CONTRACT, AND CONTRACT TERMINATION

The PHA may not enter into an Agreement for A Housing Assistance Payment (AHAP) contract (for new construction and rehabilitation) until HUD has completed any required subsidy layering review.

The HAP contract must contain the owner's certification that the project has not received and will not receive any public assistance for acquisition, development or operation for housing, either before or during the term of the HAP contract, other than assistance disclosed in the subsidy layering review.

A unit that is occupied on the date of selection by an ineligible family or a family who is uninterested in PBV assistance cannot be selected for PBV assistance. For families who will reside in exempted units, the family must be a *qualified family (Project Based family that meets the preference(s) and bedroom size at the time of selection from the wait list).*

The HAP contract must specify:

- The total number of contract units by number of bedrooms;
- Information needed to identify the site and the building or buildings where the contract units are located. The information must include the project's name, street address, city or county, state and zip code, block and lot number (if known), and any other information necessary to clearly identify the site and the building;
- Information needed to identify the specific contract units in each building. The information must include the number of contract units in the building, the location of each contract unit, the number of bedrooms and bathrooms in each contract unit, and any accessibility-related features of the unit. A map to identify the location of accessible units should also be included;
- Services, maintenance, and equipment to be supplied by the owner without charges in addition to the rent to the owner;
- Utilities available to the contract units, including a specifications of utility services to be paid by the owner (without charges in addition to rent) and utility services to be paid by the tenant;
- Features provided to comply with program accessibility requirements of Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8;
- The HAP contract term;
- The number of units in any building that will exceed the 25 percent per building cap (as described in 983.56) which will be set-aside for occupancy by qualifying families (elderly or disabled families and families receiving supportive services); and
- The initial rent to the owner (for the first 12 months of the HAP contract term).

HQS.

The Housing Authority will not execute a HAP contract until all the units fully comply with

**Vacancy Loss (CFR 983.352)**

**Payment for Move-Out Month**

If an assisted family moves out of the unit without notice or is deceased, the owner may keep the Housing Assistance Payment (HAP) payable for the calendar month ("move-out month"). However, the owner may not keep the payment if the PHA determines that the vacancy is the owner's fault. The PHA shall not pay for an overlapping HAP.

**Vacancy Loss**

When a family vacates its unit, the owner is eligible for a vacancy loss payment if:

- The owner gives the PHA prompt written notice certifying that the family has vacated the unit and containing the date when the family moved out (to the best of the owner's knowledge and belief)
- The owner certifies that the vacancy is not the fault of the owner and that the unit was vacant during the period for which payment is claimed
- The owner certifies that it has taken every reasonable action to minimize the likelihood and length of vacancy
- The owner provides any additional information required and requested by the PHA to verify that the owner is entitled to the vacancy payment
- The owner must submit a request for vacancy payment in the form and manner required by the PHA and must provide any information or substantiation required by the PHA to determine the amount of any vacancy payment.

Vacancy loss begins the later of:

- the unit is rent ready, per the owner/manager,
- the day after the Housing Assistance Payment (HAP) was paid to the owner

- Vacancy loss is calculated based on 80% of the Contract Rent
- Any rental payment received by the owner from the tenant (including amounts available from the tenant's security deposit) will be deducted from Vacancy Loss amount
- Vacancy loss allows a maximum of 60 days or 2 full months, whichever is less
- Vacancy loss calculation will be based on actual calendar days per month

Vacancy payments may cover only the period the unit remains vacant and is in rent-ready condition.

The Housing Authority will compare when the unit was rent ready, date unit passed inspection and date family review was forward to complex to verify if the family was moved in to the vacant unit within a timely manner.

The PHA will not pay a vacancy loss for a unit that remains vacant when the waiting list for that complex does not have any applicants of that bedroom size for the PHA to select from. This

shows that the owner has not taken every reasonable action to minimize the length of unit vacancy.

### Accessible Units

Distribution of accessible dwelling units shall, to the maximum extent feasible and subject to reasonable health and safety requirements, be distributed throughout projects and sites and shall be available in a sufficient range of sizes and amenities so that persons with disabilities have choices of living arrangements comparable to that of other families eligible for assistance under the same program. At a minimum, projects must meet 24 CFR Part 8, subpart C.

### Rents Limits

- 1) The initial rent for units is established at the beginning of the HAP term. The rents determined at AHAP are only an estimate.
- 2) Except for certain tax credit units and units with other subsidies, the rent must not exceed the lower of:
  - a) 110% of the Fair Market Rent (FMR) or a HUD approved exception rent;
  - b) The rent requested by the owner; or
  - c) Reasonable rent;
  - A. Factors are the same as the tenant based program
  - B. Three comparables must be used, including when unassisted units in the project/premises are used
  - C. Comparability analysis may be done by PHA staff, or other qualified person or entity as long as there is no direct or indirect interest in the property
- 3) For PHA owned units or units where the PHA has an identity of interest, HUD must approve an independent agency that will perform the comparability analysis. The independent agency must have a State Certified Appraiser perform the comparability analysis for the initial rents. The independent agency must provide HUD with a copy of all the determinations of the reasonable rent.
- 4) Projects that receive subsidies from other specified programs (not including tax credits) are subject to the rent limits of those programs (see 983.304 for additional guidance). Tax credit units in qualified census tracts may receive the tax credit rents even if they are higher than 110 percent of the FMR or HUD approved exception rent, as long as the tax credit rent is rent reasonable.
- 5) All projects receiving tax credits or any other governmental housing assistance from Federal, State, or local agencies must have a subsidy layering review performed by HUD, Office or Public Housing or designee.

6) Rent to the owner must be re-determined at owner's request (on HAP anniversary date), or when there is a 5% decrease in the published FMR. There are no "special adjustments" to rent.

7) In addition to 6) above, reasonable rent must be determined whenever the HAP is amended to substitute a different contract unit in the same building, when there is a change in the allocation of responsibility for utilities between the owner and the tenant, or when there is any other change that may impact reasonable rent.

8) If the rent is reduced to a rate below the initial rent at the time of HAP execution, the owner may terminate the HAP. Should this occur, the families residing in the PBV units will be given tenant-based vouchers.

9) The determination of initial rent shall be based on the most recent FMR and utility allowance. However, the PHA may use the amounts in effect up to 30 days prior to HAP execution.

10) The rent to the owner may be subject to rent control or other limits under local, State, or Federal law.

11) Under the HAP contract, the monthly Housing Assistance Payment by the PHA to the owner is the rent to the owner minus the tenant rent (Total Tenant Payment minus any applicable utility allowance).

### Term of HAP Contract

The PHA may enter into a HAP contract with an owner for an initial term of up to thirty years. The term of all PBV HAP contracts will be negotiated with the owner on a case-by-case basis. The length of the term of the HAP Contract can go up to fifteen (15) years, plus a fifteen (15) year extension subject only to the PHA's determination that the owner is in compliance with the HAP contract and other applicable HUD requirements, for a total of thirty (30) years. The PHA will enter into thirty (30) year contracts if it determines that the initial 15-year extension is appropriate to achieve long-term affordability of housing and to expand housing opportunities. The PHA may request, as part of the selection process or otherwise as allowable by HUD, that owners agree to accept any extensions of the contract term that the PHA may offer, or propose to agree to accept specific numbers of extensions.

Within one year before expiration of the HAP contract or otherwise as allowable by HUD, the PHA may extend the term of the contract for an additional term or terms of up to five years if the PHA determines an extension is appropriate to continue providing affordable housing for low-income families. When determining whether or not to extend an expiring PBV contract, the PHA may consider factors including but not limited to: 1) the cost of extending the contract and the amount of available budget authority; 2) the condition of the contract units; 3) the owner's record of compliance with obligations under the HAP contract and lease(s); and 4) whether the location of the units continues to support the goals of deconcentrating poverty and expanding housing opportunities.

The HAP contract must provide that the term of the PHA's contractual commitment is subject to the availability of sufficient appropriated funding (budget authority) as determined by HUD or by the PHA in accordance with HUD instructions. For purposes of this section, "sufficient funding" means the availability of appropriations, and of funding under the ACC from such appropriations, to make full payment of housing assistance payments payable to the owner for any contract year in accordance with the terms of the HAP contract.

If there is not sufficient funding for the Housing Authority to meet all of its contractual obligations, the Housing Authority will seek to decrease its commitment to tenant-based vouchers through attrition first. The cost of project-based vouchers must not exceed 15% of the total funding level.

The owner may terminate the HAP contract, upon 60 days written notice to the PHA, if the amount of the rent to the owner for any contract unit, as adjusted in accordance with 24 CFR 983.302 is reduced below the amount of the initial rent to the owner (rent to the owner at the beginning of the HAP contract term). In this case, the assisted families residing in the contract units will be offered tenant-based voucher assistance.

### Rent Increase

The owner may request a rent increase to be effective at any anniversary date of the HAP contract after submitting a 120-day written notice to the PHA and the tenant. The PHA shall determine reasonable rent in accordance with 24 CFR 983.303. The rent increase will apply to all units included in the HAP contract. If the PHA determines in the course of processing a rent increase that the current contract rent amount is not reasonable given current market conditions, the PHA will process a rent decrease to the "reasonable" amount. (Please refer to Chapter 11, Section C, Rent Reasonable Determination). This applies to Project-Based vouchers as well as tenant-based vouchers.

### HAP Contract Amendments (Add or Substitute Contract Units)

The HAP contract may be amended to substitute a different unit with the same number of bedrooms in the same building for a previously covered contract unit. Prior to such substitution, the PHA must inspect the proposed substitute unit and must determine the reasonable rent for such unit.

The HAP contract may be amended during the three-year period immediately following the execution date of the HAP contract to add additional PBV contract units in the same building subject to 25% unit limitation per building or whatever limit was included within the scope of the RFP. Funding can not exceed the 15% cap. An amendment to the HAP contract is subject to all PBV requirements (e.g., rents are reasonable), except that a new PBV RFP is not required. The anniversary and expiration dates of the HAP contract for the additional units must be the same as the anniversary and expiration dates of the HAP contract term for the PBV units originally placed under HAP contract. In all cases, only families who were residing in the units at the time

of the initial selection of the project will have a right to an absolute preference on the waiting list and the family must be eligible to live in an assisted unit.

#### Utility Reimbursement Payment

When the Total Tenant Payment (TTP) is less than the utility allowance, the PHA will issue a Utility Reimbursement Payment (URP) to the tenant.

#### Contract Terminations

Chapter 14 “Contract Terminations” of the Administration Plan applies to project-based vouchers. The following exceptions apply:

- If contract requires a service provider and owner fails to provide one, contract will be terminated
- Contract remains in effect regardless of the tendency

#### **Chapter 5 ELIGIBILITY FOR ADMISSION**

All regulations regarding Eligibility for Admission (Chapter 2 of the Administration Plan) are the same for the tenant-based voucher program and the project-based voucher program, except:

- Families must be a qualified family for excepted units
- The income targeting requirements apply to the HCV program as a whole including PBV. However, the PHA does not need to apply the ratio exactly for tenant-based and project-based programs

#### Definitions

**ELDERLY:** Aged 62 years of age and older.

**NEAR ELDERLY:** Aged 50-61 years of age.

**TENANT-BASED VOUCHER PROGRAM:** Tenant-based assistance is attached to the family allowing the participant to relocate from one unit to another.

**PROJECT-BASED VOUCHER PROGRAM:** Project-based assistance is attached to the unit.

**Chapter 6  
APPLYING FOR ADMISSION**

**A. OPENING/CLOSING OF THE WAITLIST**

A separate waiting list may be created and maintained for each site or a group of sites within the PBV program. Opening and closing the waiting list will be consistent with policies governing tenant-based vouchers (Chapter 3 of the Housing Choice Voucher Program Administrative Plan). If a new waiting list is created, all families on the tenant-based waiting list will be queued for the new waiting list first, before allowing the public access. The owner can refer families to the PHA waiting list when it is open.

**B. FINAL DETERMINATION AND NOTIFICATION OF ELIGIBILITY**

In the project-based voucher program, hard copies of vouchers are **not** issued. Families are referred to the owner. The owner will select families based on the owner's screening process. The owner must provide written notice to all families referred by the PHA within fourteen (14) calendar days, listing the reason the family was not selected. The owner must send a copy of the notice to the Housing Authority. The PHA will not screen for behavior or suitability.

As soon as the PHA is notified of an available unit, families will be selected from the waiting list by bedroom size and then by preference; then by date and time of application. The PHA provides the complex with a list of families selected from the waiting list with which they may begin the suitability screening process. Once a family is selected from the Project-Based waiting list and is denied by the complex, the PHA will withdraw the family from the waiting list that they were selected based on "Denial by Complex" and the family does not get hearing rights with the PHA. They do have hearing rights with the complex, based on the policy of said complex.

Informal Review Procedures for Applicants. Please see Chapter 18, Part C of the Admin Plan. (Informal Reviews are not provided when family is returned to wait list due to not meeting preference(s) or bedroom size selected.)