1. PHA Governing Board

Documents:

ASSISTANCE PROGRAM - ITEM 2.PDF
HOUSING AND COMMUNITY DEVELOPMENT MEMO - ITEM 3.PDF
PHA GOVERNING BOARD AGENDA JANUARY 13, 2014 - ITEM 1.PDF

CITY OF MARSHALLTOWN RENT ASSISTANCE PROGRAM FOR MARSHALL, TAMA AND HARDIN COUNTIES

SECTION 8 HOUSING CHOICE VOUCHER PROGRAM ADMINISTRATIVE PLAN

Reviewed and Approved by the PHA Governing Board Effective:

January 13, 2014

TABLE OF CONTENTS Page

INTRODUCTION

The purpose of this Administrative Plan is to:

- Establish policies related to discretionary issues in connection with the Federal regulations for the Section 8 Housing Choice Voucher (HCV) Program administered in Marshall, Tama and Hardin Counties by the City of Marshalltown Public Housing Authority (PHA).

- Establish fair and equitable policies for selecting applicants to participate in the Section 8 HCV Program administered by the (PHA);

- Provide fair, equitable and reasonable procedures to govern Section 8 HCV Program participation in accordance with regulations of the U.S. Department of Housing and Urban Development (HUD);

- Permit each applicant and participant the greatest opportunity for the exercise of individual rights.

The provisions of this Administrative Plan govern administration of the Section 8 HCV Program administered by the City of Marshalltown Public Housing Authority (PHA) in Marshall, Tama and Hardin Counties.

This plan conforms to all current HUD regulations, policies, rules and notices. The PHA will comply with any subsequent changes in HUD regulations pertaining to program administration. If such changes conflict with the provisions of this policy, HUD regulations will have precedence. The PHA will abide by any Federal changes which are published after adoption of this plan. The PHA will utilize HUD guidebooks, handbooks, other HUD publications, and any local procedure manuals to administer the Section 8 HCV Program.

The PHA administers the Section 8 HCV Program in the city of Marshalltown, Iowa and the counties of Marshall, Hardin and Tama. The primary objective of these programs is to provide decent, safe, sanitary and affordable rental housing for low income households.

This plan has been reviewed by the PHA Resident Advisory Board and approved by the PHA Governing Board. Minor amendments may be made by the PHA Executive Director in order to remain in compliance with Federal regulations. Major amendments may require board review and approval, including a public hearing if applicable.

SECTION I
NONDISCRIMINATION AND PRIVACY POLICY

The PHA will not discriminate against any applicant or resident because of race, color, creed, national or ethnic origin or ancestry, religion, sex, age, disability, military status, source of income, marital status or presence of children in a household; nor will any criteria be applied, nor information be considered, pertaining to attributes or behavior that may be imputed by some to a particular group or category. All criteria applied and information considered in administering this plan shall relate to the attributes and behavior of the individual members of the household.

The PHA shall not, on account of race, creed, color, sex, age, class, disability, religion, military status, source of income, marital status or the presence of children, deny to any family the opportunity to apply for assistance or deny any eligible applicant the opportunity to lease a housing unit suitable to its needs. (24 CFR 100)

The PHA is fully committed to providing reasonable accommodations to its applicants and participants with handicaps or disabilities.

The PHA shall provide Voucher holders information on Federal/State/local laws regarding housing discrimination and any recourse available. Such information will be made available as part of the briefing session, and all applicable Fair Housing Information and Discrimination complaint forms will be made part of the Voucher holders' packet. The PHA will provide referrals and information to applicants and participants about local and state organizations which provide assistance in filing discrimination complaints.

Resident complaints of racial, ethnic or sexual harassment will be reviewed by PHA staff and referred to appropriate agencies.

SECTION II
PROGRAM ELIGIBILITY GUIDELINES

A. General Eligibility Restrictions for Applicants

To be eligible for admission, an applicant must meet the following criteria:

1. The applicant must qualify as a family. A family is defined as:

   a. A single person or a group of persons intending to live together as a single household and share household responsibilities
   b. An Elderly Household whose head or spouse or sole member is elderly, handicapped or disabled (see Appendix 1, Glossary of Terms, for the definitions of elderly, handicapped and disabled persons). The household may include one or more elderly, handicapped or disabled persons living together or one or more such persons living with one another who is determined to be essential to their care or well being.
   c. A Near Elderly Family whose head or spouse or sole member is at least 50 years of age but below the age of 62 years; or
   d. A single adult person who has been displaced by government action or whose unit has been extensively damaged or destroyed as a result of a disaster, declared or otherwise formally recognized pursuant to Federal disaster relief laws; or
   e. A single adult person, with no other children, who is pregnant or in the process of securing legal custody of any individual under the age of 18 years; or who shares joint custody of any individual under the age of 18 years at least 50% of the time; or
   f. The remaining adult member of a resident family; or
   g. Any other single person who is not elderly, displaced or disabled.

2. The applicant must be income eligible. The applicant's total gross family income must not exceed 50% of area median income as published in the Federal Register for Marshall, Hardin or Tama Counties. Income limits are generally revised annually by HUD and changes in income limits are incorporated into this policy by reference.

3. The applicant and each family member who has been assigned a Social Security Number (SSN) must disclose the SSNs. These numbers must be verified. If a SSN has not been assigned, certification to that effect must be executed for all family members.

4. The applicant, or any adult family member, must not have committed fraud in connection with any federal housing assistance program. Intentionally providing misleading information on the application form is considered fraud.

5. The applicant or at least one family member must be a U.S. citizen or noncitizens who have eligible immigration status. See Section II.C. for further detail.

6 The applicant family must not maintain another residence in addition to the PHA unit.

7. Outstanding Debts. The family must have paid any outstanding debt owed to the PHA or another PHA on any previous tenancy in public housing or Section 8. The PHA may require the family to sign a repayment agreement for outstanding debts owed to the PHA in order to determine the family eligible.

8. Debts Owed to Participating Landlords. If an outstanding debt is owed to a participating landlord, the PHA may require repayment by the family to the landlord prior to re-entry to the Voucher program. The debt must result from a claim produced during a Section 8 tenancy. The participating landlord must provide documentation for charges made to the tenant. If the tenant disputes the claim the property owner must pursue a court judgment supporting the claim before assistance will be denied or

terminated.

B. Eligibility Restrictions Regarding Criminal Activity.

The PHA will review prior criminal activity for all applicants over the age of 18 and juveniles with a public record. The PHA will evaluate eligibility based on a preponderance of evidence, charge, arrest and/or conviction. Charges which have been identified as dismissed or deferred may also be considered during the evaluation and applicants may still be determined to be ineligible.

The PHA will evaluate the following activities in determining eligibility.

1. The PHA shall prohibit admission to the Section 8 HCV Program for any drug-related criminal activity including the illegal manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute or use of a controlled substance which led to eviction of federally assisted housing. Pursuant to federal law, persons evicted from public housing, Indian housing, Section 23, or any Section 8 program because of drug-related criminal activity are ineligible for participation in any Section 8 program at PHA for a three-year period beginning on the date of such eviction.

2. The PHA may prohibit admission to the Section 8 HCV Program for any drug-related activity including but not limited to manufacturing, sale or distribution of an illegal substance, possession of illegal substances, paraphernalia, unauthorized possession of prescription drugs and any pseudoephedrine violation of State law. The PHA may determine an applicant eligible if the applicant can demonstrate to the satisfaction of the PHA that:
    a. drug related activity was for personal use and not intended for manufacture, sale or distribution, and
    b. the person successfully completed a rehabilitation program approved by PHA, or
    c. the circumstance(s) leading to the violation no longer exists. For example, the person involved in the activity is no longer part of the household.

3. The PHA may prohibit the admission to the Section 8 HCV Program of any person who the PHA determines is illegally using a controlled substance. The PHA may prohibit admitting any person to Section 8 HCV Program in cases where the PHA determines that there is reasonable cause to believe that the person's pattern of illegal use of a controlled substance or pattern of abuse of alcohol may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents. The PHA may deny admission when there are three or more alcohol related charges in a five (5) year period prior to application. The PHA may waive the policies prohibiting admission in these circumstances if the person demonstrates to the PHA's satisfaction that the person is no longer engaging in illegal use of a controlled substance or abuse of alcohol and:
    a. has successfully completed a supervised drug or alcohol rehabilitation program;
    b. has otherwise been rehabilitated successfully; or
    c. is participating in a supervised drug or alcohol rehabilitation program.

4. The PHA shall prohibit the admission to the Section 8 HCV Program if any member of the family is a registered sex offender in the Unites States.

5. The PHA shall prohibit the admission to the Section 8 HCV Program for any involvement in violent criminal activity. Violent criminal activity includes but is not limited to, domestic abuse, assault, fighting, displaying of a weapon, other crimes involving use of a weapon, sexual abuse and child endangerment.

6. The PHA shall prohibit the admission to the Section 8 HCV Program to anyone who has verbally or physically threatened or assaulted any personal employed by the PHA or has caused physical damage to PHA property.

A criminal history check shall be made prior to any admission to the Section 8 HCV Program. The PHA will check the three (3) years prior to application for drug-related and violent activity. The PHA will consider the offense date as the date the activity occurred with the following exceptions

1. Persons listed as active on the sex offender registry are ineligible regardless of the offense date.
2. Persons being release from the State or Federal prison system incarcerated for either attempted murder or murder shall have a record free of any violent criminal or drug related activity for at least twelve (12) months following their release.

C. Eligibility Restrictions Regarding Noncitizens

1. Eligibility for assistance or continued assistance under the Section 8 HCV Program, is contingent upon a family's submission of documentation either declaring U.S. citizenship or eligible immigration status. The PHA requires both current tenants and applicants to submit the required citizenship or eligible immigration documentation for every household member in order to receive or continue to receive housing assistance. Documentation is required of all new admissions at the time an application is processed by the PHA. Whenever a new family member is added, documentation must be provided before the new member can be added to the lease.
2. *Proof of citizenship will take the following form*:
    a. For families claiming U.S. citizenship, each applicant or participant family member will sign the citizenship declaration form and present appropriate documentation (such as U.S. passport, resident alien card, social security card or other appropriate documentation), which will become a permanent part of the tenant file. Adults will be required to sign on behalf of all children under the age of eighteen years.
    b. Non-citizens age 62 years or older who are current participants or applicants will be required to sign a declaration of eligible immigration status and proof of age.
    c. Participants and applicants who are noncitizens declaring eligible immigration status must:
        (1) Sign a declaration of eligible immigration status;
        (2) Provide the required U.S. Immigration and Naturalization Service documents, such as Alien Registration Receipt Card, Arrival/Departure Record, Temporary Resident Card, Immigration and Naturalization Service (INS) receipt in the event of any lost or missing cards listed above; and
        (3) Sign a verification consent form.

    The PHA has the right to deny, terminate or adjust housing assistance if members of any household are found to be noncitizens with ineligible immigration status; however, this determination will not take place until all appeal rights requested have been exercised by the household. The PHA may grant time extensions to provide appropriate information, provided that the household shows a diligent effort in obtaining immigration status documents.

3. The PHA may not make assistance available to a family applying for assistance until at least the eligibility of one family member has been established, and assistance must be prorated based on the number of individuals in the family for whom eligibility has been affirmatively established.

4. The PHA may not delay, deny, reduce or terminate eligibility of an individual for assistance on the basis of the immigration status of the individual. The family will not be penalized for delays on the part of those entities which must verify eligible immigration status.

5. The PHA is required to suspend assistance to a family for a period of at least 24 months upon determining that the family has knowingly permitted an ineligible individual to reside on a permanent basis in the family's unit. This provision does not apply if the ineligible individual has already been considered in calculating any proration of assistance for the family.

6. If the PHA discovers that citizenship information provided is expired, fraudulent, or otherwise invalid, it will notify the family or individual of the results of these findings. The family or individual

will then have 30 days from the date of the notification to file an appeal with the INS to correct the problem. The family or individual must provide the PHA a copy of the appeal request to the INS, which will become a permanent item in the tenant file. The PHA can extend this 30 day appeal period at its sole discretion if good cause is found.

7. Any applicant or participant family affected by these provisions has the right to an informal hearing provided the family notifies the PHA within 30 days of the action or decision the family wishes to appeal. All appeals will be conducted in accordance with the provisions of the PHA's Informal Hearing Procedures.

8. In accordance with Federal rules, mixed families who were participants in the PHA's Section 8 program on June 19, 1995, are permitted to receive continued assistance provided that one member of the family has eligible immigration status.

D. Special Eligibility Provisions Relating to Applicants Requiring a Live-In Aide

1. Some applicants/participants who would not otherwise be able to fully discharge the responsibilities of tenancy may be able to do so with the assistance of a live-in aide residing in the unit.

   A family may include a live-in aide who:

   a. Has been verified by the PHA to be essential to the care and well being of the elderly, handicapped/disabled family member (this may include verification from a physician); and
   b. Is not obligated for the support of the elderly, handicapped/disabled member; and
   c. Would not be living in the unit except to provide care of the elderly, handicapped/disabled member; and
   d. Whose income will not be counted for purposes of determining eligibility or rent; and
   e. Who may not be considered the remaining member of the Tenant family.
   f. A live-in aide's family members may also reside in the unit provided it does not increase the subsidy by the cost of an additional bedroom and provided that the presence of the live-in's family members does not overcrowd the unit.

2. A live-in aide must meet the same standards as a program applicant in regard to criminal history and sex offender registry.

3. A live-in aide must be a person in good standing with the PHA.

E. Eligibility related to students

1. The PHA will comply with all Federal regulations regarding the admission of students to the Section 8 HCV Program.

F. Additional Eligibility Factors

The PHA shall deny admission to the Section 8 HCV Program based on previous termination of assistance from the Section 8 HCV Program under the following guidelines.

1. Following the first termination of assistance for any reason other than criminal activities as listed in Section II:B, a one (1) year time period from the date of termination is required to pass before the applicant may be considered eligible for rent assistance.
2. Following a second termination of rent assistance for any reason other than criminal activities as listed in Section II:B, a five (5) year period from the date of the second termination is required before the applicant may be considered eligible for rent assistance.
3. <u>No person will be eligible for assistance following a third termination of rental assistance.</u>

An applicant may be denied assistance by the PHA for the following reasons: (24 CFR 982.552)

1. If any family member has ever been evicted from public housing.

2. If a PHA has ever terminated assistance under a Section 8 program for any member of the family.

3. If the family has engaged in or threatened abusive or violent behavior toward PHA personnel.

4. If any family member refuses to sign and submit mandatory consent forms.

7. If evidence of citizenship and eligible immigration status is not submitted by a specified date, or by the expiration of any extension granted.

6. If INS primary and secondary verification does not verify eligible immigration status of at least one family member.

7. If the family has not reimbursed any PHA for amounts paid to an owner under a HAP Contract for rent, damages to the unit, or other amounts owed by the family under the lease.

8. If any member of the family is a registered as a sex offender anywhere in the United States.

9. If any member of the family has history involving any drug or violent criminal activity. (See Section II, B)

SECTION III
APPLICATION FOR ADMISSION

A. Introduction

The PHA will accept applications for the Section 8 HCV Program when the waiting list is open. Interested persons may apply for participation in the PHA's Section 8 HCV Program by completing an application form along with any additional required documentation such as Social Security card, birth certificate, photo ID, immigration cards. Anyone may apply; the PHA will not deny anyone the right to submit an application when the waiting list is open. All applications will be time and date stamped upon receipt and all applicants will receive acknowledgment of receipt by mail. Reasonable accommodations may be requested by persons with a disability.

Each applicant is responsible for informing the PHA if the family's address or phone number changes or if there are any changes in the household composition or household income while on the waiting list. Failure to do so may result in an application being withdrawn from the active waiting list. Inability of PHA to contact the family will result in withdrawal of the application from the waiting list. Any involvement in criminal activity as described in Section II.B while on the waiting list may be cause for denial of assistance.

B. Program Outreach

1. <u>Outreach to Families.</u>
   The PHA reserves the right to open or close the waiting list based on the supply of applicants and the estimated length of time to receive assistance.

   The waiting list will be closed when there are not enough Section 8 HCV Program subsidies to assist all the applicants in a reasonable period of time. When the PHA determines that additional applicants are needed, the waiting list will be reopened. The PHA will publicly advertise the closing and reopening of the waiting list through local media. The PHA will clearly state in the public announcement the procedure used to determine the position of each applicant on the waiting list. To reach possible applicants from all backgrounds, the PHA may advertise through a wide variety of sources including local and State newspapers, minority media, minority civic clubs, service agencies and broadcast media. An effort will also be made to notify agencies which specifically address the needs of individuals with handicaps. The PHA will continuously monitor and evaluate outreach activities to ensure that the widest possible audience is reached.

All notices and advertising announcing the opening of the waiting list will include:

a. the dates the list will be open;
b. the office hours and location where applications are available and will be accepted;
c. the availability of Vouchers;
d. eligibility guidelines;
e. preferences for the selection of applicants; and
f. any limitations which may apply.

2. <u>Outreach to Property Owners.</u> Outreach to property owners will be conducted on an ongoing basis to interested property owners to increase the number of units available in low-poverty areas. PHA staff will be available to make presentations about the Section 8 Program to these groups. In addition, printed materials which describe the program requirements and opportunities for property owners will be made available. The PHA maintains a list of interested property owners and units available for the Section 8 HCV Program. As inquiries from prospective new property owners are received, staff records the necessary information about units and make it available to prospective tenants upon request.

   The PHA will make a concerted effort to contact and encourage local property owners with units specially designed or adapted for persons with disabilities, and those who may be willing to adapt units, to participate in the program. Notices shall be sent to landlords presently participating, landlords that have participated in the past, local real estate agencies, and to local social service agencies that specifically address the needs of handicapped clientele.

   The PHA will make available to property owners information regarding reasonable accommodation and reasonable modification to encourage housing for persons with disabilities.

C. Applications/Determination of Eligibility/Preferences

1. The application (consisting of an application form, with a listing of documentation needs) will be given to anyone requesting to apply for the rental assistance program. An application may be sent by regular first class mail if requested to individuals who do not reside in Marshalltown or for individuals who are elderly or disabled.

2. When the completed application is returned it will be date and time stamped. A review of the application will be completed including a criminal history check. If the applicant meets initial application review, the applicant will be placed on the waiting list based on the date and time of the application. A letter will be sent to the applicant stating that the applicant has been placed on the waiting list, or that the applicant has been denied. The completed application will include documentation of social security numbers, photo ID for all adults, birth certificates for all household members if available at time of application and any necessary proof of immigration status. If the application is not complete at the time it is submitted, it will be returned to the applicant by regular first class mail to the address given on the application and it will not be placed on the waiting list.

3. The PHA will give admission preference to families with dependents; displaced families; and singles that are: elderly and/or disabled over other singles in selecting eligible applicants.

   The PHA will establish a non-preference status for those applicants who do not meet the above preferences. If a non-preference status applicant meets any of the above preference categories their names will be placed on the waiting list with a preference status based on the date and time that they meet one of the above preference categories. If a preference status applicant becomes a non-preference status applicant they will be placed on the non-preference list based on the date and time of the original application.

4. Applicants on the waiting list meeting the admission preference will be separated into the following categories for priority status on the waiting list, within each category they will be arranged by the date and time of the application.
   a. Households in the PHA jurisdiction below 30% or AMI.
   b. Households in the PHA jurisdiction between 30% and 50% of AMI
   c. Households outside of the PHA jurisdiction in all income ranges.

5. When an applicant's name is near the top of the waiting list, a briefing meeting will be scheduled with PHA staff. Generally the PHA will notify a group of applicants based on the number of available vouchers and estimated turnover. A letter will be sent by regular first class mail to the mailing address provided by the applicant stating the date, time and location of the meeting. Failure to notify the PHA prior to the scheduled meeting that the applicant will not be in attendance will result in the withdrawal of the application. Applicants are allowed to reschedule their meeting two (2) times. Failure to attend the third briefing meeting offered will result in a withdrawal of the application and the applicant will have to re-apply for assistance.

6. At the briefing meeting the applicant must complete all the required paperwork in order to allow the PHA to determine eligibility. Required forms include but are not limited to Income/Asset Sheet, Authorizations for Release of Information forms, Notice of Lead Based Paint Hazards, HUD-92006, Section 8 Housing Choice Voucher (HCV), Child Support Verification if applicable and any other forms required by the PHA. Verification shall be from third party sources whenever possible. All verifications must be completed before the HCV is issued. However, the applicant shall not be penalized either by denial or unreasonable delay of assistance solely because third party sources have failed to respond to requests for information. When the applicant and the PHA have made all reasonable efforts to obtain information and the third party source has failed to respond, the PHA shall proceed with the processing of the application using the best available information.

   Third Party Verification. (24 CFR 982.551(a)(b)) A release of information for verification of income (and other information) will be sent through the mail, via email or by FAX directly to the source. The method of verification is third party verification, and is the first method which must be sought.

   If, after fifteen (15) days, the verification has not returned to the PHA, or if an unusual circumstance prevents this method, then, the following methods may be used:
   a. *Review of Documents:* PHA staff may review and verify documents provided by the client. This method of verification must be fully documented. Such documentation may include reports of interviews, letters or telephone conversations with reliable sources. At a minimum, such reports shall indicate the date, the source of information, including the name and title of the individual contacted, and a summary of the information received. The sources of information may include, but are not limited to, the applicant (by means of interviews), landlords, employers, family social workers, clinics or physicians where warranted by the particular circumstances.
   b. *Family Certification:* When a third party verification or review of documents is not possible, the family may certify to their income. Such certification must be notarized. All information relative to income for eligibility, assets, family composition, preferences and non-citizen status will be verified and current for applicants within 60 days prior to issuance of a HCV and verified and current for participants within 120 days for participants being recertified; all verified findings will be recorded in the applicant/tenant file.

6. The PHA shall require the applicant to:
   a. Provide verification of income, assets, exclusions and deductions from income; and preferences claimed;

b. Provide verification of family size, age and relationships;
c. Disclose the Social Security Numbers of all family members;
d. Provide photo ID's for all adult household members;
e. Provide birth certificate for all household members;
f. Provide certification and/or documentation regarding immigration status.

ANY LETTER RETURNED DUE TO IMPROPER ADDRESS OR FAILURE TO PROVIDE A NEW FORWARDING ADDRESS WILL RESULT IN THE APPLICANT'S NAME BEING REMOVED FROM THE WAITING LIST.

D. Informal Review (24 CFR 982.554)

1. An applicant is a person/family who has made application for the Section 8 HCV Program and has provided all required information. Applicant status begins at the point an action has been taken to either approve or disapprove the application.

2. The PHA shall give an applicant prompt written notice of the decision denying assistance to the applicant, including a decision denying placement on the waiting list and the issuance of a HCV. The notice shall state that the applicant may request an informal review of the decision and shall describe how to obtain the informal review.

3. No statute, regulation or this document confers any property right to assistance. Further, placement on the waiting list confers no entitlement to assistance.

4. An applicant may request an Informal Review within ten (10) calendar days from the mailing date of the letter of ineligibility. The request must be done in writing and be received by the PHA by the close of business on the 10th calendar day. The PHA shall notify the ineligible applicant of the time and date of the review.

5. The review is to be conducted by an impartial Review Officer(s) appointed by the PHA Director or the City Administrator. The Review Officer(s) shall be a person who had no part in the determination of the eligibility of the applicant.

6. The review may be rescheduled one time only with 24 hour notice, or, with proven extenuating circumstances, such as illness, birth of a child, a death in the family, up to the time of the review.

7. Any person appearing for a review more than 15 minutes late will be considered to have missed the review and the original decision will stand.

8. The applicant shall be given an opportunity to present written or oral objections to the PHA's decision at the time of the review.

10. The Review Officer(s) will make a determination on the merits of the evidence presented. The Review Officer(s) may include conditions as part of their decision. Within ten (10) business days after the hearing, a written decision will be given to the PHA Director and then mailed to the applicant and one (1) copy will be retained in the applicant's file.

11. If the ineligibility determination is overturned and the family otherwise meets eligibility criteria, the family will be placed on the waiting list based on the original date of application. If the decision is upheld the family will be denied assistance and withdrawn from the waiting list.

An informal review will not be provided for the following:

1. Review of discretionary administrative determination by the PHA or to consider policy issues or class grievances;
2. Review of determination of the number of bedrooms entered on the HCV under the standards of

occupancy established by the PHA;
3. Review of the PHA determination that a unit does not comply with Housing Quality Standards;
4. Review of decision not to approve a request for an extension of the term of the HCV.

SECTION IV
APPLICANT SELECTION

A. Order Of Selection from the Waiting List

1. All eligible applicants will be placed on the waiting list.

2. Not less than 75% of new families admitted to the program must have incomes at or below 30% of the area median income (AMI). To achieve this applicants at or below 30% of AMI may be given preference and may be called in from the waiting list before any applicants of higher income.

3. Other admissions generally must be at or below 50% of the area median income.

4. Other admissions will be assigned according to date and time of application.

5. Persons living in the jurisdiction of the PHA will be given preference over those persons living outside the jurisdiction.

6. Persons living in the state of Iowa will be given preference over person living outside the state of Iowa.

7. Families with dependents; displaced families; and singles that are: elderly and/or disabled will be given preference over other singles.

B. **Special Admissions** (24 CFR 982.203)

Some family applicants will be admitted to the PHA's Section 8 HCV Program without ever being on the waiting list or without considering the applicant's place on the waiting list. This may occur when HUD has awarded funding to the PHA for a targeted group of households living in specified units. This HUD-targeted funding may include (but is not limited to):

a. Families displaced because of demolition/disposition of a public or Indian housing project;
b. Families residing in a multifamily rental housing project when HUD sells, forecloses or demolishes the project;
c. Housing covered by the Low Income Preservation and Resident Homeownership Act/1990;
d. Non-purchasing families residing in a project subject to a homeownership program;
e. Families displaced because of a mortgage prepayment or voluntary termination of a mortgage insurance contract;
f. Families residing in a project covered by a project-based Section 8 HAP contract at or near the end of the HAP contract term; and,
g. Non-purchasing families residing in a HOPE 1 or HOPE 2 project.

C. **Waiting List Update**:

The PHA will periodically mail requests to each applicant for updated household information. Each applicant will be required to respond within a specific time frame established by the PHA. The application of any household which fails to respond to the update request by the specified deadline date will be withdrawn. Once an application is withdrawn, it may not be reactivated. To be considered for admission, the applicant will be required to reapply. An applicant may withdraw his/her application at any time. However, a withdrawn application cannot be reactivated. An applicant who has withdrawn an application will be required to reapply.

D. Request to Change Waiting List Placement:

Applicants may request a change in their placement on the waiting list if they have had a change in their application status affecting their preference. The original date and time of the application will remain the same.

An Applicant may also request to be placed at the bottom of the list once their name has reached the top. Applicants will only be placed at the bottom of the list once without having to fill out a new application. The new date and time of the application will be the same as the date and time of the receipt of a written request from the applicant.

SECTION V
INCOME, ALLOWANCES, EXCLUSIONS, AND DISALLOWANCES
24 CFR 5.609

Annual income means all amounts, monetary or not, which:

- Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or
- Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
- Which are not specifically excluded
- Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

Annual income includes, but is not limited to:

- gross amount of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for services;
- the net income derived from the operation of a business or profession (see regulation for items not to include);
- all net income derived from assets (Where there are net family assets in excess of $5,000, include the greater of the actual income derived or a percentage (as determined by HUD) of the value of such assets);
- full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount; (*)
- payments in lieu of earnings, such as unemployment and disability compensation, worker’s compensation, and severance pay; (*)
- periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from a person not residing in the dwelling;
- all regular pay, special pay, and allowances for a member of the Armed Forces; (*)
- welfare assistance (if shelter and utilities are specifically designated). (Note: not applicable in the States of Iowa, Kansas or Missouri)

***An exception applies (see below under excluded income)**

Excluded Income

- Income from employment of children (including foster children) under 18 years of ages;

- Payments received for the care of foster children or foster adults;

- Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses (except as provided above);

- Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;

- Income of a live-in aide (as defined in 24 CFR 5.403);

- The full amount of student financial assistance paid directly to the student or to the educational institution;

- The special pay to a family member serving in the Armed Services who is exposed to hostile fire;

- Amounts received under training programs funded by HUD;

(a) amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);

(b) amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;

(c) amounts received under a resident service stipend (not to exceed $200 a month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development;

(d) incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff.

Amounts excluded by this provision must be received under employment training programs with clearly defined goals objectives, and are excluded only for the period during which the family member participates in the employment training program.

- temporary, nonrecurring, or sporadic income, including gifts;

- reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;
- earnings in excess of $480 for each full-time student 18 years or older (excluding head of household or spouse);

- adoption assistance payments in excess of $480 per adopted child;

- deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts;

- amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit;

- amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home;

- amounts specifically excluded by any other Federal Statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which exclusions set forth in 24 CFR 5.609© apply.

The following is a list of benefits excluded by other Federal Statute as of April 20, 2001 (Federal Register Vol. 66, No. 77):

- The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b);

- Payments to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044 (g), 5088);

  Examples of programs under this Act include, but are not limited to:

  - The Retired Senior Volunteer Program (RSVP), Foster Grandparent Program (FGP), Senior Companion Program (SCP), and the Older American Committee Service Program;

  - National Volunteer Antipoverty Programs such as VISTA, Peace Corps, Service Learning Programs, and Special Volunteer Programs;

  - Small Business Administration Programs such as the National Volunteer Program to Assist Small Business and Promote Volunteer Service to Persons with Business Experience, Service Corps of Retired Executives (SCORE), and Active Corps of Executives (ACE).

  - Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626 ©;

  - Income derived from certain submarginal land of the Unite States that is held in trust for certain Indian tribes (25 U.S.C. 459e);

  - Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624 (f);

  - Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552 (b); (effective July 1, 2000, references to Job Training Partnership Act shall be deemed to refer to the corresponding provision of the Workforce Investment Act of 1998 (29 U.S.C. 2931);

  - Income derived from the disposition of funds in the Grand River Band of Ottawa Indians (Pub.L. 94-540, 90 Stat. 2503-04);

  - The first $2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U.S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first $2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408):

  - Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under Federal work-study program or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087 uu);

Examples of Title IV programs include, but are not limited to:

- Basic Educational Opportunity Grants (Pell Grants), Supplemental Opportunity Grants, State Student Incentive Grants, College Work Study, and Byrd Scholarships.

- Payments received from programs funded under Title V of the Older Americans Act of 1965 (42 U.S.C. 3056 (f).

Examples of programs under this act include, but are not limited to:

- Senior Community Services Employment Program (CSEP), National Caucus Center on the Black Aged, National Urban League, Association National Pro Personas Mayores, national Council on Aging, American Association of Retired Persons, National Council on Senior Citizens, and Green Thumb.

- Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in In Re Agent-product liability litigation (M.D.L. No 381 (E.D.N.Y.));

- Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721);

- The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q);

- Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j));

- Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433);

- Allowances, earnings and payments to AmeriCorps participants under the national and Community Service Act of 1990 (42 U.S.C. 12637 (d));

- Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran (38 U.S.C. 1805);

- Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602); and

- Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C. 2931).

Disallowance of Increase in Earned Income: Public Housing and Tenant-based Section 8 HCV Program 24 CFR 5.617

Exclusions from Annual Income for <u>qualified disabled families</u>:

Qualified family:

- a disabled family whose annual income increases as a result of employment of a family member who is a person with disabilities and who was previously unemployed (*see definition below) for one or more years prior to employment;

- whose annual income increases as a result of increased earnings by a family member who is a person with disabilities during participation in any economic self-sufficiency or other job training program; or
- whose annual income increases as a result of new employment or increased earnings of a family member who is a person with disabilities, during or within six months after receiving assistance, benefits or services under any state program for temporary assistance for needed families funded under Part A of Title IV of the Social Security Act.

Disallowances of increase in annual income:

- During the cumulative twelve month period once the family member is employed or experiences an increase attributable to employment, **the full amount of the increase** is excluded from annual income.
- During the second cumulative twelve month period, **fifty percent** of any increase is excluded from annual income.
- Lifetime 48 month disallowance (starting from the initial exclusion) for 12 months under each disallowance (full disregard and 50% phase in).
- **Definition of previously unemployed**: a person with disabilities who has earned, in the twelve months previous to employment, no more than would be received for 10 hours of work per week for 50 weeks at the established minimum wage.

Welfare Benefit Reduction: Public Housing and Tenant-Based Section 8 24 CFR 5.615

Families who receive welfare assistance or other public assistance benefits from a State or other public agency under a program for which Federal, State or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance.

Applicability: A family member who receives a reduction of welfare benefits by the welfare agency, in whole or in part, because of fraud in connection with the welfare program; or because of welfare agency sanction for noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

Effect: The PHA will continue to count as income the amount of not actually received by a family, as a result of a specified welfare benefit reduction, that is nonetheless included in the family's annual income for purposes of determining rent.

SECTION VI
COMPUTING TOTAL TENANT PAYMENT
AND TENANT RENT

A. Calculation of Total Tenant Payment and HAP Maximum Subsidy

The PHA will compute Annual and Adjusted Income and Total Tenant Payment in accordance with 24 CFR §§5.603, 5.609, 5.613.

Under the HCV program, the Tenant Rent will vary based upon the Total Tenant Payment and the

Contract Rent and its relationship to the Payment Standards. The Maximum Subsidy is the difference between the PHA's applicable Payment Standard for the unit size issued and 30% of the family's adjusted income (defined in 24 CFR 5.603 and 5.609). This is the maximum that the PHA will pay as subsidy for the household.

Once the unit is selected, the family's portion of the rent is calculated as the difference between the gross rent (Contract Rent plus utilities) and the *appropriate* Payment Standard. The appropriate Payment Standard is the lesser of the standard for the unit size issued, or the unit size selected. The tenant's portion may be more or less than 30% of the family's monthly adjusted income depending on the total rent of the unit selected by the family, except that the family may never pay less than the greater of 10% of monthly gross family income or more than 40% of their adjusted monthly family income at the time of initial rent up.

The Housing Assistance Payment for a family renting at or below the payment standard will be the highest of 30% of the family's monthly adjusted income, 10% of monthly income or the welfare rent. A family renting a unit above the payment standard pays the highest of 30% of the adjusted monthly income, 10% of monthly income, or the welfare rent, plus the amount of rent above the payment standard.

B. Minimum Rent (24 CFR 5.630)

The PHA has set a minimum rent amount at $50 effective July 1, 2014.

If the PHA establishes a minimum rent greater than zero, the PHA must grant an exemption from the minimum rent if a family is unable to pay the minimum rent because of financial hardship.

The financial hardship exemption applies only to families required to pay the minimum rent. If a family's TTP is higher than the minimum rent, the family is not eligible for a hardship exemption. If the PHA determines that a hardship exists, the family share is the highest of the remaining components of the family's calculated TTP.

HUD-Defined Financial Hardship

Financial hardship includes the following situations:

(1) The family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program. This includes a family member who is a noncitizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996.

<u>PHA Policy</u>

A hardship will be considered to exist only if the loss of eligibility has an impact on the family's ability to pay the minimum rent.

For a family waiting for a determination of eligibility, the hardship period will end as of the first of the month following: (1) implementation of assistance, if approved, or (2) the decision to deny assistance. A family whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances.

(2) The family would be evicted because it is unable to pay the minimum rent.

<u>PHA Policy</u>

For a family to qualify under this provision, the cause of the potential eviction must be the family's failure to pay rent to the owner or tenant-paid utilities.

(3) Family income has decreased because of changed family circumstances, including the loss of employment.

(4) A death has occurred in the family.

PHA Policy

In order to qualify under this provision, a family must describe how the death has created a financial hardship (e.g., because of funeral-related expenses or the loss of the family member's income).

(5) The family has experienced other circumstances determined by the PHA.

PHA Policy

The PHA has not established any additional hardship criteria.

Implementation of Hardship Exemption

Determination of Hardship

When a family requests a financial hardship exemption, the PHA must suspend the minimum rent requirement beginning the first of the month following the family's request.

The PHA then determines whether the financial hardship exists and whether the hardship is temporary or long-term.

PHA Policy

The PHA defines temporary hardship as a hardship expected to last 90 days or less. Long-term hardship is defined as a hardship expected to last more than 90 days.

When the minimum rent is suspended, the family share reverts to the highest of the remaining components of the calculated TTP. The example below demonstrates the effect of the minimum rent exemption.

Example: Impact of Minimum Rent Exemption

Assume the PHA has established a minimum rent of $50.

Family Share – No Hardship		**Family Share – With Hardship**	
$0	30% of monthly adjusted income	$0	30% of monthly adjusted income
$15	10% of monthly gross income	$15	10% of monthly gross income
N/A	Welfare rent	N/A	Welfare rent
$50	Minimum rent	$50	Minimum rent
Minimum rent applies. TTP = $50		Hardship exemption granted. TTP = $15	

PHA Policy

To qualify for a hardship exemption, a family must submit a request for a hardship exemption in writing. The request must explain the nature of the hardship and how the hardship has affected the family's ability to pay the minimum rent.

The PHA will make the determination of hardship within 30 calendar days.

No Financial Hardship

If the PHA determines there is no financial hardship, the PHA will reinstate the minimum rent and require the family to repay the amounts suspended.

<u>PHA Policy</u>

The PHA will require the family to repay the suspended amount within 30 calendar days of the PHA's notice that a hardship exemption has not been granted.

Temporary Hardship

If the PHA determines that a qualifying financial hardship is temporary, the PHA must suspend the minimum rent for the 90-day period beginning the first of the month following the date of the family's request for a hardship exemption.

At the end of the 90-day suspension period, the family must resume payment of the minimum rent and must repay the PHA the amounts suspended. HUD requires the PHA to offer a reasonable repayment agreement, on terms and conditions established by the PHA. The PHA also may determine that circumstances have changed and the hardship is now a long-term hardship.

<u>PHA Policy</u>

The PHA will enter into a repayment agreement in accordance with the procedures found in this plan.

Long-Term Hardship

If the PHA determines that the financial hardship is long-term, the PHA must exempt the family from the minimum rent requirement for so long as the hardship continues. The exemption will apply from the first of the month following the family's request until the end of the qualifying hardship. When the financial hardship has been determined to be long-term, the family is not required to repay the minimum rent.

<u>PHA Policy</u>

The hardship period ends when any of the following circumstances apply:

(1) At an interim or annual reexamination, the family's calculated TTP is greater than the minimum rent.

(2) For hardship conditions based on loss of income, the hardship condition will continue to be recognized until new sources of income are received that are at least equal to the amount lost. For example, if a hardship is approved because a family no longer receives a $60/month child support payment, the hardship will continue to exist until the family receives at least $60/month in income from another source or once again begins to receive the child support.

(3) For hardship conditions based upon hardship-related expenses, the minimum rent exemption will continue to be recognized until the cumulative amount exempted is equal to the expense incurred.

C. Utility Allowance

The utility allowance used is based on the actual size of the unit the family selects regardless of the size authorized on the family's Voucher.

As required by 24 CFR 882.214, the Utility Allowance Schedule will be reviewed on an annual basis and adjusted as needed.

At least annually, the PHA shall determine whether there has been a substantial change in utility rates that were used to calculate allowances. If there has been a change of more than 10% individually or cumulatively over the past 10 years, the utility allowance will be adjusted to reflect such increases. Such change shall be processed with the annual change of the Fair Market Rents and the review of the payment standards.

The PHA will give tenants a utility allowance for stoves and refrigerators when these appliances are provided by the tenant. The determination regarding provision of appliances is between the landlord and the tenant; the PHA will not be involved.

D. Payment Standard

1. At least annually the PHA will review and when necessary, revise Payment Standards.
2. The payment standard shall be set by the PHA anywhere between 90% and 110% of the FMR.
3. With administrative review, a payment standard of 110% of FMR may be established in cases of documented need. A payment standard of 120% of FMR may be requested from the regional HUD office.
4. Decrease in the payment standard amount during the HAP contract term. If the amount on the payment standard schedule is decreased during the term of the HAP contract, the lower payment standard amount generally must be used to calculate the monthly housing assistance payment for the family beginning at the effective date of the family's second regular annual reexamination following the effective date of the decrease in the payment standard amount. The PHA must determine the payment standard for the family as follows:

Any changes to the Fair Market Rents, the payment standards schedules and the utility allowances shall become upon issuance from HUD and shall be implemented upon initial lease up, at the time of a move or at the next annual review.

SECTION VII
SUBSIDY STANDARDS

A. Bedroom Size Assignment (24 CFR 982.402) Effective July 1, 2014, the PHA will assign the bedroom size as follows to all new participating voucher holders and at all upcoming annual re-exams beginning July 1, 2014.

- **Two (2) adults per bedroom regardless of relationship, excluding a live-in aid.**
- **Two (2) children per bedroom regardless of relationship, gender or age.**

Bedroom size assignments on vouchers will be made so that no less than one (1) and no more than two (2) persons will occupy a bedroom. No assignments of bedroom size on a Voucher will be made which require use of the living room for sleeping, however a participant may choose to use a living room as a sleeping room if it meets HQS.

In the case of a participant who shares custody of a child (or children) the child shall be included when considering the assignment of bedroom size when they are in the household at least 51% of the time based on a calendar year.

The intent of HUD requirements is that the smallest appropriate bedroom size be assigned to participant families without overcrowding. The PHA does not limit or restrict which family members may share bedrooms.

Changes to the bedroom size assignment may only be approved as a reasonable accommodation.

SECTION VIII
ISSUANCE OF VOUCHERS AND BRIEFING OF FAMILIES

A. Selection from the Waiting List. Not less than 75% of new families admitted from the waiting list must have incomes at or below 30% of the area median income. Other admissions will be assigned according to date and time of application and based on preferences listed in Section IV. The goal is to serve the lowest income applicants, but units are not required to remain vacant to meet this guideline.

B. Notification and Response. Once an applicant has filed a completed application, provided copies of photo ID's, social security cards, birth certificates and verified immigration status the family will be placed on the waiting list and informed in writing of their status. All eligible adult applicants are required to attend a briefing at which the family will be provided with a detailed overview of the Section 8 HCV Program. The program briefing may be group or individual.

1. All adults must sign in upon arrival in order to document attendance of the briefing.

2. A packet of materials will be presented to the applicant at this meeting, and all the materials will be reviewed with rent assistance staff.

3. If funding is available and the applicant is determined to be eligible after all verification forms are returned and after gross income is calculated, the voucher will be issued.

<u>If an applicant fails to appear, without prior explanation or re-scheduling, for a scheduled appointment to attend a briefing, such failure shall result in removal from the waiting list and the person may reapply provided that applications are being accepted at that time.</u>

C. Briefings (24 CFR 982.301)

1. <u>Briefing Packets</u>.

   a. At the family briefing, the family will receive a Section 8 HCV Program briefing packet, which will include explanations of applicant and owner responsibilities under the program and program guidelines

   The briefing packet shall contain:

   - A copy of the PHA power point presentation which includes information on the PHA policies and the program guidelines and regulations.
   - The term of the HCV, a description of the PHA's HCV extension or suspension policies and how to request them.
   - How HAP is determined, including information of the Payment Standard and Utility Allowances.
   - How maximum rent is determined.
   - Where family may lease a unit, including information on portability.
   - HUD required "lease addendum".
   - Sample Request for Tenancy Approval and explanation of how to request approval to lease a unit.
   - The PHA's subsidy standards, including any exceptions to these standards.
   - Iowa or EPA Lead Based Paint brochure.
   - Notice to applicants and participants regarding drug related activity.

- Required forms in order to verify an applicant's eligibility including but not limited to release forms and declaration of citizenship.

- Lead disclosure form.

- Fair Housing Brochure.

- Information on local listings if available.

- Family Obligations under the Section 8 HCV program.

- Grounds on which the PHA may terminate assistance.

- Informal hearing procedures.

- The PHA's policy on providing information to owners about a participant's history.

- Additional information as determined by the PHA.

2. Briefing Session.

a. The briefing session will generally be held in a group setting with the opportunity for the applicants to ask questions to ensure that they have an adequate understanding of the program and procedures to be followed.

b. Briefing session topics will include:

- Description of how the program works.

- Family and owner responsibilities.

- Where the family may lease a unit, including renting a dwelling unit inside or outside the PHA's jurisdiction.

- Portability.

- Advantages of moving to an area that does not have a high concentration of poor families.

The family will be notified that they must report any changes in family composition and/or income in writing during the period between issuance of the Voucher and execution of the HAP/Voucher Contract. The PHA will follow up as necessary before execution of lease and contract.

D. Term of Voucher, Suspensions and Extensions

1. The Voucher shall expire at the end of 120 days unless within that time the family submits a Request for Tenancy Approval (RFTA), at which time a "suspension" may occur. (The time between the date the RFTA is submitted and the date the PHA determines whether to lease or deny the RFTA is not counted against the Voucher time limit.)

2. In general there are no extensions provided to the Voucher term. The Voucher term may only be extended if extenuating circumstances are present. A written request for an extension along with supporting documentation must be submitted to the Director. The Director shall determine if an extension is warranted within ten days of receipt of the request and will notify the voucher holder in writing of the decision. The Director will also determine the amount of time granted as part of the

extension and any conditions associated with the approval.

SECTION IX
UNIT SELECTION AND APPROVAL

A. Locating a Unit

It is the responsibility of the Voucher holder to locate a unit suitable to the holder's needs and desires. The holder of a Voucher may select the dwelling unit, which the holder already occupies if the unit meets program qualifications.

Voucher holders will be encouraged to locate their own housing, but will also be informed that they should periodically contact the PHA staff in order to report their progress.

To those applicants reporting apparent discrimination, assistance will be provided in directing the applicant to the appropriate local, State and Federal agencies or organizations where a complaint can be filed.

If a Voucher holder elects to move to a different jurisdiction, they must follow HUD's portability guidelines.

B. Portability (24 CFR 982.353, 354, 355) Portability is the ability of a family issued a Voucher, to move anywhere within the United States where a tenant-based program is administered. If funding is reduced due to HUD cutbacks the PHA may limit portability based on available funds.

If neither household head nor spouse had a legal residence in the jurisdiction of the PHA at the time of application, the family must lease a unit in the PHA jurisdiction for one year before becoming eligible for portability.

If a family's initial lease is outside the jurisdiction of the PHA, they must be income eligible for the area in which they will lease.

The amount of housing assistance shall be based on the applicable Payment Standard in effect at the receiving PHA at the time the Voucher is received.

The receiving PHA will promptly notify the initial PHA if the family has submitted a Request for Tenancy Approval, whether they will absorb or administer the Voucher, if the family ceases to be a current participant in the initial PHA's Voucher Program, or has requested to move to another PHA jurisdiction.

The receiving PHA will perform all functions normally associated with providing assistance to a family in the HCV Program, including determining unit size, lease approval, annual reexamination of income, annual inspection of the unit to meet Housing Quality Standards, and executing the HAP Contract. If the receiving PHA does not absorb the family into its program, they will bill the initial PHA for the Housing Assistance Payment on behalf of the family. The receiving PHA will be eligible to receive 80% of administrative fees, and all hard-to-house fees associated with the portable Voucher being administered. The initial and receiving PHAs must comply with financial procedures and billing and payment deadlines required by HUD. The first bill must be sent from the receiving PHA to the initial PHA within six (6) months from the date the initial PHA issued the voucher to the family (PIH Notice 96-54,7/26/96)

If the family selects an area where more than one PHA may have jurisdiction, then the PHA may select which PHA in the new area shall be the receiver.

C. Applicant Flexibility on Unit Size Selection

It is emphasized that the unit size listed on the applicant's Voucher does not preclude the family from selecting either a smaller or larger sized unit provided the following requirements are met:

1. Larger-Sized Units. The family may select a larger-sized unit than listed on its Voucher. The family will be required to pay any additional cost for the larger size unit, within program guidelines.

2. Smaller-Sized Units. The family may select a smaller-sized unit provided there is at least one sleeping room or living/sleeping room of appropriate size for each two persons in the household.

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

D. Eligible and Ineligible Housing Units (24 CFR 982.352)

1. Eligible Units.

   a. The types of housing units that are eligible for the Voucher Programs are: apartments, single family homes, townhouses, duplexes, fourplexes, mobile homes, assisted living homes, congregate and independent group homes. These may include units owned by a relative only if it is determined that the leasing would accommodate a person with disabilities.

   b. Owners of manufactured homes/mobile homes are not eligible to receive assistance on the Voucher Program for the home itself. The PHA has opted not to provide assistance for lot rent in accordance with 24 CFR 982.620(a)(3)

   c. Single Room Occupancy (SRO) Housing is eligible for assistance on the Voucher Program if:
      (i) the property is located in an area where there is significant demand for SRO units (as determined by HUD),
      (ii) the PHA approves the use of SRO units for such purposes,
      (iii) the PHA certifies to HUD that the property meets applicable local health and safety standards for SRO housing.

   d. Some units or developments sponsored by the FMHA may be eligible for residency by a voucher holder if occupancy does not create a situation of duplicate subsidy.

2. Ineligible Units.

   a. Any Public Housing or Indian Housing unit.

   b. Units in which the family is being assisted under other Section 8 subsidy programs.

   c. Nursing homes, or facilities providing continual psychiatric, medical or nursing services.

   d. Colleges or other school dormitories.
   e. Units on the grounds of penal, reformatory, medical, mental and similar public or private institutions.

   f. Housing owned in whole or in part, by the family to be assisted, or by a relative of the family to be assisted. (See 1:a)

   g. Units that are owned by landlords that have been barred from participating in the program.

E. Information Provided to Prospective Landlords about Participants (24 CFR 982.307)

The PHA will provide the following information about program participants to prospective landlords:

a. Current address; and

b. If known, name and address of owner of participant's current and prior address; and

c. If the applicant has a current Voucher

The PHA will inform all property owners interested in participating in the Section 8 Program that tenant screening for payment and other lease compliance behavior is the owner's responsibility, and is not performed by the PHA.

The PHA may offer the owner other information in the PHA's possession about the family including information about the tenancy history of family members or about drug trafficking or violent criminal activity by a family member. The same types of information will be provided to all families and all owners.

F. Security Deposits (24 CFR 982.313)

Property owners have the right to request security deposits from Section 8 tenants. Security deposits collected by owners cannot be in excess of private market practice or in excess of amounts charged by owners to unassisted tenants.

It is the family's responsibility to pay the security deposit to the owner. The PHA will not provide advances to assist families in meeting security deposits, but will provide assistance by referring the family to other potential private or public sources.

After the family moves from the unit, the owner must treat the deposit in accordance with State law.

G. Approval of Property Owner (24 CFR 982.306)

The PHA will not approve a unit if any one of the following conditions exists:

1. The owner is debarred, suspended or subject to a limited denial of participation by HUD under 24 CFR Part 24.

2. If directed by HUD because 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.

3. If directed by HUD because a court or administrative agency has determined that the owner has violated the Fair Housing Act or other Federal equal opportunity requirements.

4. The PHA, at its discretion, may deny participation to an owner if any one of the following conditions exists:

    a. The owner has violated obligations under any Section 8 HAP contract;

    b. The PHA has obtained documentation that the owner has committed fraud, bribery or any other corrupt or criminal action in connection with any Federal housing program;

    c. The owner has engaged in drug trafficking;

    d. 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;

e. The owner has a history or practice of renting units that fail to meet state or local housing codes; *or*

f. The owner has not paid state or local real estate taxes, fines or assessments.

The individual circumstances and seriousness of such conditions will be considered prior to disapproval of an owner.

If the PHA determines that the owner is approvable and that the lease does not violate any program rules, the lease may be approved. If the lease cannot be approved, the owner and subsidy holder will be notified and provided with the reason and an opportunity to correct any deficiencies.

H. Approval of Owner's Proposed Lease (24 CFR 982.308)

1. The PHA may adopt a model lease for its Section 8 Voucher program and owners may elect to use it. However, owners may use their own lease. All leases must include the Section 8 lease addendum language verbatim or the owner must sign the HUD lease addendum with the prospective tenant. If the owner selects his/her own lease, the Voucher holder must submit a copy for review at the time the RFTA is submitted. The PHA will review all leases proposed by property owners to ensure that:

   a. The lease includes the lease addendum language verbatim.
   b. Utilities, which must be paid by the tenant, if any, are specified.
   c. The initial lease term is for at least one year and includes a provision for automatic renewals for a definite or indefinite length.

I. Housing Quality Standards Inspections (24 CFR 882.109, 982.401)

1. <u>Inspection Procedures</u>.

   When a family selects a unit and submits a Request for Tenancy Approval, the PHA will inspect the unit for compliance with HQS. HQS used in the operation of the program will be as set forth in 24 CFR §882.109 (and Subparts J or K, if applicable), or as set forth in specified HUD-approved variations in the acceptability criteria.

   Housing units within Cities having rental housing codes must also comply with any applicable local codes. GFCI outlets will be required if they are within six feet of a water source in all assisted units regardless of their location and other applicable City, County or State codes. The Housing inspectors shall have the authority to determine what constitutes a violation of HQS based on potential health and safety risks. This may also include housekeeping and regular maintenance items.

   The PHA will use an approved HUD Housing Quality Standards (HQS) inspection form. The PHA may choose to use a mobile inspection product creating an electronic copy for the files. This may also include photographs. The inspection form is maintained in the tenant file. Copies may be sent to both the owner and the tenant on request. In the case of any "fail" items, a reinspection is completed prior to approval of any lease. In the case of any "inconclusive items," further documentation of the acceptability of the items will be required, or a reinspection will be completed to confirm acceptability of the unit.

   The various types of inspections include: annual, move-in, move-out, complaint and special. The PHA will inspect each dwelling unit leased to an eligible family at least annually and at such other times as may be necessary to insure that the owner is maintaining the unit in accordance with HQS and is providing the agreed upon utilities and other services. The annual inspection will be performed in conjunction with the annual reexamination of family circumstances.

The PHA encourages that both the owner and tenant are present during inspections. The PHA will send a written notification to the landlord and tenant informing them of the inspection date and time. The PHA will not inspect the unit unless on representative is present for the inspection.

The initial HQS inspection shall take place no later than 15 days after the Request for Tenancy Approval is received by the PHA, unless the property owner and tenant request additional time and the PHA approves the request.

When a unit fails the HQS inspection, the PHA will notify the owner of the failed item(s) and the required time to repair (24 hours for emergency items, 30 days for other non-emergency items). If the owner fails to take corrective action within the time prescribed in the notice, the PHA may exercise any of its rights or remedies under the contract, including abatement of Housing Assistance Payments (even if the family continues in occupancy) and termination of the contract. (See also Section X, E. Rent Abatement and Contract Termination for HQS Violations.) If the family wishes to be rehoused in another dwelling unit with Section 8 assistance and the PHA decides to terminate the Housing Assistance Payments Contract, the PHA shall issue to the family another contract.

A RFTA will become VOID after sixty (60) days from submission if the unit has not passed inspection.

A family's assistance may be terminated if the family has breached its responsibilities under the program and is responsible for HQS failure for the following reasons: failure to pay for tenant supplied utilities and services; failure to provide and maintain tenant-supplied appliances, or; damages caused by guests or family members.

2. <u>Lead Based Paint Hazard Procedures</u>

Visual assessments shall be conducted by a certified inspector on any pre-1978 units that are occupied or will be occupied by children under age 6.

Areas to be inspected include interior and exterior painted surfaces of the rental unit and any common areas frequented by children under age 6.

If the HQS inspector identifies deteriorated paint, the condition must be documented on the HQS inspection form.

Violations of HQS must be identified in writing and given to the owner, the resident, and the PHA and must specify a time frame for correction of the violations. No more than 30 days is allowed for correction of annual inspection violations, and for new admissions, the condition must be correct prior to occupancy. A reasonable time exemption is allowed during a period when weather conditions are unsuitable for conventional construction activities.

Deteriorated paint surfaces must be corrected by the owner or a representative of the owner, provided that person is certified in safe work practices by the State of Iowa. Work may include, but is not limited to, the removal of loose paint, repair of the areas, and the repainting or covering of the areas.

Clearance testing shall be done to the unit by a certified inspector. The cost of the initial clearance testing shall be the responsibility of the PHA. The cost of any further clearance testing shall be the responsibility of the owner. The results of the clearance testing shall be provided to the owner, the applicant or resident and to the PHA.

Failure to correct a HQS violation shall result in the stopping payment to the owner and the termination of the HAP contract. Owners and residents must be notified in writing when payment is stopped or when termination will occur.

The PHA will attempt to obtain from local health agencies the names and addresses of children with identified elevated blood levels (EBLs) and match this information with the names and addresses of participants. If a match occurs, the PHA will determine whether local health officials have tested the unit for lead-based paint. If the unit has lead-based paint the owner will be required to treat the lead-based paint. If corrective action is not taken the family will be issued a Voucher to move. Copies of the inspection reports will be kept for a period of three (3) years.

3. <u>Quality Control Procedures</u>.

In order to ensure that the inspections are adhering to HQS, and are providing consistent determinations, a random sample of approximately five percent of the approved units are reinspected by housing supervisory personnel. The sample shall reflect equal numbers of both passed and failed units. If inconsistencies are found corrective actions will be taken including additional training, and a larger sample will be used until no inconsistencies are found. A log will be kept of those units surveyed and a copy of the original inspection will be signed and dated by the quality control inspector following his/her re-inspection. Any comments regarding the quality control inspection will be made on the copy of the inspection and filed in the tenant file.

J. Initial Contract Rents

1. <u>Fair Market Rent</u>.

b. The Contract Rent is not limited by the FMR, however at no time may the voucher Contract Rent exceed rent that is paid for comparable, unassisted units.

2. <u>Rent Reasonableness</u>. (25 CFR 882.106(b))

Rent reasonableness will be determined for Voucher holders at initial lease up and each annual certification thereafter. Documentation of reasonable rent will be included in each participant's file. The reasonableness of the rent requested by the owner will be determined on the basis of:

a. PHA market survey information on rents for <u>comparable</u> units in the <u>area</u>;

b. Factors considered in the determination of rent reasonableness are: location, size, type, quality, age, amenities, housing services, maintenance and utilities.

The PHA will collect and maintain substantial data to determine and support rent reasonableness for all program rents. Data will be purged and updated regularly by Section 8 staff.

If the PHA determines that the amount of rent requested by the owner is not reasonable, a reasonable rent will be computed, and a counter-offer will be made to the owner. Failure by the owner to lower the rent will result in disapproval of the unit for the program.

SECTION X
HOUSING ASSISTANCE PAYMENTS CONTRACT

A. HAP Contract Execution (24 CFR 982.311, 451, 452, 454, 455)

1. Once the owner, lease (if owner elects to use his/her own lease), and unit are approved, and a

reasonable rent negotiated, the PHA will enter into a HAP contract.

The HAP contract is a contract between the PHA and the owner and provides for the PHA to make monthly payments to the owner for a specific family in a specific unit. The term of the contract runs concurrently with the lease term. The HAP contract terminates if the lease terminates. No payments may be made after the family moves out or the lease term ends.

2. The family is not responsible for the HAP payment and cannot be charged late fees if the PHA pays late. However, the Conforming Rule, effective October 2, 1995, permits a PHA to be charged late fees in accordance with state/local laws. The PHA may pay for late fees from administrative fee income or reserves. No late fees will be paid in the instance of failure of payment to the PHA by HUD.

3. Once the leasing/contract documents are prepared, PHA staff will meet with the owner and family (preferably together) to review documents. (If the landlord is unable to meet in person, the PHA can mail the documents to the landlord.) In addition to reviewing the specific terms of the HAP contract and lease, staff will explain:

   a. Owner requirements to maintain the unit, allow inspections, and inform the PHA if the tenant vacates without notice.

   b. Tenant requirements to pay rent, maintain the unit, allow inspections, cooperate with the PHA's recertification requirements, and notify the PHA when the family wishes to move.

4. The PHA will make their best effort to sign all HAP contracts before lease terms start and will ensure that all contracts are executed within 60 days after the beginning of the lease term.

   a. If the HAP contract was signed within the 60 day period after the lease term started, housing assistance payments may be made retroactive to the beginning of the lease term.

   b. If the HAP contract was executed more than 60 days following the beginning of the lease term, the contract is void and no housing assistance payments may be made to the owner.

5. A new HAP contract will be required for new and revised leases. Changing the security deposit, family members, utilities furnished by owner, or acceptability of pets will require execution of a new HAP contract. A new contract will be required when a resident is required to move due to termination not connected with eligibility (damage to the unit, i.e. fire, sale of the residence, etc.). In the case of such a termination, the resident has 180 days to submit a new Request for Tenancy form.

B. Payments to Owners (24 CFR 982.311)

1. Housing Assistance Payment, (the difference between the contract rent and the portion of the rent payable by the family) shall be paid to the owner in accordance with the contract.

2. No payments will be made on behalf of an assisted family until the lease and the Housing Assistance Payments Contract have been signed by all appropriate parties.

3. The PHA will maintain an internal control system which will ensure the accurate posting and tracking of Housing Assistance Payments to owners.

4. The HAP payment will be considered “received” upon mailing of the payment by the PHA to the owner.

5. Effective October 1, 2008 the PHA will require all new owners to receive housing assistance payments by direct deposit.

C. Contract Rent Adjustment - HCV Program The Contract Rent may not be increased during the first year of the lease. After the initial year, owners may request an increase at any time, but must provide written notice of any proposed increase to the PHA and the family sixty (60) days in advance of the increase,

Families who wish to move because of the owner's rent increase will be required to give the owner proper notice and notify the PHA at least thirty (30) days in advance.

D. Rent Abatement and Contract Terminations for HQS Violations (24 CFR 982.404) When an owner fails to correct cited repairs within the specified time frame, housing assistance payments will be abated at the end of the month in which the failed reinspection occurred, and will continue until such time when:

The owner corrects the deficiencies, in which case the housing assistance payments may be resumed as of that date; or

The HAP contract expires or is terminated.

The PHA will not resume HAP payments until the owner has corrected the deficiencies. No retroactive payments will be made for the period during which the rent abatement occurred. When the deficiencies are corrected, however, a prorated housing assistance payment may be provided to the owner for the period commencing with the date a PHA inspector certified the required work was completed.

The PHA will send the owner advance written notification, in accordance with the HAP contract, when the PHA plans to abate payments. The PHA will also notify the family of this action and apprise the family of its responsibility, based on applicable State or local law, for the payment of the tenant share of rent to the owner.

The PHA will terminate HAP contracts which are under abatement at the earlier of:

a) the month the family living in the unit has moved, or
b) six months after the last payment was made.

HAP contracts will be terminated immediately, without application of the rent abatement process described above, in cases of owner failure to repair life-threatening conditions within the required 24 hour time period. This applies only to cases in which the owner is responsible for the situation not when the tenant has caused the violation. Life-threatening conditions include but are not limited to:

1. No heat between October 1 and May 1.

2. No electricity.

3. No gas.

4. No running water.

5. Natural gas leak or fumes.

6. Major plumbing leaks or flooding (such as sewer backup or stoppage).

7. Any electrical outlet, switch, stationary light fixture, fuse box or circuit breaker that smokes, sparks or short circuits, creating a fire hazard.

8. Broken or missing lock on any dwelling unit doors accessible to the outside of the dwelling unit.

9. Uninhabitable units due to fire, tornadoes, destroyed or vandalized property that prevent a tenant from using the bathroom or kitchen or from entering the dwelling unit.

SECTION XI
ONGOING ACTIVITIES

A. Annual Reexaminations (24 CFR 882.515)

1. The PHA will re-examine the income, assets, expenses and family composition of all families at least annually. Reexaminations determine the participant's monthly TTP and rent to owner (Tenant Rent), eligibility for continued occupancy, and required unit size. At the time of the annual re-examination, criminal history and sex offender status will be checked.

   The PHA follows all pertinent HUD regulations in its completion of reexaminations. Approximately ninety (90) days prior to the family's reexamination effective date, the family will be notified of a scheduled reexamination interview. If the family is unable to attend the scheduled interview, another appointment will be scheduled. If the family fails to keep the second appointment, the PHA may send the family a notice terminating assistance under the Section 8 program effective on the family's reexamination effective date.

   Employment and income data, assets, full-time student status, medical expenses (elderly families only), child care expense, and handicapped assistance expenses will be verified, documented and placed in the participant's folder.

   Third party written verifications are the preferred kind of verifications. However, oral third party verifications are acceptable, if properly documented. When such documents cannot be photocopied, PHA staff will sign a statement confirming that the verification documents were viewed by recording the document source, date, time, amount, etc. All verifications will be maintained in the participant's folder. Verified information will be analyzed to determine TTP and the appropriate unit size.

2. Tenants requiring larger or smaller units are issued a Voucher for the appropriate bedroom size dwelling unit at the annual reexamination, or at such other times necessary, depending on availability. However, if the family size exceeds the maximum subsidy standard for continued occupancy, the family must be immediately issued the appropriate size Voucher.

3. Tenants whose Total Tenant Payment equals or exceeds the gross rent for their dwelling unit, will be notified of their responsibility for the entire contract rent amount.
   a. Housing Assistance Payments shall be terminated with proper notice to both the tenant and owner.

   b. Suspension of Housing Assistance Payments shall not affect the tenant's other rights under the lease, nor shall suspension preclude the resumption of payments as a result of loss of income or other relevant circumstances.

   c. The PHA will terminate the contract if six (6) months have passed since the date of the last Housing Assistance Payment.

4. Increases in the participant's portion of the rent to owner (Tenant Rent) will be effective on the scheduled reexamination effective date, with reasonable advance notice (30 days) provided the participant has complied with all reporting requirements. When the participant has failed to do so, the participant's portion will increase retroactive to the reexamination effective date. Retroactive changes in participant’s rent share will not be made when delays are solely the fault of the PHA or a verification source.

5. Decreases in participant's portion of rent shall take effect on the reexamination effective date.

B. **Interim Reexaminations** Changes in family income or composition may result in an interim recertification. An interim re-examination shall be done only when a tenant at zero income reports a change in income status or if any change in income results in a rent increase of $25 or more per month, or if a participant fails to report a change in status, which would result in an increase in rent. An interim reexamination does not change the anniversary date for the annual reexamination.

1. Income/Family Composition Changes.

- Changes decreasing the household composition must be reported within 14 calendar days. Additions to the household must be pre-approved by the PHA and the owner.

- The resident must report within 14 calendar days any of the following facts, which would result in an increase in rent:
  a. an increase in gross household income
  b. receipt of a deferred payment in a lump sum (such as unemployment benefits).

- The resident may report any of the following changes, which would result in a decrease in rent:

  a. Decrease in income expected to last at least 60 days; and
  b. Increase in allowances or deductions.

2. Zero Income.

Families reporting $0 income will be required to have all adult household members sign a monthly certification of monthly income and annually release forms allowing the PHA to verify annual income and to obtain a certified copy of any tax return submitted to IRS by all adults residing in the household. Failure to comply with these reexamination requirements will be considered grounds for termination of assistance.

3. Effective Date of Rent Changes Due to Interim Recertifications.

a. *Tenant Rent Decreases*: If a change in family circumstances or income results in a decrease in Tenant Rent, the adjustment in rent will be effective the first day of the month, following verification of reported change. Decrease in Tenant Rent will not be granted without verification of the decrease in income.

b. *Tenant Rent Increases*: If a change in family circumstances or income results in an increase in Tenant Rent the adjustment in rent will be made effective the first day of the second month following that in which the change in family circumstances or income is verified and written notice of new rent is sent to the tenant (thereby giving a 30-day notice to the tenant).

c. The PHA may implement an increase at the first of the next month if the tenant fails to report a change that results in an increase in tenant rent within the required 14 calendar days.

c. Tenant and owner will be notified as to any changes in the Housing Assistance Payment or Tenant Rent.

4. Errors. If an error in Tenant Rent is revealed at any time during the income year, proper adjustment will be made to correct the error as follows:

a. If the error is the fault of the tenant, and results in the tenant owing additional rent, such rent shall be repaid by the family within a reasonable period of time. Failure to repay may result in termination.

b. If the error is not the fault of the tenant and it results in increased Tenant Rent, such rent shall be made effective the first day the change is corrected. If a refund is necessary, because of a decrease in rent, it shall be processed immediately.

c. If the error is not the fault of the tenant, and corrective action results in a decreased rent, such rent shall be made effective as of the date the error was made.

C. Changes in Household Composition

All participants are required to report any change in household composition within 14 days of the change to the PHA and to the landlord. New household members may be added to the resident's lease if the new family member has been added as the result of birth, marriage, reconciliation with a spouse, legal adoption, award of custody to or by a member of a household on the lease and award of a foster child. All new adult household members shall complete application forms and provide necessary income information. New adult household members must provide documentation from the landlord allowing the additional person to be added to the lease.

No new household member may be added unless and until that person has provided the required information to the PHA and been determined eligible for admission according to the guidelines specified in Section II of this policy. The PHA has the right to deny admission to any person found to be ineligible. All new household members shall be approved prior to residence in the assisted unit.

Participants must provide documentation as required by the PHA when reporting that a family member has left the household. In the case of an income producing household member, the PHA will require at least two documents verifying the new address or other evidence deemed acceptable by the PHA. Utility bills, a driver's license, an automobile registration, voter registration, an employer's verification, or a lease or a rent receipt bearing the family member's name, new address and a date are examples of acceptable evidence. Court papers indicating that a family member has left the household such as a Petition for Dissolution of Marriage, a Petition for an Order of Protection, or a Petition for Legal Separation may also be acceptable.

D. Family Moves with Continued Assistance (24 CFR 982.314; See also Section XII, Terminations)

1. If the tenant desires to relocate, they may do so freely upon completion of the first year's term of the lease. However, the tenant must first submit a 30 day written notice, but not more than a 60 day notice, to the landlord stating his/her intention to vacate. A copy of this notice, signed by the tenant, must be provided to the PHA.

2. If the tenant desires to relocate, but has not completed the initial year's term of the lease, the transfer will not be granted by the PHA unless both tenant and landlord mutually agree to rescind the lease. If both the landlord and tenant do so agree, they must both sign a mutual rescission form. Tenants moving out prior to completion of the first year of assisted tenancy may be consider to have left in bad standing with the program.

3. Participants are limited to one move in any 12 month period.

4. If the family wants to move to a new unit that is located in another jurisdiction, the family must provide notice to the PHA and must specify the area where the family wants to move. (See also Section IX, B. Portability.)

5. The PHA may deny a participant family's request to move if the family has not complied with a Repayment Agreement executed with the current or another PHA, or if the PHA does not have sufficient funding for continued assistance. (See also Section XI, Ongoing Activities, H. Repayment Agreements.)

E. Assistance for Families Under Lease

The PHA will plan, develop and coordinate working relationships with human services and social service agencies that can be of help to tenants. The PHA staff will assist in providing information and referral service to tenants. Families, who have questions regarding their participation in the Voucher Program, may request assistance from the PHA.

F. Family Break-Up (24 CFR 982.315)

In the case of family break-up, the PHA has the discretion to decide which members of an assisted family will continue to receive the housing assistance. In making such a determination, the factors to be considered may include: whether the assistance should remain with family members remaining in the original assisted unit; the interest of minor children or of ill, elderly or disabled family members; and whether family members are forced to leave the unit as a result of actual or threatened physical violence against family members by a spouse or other member of the household.

If a court determines the disposition of property between members of the assisted family in a divorce or separation under the settlement or judicial decree, the PHA will follow the court's determination of which family members continue to receive assistance in the program.

In the case where these is no adult remaining family member and there are minors still living in the unit, the PHA will accept proof of legal guardianship of remaining minors and will grant remaining member status subject to all program eligibility considerations.

G. Family Absence from Unit (24 CFR 982.312)

The family may be absent from the unit for brief periods of time. In cases where no member of the assisted family is present due to acknowledged vacation, hospitalization or imprisonment, the absence may not exceed 180 days. (If it does, housing assistance will be terminated and the family must reapply for the program.) The family must supply information and certification to the PHA to verify that the family is residing in the unit. The family must also promptly notify the PHA of the absence from the unit, including any information requested about the purpose of the family absence(s).

H. Repayment Agreements

If a participant owes money to the PHA, the PHA may require the participant to enter into a repayment agreement or may require repayment on demand. If the participant does not comply with the repayment agreement, the PHA may terminate the participant from the program. However, the PHA will consider extenuating circumstances on a case-by-case basis.

If the PHA determines that the family committed fraud or was grossly irresponsible, the PHA may require the family to repay the entire amount in full or have its assistance terminated, since fraud or gross irresponsibility are considered a violation of a family obligation.

In no case does the PHA have a responsibility to enter into a repayment agreement. If the family's assistance is terminated and repayment has not been made, the money will still be considered to be owed and the PHA may still take action to collect the amounts owed. (See also Section II, A. (9) Eligibility Criteria, Section XI, D. (6) Family Moves with Continued Assistance and Section XII, B. Housing Assistance Terminations, 1.f.)

The PHA may use various means of collection of unpaid promissory notes including collection agencies, billing statements, court orders and state income netting.

I. Requests for Information

All requests for public records and information regarding applicants, participants or participating owners, or any other program information must be submitted in writing to the PHA.

The applicant, participant, or owner for which information has been requested may be notified by the PHA of said request.

The PHA may charge for staff time associated with information retrieval and any applicable costs associated with preparation such as copies, printing or postage costs. An estimated cost will be determined prior to the request being fulfilled and must be paid in full prior to the release of the information. Certain information is not available based on client protection of confidential information.

Information deemed appropriate for release will be made available within a reasonable period of time generally within ten (10) working days of the submitted request. Actual charges for time and resources beyond the prepaid amount must be made before the information is released.

SECTION XII
TERMINATION, CLAIMS AND COMPLAINTS AND APPEALS

A. Termination of Tenancy by Owner or Participant

1. <u>Owner Initiated Lease Terminations</u>. (24 CFR 982.310, 311) During the term of the lease, the owner may terminate tenancy on the following grounds:

   a. Serious or repeated violation of the terms and conditions of the lease;
   b. Violation of Federal, State or local law that imposes obligations on a tenant in connection with the occupancy or use of the premises; or
   c. Other good cause. However, during the first year of the lease, the owner may not terminate for "other good cause" unless the termination is based on something the family did or failed to do. The following are some examples of "other good cause" for termination of tenancy by the landlord:
      (i) Failure by the Tenant Family to accept the offer of a new or revised lease.
      (ii) Tenant Family history of disturbance of neighbors or destruction of property, or of living or housekeeping habits resulting in damage to the unit or property.
      (iii) Criminal activity by Tenant, any member of the household, a guest or another person under the tenant's control, that threatens the health and safety or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity of the premises.
      (iv) Any drug related criminal activity on or near the premises.
      (v) The landlord's desire to utilize the unit for personal or family use or for a purpose other than use as a residential rental unit; or
      (vi) A business or economic reason for termination of the tenancy (such as sale of the property, renovation of the unit, desire to rent the unit at a higher rental).

      The owner may only evict the tenant from the unit by instituting a court action.

      <u>NOTE:</u> This list of examples is intended as a non-exclusive statement of some situations included in "other good cause," but shall in no way be construed as a limitation on the application of "other good cause" to situations not included in the list. The owner may not terminate the tenancy during the first year of the term of the lease, for example, for reasons (i), (v) or (vi) of "other good cause."

      If termination is due to a "business or economic reason" (i.e., the PHA is unable to approve the amount of rent you are currently charging), <u>or "expiration" of the HAP contract,</u> a written notice must be sent the tenant family in accordance with the lease and state and local law.

d. If owner initiates an eviction action in accordance with the lease and the family continues to live in the unit, the PHA will continue to make payments until the family moves or is evicted.
e. The owner will keep the full payment for the month in which the family moves out in "skip" cases. If the family does not skip and the lease is scheduled to terminate during the month, then the owner keeps a prorated payment for the last month.

2. Participant Initiated Lease Terminations.
    a. If a tenant wishes to move, they may do so at any time after the first year of the term of the lease. The tenant must submit a 30 day written notice, but not more than a 60 day notice, to the landlord. A copy of this notice, signed by the tenant, must be provided to the PHA.
    b. If a family desires to be released prematurely from a lease in effect at the time, such tenant shall first obtain a Mutual Recision form from the PHA. This form must be filled out, in full, by the landlord and tenant.
    c. If a family moves with continued assistance, the term of the lease for the new unit may begin during the month in which the family moves from the old unit, and payment may overlap for the old and new units. This is not considered a duplicative housing subsidy. The PHA may deny permission to move if there is insufficient funding for continued assistance.
    d. If the family wishes to terminate assistance voluntarily and remain in the unit, the family and owner must execute a new lease.

B. Housing Assistance Termination (24 CFR 982.552)

Program participants in the Section 8 HCV Program will continue to receive assistance as long as they comply with program obligations. If a participant family fails to abide by the program obligations, they may be terminated from the Section 8 HCV Program that will result in the discontinuation of the housing assistance in the family's current unit and in all future units. The PHA shall conduct a review of the criminal history of each participant at the time of entry to the program and at each annual review thereafter.

All participants for whom the PHA intends to terminate assistance will be provided a written notification informing them of the reason for the termination determination and the right to request an Informal Hearing. (See Section F for further discussion of informal hearings.)

1. The PHA may terminate housing assistance for the following reasons:
    a. If the family violates any family obligations under the program.
    b. If any member of the family has been evicted from public housing.
    c. If the PHA has ever terminated rent assistance.
    d. If the family allows any person, who is not an authorized member of the household, to use the assisted unit address for receipt of mail or for any other purpose, without the prior written permission of the PHA.
    e. If any member, guest, or visitor of the family commits drug-related criminal activity, or any violent criminal activity. This includes any family member being on the sex offender registry.
    f. If any member of the family commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
    g. If the family currently owes rent or other amounts to the PHA or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act.
    h. If the family has not reimbursed any PHA for amounts paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease.
    i. If the family breaches an agreement with the PHA to pay amounts owed to an PHA, or amounts paid to an owner by an PHA.
    j. If a family has engaged in or threatened abusive or violent behavior toward PHA personnel.
    k. If any family member fails to sign and submit consent forms for obtaining information in accordance with 24 CFR part 760 and 24 CFR part 5.
        (i.) Evidence of citizenship (i.e., the declaration) and eligible immigration status is not submitted by date specified by the PHA.
    l. Evidence of citizenship or eligible immigration status is submitted in a timely manner, but INS

primary and secondary verification does not verify eligible status of any family member and:

(i) Family does not pursue INS appeal or PHA informal hearing rights or

(ii) INS appeal and informal hearing rights are pursued but final appeal and/or hearing is decided against family member.

m. The tenant has failed to meet his/her HQS obligation in cases where they are responsible for tenant supplied appliances or utilities and/or the activities of their guests.

n. The tenant has failed to promptly notify the PHA if any family member no longer resides in the unit.

o. The family fails to promptly inform the PHA of birth, adoption, or custody of a child and request approval to add any other family member.

p. The family fails to promptly notify the PHA of any absence from the unit.

q. The family has committed fraud, bribery or any other corrupt or criminal act in connection with a Section 8 Rental Assistance programs.

r. If any family member illegally uses, or possesses for personal use, a controlled substance. Such use or possession must have occurred within one year before the date the PHA provides notice to the family of its decision to terminate assistance. The PHA will not deny or terminate assistance for such use or possession by a family member, if the family member can demonstrate that he or she:

(i) Has an addiction to a controlled substance, has a record of such an impairment, or is regarded as having such an impairment; and

(ii) Is recovering, or has recovered from, such addiction and does not currently use or possess controlled substances. As a condition of being allowed to reside in the unit, the PHA will require evidence of participation in, or successful completion of, a treatment program from the family member who has engaged in the illegal use of drugs.

s. If a family signed a statement certifying that a person who engaged in domestic violence against the household would not be allowed to reside in the household, breach of this certification may be grounds for termination of assistance. [5.420(b)(4)(iii)(B)]

t. The PHA determines that there is reasonable cause to believe that the participant abuses alcohol in a way that interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents. The PHA may waive this provision if the participant demonstrates to the PHA's satisfaction that the participant is no longer engaging in abuse of alcohol and:

(i) has successfully completed a supervised drug or alcohol rehabilitation program;

(ii) has otherwise been rehabilitated successfully; or

(iii) is participating in a supervised drug or alcohol rehabilitation program.

u. The tenant has a total tenant payment equal to or greater than the gross rent for the unit for six (6) months.

2. After the first termination of rent assistance for grounds other than drug activity, no application from the former participant will be accepted for the rent assistance program for one (1) year. After a second termination of rent assistance, no application will be accepted for five (5) years. After a third termination of rent assistance, the family is permanently barred from the rent assistance program.

3. **Termination of Assistance related to the VAWA**

An incident or incidents or actual or threatened domestic violence, dating violence, or stalking will not be construed as a serious or repeated violation of the lease by the victim or threatened victim of that violence, and shall not be good cause for terminating the assistance, tenancy, or occupancy rights of the victim of such violence.

The PHA may terminate the assistance to remove a lawful occupant or tenant who engages in criminal acts or threatened acts of violence or stalking to family members or others without terminating the assistance or evicting victimized lawful occupants.

The PHA may honor court orders regarding the rights of access or control of the property, including EPO's, DVO's, and other orders issued to protect the victim an disused to address the distribution or possession or property among household members where the family "breaks up."

There is no limitation on the ability of the PHA to terminate assistance for other good cause unrelated to the incident or incidents of domestic violence, dating violence or stalking, other than the victim may not be subject to a "more demanding standard" than non-victims.

There is no prohibition on the PHA terminating assistance if it "can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property if that tenant's (victim's) assistance is not terminated."

Any protections provided by law which give greater protection to the victim are not superseded by these provisions.

The PHA may require certification by the victim of victim status on such forms as the PHA and/or HUD shall prescribe or approve.

C. Contract Termination

1. HAP contracts terminate automatically 180 calendar days after the last housing assistance payment to the owner. The PHA may terminate, with a 30 day written notice, a contract with a landlord for the following reasons:

    a. The unit is not in compliance with Housing Quality Standards because the owner has refused, or failed to correct the HQS deficiencies after proper notice by the PHA.
    b. The tenant has moved.
    c. The tenant has been notified by the PHA to move because the unit is either overcrowded or under occupied.
    d. The owner has committed any fraud or made any false statement to the PHA or HUD in connection with the contract, or has committed fraud or made any false statement in connection with any federal housing assistance program.
    e. The unit is determined by the PHA and/or owner to be abandoned or unoccupied.
    f. Lease is terminated by mutual agreement of the owner and tenant, then the HAP contract automatically terminates in accordance with the contract terms.
    g. The PHA cannot approve the new rent requested by the owner, and the owner will not accept a lower rent.
    h. The PHA has found it necessary to terminate the tenant's assistance for documented good cause.
    i. Owner has decided to terminate tenancy for "other good cause" that is business or economic.
    j. If the owner has violated any obligation under this Contract or under any other Housing Assistance Payments contract under Section 8 of the U.S. Housing Act of 1937.
    k. If the owner has demonstrated any intention to violate any obligation under this Contract or under any other Housing Assistance Payments contract under Section 8 of the U.S. Housing Act of 1937.
    l. For projects with mortgages insured by HUD, or loans made by HUD, if the owner has failed to comply with the regulations for the applicable mortgage insurance or loan program, with the mortgage or mortgage note, or with the Regulatory Agreement; or if the owner has filed any false statement or misrepresentation with HUD in connection with the mortgage or loan.
    m. If the owner has engaged in drug trafficking.

NOTE: If the PHA determines that a breach has occurred, the PHA may exercise any of its rights or remedies under the Contract. The PHA shall notify the Owner in writing of such determination, including a brief statement of the reasons for the determination. The notice by the PHA to the owner may require the owner to take corrective action (as verified by the PHA) by a time prescribed in the notice. The PHA's rights and remedies under the Contract include recovery of overpayments, termination or reduction of Housing

D. Termination Due to Lack of Program Funding

The PHA may terminate the HAP contract if the PHA determines, in accordance with HUD requirements, that available program funding is not sufficient to support continued assistance for families in the program. Participants will be removed from the program in the following order, based on the effective date of their contract, with those having the most recent effective date being the first to be removed:

1. Households without any dependents, who are non elderly and non disabled;
2. Other non elderly, non disabled persons (i.e. families with dependents);
3. Elderly and disabled persons.

If more than one family type has the same effective date the families which will be terminated shall be chosen through a lottery system.

The PHA may have to temporarily abate HAP amounts in the event that HUD funding levels have not been approved for or released to the PHA. Reserve funding will be used if available out of the HAP reserve funds held by the PHA. If there is insufficient reserve balances available the HAP will be temporarily abated until either budget cover is received from HUD or notification is made that funding will not be available to support HAP payments. If no funding has been allocated to the PHA within 30 days the PHA will take action to terminate contracts based on the criteria listed above.

E. Complaints and Appeals

1. <u>Complaints</u>.

   a. *Discrimination:* If a person encounters discrimination from an owner in obtaining a unit, the PHA will refer them to the local fair housing office or will assist the person in filing a complaint with the Department of Housing and Urban Development with a review of the specific circumstances.

   b. *Tenant/Landlord Complaint Regarding PHA Decision:* If a tenant or landlord disagrees with a decision by a Section 8 staff person, the following procedure is available:

      (i) Contact the Executive Director or his/her representative. If a settlement cannot be reached, then

2. <u>Appeals</u>.

   a. *Participants:* The PHA has established an informal hearing procedure which is in accordance with federal regulations. All participant appeals will be handled as specified by these procedures. (See F. Informal Hearing.)

   b. *Applicants:* The PHA has established an informal review procedure which is in accordance with federal regulations. All applicant appeals will be handled as specified by these procedures. (See Section III, D. Informal Review.)

F. Informal Hearing (24 CFR 982.555)

1. The PHA will provide an opportunity for an informal hearing to review certain PHA determinations relating to the individual circumstances of the participant. The purpose of the Informal Hearing is to

consider whether a decision is in accordance with the law, the PHA's administrative rules and HUD regulations. The right to an informal hearing applies only when the participant claims that the rules(s) or law(s) have been incorrectly applied. An informal hearing may be requested by the participant for the following types of decisions:

a. A determination of the family's annual or adjusted income, and the use of such income to compute the housing assistance payment.
b. A determination of the appropriate utility allowance (if any) for tenant-paid utilities from the PHA utility allowance schedule.
c. A determination of the family unit size under the PHA subsidy standards.
d. A determination that a program family is residing in a unit with a larger number of bedrooms than appropriate for the family unit size under the PHA subsidy standards, or the PHA determination to deny the family's request for an exception from the standards.
e. A determination to terminate assistance for a participant family because of the family's action or failure to act in violation of any applicable law or regulation.
f. A determination to terminate assistance because the participant family has been absent from the assisted unit for longer than the maximum period permitted under PHA policy and HUD rules.

In the cases described above, the PHA must give the opportunity for an informal hearing before the PHA terminates housing assistance payments for the family under an outstanding HAP contract.

2. An informal hearing will not be provided for the following:

a. To review discretionary administrative determinations by the PHA or to consider general policy issues or class grievances;
b. To review the PHA's determination that a dwelling unit does not comply with Housing Quality Standards, that the owner has failed to maintain or operate a contracted unit to provide decent, safe and sanitary housing, or that the unit does not comply with Housing Occupancy Standards because of an increase in family size or change in family composition;
c. To review a decision by the PHA to exercise any remedy against the owner under an outstanding contract including the termination of housing assistance payments to the owner;
d. To review the PHA schedule of utility allowances;
e. To review the PHA's decision not to approve a family's request for an extension of the term of the Voucher issued to an assisted family who wants to move to another dwelling unit with continued program participation.

3. Procedures for obtaining and conducting an Informal Hearing for Participants:

The PHA will provide prompt written notice of a decision relating to the individual circumstances described above. The notice will provide a statement of the reasons for the decision. The notice shall state that if the participant does not agree with the decision, the participant may request an informal hearing on the decision. The request must be made in written form, and be received by the PHA within ten (10) calendar days of the mailing of the notice of decision to the participant. Upon the timely request for an informal hearing, the PHA shall inform the participant of the date, time and place of the hearing and the rights and regulations herein below enumerated. The rights and regulations pertaining to all informal hearings shall be as follows:

a. The family must be given the opportunity to examine before the PHA hearing any PHA documents that are directly relevant to the hearing. The family must be allowed to copy any such document at the family's expense. If the PHA does not make the document available for examination on request of the family, the PHA may not rely on the document at the hearing.
b. The PHA hearing procedures may provide that the PHA must be given the opportunity to examine at PHA offices before the PHA hearing any family documents that are directly relevant to the hearing. The PHA must be allowed to copy any such document at the PHA's expense. 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.

c. The Housing Director or City Administrator shall designate a person or persons, other than the person who made or approved the decision under review or a subordinate of said person, to conduct the informal hearing.

d. The person or persons who conducts the hearing shall regulate the conduct of the hearing in accordance with these procedures.

e. At his/her own expense, the participant may be represented by a lawyer or other representative.

f. The participant and the PHA shall have the right and opportunity to present evidence and witnesses on their own behalf, and to cross-examine the other party's witnesses who testify. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

g. The hearing may be rescheduled one time only with 24 hour advance notice, or, with proven extenuating circumstances such as illness, birth of a child, or a death in the family, up to the time of the hearing.

h. Any person appearing for a hearing more than 15 minutes late without prior notification to the PHA will be considered to have missed the hearing and the original decision will stand.

i. The Hearing Officer(s) shall issue a written decision within twenty (20) days of completion of the hearing. This written decision shall briefly state the reason(s) for the decision. The participant shall have the burden of proving the PHA erred in its decision by a preponderance of the evidence. Factual determination(s) relating to the individual circumstances of the participant shall be based solely upon evidence presented at the informal hearing.

j. The Hearing Officer(s) may render any reasonable decision based upon the evidence, including, but not limited to, the following: (1) terminating the participant's eligibility to participate in the program; (2) suspending the participant's eligibility to participate in the program for a certain period of time, or until a certain condition(s) is met, or both; (3) permitting the participant's eligibility in the program to continue if certain condition(s) is met, and providing for automatic termination if the certain condition(s) is not met; or (4) permitting the participant's eligibility in the program to continue.

k. At his/her own expense, the participant upon request shall be tendered a transcript of the hearing. The request must be made at least 24 hours in advance of the hearing and a written transcript will be made available within 10 working days.

SECTION XIII
HOME OWNERSHIP

Effective July 1, 2010 the PHA will no longer participate in the Section 8 Home Ownership Program.

SECTION XIV
PROJECT-BASED VOUCHERS

INTRODUCTION

This chapter describes HUD regulations and PHA policies related to the project-based voucher (PBV) program in nine parts:

Part I: General Requirements. This part describes general provisions of the PBV program including maximum budget authority requirements, relocation requirements, and equal opportunity requirements.

Part II: PBV Owner Proposals. This part includes policies related to the submission and selection of owner proposals for PBV assistance. It describes the factors the PHA will consider when selecting proposals, the type of housing that is eligible to receive PBV assistance, the cap on assistance at projects receiving PBV assistance, subsidy layering requirements, site selection standards, and environmental review requirements.

Part III: Dwelling Units. This part describes requirements related to housing quality standards, the type and frequency of inspections, and housing accessibility for persons with disabilities.

Part IV: Rehabilitated and Newly Constructed Units. This part describes requirements and policies related to the development and completion of rehabilitated and newly constructed housing units that will be receiving PBV assistance.

Part V: Housing Assistance Payments Contract. This part discusses HAP contract requirements and policies including the execution, term, and termination of the HAP contract. In addition, it describes how the HAP contract may be amended and identifies provisions that may be added to the HAP contract at the PHA's discretion. This section also includes owner responsibilities under the HAP contract and under the PBV Program.

Part VI: Selection of PBV Program Participants. This part describes the requirements and policies governing how the PHA and the owner will select a family to receive PBVassistance.

Part VII: Occupancy. This part discusses occupancy requirements related to the lease, and describes under what conditions families are allowed or required to move. In addition, exceptions to the occupancy cap (which limits PBV assistance to 25 percent of the units in any project) are also discussed.

Part VIII: Determining Rent to Owner. This part describes how the initial rent to owner is determined, and how rent will be redetermined throughout the life of the HAP contract. Rent reasonableness requirements are also discussed.

Part IX: Payments to Owner. This part describes the types of payments owners may receive under this program.

PART I: GENERAL REQUIREMENTS

XIV-I.A. OVERVIEW [24 CFR 983.5]

The project-based voucher (PBV) program allows PHA, which already administers a tenant based voucher program under an annual contributions contract (ACC) with HUD to take up to 20 percent of its voucher program budget authority and attach the funding to specific units rather than using it for tenant-based assistance [24 CFR 983.6]. PHA may only operate a PBV program if doing so is consistent with the PHA's Annual Plan, and the goal of deconcentrating poverty and expanding housing and economic opportunities [42 U.S.C. 1437f(o)(13)].

Ten vouchers are being projected for use in the PBV program. Additional vouchers may be placed within this category depending on the need/demand identified through the RFP process, but will not exceed 20 percent of PHA's program budget authority.

PHA's PBV assistance may be attached to existing housing or newly constructed or rehabilitated housing. [24 CFR 983.52] If PBV units are already selected for project-based assistance either under an agreement to enter into HAP Contract (Agreement) or a HAP contract, the PHA is not required to reduce the number of these units if the amount of budget authority is subsequently reduced. However, the PHA is responsible for determining the amount of budget authority that is available for project-based vouchers and ensuring that the amount of assistance that is attached to units is within the amounts available under the ACC [24 CFR 983.6].

XIV-I.B. TENANT-BASED VS. PROJECT-BASED VOUCHER ASSISTANCE [24 CFR 983.2]

Much of the tenant-based voucher program regulations also apply to the PBV program. Consequently, many of the PHA policies related to tenant-based assistance also apply to PBV assistance. The provisions of the tenant-based voucher regulations that do not apply to the PBV program are listed at 24 CPR 983.2.

Except as otherwise noted in this chapter, or unless specifically prohibited by PBV program regulations, the PHA policies for the tenant-based voucher program contained in this administrative plan also apply to the PBV program and its participants.

XIV-I.C. RELOCATION REQUIREMENTS [24 CFR 983.7]

Any persons displaced as a result of implementation of the PBV program must be provided relocation assistance in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA)[42 U.S.C. 4201-4655] and implementing regulations at 49 CPR part 24.

The acquisition of real property for a PBV project is subject to the URA and 49 CFR part 24, subpart B. It is the responsibility of the PHA to ensure the owner complies with these requirements.

XIV-I.D. EQUAL OPPORTUNITY REQUIREMENTS [24 CFR 983.81

The PHA must comply with all equal opportunity requirements under federal law and regulations in its implementation of the PBV program. This includes the requirements and authorities cited at 24 CFR 5.105(a). In addition, the PHA must comply with the PHA Plan certification on civil rights and affirmatively furthering fair housing, submitted in accordance with 24 CFR 903.7(0).

PART II: PBV OWNER PROPOSALS
XIV-I1.A. OVERVIEW

The PHA must describe the procedures for owner submission of PBV proposals and for PHA selection of PBV proposals [24 CFR 983.51]. Before selecting a PBV proposal, the PHA must determine that the PBV proposal complies with HUD program regulations and requirements, including a determination that the property is eligible housing [24 CFR 983.53 and 983.54], complies with the cap on the number of PBV units per building [24 CFR 983.56], and meets the site selection standards [24 CFR 983.57].

XV-I1.B. OWNER PROPOSAL SELECTION PROCEDURES [24 CFR 983.51]

The PHA will select PBV proposals by either of the following two methods:

• <u>PHA request for PBV Proposals</u>- The PHA will solicit proposals by using a request for proposals to select proposals on a competitive basis in response to the PHA request. The PHA may not limit proposals to a single site or impose restrictions that explicitly or practically preclude owner submission of proposals for PBV housing on different sites.

• <u>The PHA may select proposals that were previously selected based on a competition.</u> This may include selection of a proposal for housing assisted under a federal, state, or local government housing assistance program that was subject to a competition in accordance with the requirements of the applicable program, community development program, or supportive services program that requires competitive selection of proposals (e.g., HOME, and units for which competitively awarded LIHTCs have been provided), where the proposal has been selected in accordance with such program's competitive selection requirements within three years of the PBV proposal selection date, and the earlier competitive selection proposal did not involve any consideration that the project would receive PBV assistance.

Solicitation and Selection of PBV Proposals [24 CFR 983.51(b) and (c)]

PHA procedures for selecting PBV proposals are designed and operated to provide broad public notice of the opportunity to offer PBV proposals for consideration by the PHA. The public notice procedures will include publication of the public notice in a local newspaper of general circulation and other means designed and operated to provide broad public notice. The public notice of the PHA request for PBV proposals must specify the submission deadline. Detailed application and selection information will be provided at the request of interested parties.

<u>PHA Request for Proposals for Rehabilitated and Newly Constructed Units</u>

The PHA will advertise its request for proposals (RFP) for rehabilitated and newly constructed housing units in the local newspaper. The PHA will post the notice inviting such proposal submission and the rating and ranking procedures at City Hall. In addition, the PHA will mail notice to a list of potential proposers.

The PHA will rate and rank proposals for rehabilitated and newly constructed housing using the following criteria:

- Owner experience and capability to build or rehabilitate housing as identified in the RFP;
- Experience as a property manager of affordable rental housing;
- Extent to which the project furthers PHA's goal of deconcentrating poverty and expanding housing and economic opportunities;
- If applicable, the extent to which services for special populations are provided on site or in the immediate area for occupants of the property;
- Extent to which amenities are provided by the property owner; and
- Extent to which the project will assure the viability of long term affordable housing opportunities.

<u>PHA Requests for Proposals for Existing Housing Units</u>

The PHA will advertise its request for proposals (RFP) for existing housing in the local newspaper. The PHA will post the notice inviting such proposal submission and the rating and ranking procedures at City Hall. **In** addition, the PHA will mail notice to a list of potential proposers.

Owner proposals will be evaluated using the following criteria:
- Experience as an owner and property manager of affordable rental housing;
- Extent to which the project furthers the PHA goal of deconcentrating poverty and expanding housing and economic opportunities;
- If applicable, extent to which services for special populations are provided on site or in the immediate area for occupants of the property;
- Extent to which amenities are provided by the property owner; and
- Extent to which the project will assure viability of long term affordable housing opportunities.

<u>PHA Selection of Proposals Subject to a Previous Competition under a Federal, State, or Local Housing Assistance Program</u>

The PHA will accept proposals for PBV assistance from owners that were competitively selected under another federal, state or local housing assistance program, including projects that were competitively awarded Low-Income Housing Tax Credits.

The PHA may periodically advertise that it is accepting proposals. In addition to, or in place of advertising, the PHA may also directly contact specific owners that have already been selected for Federal, state, or local housing assistance based on a previously held competition, to inform them of available PBV assistance.

Proposals will be reviewed on a first-come first-served basis. The PHA will evaluate each proposal on its merits using the following factors:

- Extent to which the project furthers the PHA's goal of deconcentrating poverty and expanding housing and economic opportunities; and
- Extent to which the proposal complements other local activities such as the redevelopment of existing housing, downtown redevelopment under the City Center Plan prepared by RDG, other development activities in a Enterprise Zone.

PHA-owned Units [24 CFR 983.51(e) and 983.59]

A PHA-owned unit may be assisted under the PBV program only if the HUD field office or HUD-approved independent entity reviews the selection process and determines that the PHA owned units were appropriately selected based on the selection procedures specified in the PHA administrative plan. If the PHA selects a proposal for housing that is owned or controlled by the PHA, the PHA must identify the entity that will review the PHA proposal selection process and perform specific functions with respect to rent determinations and inspections.

In the case of PHA-owned units, the initial contract rent must be approved by an independent entity based on an appraisal by a licensed, state-certified appraiser. In addition, housing quality standards inspections must be conducted by an independent entity.

The PHA may submit a proposal for project-based housing that is owned or controlled by the PHA. If the proposal for PHA-owned housing is selected, the PHA will use a HUD approved public or private independent entity to review the PHA selection and to administer the PBV program. The PHA will obtain HUD approval prior to selecting the proposal for PHA-owned housing.

The PHA may only compensate the independent entity and appraiser from PHA ongoing administrative fee income (including amounts credited to the administrative fee reserve). The PHA may not use other program receipts to compensate the independent entity and appraiser for their services. The PHA, independent entity, and appraiser may not charge the family any fee for the appraisal or the services provided by the independent entity.

PHA Notice of Owner Selection [24 CFR 983.51 (d)]

The PHA must give prompt written notice to the party that submitted a selected proposal and must also give prompt public notice of such selection. Public notice procedures may include publication of public notice in a local newspaper of general circulation and other means designed and actually operated to provide broad public notice.

> The PHA will promptly notify the selected owner in writing of the owner's selection for the PBV program. The PHA will also notify in writing all owners that submitted proposals that were not selected.

XIV-II.C. HOUSING TYPE [24 CFR 983.52]

The PHA will attach PBV assistance for units in existing housing or for newly constructed or rehabilitated housing developed under and in accordance with an agreement to enter into a housing assistance payments contract that was executed prior to the start of construction. A housing unit is considered an existing unit for purposes of the PBV program, if, at the time of notice of PHA selection, the units substantially comply with HQS. Units for which new construction or rehabilitation was started in accordance with PBV program requirements do not qualify as existing housing.

The PHA choice of housing type will be reflected in its solicitation for proposals.

XIV-II.D. PROHIBITION OF ASSISTANCE FOR CERTAIN UNITS

Ineligible Housing Types [24 CFR 983.53]

The PHA may not attach or pay PBV assistance to shared housing units; units on the grounds of a penal reformatory, medical, mental, or similar public or private institution; nursing homes or facilities providing continuous psychiatric, medical, nursing services, board and care, or intermediate care (except that assistance may be provided in assisted living facilities); units that are owned or controlled by an educational institution or its affiliate and are designated for occupancy by students; manufactured homes; cooperative housing; and transitional housing. In addition, the PHA may not attach or pay PBV assistance for a unit occupied by an owner and the PHA may not select or enter into an agreement to enter into a HAP contract or HAP contract for a unit occupied by a family ineligible for participation in the PBV program.

High-rise Elevator Projects for Families with Children* [24 *CFR 983.53(b)]
The PHA may not attach or pay PBV assistance to a high-rise elevator project that maybe occupied by families with children unless the PHA initially determines there is no practical alternative, and HUD approves such finding. The PHA may make this initial determination for its project-based voucher program, in whole or in part, and need not review each project on a case-by-case basis, and HUD may approve on the same basis.

Subsidized Housing [24 CFR 983.54]

A PHA may not attach or pay PBV assistance to units in any of the following types of subsidized housing:
- A public housing unit;
- A unit subsidized with any other form of Section 8 assistance;
- A unit subsidized with any governmental rent subsidy;
- A unit subsidized with any governmental subsidy that covers all or any part of the operating costs of the housing;
- A unit subsidized with Section 236 rental assistance payments (except that a PHA may attach assistance to a unit subsidized with Section 236 interest reduction payments);
- A Section 202 project for non-elderly with disabilities;
- Section 811 project-based supportive housing for persons with disabilities;
- Section 202 supportive housing for the elderly;
- A Section 101 rent supplement project;
- A unit subsidized with any form of tenant-based rental assistance;
- A unit with any other duplicative federal, state, or local housing subsidy, as determined by HUD or the PHA in accordance with HUD requirements.

XIV-II.E. SUBSIDY LAYERING REQUIREMENTS [24 CFR 983.55]

The PHA may provide PBV assistance only in accordance with HUD subsidy layering regulations [24 CFR 4.13] and other requirements.

The subsidy layering review is intended to prevent excessive public assistance by combining (layering) housing assistance payment subsidy under the PBV program with other governmental housing assistance from federal, state, or local agencies, including assistance such as tax concessions or tax credits.

The PHA must submit the necessary documentation to HUD for a subsidy layering review. The PHA may not enter into an agreement to enter into a HAP contract or a HAP contract until HUD (or an independent entity approved by BUD) has conducted any required subsidy layering review and determined that the PBV assistance is in accordance with HUD subsidy layering requirements.

The HAP contract must contain the owner's certification that the project has not received and will not receive (before or during the term of the HAP contract) any public assistance for acquisition, development, or operation of the housing other than assistance disclosed in the subsidy layering review in accordance with BUD requirements.

XIV-II.F. CAP ON NUMBER OF PBV UNITS IN EACH BUILDING

25 Percent per Building Cap [24 CFR 983.56(a)]

The PHA may not select a proposal to provide PBV assistance for units in a building or enter into an agreement to enter into a HAP or a HAP contract to provide PBV assistance for units in a building, if the total number of dwelling units in the building that will receive PBV assistance during the term of the PBV HAP contract is more than 25 percent of the number of dwelling units (assisted or unassisted) in the building.

Exceptions to 25 Percent per Building Cap [24 CFR 983.56(b)]

Exceptions are allowed and PBV units are not counted against the 25 percent per building cap if:
• The units are in a single-family building (one to four units);
• The units are *excepted units* in a multifamily building because they are specifically made available for elderly or disabled families or families receiving supportive services (also known as *qualifying families).*

Promoting Partially-Assisted Buildings [24 CFR 983.56(c)]

A PHA may establish local requirements designed to promote PBV assistance in partially assisted buildings. A *partially assisted building* is a building in which there are fewer units covered by a HAP contract than residential units [24 CFR 983.3].

The PHA will not impose any further cap on the number of PBV units assisted per building.

XIV-H.G. SITE SELECTION STANDARDS

Compliance with PBV Goals, Civil Rights Requirements, and HQS Site Standards [24 CFR 983.57(b)]

It is the PHA goal to select sites for PBV housing that provide for deconcentrating poverty and expanding housing and economic opportunities. In complying with this goal the PHA will limit approval of sites for PBV housing in census tracts that have poverty concentrations of 20 percent or less.

However, the PHA will grant exceptions to the 20 percent standard where the PHA determines that the PBV assistance will complement other local redevelopment activities designed to deconcentrate poverty and expand housing and economic opportunities in census tracts with poverty concentrations greater than 20 percent, such as sites in:

A census tract in which the proposed PBV development will be located in a HUD designated Enterprise Zone, Economic Community, or Renewal Community;

> A census tract where the concentration of assisted units will be or has decreased as a result of public housing demolition and HOPE VI redevelopment;

A census tract in which the proposed PBV development will be located is undergoing significant revitalization as a result of state, local, or federal dollars invested in the area;

A census tract where new market rate units are being developed where such market rate units will positively impact the poverty rate in the area;

A census tract where there has been an overall decline in the poverty rate within the past five years; or

A census tract where there are meaningful opportunities for educational and economic advancement.

Existing and Rehabilitated Housing Site and Neighborhood Standards [24 CFR 983.57(d)]

The PHA may not enter into an agreement to enter into a HAP contract nor enter into a HAP contract for existing or rehabilitated housing until it has determined that the site complies with the HUD required site and neighborhood standards. The site must:
• Be adequate in size, exposure, and contour to accommodate the number and type of units proposed; .
• Have adequate utilities and streets available to service the site;
• Promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
• Be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and
• Be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

New Construction Site and Neighborhood Standards [24 CFR 983.57(e)]

In order to be selected for PBV assistance, a site for newly constructed housing must meet the following HUD required site and neighborhood standards:
• The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed;
• The site must have adequate utilities and streets available to service the site;
• The site must not be located in an area of minority concentration unless the PHA determines that sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration or that the project is necessary to meet overriding housing needs that cannot be met in that housing market area;
• The site must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.
• The site must promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
• The neighborhood must not be one that is seriously detrimental to family life or in which substandard dwellings or other undesirable conditions predominate;
• The housing must be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and
• Except for housing designed for elderly persons, the housing must be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

XIV-II.H. ENVIRONMENTAL REVIEW [24 CFR 983.58]

The PHA activities under the PBV program are subject to HUD environmental regulations in 24 CFR parts 50 and 58. The *responsible entity* is responsible for performing the federal environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.). The PHA may not enter into an agreement to enter into a HAP contract nor enter into a
HAP contract until it has complied with the environmental review requirements.

In the case of existing housing, the responsible entity that is responsible for the environmental review under 24 CFR part 58 must determine whether or not PBV assistance is categorically excluded from review under the National Environmental Policy Act and whether or not the assistance is subject to review under the laws and authorities listed in 24 CFR 58.5.

The PHA may not enter into an agreement to enter into a HAP contract or a HAP contract with an owner, and the PHA, the owner, and its contractors may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct real property or commit or expend program or local funds for PBV activities under this part, until the environmental review is completed.

The PHA must supply all available, relevant information necessary for the responsible entity to perform any required environmental review for any site. The PHA must require the owner to carry out mitigating measures required by the responsible entity (or HUD, if applicable) as a result of the environmental review.

PART III: DWELLING UNITS

XIV-III.A. OVERVIEW

This part identifies the special housing quality standards that apply to the PBV program, housing accessibility for persons with disabilities, and special procedures for conducting housing quality standards inspections.

XIV-III.B. HOUSING QUALITY STANDARDS [24 CFR 983.101]

The housing quality standards (HQS) for the tenant-based program, including those for special housing types, generally apply to the PBV program. Except as otherwise noted, the Housing Quality Standards regulated at 24 CFR 982.401 applies to the PBV Program.

HQS requirements for shared housing, cooperative housing, manufactured home space rental, and the homeownership option do not apply because these housing types are not assisted under the PBV program.

The physical condition standards at 24 CFR 5.703 do not apply to the PBV program.

Lead-based Paint [24 CFR 983.101(c)]

The lead-based paint requirements for the tenant-based voucher program do not apply to the PBV program. Instead, The Lead-based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at 24 CFR part 35, subparts A, B, H, and R, apply to the PBV program.

XIV-III.C. HOUSING ACCESSIBILITY FOR PERSONS WITH DISABILITIES

The housing must comply with program accessibility requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8. The PHA must ensure that the percentage of accessible dwelling units complies with the requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.c. 794), as implemented by HUD's regulations at 24 CFR 8, subpart C.

Housing first occupied after March 13, 1991, must comply with design and construction requirements of the Fair Housing Amendments Act of 1988 and implementing regulations at 24 CFR 100.205, as applicable. (24 CFR 983.102)

XIV-III.D. INSPECTING UNITS

Pre-selection Inspection [24 CFR 983.103(a)]

The PHA must examine the proposed site before the proposal selection date. If the units to be assisted already exist, the PHA must inspect all the units before the proposal selection date, and must determine whether the units substantially comply with HQS. To qualify as existing housing, units must substantially comply with HQS on the proposal selection date. However, the PHA may not execute the HAP contract until the units fully comply with HQS.

Pre-HAP Contract Inspections [24 CFR 983.103(b)]

The PHA must inspect each contract unit before execution of the HAP contract. The PHA may not enter into a HAP contract covering a unit until the unit fully complies with HQS.

Turnover Inspections [24 CFR 983.103(c)]

Before providing assistance to a new family in a contract unit, the PHA must inspect the unit. The PHA may not provide assistance on behalf of the family until the unit fully complies with HQS.

Annual Inspections [24 CFR 983.103(d)]
At least annually during the term of the HAP contract, the PHA must inspect a random sample, consisting of at least 20 percent of the contract units in each building to determine if the contract units and the premises are maintained in accordance with HQS. Turnover inspections are not counted toward meeting this annual inspection requirement.

If more than 20 percent of the annual sample of inspected contract units in a building fails the initial inspection, the PHA must reinspect 100 percent of the contract units in the building.
Other Inspections [24 CFR 983.103(e)]

The PHA must inspect contract units whenever needed to determine that the contract units comply with HQS and that the owner is providing maintenance, utilities, and other services in accordance with the HAP contract. The PHA must take into account complaints and any other information coming to its attention in scheduling inspections.

The PHA must conduct follow-up inspections needed to determine if the owner (or, if applicable, the family) has corrected an HQS violation, and must conduct inspections to determine the basis for exercise of contractual and other remedies for owner or family violation of HQS.

In conducting PHA supervisory quality control HQS inspections, the PHA will include a representative sample of both tenant-based and project-based units.

Inspecting PHA-owned Units [24 CFR 983.103(0]

In the case of PHA-owned units, the inspections must be performed by an independent agency designated by the PHA and approved by HUD. The independent entity must furnish a copy of each inspection report to the PHA and to the HUD field office where the project is located. The PHA must take all necessary actions in response to inspection reports from the independent agency, including exercise of contractual remedies for violation of the HAP contract by the PHA-owner.

PART IV: REHABILITATED AND NEWLY CONSTRUCTED UNITS

XIV-IV.A. OVERVIEW [24 CFR 983.151]

There are specific requirements that apply to PBV assistance for newly constructed or rehabilitated housing that do not apply to PBV assistance in existing housing. This part describes the requirements unique to this type of assistance.

Housing selected for this type of assistance may not at a later date be selected for PBV assistance as existing housing.

XIV-IV.B. AGREEMENT TO ENTER INTO HAP CONTRACT

In order to offer PBV assistance in rehabilitated or newly constructed units, the PHA must enter into an agreement to enter into HAP contract (Agreement) with the owner of the property. The Agreement must be in the form required by HUD [24 CFR 983.1 52(a)].

In the Agreement the owner agrees to develop the PBV contract units to comply with HQS, and the PHA agrees that upon timely completion of such development in accordance with the terms of the Agreement, the PHA will enter into a HAP contract with the owner for the contract units [24 CFR 983. 152(b)].

Content of the Agreement [24 CFR 983.152(c)]

At a minimum, the Agreement must describe the following features of the housing to be developed and assisted under the PBV program:

- Site and the location of the contract units;
- Number of contract units by area (size) and number of bedrooms and bathrooms;
- Services, maintenance, or equipment to be supplied by the owner without charges in addition to the rent;
- Utilities available to the contract units, including a specification of utility services to be paid by the owner and utility services to be paid by the tenant;
- An indication of whether or not the design and construction requirements of the Fair Housing Act and section 504 of the Rehabilitation Act of 1973 apply to units under the Agreement. If applicable, any required work item resulting from these requirements must be included in the description of work to be performed under the Agreement;
- Estimated initial rents to owner for the contract units;
- Description of the work to be performed under the Agreement. For rehabilitated units, the description must include the rehabilitation work write up and, where determined necessary by the PHA, specifications and plans. For new construction units, the description must include the working drawings and specifications.
- Any additional requirements for quality, architecture, or design over and above HQS.

Execution of the Agreement [24 CFR 983.153]

The Agreement must be executed promptly after PHA notice of proposal selection to the selected owner. However, the PHA may not enter into the Agreement with the owner until the subsidy layering review is completed. Likewise, the PHA may not enter into the Agreement until the environmental review is completed and the PHA has received environmental approval.

XIV-IV.C. CONDUCT OF DEVELOPMENT WORK

Labor Standards [24 CFR 983.154(b)]

If an Agreement covers the development of nine or more contract units (whether or not completed in stages), the owner and the owner's contractors and subcontractors must pay Davis Bacon wages to laborers and mechanics employed in the development of housing. The HUD prescribed form of the Agreement will include the labor standards clauses required by HUD, such as those involving Davis-Bacon wage rates.

The owner, contractors, and subcontractors must also comply with the Contract Work Hours and Safety Standards Act, Department of Labor regulations in 29 CFR part 5, and other applicable federal labor relations laws and regulations. The PHA must monitor compliance with labor standards.

Equal Opportunity [24 CFR 983.154(c)]

The owner must comply with Section 3 of the Housing and Urban Development Act of 1968 and the implementing regulations at 24 CFR part 135. The owner must also comply with federal equal employment 0ppOltunity requirements.

Owner Disclosure [24 CFR 983.154(d) and (e)]

The Agreement and HAP contract must include a certification by the owner that the owner and other project principals are not on the U.S. General Services Administration list of parties excluded from federal procurement and non-procurement programs.

The owner must also disclose any possible conflict of interest that would be a violation of the Agreement, the HAP contract, or HUD regulations.

XIV-IV.D. COMPLETION OF HOUSING

The Agreement must specify the deadlines for completion of the housing, and the owner must develop and complete the housing in accordance with these deadlines. The Agreement must also specify the deadline for submission by the owner of the required evidence of completion.

Evidence of Completion [24 CFR 983.155(b)]

At a minimum, the owner must submit the following evidence of completion to the PHA in the form and manner required by the PHA:

- Owner certification that the work has been completed in accordance with HQS and all requirements of the Agreement; and
- Owner certification that the owner has complied with labor standards and equal opportunity requirements in development of the housing.

At the PHA's discretion, the Agreement may specify additional documentation that must be submitted by the owner as evidence of housing completion.

The PHA will determine the need for the owner to submit additional documentation as evidence of housing completion on a case-by-case basis depending on the nature of the PBV project. The PHA will specify any additional documentation requirements in the Agreement to enter into HAP contract.

PHA Acceptance of Completed Units [24 CFR 983.156]

Upon notice from the owner that the housing is completed, the PHA must inspect to determine if the housing has been completed in accordance with the Agreement, including compliance with HQS and any additional requirements imposed under the Agreement. The PHA must also determine if the owner has submitted all required evidence of completion.

If the work has not been completed in accordance with the Agreement, the PHA must not enter into the HAP contract.

If the PHA determines the work has been completed in accordance with the Agreement and that the owner has submitted all required evidence of completion, the PHA must submit the HAP contract for execution by the owner and must then execute the HAP contract.

PART V: HOUSING ASSISTANCE PAYMENTS CONTRACT (HAP)

XIV-V.A. OVERVIEW

The PHA must enter into a HAP contract with an owner for units that are receiving PBV assistance. The purpose of the HAP contract is to provide housing assistance payments for eligible families. Housing assistance is paid for contract units leased and occupied by eligible families during the HAP contract term. The HAP contract must be in the form required by HUD [24 CFR 983.202].

XIV-V.B. HAP CONTRACT REQUIREMENTS

Contract Information [24 CFR 983.203]

The HAP contract must specify the following information:
• The total number of contract units by number of bedrooms;
• The project's name, street address, city or county, state and zip code, block and lot number (if known), and any other information necessary to clearly identify the site and the building;
• The number of contract units in each building, the location of each contract unit, the area of each contract unit, and the number of bedrooms and bathrooms in each contract unit;
• Services, maintenance, and equipment to be supplied by the owner and included in the rent to owner;
• Utilities available to the contract units, including a specification of utility services to be paid by the owner (included in rent) and utility services to be paid by the tenant;
• Features provided to comply with program accessibility requirements of Section 504 of the Rehabilitation Act of 1973 and implementing regulations at **24** CFR part 8;
• The HAP contract term;
• The number of units in any building that will exceed the 25 percent per building cap, which will be set-aside for occupancy by qualifying families; and
• The initial rent to owner for the first 12 months of the HAP contract term.

Execution of the HAP Contract [24 CFR 983.204]

The PHA may not enter into a HAP contract until each contract unit has been inspected and the PHA has determined that the unit complies with the Housing Quality Standards (HQS). For existing housing; the HAP contract will be executed promptly after the PHA selects the owner proposal and inspects the housing units.

For newly constructed or rehabilitated housing the HAP contract must be executed after the PHA has inspected the completed units and has determined that the units have been completed in accordance with the agreement to enter into HAP, and the owner furnishes all required evidence of completion.

Term of HAP Contract [24 CFR 983.205]

The PHA may enter into a HAP contract with an owner for an initial term of no less than one year.

The term of all PBV HAP contracts will be negotiated with the owner on a case-by-case basis.

Within one year before expiration of the HAP contract, the PHA may extend the term of the contract for an additional term if the PHA determines an extension is appropriate to continue providing affordable housing for low-income families. Subsequent extensions are subject to the same limitations. All extensions must be on the form and subject to the conditions prescribed by HUD at the time of the extension.

When determining whether or not to extend an expiring PBV contract, the PHA will consider several factors including, but not limited to:

- The cost of extending the contract and the amount of available budget authority;
- The condition of the contract units;
- The owner's record of compliance with obligations under the HAP contract
- and lease(s);
- Whether the location of the units continues to support the goals of deconcentrating poverty and expanding housing opportunities; and
- Whether the funding could be used more appropriately for tenant-based assistance.

Termination by PHA* [24 *CFR 983.205(c)]

The HAP contract must provide that the term of the PHA's contractual commitment is subject to the availability of sufficient appropriated funding as determined by HUD or by the PHA in accordance with HUD instructions. For these purposes, sufficient funding means the availability of appropriations, and of funding under the ACC from such appropriations, to make full payment of housing assistance payments payable to the owner for any contract year in accordance with the terms of the HAP contract.

If it is determined that there may not be sufficient funding to continue housing assistance payments for all contract units and for the full term of the HAP contract, the PHA may terminate the HAP contract by notice to the owner. The termination must be implemented in accordance with HUD instructions.

Termination by Owner* [24 *CFR 983.205(d)]

If in accordance with program requirements the amount of rent to an owner for any contract unit is reduced below the amount of the rent to owner at the beginning of the HAP contract term, the owner may terminate the HAP contract by giving notice to the PHA. In this case, families living in the contract units must be offered tenant-based assistance.

Remedies for HQS Violations [24 CFR 983.207(b)]

The PHA may not make any HAP payment to the owner for a contract unit during any period in which the unit does not comply with HQS. If the PHA determines that a contract does not comply with HQS, the PHA may exercise any of its remedies under the HAP contract, for any or all of the contract units. Available remedies include termination of housing assistance payments, abatement or reduction of housing assistance payments, reduction of contract units, and termination of the HAP contract.

> The PHA will abate and terminate PBV HAP contracts for non-compliance with HQS in accordance with the policies used in the tenant-based voucher program. These policies are contained in Section 8-Il.G., Enforcing Owner Compliance.

XIV-V.C. AMENDMENTS TO THE HAP CONTRACT

Substitution of Contract Units [24 CFR 983.206(a)]

At the PHA's discretion and subject to all PBV requirements, the HAP contract may be amended to substitute a different unit with the same number of bedrooms in the same building for a previously covered contract unit. Before any such substitution can take place, the PHA must inspect the proposed unit and determine the reasonable rent for the unit.

Addition of Contract Units [24 CFR 983.206(b)]

At the PHA's discretion and subject to the restrictions on the number of dwelling units that can receive PBV assistance per building and on the overall size of the PHA's PBV program, a HAP contract may be amended during the three-year period following the execution date of the HAP contract to add additional PBV units in the same building. This type of amendment is subject to all PBV program requirements except that a new PBV proposal is not required.

XIV-V.D. HAP CONTRACT YEAR, ANNIVERSARY AND EXPIRATION DATES [24 CFR 983.206(c) and 983.302(e)]

The HAP contract year is the period of 12 calendar months preceding each annual anniversary of the HAP contract during the HAP contract term. The initial contract year is calculated from the first day of the first calendar month of the HAP contract term.

The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year.

There is a single annual anniversary and expiration date for all units under a particular HAP contract, even in cases where contract units are placed under the HAP contract in stages (on different dates) or units are added by amendment. The anniversary and expiration dates for all units coincide with the dates for the contract units that were originally placed under contract.

XIV-IV.E. OWNER RESPONSIBILITIES UNDER THE HAP [24 CFR 983.209]

When the owner executes the HAP contract s/he certifies that at such execution and at all times during the term of the HAP contract:
• All contract units are in good condition and the owner is maintaining the premises and contract units in accordance with HQS;
• The owner is providing all services, maintenance, equipment and utilities as agreed to under the HAP contract and the leases;
• Each contract unit for which the owner is receiving HAP, is leased to an eligible family referred by the PHA, and the lease is in accordance with the HAP contract and HOD requirements;
• To the best of the owner's knowledge the family resides in the contract unit for which the owner is receiving HAP, and the unit is the family's only residence;
• The owner (including a principal or other interested party) is not the spouse, parent, child, grandparent, grandchild, sister, or brother of any member of a family residing in a contract unit;

• The amount of the HAP the owner is receiving is correct under the HAP contract;
• The rent for contract units does not exceed rents charged by the owner for comparable unassisted units;
• Except for HAP and tenant rent, the owner has not received and will not receive any other payment or consideration for rental of the contract unit; and
• The family does not own or have any interest in the contract unit.

XIV-IV.F. OWNER RESPONSIBILITIES UNDER THE PBV PROGRAM [24 CFR 983.208]

The owner is responsible for performing all of the same owner responsibilities as the tenant based voucher program, regulated at 24 CFR 982.452. See Chapter l3-LC. Owner Responsibilities for a full discussion.

XIV-V.G. ADDITIONAL HAP REQUIREMENTS

Housing Quality and Design Requirements [24 CFR 983.101(e) and 983.207(a)]

The owner is required to maintain and operate the contract units and premises in accordance with HQS, including performance of ordinary and extraordinary maintenance. The owner must provide all the services, maintenance, equipment, and utilities specified in the HAP contract with the PHA and in the lease with each assisted family. In addition, maintenance, replacement and redecoration must be in accordance with the standard practice for the building as established by the owner.

The PHA may elect to establish additional requirements for quality, architecture, or design of PBV housing. Any such additional requirements must be specified in the Agreement to enter into a HAP contract and the HAP contract. These requirements must be in addition to, not in place of, compliance with HQS.

> The PHA will identify the need for any special features on a case-by-case basis depending on the intended occupancy of the PBV project. The PHA will specify any special design standards or additional requirements in the invitation for PBV proposals, the agreement to enter into HAP contract, and the HAP contract.

Vacancy Payments [24 CFR 983.352(b)]

The PHA will decide on a case-by-case basis if the PHA will provide vacancy payments to the owner. If PHA-determined, the PHA will provide a vacancy payment of 50 percent of the monthly rent to owner for a period of one month. The amount of the vacancy payment cannot exceed the monthly rent to owner under the assisted lease, minus any portion of the rental payment received by the owner (including amounts available from the tenant's security deposit). The HAP contract with the owner will contain any such agreement, including the amount of the vacancy payment and the period for which the owner will qualify for these payments.

PART VI: SELECTION OF PBV PROGRAM PARTICIPANTS

XIV-VI.A. OVERVIEW

Many of the provisions of the tenant-based voucher regulations [24 CFR 982J also apply to the PBV program. This includes requirements related to determining eligibility and selecting applicants from the waiting list. Even with these similarities, there are requirements that are unique to the PBV program. This part describes the requirements and policies related to eligibility and admission to the PBV program.

XIV-VI.B. ELIGIBILITY FOR PBV ASSISTANCE [24 CFR 983.251(a) and (b)]

The PHA may select families for the PBV program from those who are participants in the PHA's tenant-based voucher program and from those who have applied for admission to the voucher program. For voucher participants, eligibility was determined at original admission to the voucher program and does not need to be redetermined at the commencement of PBV assistance.

For all others, eligibility for admission must be determined at the commencement of PBV assistance. Applicants for PBV assistance must meet the same eligibility requirements as applicants for the tenant-based voucher program.

The PHA will determine an applicant family's eligibility for the PBV program in accordance with all other policies.

In-Place Families [24 CFR 983.251(b)]

An eligible family residing in a proposed PBV contract unit on the date the proposal is selected by the PHA is considered an "in-place family." These families are afforded protection from displacement under the PBV rule. If a unit to be placed under contract (either an existing unit or a unit requiring rehabilitation) is occupied by an eligible family on the date the proposal is selected, the in-place family must be placed on the PHA's waiting list. Once the family's continued eligibility is determined (the PHA may deny assistance to an in-place family for the grounds specified in 24 CFR 982.552 and 982.553), the family must be given an absolute selection preference and the PHA must refer these families to the project owner for an appropriately sized PBV unit in the project. Admission of eligible in-place families is not subject to income targeting requirements.

This regulatory protection from displacement does not apply to families that are not eligible to participate in the program on the proposal selection date.

XIV-VI.C. ORGANIZATION OF THE WAITING LIST [24 CFR 983.251(c)]

The PHA will establish and manage separate waiting lists for individual projects that are receiving PBV assistance.

XIV-VI.D. SELECTION FROM THE WAITING LIST [24 CFR 983.251(c)]

Applicants who will occupy units with PBV assistance must be selected from the PHA's Project Based Voucher waiting list. The PHA may place families referred by the PBV owner on its PBV waiting list.

Income Targeting [24 CFR 983.251(c)(6)]

At least 75 percent of the families admitted to the PHA's tenant-based and project-based voucher programs during the PHA fiscal year from the waiting list must be extremely-low income families. The income targeting requirement applies to the total of admissions to both programs.

Units with Accessibility Features [24 CFR 983.251(c)(7)]

When selecting families to occupy PBV units that have special accessibility features for persons with disabilities, the PHA must first refer families who require such features to the owner.

Preferences [24 CFR 983.251(d)]

The PHA will provide a selection preference when required by the regulation (e.g., eligible in-place families, qualifying families for "excepted units," persons with mobility impairments for accessible units). The preferences offered by PHA will depend on the local housing needs, the type of housing that is receiving project-based assistance, whether services are being offered, and whether the housing is intended for particular populations. The following additional preferences have been established for the PBV program:

- Homeless
- Households moving from transitional housing

XIV-VI.E. OFFER OF PBV ASSISTANCE

Refusal of Offer [24 CFR 983.251(e)(3)]

The PHA is prohibited from taking any of the following actions against a family who has applied for, received, or refused an offer of PBV assistance:

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

Disapproval by Landlord [24 CFR 983.251(e)(2)]

If a PBV owner rejects a family for admission to the owner's units, such rejection may not affect the family's position on the tenant-based voucher waiting list.

Acceptance of Offer [24 CFR 983.252]

Family Briefing

When a family accepts an offer for PBV assistance, the PHA must give the family an oral briefing. The briefing must include information on how the program works and the responsibilities of the family and owner. In addition to the oral briefing, the PHA must provide a briefing packet that explains how the PHA determines the total tenant payment for a family, the family obligations under the program, and applicable fair housing information.

XIV-Vl.F. OWNER SELECTION OF TENANTS

The owner is responsible for developing written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low-income families and reasonably related to program eligibility and an applicant's ability to fulfill their obligations under the lease. In addition to providing the written tenant selection procedures as part of the request for proposal process, PHA requires that an owner provide to PHA an updated copy of the written tenant selection procedures at the time of any requested rent increase.

An owner must promptly notify in writing any rejected applicant and the PHA of the grounds for any rejection [24 CFR 983.253(b)].

Leasing [24 CFR 983.253(a)]

During the term of the HAP contract, the owner must lease contract units to eligible families that are selected and referred by the PHA from the PHA's waiting list. The contract unit leased to the family must be the appropriate size unit for the size of the family, based on the PHA's subsidy standards.

Filling Vacancies [24 CFR 983.254(a)]

The owner must promptly notify the PHA of any vacancy or expected vacancy in a contract unit. After receiving such notice, the PHA must make every reasonable effort to promptly refer a sufficient number of families for the owner to fill such vacancies. The PHA and the owner must make reasonable efforts to minimize the likelihood and length of any vacancy.

> The owner must notify the PHA in writing (in person, mail, or fax) within 5 business days of learning about any vacancy or expected vacancy.
>
> After determining final eligibility, the PHA will promptly refer families to the owner.

Reduction in HAP Contract Units Due to Vacancies [24 CFR 983.254(b)]

If any contract units have been vacant for 120 days, the PHA will give 30 day notice to the owner that the HAP contract will be amended to reduce the number of contract units that have been vacant for this period. The PHA will provide the notice in writing. The amendment to the HAP contract will be effective the 1st day of the month at least 30 days following the date of the PHA's notice.

XIV-VI.G. TENANT SCREENING [24 CFR 983.255]

PHA Responsibility

The PHA will not conduct screening to determine a PBV applicant family's suitability for tenancy.

The PHA must provide the owner with an applicant family's current and prior address (as shown in PHA records) and the name and address (if known by the PHA) of the family's current landlord and any prior landlords.

The PHA must provide applicant families a description of the PHA policy on providing information to owners, and the PHA must give the same types of information to all owners.

The PHA will inform owners of their responsibility to screen prospective tenants, and will provide owners with the required known name and address information. The PHA will not provide any additional information to the owner, such as tenancy history, criminal history, etc.

Owner Responsibility

The owner is responsible for screening and selection of the family to occupy the owner's unit. When screening families the owner may consider a family's background with respect to the following factors:

- Payment of rent and utility bills;
- Caring for a unit and premises;
- Respecting the rights of other residents to the peaceful enjoyment of their housing;
- Drug-related criminal activity or other criminal activity that is a threat to the health, safety, or property of others; and
- Compliance with other essential conditions of tenancy.

PART VII: OCCUPANCY

XIV-VII.A. OVERVIEW

After an applicant has been selected from the waiting list, determined eligible by the PHA, referred to an owner and determined suitable by the owner, the family will sign the lease and occupancy of the unit will begin.

XIV-VII.B. LEASE [24 CFR 983.256]

The tenant must have legal capacity to enter a lease under state and local law. *Legal capacity* means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner.

Form of Lease [24 CFR 983.256(b)]

The tenant and the owner must enter into a written lease agreement that is signed by both parties. If an owner uses a standard lease form for rental units to unassisted tenants in the locality or premises, the same lease must be used for assisted tenants, except that the lease must include a HUD-required tenancy addendum. The tenancy addendum must include, word-for-word, all provisions required by HUD.

If the owner does not use a standard lease form for rental to unassisted tenants, the owner may use PHA's model lease.

The PHA will not review the owner's lease for compliance with state or local law.

Lease Requirements [24 CFR 983.256(c)]

The lease for a PBV unit must specify all of the following information:
• The names of the owner and the tenant;
• The unit rented (address, apartment number, if any, and any other information needed to identify the leased contract unit);
• The term of the lease (initial term and any provision for renewal);
• The amount of the tenant rent to owner, which is subject to change during the term of the lease in accordance with HUD requirements;
• A specification of the services, maintenance, equipment, and utilities that will be provided by the owner; and
• The amount of any charges for food, furniture, or supportive services.

Tenancy Addendum [24 CFR 983.256(d)]

The tenancy addendum in the lease must state:
• The program tenancy requirements;
• The composition of the household as approved by the PHA (the names of family members and any PHA-approved live-in aide);
• All provisions in the HUD-required tenancy addendum must be included in the lease. The terms of the tenancy addendum prevail over other provisions of the lease.

Initial Term and Lease Renewal [24 CFR 983.256(t) and 983.257(b)]

The initial lease term must be for at least one year. Upon expiration of the lease, an owner may renew the lease, refuse to renew the lease for "good cause," or refuse to renew the lease without good cause. If the owner refuses to renew the lease without good cause, the PHA must provide the family with a tenant-based voucher and remove the unit from the PBV HAP contract.

Changes in the Lease [24 CFR 983.256(e)]

If the tenant and owner agree to any change in the lease, the change must be in writing, and the owner must immediately give the PHA a copy of all changes.

The owner must provide to the PHA 60 days written notice of any proposed change in the lease regarding the allocation of tenant and owner responsibilities for utilities. Such changes may only be made if approved by the PHA and in accordance with the terms of the lease relating to its amendment. The PHA must redetermine reasonable rent, in accordance with program requirements, based on any change in the allocation of the responsibility for utilities between the owner and the tenant. The redetermined reasonable rent will be used in calculation of the rent to owner from the effective date of the change.

Owner Termination of Tenancy [24 CFR 983.257]

With two exceptions, the owner of a PBV unit may terminate tenancy for the same reasons an owner may in the tenant-based voucher program (24 CFR 982.310). In the PBV program, terminating tenancy for "good cause" does not include doing so for a business or economic reason, or a desire to use the unit for personal or family use or other non-residential purpose.

Tenant Absence from the Unit* [24 *CFR 983.256(g) and* 982. *312(a)]

The owner may specify in the lease a maximum period of tenant absence from the unit that is shorter than the maximum period permitted by PHA policy. According to program requirements, the family's assistance must be terminated if they are absent from the unit for more than 180 consecutive days.

Security Deposits [24 CFR 983.258]

The owner may collect a security deposit from the tenant. The amount of security deposit established by the property owner in no instance may exceed the amount of one month's contract rent, or be in excess of amounts charged by the owner to unassisted tenants.

When the tenant moves out of a contract unit, the owner, subject to state and local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid tenant rent, damages to the unit, or other amounts owed by the tenant under the lease.

The owner must give the tenant a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used to reimburse the owner, the owner must promptly refund the full amount of the balance to the tenant.

If the security deposit does not cover the amount owed by the tenant under the lease, the owner may seek to collect the balance from the tenant. The PHA has no liability or responsibility for payment of any amount owed by the family to the owner.

XIV-VII.C. MOVES

Overcrowded, Under-Occupied, and Accessible Units [24 CFR 983.259]

If the PHA determines that a family is occupying a wrong size unit, based on the PHA's subsidy standards, or a unit with accessibility features that the family does not require, and the unit is needed by a family that does require the features, the PHA must promptly notify the family and the owner of this determination, and the PHA must offer the family the opportunity to receive continued housing assistance in another unit.

> The PHA will promptly notify the family and the owner in writing of the family's need to move based on the occupancy of a wrong-size or accessible unit. The PHA will offer the following types of continued assistance in the following order, based on the availability of assistance:
> - PBV assistance in the same building or project;

- PBV assistance in another project; and
- Tenant -based voucher assistance.

If the PHA offers the family another form of assistance that is not a tenant-based voucher, and the family does not accept the offer, does not move out of the PBV unit within a reasonable time as determined by the PHA, or both, the PHA must terminate the housing assistance payments for the unit at the expiration of a reasonable period as determined by the PHA.

When the PHA offers a family another form of assistance that is not a tenant-based voucher, the family will be given 30 days from the date of the offer to accept the offer. The family will be provided 30 days from the date of acceptance to move out of the unit. If the family does not move out within this 30-day time frame, the PHA will terminate the housing assistance payments at the expiration of this 30-day period.

The PHA may make exceptions to this 30-day period at the sole discretion of the PHA Director.

Family Right to Move [24 CFR 983.260]

If the family wishes to move after the first year of occupancy with tenant-based assistance, the family must contact the PHA to request the tenant-based rental assistance prior to providing notice to the owner to terminate the lease. The PHA will offer the family the opportunity for continued tenant-based assistance, in the form of a voucher or other comparable tenant-based rental assistance, if both of the following requirements are met:

1. The family provided a written request to PHA to utilize tenant-based rental assistance prior to providing notice to the owner to terminate the lease, AND
2. The family gave proper lease termination notice in writing to the owner and PHA in accordance with the lease.

If voucher or other comparable tenant-based assistance is not immediately available upon termination of the family's lease in the PBV unit, the PHA must give the family priority to receive the next available opportunity for continued tenant-based assistance.

If the family terminates the assisted lease before the end of the first year, the family relinquishes the opportunity for continued tenant-based assistance.

XIV-VII.D. EXCEPTIONS TO THE OCCUPANCY CAP [24 CFR 983.261]

The PHA may not pay housing assistance under a PBV HAP contract for more than 25 percent of the number of dwelling units in a building unless the units are [24 CFR 983.56]:
• In a single-family building;
• Specifically made available for elderly or disabled families; or
• Specifically made available for families receiving supportive services as defined by the PHA. At least one member must be receiving at least one qualifying supportive service.

A family (or remaining members of a family) residing in an excepted unit that no longer meets the criteria for a "qualifying family" in connection with the 25 percent per building cap exception (e.g., the family does not successfully complete supportive services requirements, or due to a change in family composition the family is no longer elderly or disabled), must vacate the unit within a reasonable period of time established by the PHA, and the PHA must cease paying housing assistance payments on behalf of the non-qualifying family.

If the family fails to vacate the unit within the established time, the unit must be removed from the HAP contract unless the project is partially assisted, and it is possible for the HAP contract to be amended to substitute a different unit in the building in accordance with program requirements; or the owner terminates the lease and evicts the family. The housing assistance payments for a family residing in an excepted unit that is not in compliance with its family obligations to comply with supportive services requirements must be terminated by the PHA.

> When the PHA determines that a family no longer meets the criteria for a "qualifying family" in connection with the 25 percent per building cap exception, the PHA will provide prompt written notice to the family and owner. The family will be given 30 days from the date of the notice to move out of the PBV unit. If the family does not move out within this 30-day time frame, the PHA will terminate the housing assistance payments at the expiration of this 30-day period.
>
> The PHA may make exceptions to this 30-day period at the sole discretion of the PHA Director.
>
> The PHA may refer other eligible families to the excepted units. However, if there are no eligible families on the waiting list and the owner does not refer eligible families to the PHA, the PHA will amend the HAP contract to reduce the total number of units under contract.

PART VIII: DETERMINING RENT TO OWNER

XIV-VIII.A. OVERVIEW

The amount of the initial rent to an owner of units receiving PBV assistance is established at the beginning of the HAP contract term.

During the term of the HAP contract, the rent to owner is redetermined at the owner's request in accordance with program requirements, and at such time that there is a five percent or greater decrease in the published FMR.

XIV-VIII.B. RENT LIMITS [24 CFR 983.301]

Except for certain tax credit units (discussed below), the rent to owner must not exceed the lowest of the following amounts:

- An amount determined by the PHA, not to exceed 110 percent of the applicable fair market rent (or any HUD-approved exception payment standard) for the unit bedroom size minus any utility allowance;
- The reasonable rent; or
- The rent requested by the owner.

Certain Tax Credit Units [24 CFR 983.301(c)]

For certain tax credit units, the rent limits are determined differently than for other PBV units. These different limits apply to contract units that meet all of the following criteria:

- The contract unit receives a low-income housing tax credit under the Internal Revenue Code of 1986;
- The contract unit is not located in a qualified census tract;
- There are comparable tax credit units of the same bedroom size as the contract unit in the same building, and the comparable tax credit units do not have any form of rental assistance other than the tax credit; and
- The tax credit rent exceeds a PHA-determined amount (not to exceed 110 percent of the fair market rent or any approved exception payment standard);

For contract units that meet all of these criteria, the rent to owner must not exceed the lowest of:
• The tax credit rent minus any utility allowance;
• The reasonable rent; or
• The rent requested by the owner.

Definitions

A *qualified census tract* is any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50 percent of households have an income of less than 60 percent of Area Median Gross Income (AMGI), or where the poverty rate is at least 25 percent and where the census tract is designated as a qualified census tract by HUD.

Tax credit rent is the rent charged for comparable units of the same bedroom size in the building that also receive the low-income housing tax credit but do not have any additional rental assistance (e.g., tenant-based voucher assistance).

Use of FMRs, Exception Payment Standards, and Utility Allowances [24 CFR 983.301(1)]

When determining the initial rent to owner, the PHA must use the most recently published FMR in effect and the utility allowance schedule in effect for the tenant-based voucher program at execution of the HAP contract. When redetermining the rent to owner, the PHA must use the most recently published FMR and the utility allowance schedule in effect at the time of redetermination.

Any HUD-approved exception payment standard amount under the tenant-based voucher program also applies to the project-based voucher program. HUD will not approve a different exception payment stand amount for use in the PBV program.

Upon written request by the owner, the PHA will consider using the FMR or utility allowances in effect during the 30-day period before the start date of the HAP, or redetermination of rent. The owner must explain the need to use the previous FMRs or utility allowances and include documentation in support of the request. The PHA will review and make a decision based on the circumstances and merit of each request.

In addition to considering a written request from an owner, the PHA may decide to use the FMR or utility allowances in effect during the 30-day period before the start date of the HAP, or redetermination of rent, if the PHA determines it is necessary due to PHA budgetary constraints.

Redetermination of Rent [24 CFR 983.302]

Rent Increase

If an owner wishes to request an increase in the contract rent, it must be requested at the annual anniversary of the HAP contract (see Section XV-V.D.). The PHA may only make rent increases in accordance with the rent limits described previously. There are no provisions in the PBV program for special adjustments (e.g., adjustments that reflect increases in the actual and necessary expenses of owning and maintaining the units which have resulted from substantial general increases in real property taxes, utility rates, or similar costs).

> An owner's request for a rent increase must be submitted in writing to the PHA 60 days prior to the anniversary date of the HAP contract, and must include the new rent amount the owner is requesting.

The PHA may not approve and the owner may not receive any increase of rent to owner until and unless the owner has complied with requirements of the HAP contract, including compliance with HQS and rent reasonableness. The owner may not receive any retroactive increase of rent for any period of noncompliance.

Rent Decrease

If there is a decrease in the rent to owner, as established in accordance with program requirements such as a change in the FMR or exception payment standard, or reasonable rent amount, the rent to owner must be decreased regardless of whether the owner requested a rent adjustment.

Notice of Rent Change

The PHA notice of rent adjustment constitutes an amendment of the contract rent specified in the HAP contract.

The PHA will provide the owner with at least 30 days written notice of any change in the amount of contract rent.

PHA-owned Units [24 CFR 983.301(g)]

For PHA-owned PBV units, the initial rent to owner and the annual redetermination of rent at the anniversary of the HAP contract are determined by the independent entity approved by HUD. The PHA must use the rent to owner established by the independent entity.

XIV-VIII.C. REASONABLE RENT [24 CFR 983.303]

At the time the initial rent is established and all times during the term of the HAP contract, the rent to owner for a contract unit may not exceed the reasonable rent for the unit as determined by the PHA.

When Rent Reasonable Determinations are Required

The PHA must redetermine the reasonable rent for a unit receiving PBV assistance whenever any of the following occur:
• There is a five percent or greater decrease in the published FMR in effect 60 days before the contract anniversary (for the unit sizes specified in the HAP contract) as compared with the FMR that was in effect one year before the contract anniversary date;
• The PHA approves a change in the allocation of responsibility for utilities between the owner and the tenant;
• The HAP contract is amended to substitute a different contract unit in the same building; or
• There is any other change that may substantially affect the reasonable rent.

How to Determine Reasonable Rent
The reasonable rent of a unit receiving PBV assistance must be determined by comparison to rent for other comparable unassisted units. When making this determination, the PHA must consider factors that affect market rent. Such factors include the location, quality, size, type and age of the unit, as well as the amenities, housing services maintenance, and utilities to be provided by the owner.

Comparability Analysis

For each unit, the comparability analysis must use at least three comparable units in the private unassisted market. This may include units in the premises or project that is receiving project based assistance. The analysis must show how the reasonable rent was determined, including major differences between the contract units and comparable unassisted units, and must be retained by the PHA. Those who conduct these analyses or are involved in determining the housing assistance payment based on the analyses may not have any direct or indirect interest in the property.

PHA-owned Units

For PHA-owned units, the amount of the reasonable rent must be determined by an independent agency approved by HUD in accordance with PBV program requirements. The independent entity must provide a copy of the determination of reasonable rent for PHA-owned units to the PHA and to the HUD field office where the project is located.

Owner Certification of Reasonable Rent

By accepting each monthly housing assistance payment, the owner certifies that the rent to owner is not more than rent charged by the owner for other comparable unassisted units in the premises. At any time, the PHA may require the owner to submit information on rents charged by the owner for other units in the premises or elsewhere.

XIV-VIII.D. EFFECT OF OTHER SUBSIDY AND RENT CONTROL

In addition to the rent limits discussed in Section XV –VIII.B above, other restrictions may limit the amount of rent to owner in a PBV unit. In addition, certain types of subsidized housing are not even eligible to receive PBV assistance (see Section XV-II.D).

Other Subsidy [24 CFR 983.304]

At its discretion, the PHA may reduce the initial rent to owner because of other governmental subsidies, including grants and other subsidized financing.

For units receiving assistance under the HOME program, rents may not exceed rent limits as required by that program.

For units in any of the following types of federally subsidized projects, the rent to owner may not exceed the subsidized rent (basic rent) or tax credit rent as determined in accordance with requirements for the applicable federal program:

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

Combining Subsidy

Rent to owner may not exceed any limitation required to comply with HUD subsidy layering requirements.

Rent Control [24 CFR 983.305]

In addition to the rent limits set by PBV program regulations, the amount of rent to owner may also be subject to rent control or other limits under local, state, or federal law.

PART IX: PAYMENTS TO OWNER

XIV-IX.A. HOUSING ASSISTANCE PAYMENTS [24 CFR 983.351]

During the term of the HAP contract, the PHA must make housing assistance payments to the owner in accordance with the terms of the HAP contract. During the term of the HAP contract, payments must be made for each month that a contract unit complies with HQS and is leased to and occupied by an eligible family. The housing assistance payment must be paid to the owner on or about the first day of the month for which payment is due, unless the owner and the PHA agree on a later date.

The PHA may not make any housing assistance payment to the owner for any month after the month when the family moves out of the unit (even if household goods or property are left in the unit).

The amount of the housing assistance payment by the PHA is the rent to owner minus the tenant rent (total tenant payment minus the utility allowance).

In order to receive housing assistance payments, the owner must comply with all provisions of the HAP contract. Unless the owner complies with all provisions of the HAP contract, the owner does not have a right to receive housing assistance payments.

XIV-IX.B. VACANCY PAYMENTS [24 CFR 983.352]

If an assisted family moves out of the unit, the owner may keep the housing assistance payment for the calendar month when the family moves out. However, the owner may not keep the payment if the PHA determines that the vacancy is the owner's fault.

> If the PHA determines that the owner is responsible for a vacancy and, as a result, is not entitled to the keep the housing assistance payment, the PHA will notify the landlord of the amount of housing assistance payment that the owner must repay. The PHA will require the owner to repay the amount owed in accordance with the policies in Section 16-IV.B.

At the discretion of the PHA, the HAP contract may provide for vacancy payments to the owner. The PHA may only make vacancy payments if:

• The owner gives the PHA prompt, written notice certifying that the family has vacated the unit and identifies the date when the family moved out (to the best of the owner's knowledge);

• The owner certifies that the vacancy is not the fault of the owner and that the unit was vacant during the period for which payment is claimed;

• The owner certifies that it has taken every reasonable action to minimize the likelihood and length of vacancy; and

• The owner provides any additional information required and requested by the PHA to verify that the owner is entitled to the vacancy payment.

If an owner's HAP contract calls for vacancy payments to be made, and the owner wishes to receive vacancy payments, the owner must have properly notified the PHA of the vacancy in writing (in person), mail, or fax) within 5 business days of learning about any vacancy or expected vacancy.

In order for a vacancy payment request to be considered, it must be made within 10 business days of the end of the period for which the owner is requesting the vacancy payment. The request must include the required owner certifications and the PHA may require the owner to provide documentation to support the request. If the owner does not provide the information requested by the PHA within 10 business days of the PHA's request, no vacancy payments will be made.

XIV-IX.C. TENANT RENT TO OWNER [24 CFR 983.353]

The tenant rent is the portion of the rent to owner paid by the family. The amount of tenant rent is determined by the PHA in accordance with HUD requirements. Any changes in the amount of tenant rent will be effective on the date stated in the PHA notice to the family and owner.

The family is responsible for paying the tenant rent (total tenant payment minus the utility allowance). The amount of the tenant rent determined by the PHA is the maximum amount the owner may charge the family for rental of a contract unit. The tenant rent covers all housing services, maintenance, equipment, and utilities to be provided by the owner. The owner may not demand or accept any rent payment from the tenant in excess of the tenant rent as determined by the PHA. The owner must immediately return any excess payment to the tenant.

Tenant and PHA Responsibilities

The family is not responsible for the portion of rent to owner that is covered by the housing assistance payment and the owner may not terminate the tenancy of an assisted family for nonpayment by the PHA.

Likewise, the PHA is responsible only for making the housing assistance payment to the owner in accordance with the HAP contract. The PHA is not responsible for paying tenant rent, or any other claim by the owner, including damage to the unit. The PHA may not use housing assistance payments or other program funds (including administrative fee reserves) to pay any part of the tenant rent or other claim by the owner.

Utility Reimbursements
The PHA will make utility reimbursements to the utility provider. The participant is responsible to provide the account number to which PHA should apply the payment.

XIV-IX.D. OTHER FEES AND CHARGES [24 CFR 983.354]
Meals and Supportive Services

With the exception of PBV assistance in assisted living developments, the owner may not require the tenant to pay charges for meals or supportive services.

In assisted living developments receiving PBV assistance, the owner may charge for meals or supportive services. These charges may not be included in the rent to owner, nor may the value of meals and supportive services be included in the calculation of the reasonable rent. However, non-payment of such charges is grounds for termination of the lease by the owner in an assisted living development.

Other Charges by Owner

The owner may not charge extra amounts for items customarily included in rent in the locality or provided at no additional cost to unsubsidized tenants in the premises.

SECTION XV
ADDITIONAL ITEMS

A. Misrepresentation

The resident is to be notified in writing if the PHA finds evidence that the resident or any adult member of the resident family has misrepresented facts affecting the family's eligibility or rent. Willful misrepresentation of facts may result in retroactive rent charges, termination of assistance, and/or criminal prosecution.

Section 1001 of Title 18 of the United States Code makes it a criminal offense to knowingly make a false statement to any department or agency of the United States as to any matter within its jurisdiction and establishes penalties of fines up to $10,000 and/or imprisonment not to exceed five years.

B. Monitoring Program Performance

The PHA places strong emphasis on staff communication in regular staff meetings. Staff meetings will be scheduled on a monthly basis and shall include the HQS inspectors. Problems and potential problems are investigated, discussed and handled using team effort. The PHA management policy is formulated accordingly. Internal policies and procedures, as required for the implementation of the Administrative Plan, shall be developed as necessary.

A monitoring and evaluation system has been developed to include major program areas. This system is designed to ensure that regulations are followed and program goals are met. Changes in approach are initiated on an as-needed basis, subject to program regulations and funding limitations. Annual and interim reexaminations, leases, contracts, and supporting documents are checked by appropriate staff for accuracy, completion, and program compliance. An annual financial audit will be conducted on an annual basis by an independent public accountant.

The PHA will maintain records of applications, eligibility and ineligibility determinations, verifications, HQS inspections, leases, contracts and payment information in applicant and participant files. Inactive files will be maintained for a minimum of three years.

Applicable records related to immigration status will be maintained for a minimum of five years. All other aspects of monitoring program performance will be performed in accordance with HUD requirements and the PHA's policies.

C. Resident Advisory Board

A Resident Advisory Board shall be established to review the Annual and Five Year Plans for the PHA. All residents shall be contacted on an annual basis to request their participation on the Board. Any interested program participant may be a member of the Board. Efforts shall be made to make board members a representative sample of program participants. The Resident Advisory Board shall meet as needed at a time established by the PHA Director.

The Resident Advisory Board shall review any proposed substantial changes to the Administrative Plan and send recommended changes to the PHA Governing Board. The Resident Advisory Board shall review the annual and Five Year Agency Plans for the PHA and recommend approval of the Plans to the PHA Governing Board.

The Resident Advisory Board shall choose a representative to serve on the PHA Governing Board from among any of its members who would agree to serve on said Board.

2. Governing Board

The Governing Board shall consist of the members of the City Council plus one (1) member of the Resident Advisory Board. If no member of the Resident Advisory Board agrees to serve on the Governing Board, the members of the City Council shall constitute membership.

The Governing Board shall have jurisdiction over PHA activities and shall provide oversight of the PHA.

The Marshalltown City Council shall have authority over the typical administrative actions such as approval of payments and policy changes affecting staff as City employees.

D. Interpretation and Amendment

Interpretation

The policies set forth herein shall be interpreted, implemented and acted upon in relation to the laws of the United States and the State of Iowa, and all rules, regulations and policies enacted, enforced or promulgated by the United States Department of Housing and Urban Development, all of which shall take precedence over the Policies and Procedures described in this Administrative Plan and all of which are incorporated herein by reference and all current rules, regulations and policies, including but not limited to Income Limits, Utility Schedules and Fair Market Rents, shall be in accordance with Federal law.

Amendment

The policies outlined herein shall be amended only by resolution adopted by the affirmative vote of the PHA Board upon recommendation by the PHA, except that no action shall be required to make changes required by laws of the United States or the State of Iowa or any rules, regulations and policies enacted, enforced or promulgated by the United States Department of Housing and Urban Development, all of which shall take precedence over the herein expressed Policies, and all of which are incorporated herein by reference. The PHA Board of Commissioners will be notified of any subsequent changes that may be effective through new Federal regulations.

E. Verification Procedures (24 CFR Part 5, Subparts B, D, E and F; 982.516)

This Section is required by HUD in accordance with the Federal Requirements for the Section 8 HCV Program.

A. Introduction

HUD regulations require City of Marshalltown Rent Assistance Program (PHA) to verify the factors of eligibility and Total Tenant Payment/Family Share. Applicants and program participants must provide true and complete information to PHA whenever information is requested. PHA's verification requirements are designed to maintain program integrity. This Chapter explains PHA's procedures and standards for verification of preferences, income, assets, allowable deductions, family status, and changes in family composition. PHA will obtain proper authorization from the family before requesting information from independent sources.

PHA staff will obtain written verification from independent sources whenever possible and will document tenant files whenever third party verifications are not possible as to why third party verification was not obtained as well as the manner in which the eligibility factors were verified.

B. Methods of Verification Allowed (24 CFR 982.516)

PHA will verify information through five methods of verification according to the hierarchy listed below:

1. Up Front Income Verification (UIV)

2. Third-Party Written Verification

3. Third-Party Oral Verification

4. Review of Documents

5. Certification/Self-Declaration

PHA will allow up to two (2) weeks for return of third-party verifications and up to one (1) additional week to obtain other types of verifications before going to the next method. PHA will document the file as to how the information was verified including an explanation for the method utilized if other than a written third party verification.

For applicants, verifications must be received 60 days prior to the issuance of a voucher. For participants, they will be valid for 60 consecutive days from date of receipt.

2. Up-Front Income Verification

PHA will utilize up-front income verification methods, including TASS and the Work Number, whenever possible as well as any other UIV that might become available to PHA. When HUD announces the availability of the UIV system for PHA, additional UIV tools will be used. (including a centralized computer matching system.)

Third-party verification may continue to be used to complement up-front income verification.

UIV may be used in lieu of 3rd party verifications when there is not a substantial difference between UIV and tenant-reported income. HUD defines substantial difference as $200 or more per month.

- If the income reflected on the UIV verification is less than that reflected on the tenant-provided documentation, PHA will use tenant-provided documents to calculate anticipated annual income as long as the difference is within the aforementioned $200 threshold. The income reflected on the UIV verification must not be more than 60 days old.

- If the income reflected on the UIV verification is greater than current tenant-provided documentation, PHA will use UIV income data to calculate anticipated annual income as long as the difference is with in the above mentioned $200 threshold; unless the tenant provides documentation of a change in circumstances (i.e. change in employment, reduction in hours, etc.) The tenant supplied documents must not be more than 60 days old.

In cases where UIV data is substantially different than tenant-reported income, PHA will follow the following guidelines:

- PHA will utilize written third party verification to verify the information

- When PHA cannot readily anticipate income, such as in cases of seasonal employment, unstable working hours, and suspected fraud, PHA will review historical income data for patterns of employment, paid benefits, and/or receipt of other income to anticipate income.

- PHA will analyze all data (UIV data, third party verification and other documents; information provided by the family) and attempt to resolve the income discrepancy.

- PHA will use the most current verified income data (and historical income data if appropriate) to calculate anticipated annual income.

If PHA is unable to anticipate annual income using current information due to historical fluctuations in income, PHA may average amounts received/earned to anticipate annual income.

If the tenant disputes UIV SS/SSI benefit data, PHA will request the tenant to provide a current original SSA notice or benefit letter within 10 business days of being notified of the dispute.

3. Third-Party Written Verification

Third-party verification is used to verify information directly with the income source. Third-party written verification forms will be sent and returned via first class mail. The family will be required to sign an authorization for the information source to release the specified information.

Verifications received electronically directly from the income source are considered third party written verifications. Verifications hand carried by clients will not be considered third party verifications unless the verification is from a government agency.

PHA will accept verifications in the form of computerized printouts delivered by the family from the following agencies:

- Social Security Administration
- Veterans Administration
- Welfare Assistance
- Unemployment Compensation Board
- City or County Courts

4. Third-Party Verbal Verification

Verbal third-party verification will be used when written third-party verification is delayed or not possible. When third-party verbal verification is used, staff will be required to complete the Verbal Verification Log, noting with whom they spoke, the date of the conversation, and the facts provided. If verbal verification is utilized PHA must originate the call.

5. Review of Documents

In the event that third-party written or verbal verification is unavailable, or the information has not been verified by the third party within two (2) weeks, PHA will annotate the file accordingly and utilize documents provided by the family as the primary source if the documents provide complete information.

All such documents, excluding government checks, will be photocopied and retained in the applicant file. In cases where documents are viewed which cannot be photocopied, staff viewing the document(s) will complete a Certification of Document Viewed.

PHA will accept the following documents from the family provided that the document is an original and does not appear to be tampered or altered.

- Printed wage stubs
- Computer print-outs from the employer

- Letters signed by the employer or other appropriate party (provided that the information is confirmed by phone)

- Other documents noted in this Chapter as acceptable verification

PHA will accept faxed and photocopied documents when received directly from the generating source.

If third-party written verification is received after documents have been accepted as provisional verification, and there is a discrepancy, PHA will utilize the third party verification.

PHA will not delay the processing of an application beyond two (2) weeks because a third party information provider does not return the verification in a timely manner.

6. Self-Certification/Self-Declaration

When verification cannot be made by third-party verification or review of documents, families will be required to submit a self-certification. Self-certification requires a notarized and witnessed statement/affidavit/certification/statement under penalty of perjury.

C. Release of Information (24 CFR 5.230)

Adult family members will be required to sign the form HUD 9886 Release of Information/Privacy Act form. In addition, all adult family members will be required to sign specific authorization forms when information is needed that is not covered by the HUD form 9886, Authorization for Release of Information/Privacy Act Notice. Each member requested to consent to the release of specific information will be provided with a copy of the appropriate forms for their review and signature.

Refusal to cooperate with the prescribed verification system will result in denial of admission or termination of assistance because it is a family obligation to supply any information and to sign consent forms requested by PHA or HUD.

D. Items to be Verified (24 CFR 982.516)

All income not specifically excluded by the regulations.

Zero-income status of household.

Full-time student status including High School students who are 18 or over.

Current assets including assets disposed of for less than fair market value in the preceding two years.

Childcare expenses when it allows an adult family member to be employed, to actively seek employment or to further his/her education.

Medical expenses of all family members in households whose head or spouse is elderly or disabled.

Disability assistance expenses to include only those costs associated with attendant care or auxiliary apparatus for a disabled member of the family, which allow an ***adult*** family member to be employed.

Disability for determination of preferences, allowances or deductions.

U.S. citizenship/eligible immigrant status

Social Security Numbers for all family members 6 years of age or older who havebeen issued a social security number.

"Preference" status, as applicable.

Marital status when needed for head or spouse definition.

Verification of Reduction in Benefits for Noncompliance:

Before granting a family's request for rent reduction because of a decrease in benefits, PHA will obtain written verification from the Welfare agency stating that the family's benefits were not reduced because of fraud or non-compliance with an economic self-sufficiency requirement.

E. Verification of Income [24 CFR 982.516]

This section defines the methods PHA will use to verify various types of income.

1. Employment Income

Verification forms request the employer to specify the:

- Dates of employment
- Amount and frequency of pay
- Date of the last pay increase
- Likelihood of change of employment status and effective date of any known salary increase during the next 12 months
- Annual earnings
- Estimated income from overtime, tips, bonus pay expected during next 12 months

Acceptable methods of verification in addition to UIV include:

- Employment verification form completed by the employer.
- Check stubs or earning statements, which indicate the employee's gross pay, frequency of pay or year to date earnings.
- W-2 forms plus income tax return forms.
- Income tax returns signed by the family may be used for verifying self-employment income, or income from tips and other gratuities.

Applicants and program participants may be requested to sign an authorization for release of information from the Internal Revenue Service for further verification of income, IRS Form 8121. In cases where there are questions about the validity of information provided by the family, PHA will require the most recent federal income tax statements. Confirmation may be made on a case-by-case basis.

2. <u>Social Security, Pensions, Supplementary Security Income (SSI), Disability Income</u>

Acceptable methods of verification in addition to UIV include:

- Benefit verification form completed by agency providing the benefits.
- Award or benefit notification letters prepared and signed by the providing agency.
- Computer report electronically obtained or in hard copy.

3. Unemployment Compensation

Acceptable methods of verification in addition to UIV include:

- Verification form completed by the unemployment compensation agency.
- Computer report electronically obtained or in hard copy, from unemployment office stating payment dates and amounts.
- Payment stubs.

4. Welfare Payments or General Assistance

Acceptable methods of verification in addition to UIV include:

- PHA verification form completed by payment provider.
- Written statement from payment provider indicating the amount of grant/payment, start date of payments, and anticipated changes in payment in the next 12 months.
- Computer-generated Notice of Action.
- Computer-generated list of recipients from Welfare Department.

5. <u>Alimony or Child Support Payments</u>

Acceptable methods of verification in addition to UIV include:

- Copy of a separation or settlement agreement or a divorce decree stating amounts and types of support and payment schedules.
- A notarized letter from the person paying the support.
- Copy of latest check and/or payment stubs from Court Trustee. PHA must record the date, amount, and number of the check.
- Family's self-certification of amount received and of the likelihood of support payments being received in the future, or that support payments are not being received.

If payments are irregular, the family must provide:

- A copy of the separation or settlement agreement, or a divorce decree stating the amount and type of support and payment schedules.
- A statement from the agency responsible for enforcing payments to show that the family has filed for enforcement.
- A notarized affidavit from the family indicating the amount(s) received.

- A welfare notice of action showing amounts received by the welfare agency for child support.

- A written statement from an attorney certifying that a collection or enforcement action has been filed.

6. Net Income from a Business

In order to verify the net income from a business, PHA will review IRS and financial documents from prior years and use this information to anticipate the income for the next 12 months.

Acceptable methods of verification include:

- IRS Form 1040, including Schedule C (Small Business), Schedule E (Rental Property Income), Schedule F (Farm Income). Note: If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense computed using straight-line depreciation rules.

- Audited or un-audited financial statement(s) of the business.

- Credit report or loan application.

- Documents such as manifests, appointment books, bank statements, and receipts will be used as a guide for the prior six months (or lesser period if not in business for six months) to project income for the next 12 months. The family will be advised to maintain these documents in the future if they are not available.

- Family's self-certification as to net income realized from the business during previous years.

7. Child Care Business

If an applicant/participant is operating a licensed day care business, income will be verified as with any other business.

If the applicant/participant is operating a day care business which may or may not be licensed, PHA will require that the applicant/participant complete a form for each customer which indicates: name of person(s) whose child (children) is/are being cared for, phone number, number of hours child is being cared for, method of payment (check/cash), amount paid, and signature of person.

If the family has filed a tax return, the family will be required to provide it.

PHA may conduct interim reevaluations every 120 days and require the participant to provide a log with the information about customers and income.

If childcare services were terminated, a third-party verification will be sent to the parent whose child was cared for.

If the child care business provides day care services for the State of Missouri, a third party income verification will be sent to the Family Support Division.

8. Recurring Gifts

The family must furnish a self-certification, which contains the following information:

- The person who provides the gifts
- The value of the gifts
- The regularity (dates) of the gifts
- The purpose of the gifts

9. <u>Zero Income Status</u>

Families claiming to have no income will be required to execute verification forms to determine that forms of income such as unemployment benefits, TANF, SSI, etc. are not being received by the household. PHA will request information from the Iowa Workforce Development Center. Families claiming to have not income will have to certify to this status at least quarterly when notified by PHA.

10. <u>Full-time Student Status</u>

Only the first $480 of the earned income of full time students, other than head, co-head, or spouse, will be included towards family income. Financial aid, scholarships and grants received by full time students are not family income.

Verification of full time student status includes:

- Written verification from the registrar's office or other school official.
- School records indicating enrollment for sufficient number of credits to be considered a full-time student by the educational institution.

F. Income from Assets [24 CFR 982.516]

1. <u>Savings Account Interest Income and Dividends</u>

Acceptable methods of verification include:

- Account statements, passbooks, certificates of deposit, or PHA verification forms completed by the financial institution.
- Broker's statements showing value of stocks or bonds and the earnings credited the family. Earnings can be obtained from current newspaper quotations or oral broker's verification.
- IRS Form 1099 from the financial institution provided that PHA must adjust the information to project earnings expected for the next 12 months.

2. <u>Interest Income from Mortgages or Similar Arrangements</u>

Acceptable methods of verification include:

- A letter from an accountant, attorney, real estate broker, the buyer, or a financial institution stating interest due for next 12 months. (A copy of the check paid by the buyer to the family is not sufficient unless a breakdown of interest and principal is shown.)

- Amortization schedule showing interest for the 12 months following the effective date of the certification or re-certification.

3. Net Rental Income from Property Owned by Family

Acceptable methods of verification include:

- IRS Form 1040 with Schedule E (Rental Income).
- Copies of latest rent receipts, leases, or other documentation of rent amounts.
- Documentation of allowable operating expenses of the property: tax statements, insurance invoices, and bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.
- Lessee's written statement verifying rent payments to the family and family's self-certification as to net income realized.

G. Verification of Assets

1. Family Assets

PHA will require the information necessary to determine the current cash value of the family's assets, (the net amount the family would receive if the asset were converted to cash).

Acceptable verification may include any of the following:

- Verification forms, letters, or documents from a financial institution or broker.
- Passbooks, checking account statements, certificates of deposit, bonds, or financial statements completed by a financial institution or broker.
- Quotes from a stockbroker or realty agent as to net amount family would receive if they liquidated securities or real estate.
- Real estate taxes statements if the approximate current market value can be deduced from assessment.
- Financial statements for business assets.
- Copies of closing documents showing the selling price and the distribution of the sales proceeds.
- Appraisals of personal property held as an investment.
- Family's self-certification describing assets or cash held at the family's home or in safe deposit boxes.

2. Assets Disposed of for Less than Fair Market Value (FMV) During Two Years Preceding Effective Date of Certification or Recertification

For all Certifications and Re-certifications, PHA will obtain the Family's certification as to whether any member has disposed of assets for less than fair market value during the two years preceding the effective date of the certification or re-certification.

If the family certifies that they have disposed of assets for less than fair market value, verification or certification is required that shows: (a) all assets disposed of for less than FMV, (b) the date they were disposed of, (c) the amount the family received, and (d) the market value of the assets at the time of disposition. Third party verification will be obtained wherever possible.

H. Verification of allowable deductions from Income (24 CFR 982.516)

1. Child Care Expenses

Written verification from the person who receives the payments is required. If the childcare provider is an individual, s/he must provide a statement of the amount they charge and receive from the family for their services. Verifications must specify the child care provider's name, address, telephone number, Social Security Number, the names of the children cared for, the number of hours the child care occurs, the rate of pay, and the typical yearly amount paid, including school and vacation periods. Family's certification as to whether any of those payments have been or will be paid or reimbursed by outside sources.

Child care expenses are deducted only to the extent that they are not reimbursed and reflect a reasonable charge; and are paid for the care of children under the age of 13.

As stated elsewhere in this document, child care is allowable for the following reasons:

- Child-Care to Work

  The maximum child-care allowed will be based on the amount earned by the person enabled to work. The "person enabled to work" will be the adult member of the household who earns the least amount of income from working.

- Child-Care for School

  The HA will compare the number of hours the family member is attending school relative to the number of child care hours to determine the number of child care hours that will be included in the rent calculation.

- Rate of Expense

  The PHA will survey the local day care providers in the area/community to determine a reasonableness standard. The determination will be made only on a reasonable HOURLY rate. The reasonable rate will be determined based upon the type of care chosen by the family, i.e., center-based or in-home care; State provided care or private care.

- Actively Seek Employment

  The PHA will obtain evidence that the individual is fulfilling welfare-to-work requirements or the requirements for receiving unemployment compensation; or is otherwise actively seeking employment. Written verification from a local or state government agency that oversees work-related activities will be accepted.

If third party verification is not possible, PHA will review documents provided by the family and/or a notarized statement from the family member attesting to his or her efforts to find employment.

2. Medical Expenses

Families, who claim medical expenses will be required to submit a certification as to whether or not any expense payments have been, or will be, reimbursed by an outside source. One or more of the methods listed below will verify all expense claims:

- Written verification by a doctor, hospital or clinic personnel, dentist, Pharmacist, of (a) the anticipated medical costs to be incurred by the family and regular payments due on medical bills; and (b) extent to which those expenses will be reimbursed by insurance or a government agency.

- Written confirmation by the insurance company or employer of health insurance premiums to be paid by the family.

- Written confirmation from the Social Security Administration of Medicare premiums to be paid by the family over the next 12 months. A computer printout will be accepted.

- For attendant care:

  PHA will require certification from a qualified professional having knowledge of the person's need for an attendant and who can verify the attendant is necessary as a medical expense.

  Attendant's written confirmation of hours of care provided and amount and frequency of payments received from the family or agency (or copies of canceled checks the family used to make those payments) or stubs from the agency providing the services.

- Receipts, canceled checks, or pay stubs that verify medical costs and insurance expenses likely to be incurred in the next 12 months.

- Copies of payment agreements or most recent invoice that verify payments made on outstanding medical bills that will continue over all or part of the next 12 months.

- Receipts or other record of medical expenses incurred during the past 12 months that can be used to anticipate future medical expenses. PHA may use this approach for "general medical expenses" such as non-prescription drugs and regular visits to doctors or dentists, but not for one time, nonrecurring expenses from the previous year.

- PHA will use mileage at the IRS rate, or cab, bus fare, or other public transportation cost for verification of the cost of transportation directly related to medical treatment.

3. Assistance to Persons with Disabilities [24 CFR 5.611(c)]

- In All Cases:

Written certification from a reliable, knowledgeable professional that the person with disabilities requires the services of an attendant and/or the use of auxiliary apparatus to permit him/her to be employed or to function sufficiently independently to enable another family member to be employed.

Family's certification as to whether they receive reimbursement for any of the expenses of disability assistance and the amount of any reimbursement received.

- Attendant Care:

  Attendant's written certification of amount received from the family, frequency of receipt, and hours of care provided.

  Certification of family and attendant and/or copies of canceled checks family used to make payments.

- Auxiliary Apparatus:

  Receipts for purchases or proof of monthly payments and maintenance expenses for auxiliary apparatus.

  In the case where the person with disabilities is employed, a statement from the employer that the auxiliary apparatus is necessary for employment.

I. Verifying Non-Financial Factors (24 CFR 982.153(b)(15))

1. <u>Verification of Legal Identity and Familial Relationships</u>

PHA will require applicants to furnish verification of legal identity for all family members. The documents listed below will be considered acceptable verification of legal identity for adults. If a document submitted by a family is illegible or otherwise questionable, more than one of these documents may be required.

- Certificate of Birth, naturalization papers
- Church issued baptismal certificate
- Current, valid Driver's license
- U.S. military discharge (DD 214)
- U.S. passport
- Voter's registration
- Company/agency Identification Card
- Government issued Identification Card
- Verification of guardianship is:
  - Court-ordered assignment
  - Affidavit of parent
  - Verification from social services agency

Documents considered acceptable for the verification of legal identity for minors may be one or more of the following:

- Certificate of Birth
- Adoption papers
- Custody agreement
- Health and Human Services ID
- School records

If none of these documents can be provided, a third party who knows the person may, at PHA's discretion, provide certification to be used as verification.

2. <u>Verification of Marital Status (when necessary to determine custody of children)</u>

- Verification of divorce status will be a certified copy of the divorce decree, signed by a Court Officer.
- Verification of a separation may be a copy of court-ordered maintenance or other records.
- Verification of marriage status is a marriage certificate.

3. <u>Verification of Permanent Absence of Family Member</u>

If an adult member who was formerly a member of the household is reported permanently absent by the family, PHA will consider any of the following as verification:

- Divorce Decree
- Legal separation agreement
- Order of protection/restraining order obtained by one family member against another
- Proof of another home address, such as utility bills, canceled checks for rent, driver's license, or lease or rental agreement, if available.
- Statements from other agencies such as social services or a written statement from the landlord or manager that the adult family member is no longer living at that location.
- If the adult family member is incarcerated, a document from the Court or correctional facility should be obtained stating how long they will be incarcerated.
- If no other proof can be provided, PHA will accept a self-certification from the head of household or the spouse or co-head, if the head is the absent member.

5. <u>Verification of Change in Family Composition</u>

PHA may verify changes in family composition (either reported or unreported) through letters, telephone calls, utility records, inspections, landlords, neighbors, credit data, school or DMV records, and other sources.

6. <u>Verification of Disability</u>

Verification of disability must be receipt of SSI or SSA disability payments under Section 223 of the Social Security Act or 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(7) or verified by appropriate diagnostician such as physician, psychiatrist, psychologist, therapist, rehab specialist, or licensed social worker, using the HUD language as the verification format.

J. **Verification of Citizenship/Eligible Immigrant Status** [24 CFR 5.508, 5.510,5.512, 5.514]

To be eligible for assistance, individuals must be U.S. citizens or eligible immigrants. Individuals who are neither may elect not to declare their status. Eligible immigrants must fall into one of the categories specified by the regulations and must have their status verified by Immigration and Naturalization Service (INS). Each family member must declare their status. Assistance cannot be delayed, denied, or terminated while verification of status is pending except that assistance to applicants may be delayed while PHA informal review is pending.

1. Citizens or Nationals of the United States

All applicants and participants are required to sign a declaration under penalty of perjury. PHA will require citizens to provide documentation of citizenship. Acceptable documentation will include at least one of the following original documents:

- United States birth certificate
- United States passport
- Resident alien/registration card
- Social Security card
- Other appropriate documentation as determined by PHA

2. Eligible Immigrants who were Participants and 62 or over on June 19, 1995

Eligible Immigrants who were Participants and 62 or over on June 19, 1995 are required to sign a declaration of eligible immigration status and provide proof of age.

3. Non-citizens with eligible immigration status

Non-citizens with eligible immigration status must sign a declaration of status and verification consent form and provide their original immigration documents which are copied front and back and returned to the family. _______PHA verifies the status through the INS SAVE system. If this primary verification fails to verify status, _______PHA must request within ten days that the INS conduct a manual search.

4. Ineligible family members

Ineligible family members who do not claim to be citizens or eligible immigrants must be listed on a statement of ineligible family members signed by the head of household or spouse.

5. Non-citizen students on student visas

Non-citizen students on student visas are ineligible members even though they are in the country lawfully. They must provide their student visa but their status will not be verified and they do not sign a declaration but are listed on the statement of ineligible members.

6. Failure to Provide

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

7. Time of Verification

For applicants, verification of U.S. citizenship/eligible immigrant status occurs at the same time as verification of other factors of eligibility for final eligibility determination at the time of initial application. PHA will not provide assistance to any family prior to the affirmative establishment and verification of the eligibility of the individual or at least one member of the family. PHA will verify the U.S. citizenship/eligible immigration status of all participants no later than the date of the family's first annual reexamination following the enactment of the Quality Housing and Work Responsibility Act of 1998.

For family members added after other members have been verified, the verification occurs at the first re-certification after the new member moves in. Once verification has been completed for any covered program, it need not be repeated except that, in the case of port-in families, if the initial PHA does not supply the documents, PHA must conduct the determination.

8. Extensions of Time to Provide Documents

PHA will grant an extension of 30 days for families to submit evidence of eligible immigrant status.

9. Acceptable Documents of Eligible Immigration

The regulations stipulate that only the following documents are acceptable unless changes are published in the Federal Register.

- Resident Alien Card (I-551)
- Alien Registration Receipt Card (I-151)
- Arrival-Departure Record (I-94)
- Temporary Resident Card (I-688)
- Employment Authorization Card (I-688B)
- Receipt issued by the INS for issuance of replacement of any of the above documents that shows individual's entitlement has been verified

A birth certificate is not acceptable verification of status. All documents in connection with U.S. citizenship/eligible immigrant status must be kept five years.

K. Verification of Social Security Numbers [24 CFR 5.216]

Social security numbers must be provided as a condition of eligibility for all family members if they have been issued a number. Verification of Social Security numbers will be done through a Social Security Card issued by the Social Security Administration. If a family member cannot produce a Social Security Card, only the documents listed below showing his or her Social Security Number may be used for verification. The family is also required to certify in writing that the document(s) submitted in lieu of the Social Security Card information provided is/are complete and accurate:

- A driver's license
- Identification card issued by a Federal, State or local agency
- Identification card issued by a medical insurance company or provider (including Medicare and Medicaid)
- An identification card issued by an employer or trade union
- An identification card issued by a medical insurance company
- Earnings statements or payroll stubs
- Bank Statements
- IRS Form 1099
- Benefit award letters from government agencies
- Retirement benefit letter
- Life insurance policies
- Court records such as real estate, tax notices, marriage and divorce, judgment or bankruptcy records
- Verification of benefits or Social Security Number from Social Security Administration

APPENDIX 1

SECTION 8 ADMINISTRATIVE PLAN
GLOSSARY OF TERMS

<u>ABSORPTION</u>

In portability, the point at which a receiving PHA chooses not to bill or stops billing the initial PHA for assistance on behalf of a family and issues assistance from its own allocation.

<u>ADJUSTED INCOME</u>

Annual income less the following allowances determined in accordance with HUD instructions:

1. $480 for each Dependent;

   Note: The head, co-head, spouse, foster child or live-in aide are never counted as dependents.

2. $400 for each family whose head or spouse is at least 62 years or age or disabled;

3. For any family that is not an elderly family or a disabled family but has a handicapped or disabled member other than the head of household or spouse, handicapped assistance expenses in excess of three percent of annual income, but this allowance may not exceed the employment income received by family members who are 18 years of age or older as a result of assistance to the person with disabilities;

4. For any elderly family or disabled family: (i) that does not have handicapped assistance expenses, an allowance for medical expenses equal to the amount by which the medical expenses exceed three percent of annual income; (ii) that has disability assistance expenses greater than or equal to three percent of annual income, an allowance for disability assistance expenses computed in accordance with paragraph 3 of this section, plus an allowance for medical expenses that is equal to family's medical expenses; (iii) that has disability assistance expenses that are less than three percent of annual income, an allowance for combined disability assistance expenses and medical expenses that is equal to the amount by which the sum of these expenses exceeds three percent of annual income; and

5. Child care expenses (see Section V for detail).

<u>ADMISSION</u>

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.

<u>ADULT</u>

A person who is eighteen (18) years of age or older, or a person of less than eighteen (18) years of age who meets the qualifications of an emancipated minor.

<u>ANNUAL INCOME</u>

1. Annual income is the anticipated total income from all sources (monetary or not) received by the family head and spouse (even if temporarily absent) and by each additional member of the family, including all net income derived from assets for the 12-month period following the effective date of initial determination or re-examination of income, exclusive of income that is temporarily non-recurring or sporadic. Annual income includes, but is not limited to:

   a. The <u>full amount</u>, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
   b. The <u>net income from operation of a business or profession</u>. Expenditures for business

expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the Family.

c. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. All allowance for depreciation is permitted only as authorized in paragraph 1b of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the Family. Where the Family has Net Family Assets in excess of excess of $5,000, Annual Income shall include the greater of the actual income derived from all Net Family Assets or a percentage of the value of such Assets based on the current passbook savings rate, as determined by HUD.

d. The full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amount for the delayed start of a periodic payment (except as provided in 2n below).

e. Payments in lieu of earnings such as unemployment and disability compensation, worker's compensation and severance pay.

f. Periodic and determinable allowances, such as alimony and child support payments and regular contributions or gifts received from persons not residing in the dwelling.

g. All regular pay, special pay allowances of a member of the Armed Forces (whether or not living in the dwelling) who is head of the family or spouse (but see 2g below).

2. Income Exclusions

Annual income does not include the following:

a. Income from employment of children (including foster children) under the age of 18 years;

b. Payments received for the care of foster children or foster adults (usually individuals with disabilities, unrelated to the tenant family, who are unable to live alone);

c. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in 1e above);

d. Amounts received by the Family that are specifically for, or in reimbursement of, the cost of Medical Expenses for any Family member;

e. Income of a live-in aide as defined in 24 CFR 5.403;

f. The full amount of student financial assistance paid directly to the student or to the educational institution;

g. The special pay to a Family member serving in the Armed Forces who is exposed to hostile fire;

h. (i) Amounts received under training programs funded by HUD;

(ii) Amounts received by a disabled person that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because hey are set aside for use under a Plan to Attain Self-Sufficiency (PASS);

(iii) Amounts received by a tenant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;

(iv) A resident service stipend: this is a modest amount (not to exceed $200 per month) received by a public housing resident for performing a service for the PHA, on a part-time basis, that enhances the quality of life in public housing. This may include, but is not limited to fire patrol, hall monitoring, lawn maintenance and resident initiatives coordination. No resident may receive more than one such stipend during the same period of time; or

(v) Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with the local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received underemployment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program.

i. Temporary, nonrecurring or sporadic income (including gifts);

j. Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;

k. Earnings in excess of $480 for each full-time student 18 years or older (excluding the head of household and spouse);

l. Adoption assistance payments in excess of $480.00 per adopted child;

m. Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump-sum amount or in prospective monthly amounts;

n. Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit;

o. Amounts paid by a State Agency to a family with a developmentally disabled family member living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home;

p. Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the 1937 Act. The following is a list of incomes that qualify for that exclusion:

(i) The value of the allotment provided to an eligible household under Food Stamp Act of 1977;

(ii) Payments to volunteers under the Domestic Volunteer Service Act of 1973 (employment through VISTA, Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, senior companions);

(iii) Payments received under Alaska Native Claims Settlement Act;

(iv) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes;

(v) Payments or allowances made under department of Health and Human Services' Low-Income Energy Assistance Program;

(vi) Payments received under programs funded in whole or in part under the Job Training Partnership Act;

(vii) Income derived from the disposition of funds of Grant River Band of Ottawa Indians;

(viii) The first $2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the Grant of Claims or from funds held in trust for an Indian tribe by the Secretary of Interior;

(ix) Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under the Federal work-study program or under the BIA student assistance programs. These are made available to cover the cost of tuition, fees, books, equipment, materials, supplies, transportation and miscellaneous personal expenses of a student or an educational institution;

(x) Payments received from programs funded under Title V of the Older Americans Act of 1965;

(xi) Payments received after January 1, 1989 from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the In Re Agent Orange product liability litigation, MDL No. 381 (E.D.N.Y.);

(xii) Payments received under the Maine Indian Claims Settlement Act of 1980 (Pub. L. 96-426, 94 Stat. 1785).

(xiii) The value of any childcare provided or reimbursed for under the Child Care and Development Block Grant Act of 1990.

(xiv) Earned income tax credit.

3. If it is not feasible to anticipate a level of income over a 12-month period, the income anticipated for shorter periods may be annualized, subject to redetermination at the end of the shorter period.

4. Any family receiving the reparation payments referred to in paragraph 2j of this section that has been requested to repay assistance under this chapter as a result of receipt of such payments shall not be required to make further repayments on or after April 23, 1993.

APPLICANT (applicant family)

A family that has applied for admission to a program, but is not yet a participant in the program.

AREA OF OPERATION

The recognized City of Marshalltown, which shall not conflict with any other area of jurisdiction.

ASSETS

The values of (or equity) in the real property, stocks, bonds, savings accounts or certificates, stocks or merchandise or valuables and other forms of capital investments. (Does not include personal and household belongings and automobiles.) Assets shall include any asset disposed of at less than fair market value within the last two years.

CHILD

A member of the family, other than the family head or spouse, who is under 18 years of age.

CHILD CARE EXPENSES

Amounts anticipated to be paid by the family for the care of children under 13 years of age during the period of which annual income is computed, but only where such care is necessary to enable a family member to be gainfully employed or to further his/her education. A child care deduction will not be allowed if an adult family member is capable and available to provide the child care. The amount deducted shall reflect reasonable charges for child care, and, in the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of income received from such employment and only to the extent such amounts are not reimbursed.

CITIZEN

A citizen (by birth or naturalization) or national of the United States

CONTIGUOUS MSA

In portability, an MSA that shares a common boundary with the MSA in which the jurisdiction of the initial HA 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 RENT

The total amount of rent specified in the Housing Assistance Payments Contract as payable by the PHA and the tenant to the owner for an assisted unit. In the case of the rental of only a manufactured home space, Contract Rent is the total rent specified in the HAP Contract as payable by the PHA and the tenant to the owner for the rental of the space, including fees or charges for management and maintenance services with respect to the space, but excluding utility charges for the manufactured home.

COVERED PERSON

Any resident, any member of the resident's household, a guest or any person under the resident's control.

DATING VIOLENCE

[AS DEFINED IN Section 40002 of VAWA 1994] which states as follows:

SEC 40002(a)(8) – "DATING VIOLENEC – the term 'dating violence' means violence committed by a person –

(B) who is or has been in a social relationship of a romantic or intimate nature with the victim; and

(C) where the existence of such relationship shall be determined based on a consideration of the following factors:

1. The length of the relationship.
2. The type of relationship.
3. The frequency of interaction between the persons involved in the relationship."

DECENT, SAFE AND SANITARY HOUSING

Housing that meets the Housing Quality Standards contained in the federal regulations or the requirements for Single Room Occupancy (SRO) Housing.

DEPENDENT

A member of the family household (excluding foster children, head of household, or spouse) who is under 18 years of age or is a disabled person or handicapped person or is a full-time student.

DISABILITY

1. Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months; or
2. Blind and unable by reason for such blindness, to engage in substantial gainful activity requiring skills or abilities comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time.
3. No person shall be considered disabled solely on the basis of any drug or alcohol addition.

DISABLED PERSON

A person who is under a disability as defined in Section 223 of the Social Security Act (42 U.S.C. 423), or 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)) which defines a developmental disability as:

> "Severe chronic disability that (a) is attributable to a mental or physical impairment or combination of mental and physical impairments; (b) is manifested before the person attains age twenty-two; (c) is likely to continue indefinitely; (d) results in substantial functional limitations in three or more of the following areas of major life activity: (1) self-care, (2) receptive and responsive language, (3) learning, (4) mobility, (5) self-direction, (6) capacity for independent living, and (7) economic self-sufficiency; and (e) reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services which are of lifelong extended duration and are individually planned and coordinated."

DISPLACED FAMILY

A family in which each member, or whose sole member, is a person displaced by governmental action (this includes physical displacement from a unit under construction and funded by the rental rehabilitation program), or a person whose dwelling has been extensively damages or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws. This definition is used to determine general program eligibility and eligibility for certain allowances when rent is calculated.

<u>DOMESTIC VIOLENCE</u>

[AS DEFINED IN Section 40002 of VAWA 1994] which states as follows:
SEC 40002(a)(8) – "DOMESTIC VIOLENCE – the term 'domestic violence' includes felony or misdemeanor crimes of violence committed by a current or former spouse of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with the victim as a spouse, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction."

<u>DOMICILE</u>

The legal residence of the household head or spouse as determined in accordance with State and local law.

<u>DRUG-RELATED CRIMINAL ACTIVITY</u>

Term includes but is not limited to:

1. Drug-trafficking
2 Illegal use, or possession for personal use, of a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802.))
3. Possession of drug paraphernalia
4. Violation of laws related to prescription medication or pseudoephedrine
5. Involve in the use, distribution or manufacturing of meth

<u>DRUG-TRAFFICKING</u>

The illegal manufacture, sale or distribution, or the possession with intent to manufacture, sell or distribute, of a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)).

<u>ELDERLY FAMILY</u>

A family whose head or spouse or whose sole member is an elderly, disabled or handicapped person. It may include two or more elderly, disabled, or handicapped persons living together, or one or more of these persons living with one or more live-in aides.

<u>ELDERLY PERSON</u>

A person who is at least sixty-two (62) years of age.

<u>EVIDENCE OF CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS</u>

The documents which must be submitted to prove citizenship or eligible immigration status.

<u>EXCEPTION RENT</u>

In the program, an initial rent (contract rent plus any utility allowance) in excess of the published FMR. The PHA may approve exception rents up to 110% of the published FMR for no more than 20% of units. HUD may approve on a case-by-case or community wide exception up to 120% of the published FMRs for all or some Bedroom sizes for all or part of the community. The PHA approved exception rents must be monitored so as not to exceed approval PHA. The PHA may adopt a payment standard between 90%-110% of the published FMR.

<u>EXCESS MEDICAL EXPENSES</u>

Any medical expenses incurred by elderly families in excess of 3% of annual income which are not reimbursable from any other source.

<u>FAIR MARKET RENT</u>

The rent, including utilities (except telephone), ranges, refrigerators, and all maintenance, management, and other services, which as determined at least annually by HUD, would be required to be paid in order to obtain privately owned, existing decent, safe, and sanitary rental housing of modest (non-luxury) nature with suitable amenities. Separate Fair Market Rents shall be established for dwelling units of varying sizes (number of bedrooms).

FAIR MARKET RENT (MOBILE HOMES)

The rent which, as determined at least annually by HUD, would be required to be paid in order to obtain privately owned, decent, safe, and sanitary mobile home spaces of modest nature. This rent includes certain maintenance and management services. Rents for double-wide spaces will be permitted for assisted families of 5 or more persons so long as mobile home meets the minimum occupancy standards for families in accordance with federal regulations

FAMILY

An eligible head of household with a group of persons regularly living together, related by blood, marriage, adoption or guardianship, or operation of law, or a displaced person as defined in this policy. Other persons, including foster children and members temporarily absent, may be considered part of the family group if they are living or will live regularly with the family. Also included are those who have evidence of a stable family relationship which has existed over a period of time, provided there is no violation of local laws. Family includes, but is not limited to (a) an elderly family or single person as defined here; (b) the remaining member of a tenant family and (c) a displaced person; (d) additionally, a single person who is in the process of securing legal custody of any individual who has not attained the legal age of 18 years, or other single person (under limited circumstances, with prior HUD approval); (e) a single pregnant woman with no other family members.

1. Related by blood or marriage means a person who is related to the head of household as follows:

a. Spouse	b. Parent	c. Child	d. Niece	
e. Nephew	f. Grandchild	g. Grandparent	h. Brother	i. Sister

2. Operation of Law means legally adopted children, wards.

FAMILY SELF-SUFFICIENCY (FSS Program)

The program established by an PHA to promote self-sufficiency of assisted families, the provision of supportive services (42 U.S.C. 1437u).

FAMILY UNIT SIZE

The appropriate number of bedrooms for a family. Family unit size is determined by the PHA under the PHA subsidy standards.

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.

GROSS RENT

The total monthly cost of housing an eligible family, which is the sum of the Contract Rent and any utility allowance for the assisted unit. In the case of rental of only manufactured home space, gross rent also includes the family's monthly payment to amortize the purchase price of the manufactured home.

HANDICAPPED ASSISTANCE EXPENSES

Reasonable expenses that are anticipated during the period for which annual income is computed, for attendant care and auxiliary apparatus for a handicapped or disabled family member and that are necessary to enable a family member (including the handicapped or disabled member) to be employed, or provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source.

HANDICAPPED PERSON

Handicapped with a physical impairment which is expected to be of long continued and indefinite duration, which substantially impedes but does not prohibit his ability to live independently, and is of such nature that such ability could be improved by more suitable housing conditions.

HEAD OF HOUSEHOLD

The adult member of the family who is the head of the household for purposes of determining income eligibility and rent.

HOUSEHOLD

Any family members or approved live-in aide.

PUBLIC HOUSING AGENCY (PHA)

A State, county, municipality or other governmental entity or public body (or agency or instrumentality thereof) authorized to engage in or assist in the development or operation of low-income housing.

HOUSING ASSISTANCE PAYMENT (HAP)

The monthly assistance payment by an PHA. The total assistance payment consists of:

1. A payment to the owner for rent to owner under the family's lease.
2. An additional payment to the family if the total assistance payment exceeds the rent to owner. In the certificate program, the additional payment is called a "utility reimbursement".

HOUSING QUALITY STANDARDS (HQS)

The HUD minimum quality standards for housing assisted under the tenant-based program.

IMMEDIATE FAMILY MEMBER

1. A spouse, parent, brother, sister, or child of that person, or an individual to whom that person stands in loco parentis; or
2. any other person living in the household of that person and related to that person by blood or marriage.

INITIAL PHA

In portability, the term refers to both:

1. A PHA that originally selected a family that subsequently decides to move out of the jurisdiction of the selecting PHA.
2. A PHA that absorbed a family that subsequently decides to move out of the jurisdiction of the absorbing PHA.

INITIAL LEASE TERM

The initial term of the assisted lease. The initial lease term must be for at least one year.

INS

The U.S. Immigration & Naturalization Service.

JURISDICTION

The area in which the PHA has authority under State and local law to administer the program.

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 cooperative dwelling unit by the member's family with housing assistance payments to the cooperative under a HAP contract between the cooperative and the PHA.

LIVE-IN AIDE

A person residing with an elderly, handicapped, disabled person or persons solely for the purpose of providing medical care. The need for such care must be medically verified. Live-in aides are not counted as family members and their income is not included in the calculation of family income. The name of a live-in aide may not be listed on the lease, calculation sheet, or 50058. The notation "live-in aide" will be made on the calculation sheet for bedroom size determination purposes only. The name of a live-in aide shall be noted on comment sheet. Tenant must request and receive approval for each and any live-in aide.

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 who's 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.

LUMP-SUM BENEFIT

A payment of monthly benefits for a previous period which may be included as income (except such lump sums of Social Security shall not be counted as income). Only that portion of the payment attributable to the time the tenant resided continuously under the Section 8 Program may be counted as income.

MEDICAL EXPENSES

For purposes of income determination for elderly persons or families, medical expense in excess of 3% of total family income, where these expenses are not compensated for, or are covered by insurance. Medical expenses include such items as medical insurance premiums, dental expenses, prescription and nonprescription medicines, etc.

MINOR

A person less than eighteen years of age (Head of household, spouse, or an unborn child may not be counted as a minor.)

MISDEMEANOR

Any illegal criminal activity involving but not limited to: domestic assault, burglary, possession of drugs or drug paraphernalia, arson.

MIXED FAMILY

A family whose members include those with citizenship or eligible immigration status, and those without citizenship or eligible immigration status.

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

Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment excluding interests in Indian trust land and the equity in a housing cooperative unit or in a manufactured home in which the family resides.

NONCITIZEN

A person who is neither a citizen or national of the United States.

OWNER

Any person or entity with the legal right to lease or sublease a unit to a participant.

PARTICIPANT (participant family)

A family that has been admitted to the PHA program, and is currently assisted in the program. The family becomes a participant on the effective date of the first HAP contract executed by the PHA for the family (first day of initial lease term).

PAYMENT STANDARD

In the voucher program, an amount used by the PHA to calculate the housing assistance payment for a family. Each payment standard amount is based on the fair market rent and must between 90 and 110% of the currently published FMR. The PHA adopts a payment standard for each bedroom size and for each fair market rent area in the PHA jurisdiction. The payment standard for a family is the maximum monthly subsidy payment.

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.

REASONABLE RENT

A rent to owner that is not more than either:

1. Rent charged for comparable units in the private unassisted market; or
2. Rent charged by the owner for a comparable assisted or unassisted unit in the building or premises.

RECEIVING PHA

In portability, an PHA that received 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.

REMAINING FAMILY MEMBERS

The sole remaining family member after a reduction in family size shall be permitted to remain in housing if over the age of 18 and able to live independently.

RENT REASONABLENESS LIMITATION

The PHA is required to certify for each Section 8 Existing unit assisted that the Contract Rent is reasonable in relation to comparable units on the private unassisted market and not in excess of rents currently being charged for comparable unassisted units owned by the same landlord.

RENT TO OWNER

The monthly rent payable to the owner under the lease. Rent to owner includes payment for any services, maintenance and utilities to be provided by the owner in accordance with the lease.

RESIDENCY PREFERENCE

An PHA preference for admission of families that reside anywhere in a specified area, including families with a member who works or has been hired to work in the area ("residency preference area").

RESIDENT OF AREA

A family living in the PHA's jurisdiction, working in the PHA's jurisdiction or notified that they are hired to work in the PHA's jurisdiction. The length of time the family has lived or worked in the jurisdiction may not be considered.

RESPONSIBLE ENTITY

The person or entity responsible for administering the restrictions on providing assistance to noncitizens with ineligible immigration status.

SECURITY DEPOSIT

An amount deposited by the tenant, with the owner, which is not in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants.

SINGLE PERSON

A person who lives alone or intends to live alone who does not qualify as an elderly family, displaced person or the remaining member of tenant family.

SPECIAL ADMISSION

Admission of an applicant that is not on the PHA waiting list, or without considering the applicants waiting list position.

SPOUSE

Spouse refers to the marriage partner, either a husband or wife, who is someone you need to divorce in order to dissolve the relationship. It includes the partner in a common law marriage. It does not cover boyfriends, girlfriends, significant others, or "co-heads".

STALKING

1. (a)To follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass or intimidate another person; and (b) to place under surveillance with the intent to kill, injure, harass or intimidate another person; and
2. in the course of, or as a result of, such following, pursuit, surveillance or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or to cause substantial emotional harm to- (a) that person; (b) a member of the immediate family of that person; or (c) the spouse or intimate partner of that person.

SUBSIDY STANDARDS

Standards established by an PHA to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions. See definition of "family unit size".

SUBSTANTIAL AMENDMENT/ SIGNIFICANT DEVIATION/MODIFICATION

The PHA would consider a significant amendment and substantial deviation/modification as a change in policy that would have an impact on eligibility criteria for an applicant or participant such as a preference being changed, eliminated or added. Additional changes may include but are not limited to discretionary policies that would affect tenant payments such as changes to payment standards, minimum rents, subsidy occupancy standards and interim reexaminations. Changes which are a result of a change in Federal regulations and policy guidance issued by HUD shall not constitute a significant amendment or substantial deviation/modification unless there is a discretionary component to the change in policy.

SUSPENSION

Stopping the clock on the term of a family's certificate of voucher, for such period as determined by the PHA, from the time when the family submits a Request for Lease Approval to the PHA, until the time when the PHA approves or denies the request.

TENANT

The person or persons (other than a live-in aide) who execute the lease as lessee of the dwelling unit.

TENANT RENT

Total tenant payment minus the utility allowance.

TOTAL TENANT PAYMENT

The total amount the HUD rent formula requires the tenant to pay toward rent and utilities.

USE

Actual use, attempted use or threatened use.

UTILITY ALLOWANCE

The PHA's estimate of the average monthly utilities (except telephone) for an energy-conscious household. If all utilities are included in the rent, there is no utility allowance. Utility allowances vary by unit type and bedroom size.

UTILITY REIMBURSEMENT

In the certificate program, the amount, if any, by which any utility allowance for family-paid utilities or other housing services exceeds the total tenant payment.

VERY-LOW INCOME FAMILY

A Low-Income family who's Annual Income does not exceed 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families.

VICTIM WITNESS

1. A family who has:
   a. Critical knowledge of a felonious crime.
   b. The protection and sanction of the local authority.
   c. Is eligible for relocation costs/benefits provided by the local authority.

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. Violent criminal activities may include but are not limited to, murder, assault, rape, burglary, arson/vandalism, domestic abuse, fighting, threatening behavior, child endangerment and child molestation.

VOUCHER (rental voucher)

A document issued by an PHA to a family selected for admission to the voucher program. The voucher describes the program, and the procedures for PHA approval of a unit selected by the family. The voucher also states the obligations of the family under the program.

the City of Marshalltown

James L. Lowrance, Mayor
Randy A Wetmore, City Administrator
36 North Center Street
Marshalltown, IA 50158-4911
Tel - (641) 754-5756
Fax - (641) 754-5742

Housing & Community Development

TO: PHA Governing Board

FROM: Michelle Spohnheimer, Housing & Community Development Director MS

DATE: January 9, 2014

RE: **PHA Governing Board Meeting Memo**

At the meeting I am requesting approval of the attached resolution amending the Section 8 Administrative Plan for the Housing Choice Voucher Program covering Marshall, Tama and Hardin Counties. We have discussed the proposed significant changes and I would recommend approval of the changes as discussed.

In summary the primary changes include:

- The addition of the Project Based Voucher program to our administrative plan. By approving the option to use PBV the Board if approached in the future could consider proposals for this type of activity. Approving the plan at this point in time does not commit any vouchers to be used under this program. Amending the plan takes a significant amount of time so approving the guidelines will give staff and the board a specified way to address requests from future developers should they arise. All proposals would have to be evaluated and approved at the time of request so that need and funding could be addressed.
- Amending the minimum rent amount from $0 to $50. This change is a budgetary change that would help reduce our per unit average cost paid per household. HUD allows a minimum rent of up to $50 to be established provided there is hardship exemption guidelines outlined as well. HUD language related to hardships has been incorporated. Minimum rent change would go into effect July 1, 2014.
- Amend the occupancy standards. This is also a change that budgetary implications. By reducing occupancy standards for certain household compositions the average monthly amount paid by HUD will decrease allowing the limited resources we have assist more people. Families may still choose to live in larger units than the occupancy standard sets provided the unit rents for a lower rent amount or the family can afford to pay the difference. The primary objective of our program is to provide safe and sanitary housing to very low income households.

The Section 8 budget has been steadily decreasing and housing authorities are reevaluating policies and procedures to best accommodate these changes and still provide assistance. The City of Marshalltown is currently allocated to assist 449 families. Due to budget restrictions we are currently leased up with 342 families which puts us at only a 76% lease up rate. HUD's goal is that we should be leased at 95%. During calendar year 2013 we spent 110% of our funding available meaning we had to spend $90,652 out of reserves. HUD pays an administrative amount per unit leased and due to budget reduction and sequestration we only receive 69% of our approved funds. So for example we should receive $56.73 per assisted unit per month which if we could fully lease at 449 families we would receive $25,472 per month. In reality we can only afford to lease up about 331 families which would equal $18,778 per month in admin. Now reduce that by the proration of 69% and we only receive $12,956 per month almost half of where we should be and on average $7,000 less than we need per month to operate. Currently we are drawing down our reserves which at this rate will be gone in 21 months at the latest.

It is time to make tough choices to keep the program running. We are still working under an unknown budget where funding is announced often after the checks have been cut. We cannot continue to provide the same level of assistance as we have in the past we must make changes. I realize $50 does not sound like a lot but it does add up and over time has a significant impact.

As the Housing & Community Development Director I strongly recommend this change as the first step in reforming the program.

If you have any questions, please do not hesitate to contact me.

Michelle Spohnheimer
Housing & Community Development Director
City of Marshalltown
641-754-5756 phone
641-754-5742 fax
mspohnheimer@ci.marshalltown.ia.us

Notice of Meeting
City of Marshalltown

PHA Governing Board

January 13, 2014 @ 5:00pm
Council Chambers - 10 West State Street

Call to Order: Mayor James L. Lowrance
Roll Call: Lamer, Schubert, Martin, Wirin, Gowdy, Greer, Hoop, Kunkel

Agenda:

1. **Approval of minutes from November 25, 2013 meeting**

2. **PUBLIC HEARING**
   Resolution approving the City of Marshalltown HUD Section 8 Housing Choice Voucher administrative Plan for Marshall, Tama and Hardin Counties.

Adjourn