

**Housing Authority of the County of San Mateo**

ADMINISTRATIVE PLAN  
FOR THE  
HOUSING VOUCHER AND  
MOVING TO WORK PROGRAMS

Adopted by the Board of Commissioners

Resolution #: 2010-07

Date of Adoption: June 29, 2010

Effective Date: July 1, 2010

## Administrative Plan -Table of Contents

---

### Chapter 1 PROGRAM OVERVIEW

I.	INTRODUCTION.....	1-1
II.	HACSM MISSION.....	1-1
III.	HACSM COMMITMENT TO ETHICS AND SERVICE.....	1-2
IV.	HACSM AND HUD PARTNERSHIP.....	1-3
V.	HACSM RESPONSIBILITIES.....	1-4
VI.	OWNER RESPONSIBILITIES.....	1-5
VII.	FAMILY RESPONSIBILITIES.....	1-5

### Chapter 2 EQUAL OPPORTUNITY, FAIR HOUSING AND REASONABLE ACCOMMODATION

I.	INTRODUCTION.....	2-1
II.	REASONABLE ACCOMMODATION.....	2-2
III.	VERIFICATION OF DISABILITY.....	2-3
IV.	IMPROVING ACCESS TO SERVICES WITH LIMITED ENGLISH PROFICIENCY (LEP).....	2-4

### Chapter 3 ELIGIBILITY

I.	INTRODUCTION.....	3-1
II.	FAMILY AND HOUSEHOLD MEMBERS.....	3-1
III.	FAMILY BREAK-UP, REMAINING MEMBER OF TENANT FAMILY, AND JOINT CUSTODY OF DEPENDENTS.....	3-2
IV.	LIVE-IN AIDE.....	3-3
V.	BASIC ELIGIBILITY CRITERIA.....	3-5
VI.	CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS.....	3-5
VII.	SOCIAL SECURITY NUMBERS.....	3-7
VIII.	FAMILY CONSENT TO RELEASE INFORMATION.....	3-7

### Chapter 4 APPLICATIONS, WAITING LIST AND TENANT SELECTION

I.	INTRODUCTION.....	4-1
II.	THE APPLICATION PROCESS.....	4-1
III.	MANAGING THE WAITING LIST.....	4-2
IV.	SELECTION FOR ASSISTANCE.....	4-5

## Administrative Plan -Table of Contents

---

V.	NOTIFICATION OF SELECTION.....	4-6
VI.	THE APPLICATION INTERVIEW.....	4-6
VII.	COMPLETING THE APPLICATION PROCESS.....	4-7
VIII.	INSUFFICIENT FUNDING.....	4-7

### **Chapter 5 BRIEFINGS AND VOUCHER ISSUANCE**

I.	INTRODUCTION.....	5-1
II.	BRIEFING SESSIONS.....	5-1
III.	SUBSIDY STANDARDS AND VOUCHER ISSUANCE.....	5-3
IV.	EXCEPTIONS TO SUBSIDY STANDARDS.....	5-4
V.	VOUCHER ISSUANCE.....	5-4
VI.	VOUCHER TERM, EXTENSIONS, AND SUSPENSIONS.....	5-5

### **Chapter 6 VERIFICATIONS**

I.	INTRODUCTION.....	6-1
II.	FAMILY CONSENT TO RELEASE INFORMATION.....	6-1
III.	OVERVIEW OF VERIFICATION REQUIREMENTS.....	6-1
IV.	VERIFYING FAMILY INFORMATION.....	6-4
V.	VERIFICATION OF DISABILITY.....	6-5
VI.	VERIFYING CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS.....	6-6
VII.	VERIFICATION OF PREFERENCE STATUS.....	6-7
VIII.	VERIFYING INCOME.....	6-7
IX.	VERIFYING ASSETS.....	6-10
X.	VERIFYING DEDUCTIONS.....	6-10

### **Chapter 7 COMPUTATION OF ANNUAL INCOME, SUBSIDY, AND FAMILY SHARE**

I.	INTRODUCTION.....	7-1
II.	ANNUAL INCOME.....	7-1
III.	DETERMINING ANNUAL ADJUSTED INCOME.....	7-6
IV.	DETERMINING HACSM SUBSIDY AND FAMILY SHARE.....	7-10

**Administrative Plan -Table of Contents**

---

**Chapter 8  
HOUSING QUALITY STANDARDS AND RENT REASONABLENESS  
DETERMINATIONS**

I.	INTRODUCTION.....	8-1
II.	GENERAL HUD REQUIREMENTS.....	8-1
III.	HACSM REQUIREMENTS.....	8-2
IV.	LIFE THREATENING CONDITIONS.....	8-5
V.	OWNER AND FAMILY RESPONSIBILITIES.....	8-5
VI.	SPECIAL REQUIREMENTS FOR CHILDREN WITH EIBLL.....	8-5
VII.	VIOLATION OF HQS SPACE STANDARDS.....	8-6
VIII.	TYPES OF INSPECTIONS.....	8-6
IX.	THE INSPECTION PROCESS.....	8-7
X.	ANNUAL INSPECTION RESULTS AND REINSPECTIONS.....	8-9
XI.	RENT REASONABLENESS.....	8-11

**Chapter 9  
GENERAL LEASING POLICIES**

I.	INTRODUCTION.....	9-1
II.	TENANT SCREENING.....	9-1
III.	REQUESTING TENANCY APPROVAL.....	9-1
IV.	UNIT ELIGIBILITY.....	9-2
V.	LEASE AND TENANCY ADDENDUM.....	9-3
VI.	HAP CONTRACT EXECUTION.....	9-5
VII.	CHANGES IN LEASE OR RENT.....	9-5

**Chapter 10  
MOVING WITH CONTINUED ASSISTANCE AND PORTABILITY**

I.	INTRODUCTION.....	10-1
II.	MOVING WITH CONTINUED ASSISTANCE.....	10-1
III.	MOVING PROCESS.....	10-2
IV.	PORTABILITY.....	10-3

## Administrative Plan -Table of Contents

---

### Chapter 11 REEXAMINATIONS

I.	INTRODUCTION.....	11-1
II.	ANNUAL REEXAMINATION.....	11-1
III.	INTERIM REEXAMINATIONS.....	11-2
IV.	EFFECTIVE DATES.....	11-3
V.	NOTIFICATION OF NEW FAMILY SHARE AND HAP AMOUNT.....	11-3

### Chapter 12 DENIAL OR TERMINATION OF ASSISTANCE

I.	INTRODUCTION.....	12-1
II.	DENIAL OF ASSISTANCE.....	12-1
III.	MANDATORY DENIAL OF ASSISTANCE.....	12-1
IV.	OTHER REASONS FOR DENIAL OF ASSISTANCE.....	12-2
V.	SCREENING FOR ELIGIBILITY.....	12-4
VI.	CRITERIA FOR DECIDING TO DENY ASSISTANCE.....	12-5
VII.	NOTICE OF ELIGIBILITY OR DENIAL.....	12-5
VIII.	PROHIBITION AGAINST DENIAL OF ASSISTANCE TO VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, AND STALKING.....	12-6
IX.	TERMINATION OF ASSISTANCE.....	12-9
X.	MANDATORY TERMINATION OF ASSISTANCE.....	12-9
XI.	OTHER AUTHORIZED REASONS FOR TERMINATION OF ASSISTANCE.....	12-11
XII.	ALTERNATIVES TO TERMINATION OF ASSISTANCE.....	12-12
XIII.	CRITERIA FOR DECIDING TO TERMINATE ASSISTANCE.....	12-12
XIV.	TERMINATING THE ASSISTANCE OF DOMESTIC VIOLENCE, DATING VIOLENCE, OR STALKING VICTIMS AND PERPETRATORS.....	12-13
XV.	TERMINATION NOTICE.....	12-15
XVI.	TERMINATION OF TENANCY BY THE OWNER.....	12-15
XVII.	DECIDING WHETHER TO TERMINATE TENANCY.....	12-18

## Administrative Plan -Table of Contents

---

### Chapter 13 OWNERS

I.	INTRODUCTION.....	13-1
II.	OWNER RECRUITMENT AND RETENTION.....	13-1
III.	OWNER RESPONSIBILITIES.....	13-2
IV.	OWNER QUALIFICATIONS.....	13-2
V.	HAP CONTRACTS.....	13-5

### Chapter 14 SPECIAL HOUSING TYPES

I.	INTRODUCTION.....	14-1
II.	SINGLE ROOM OCCUPANCY.....	14-1
III.	SHARED HOUSING.....	14-2
IV.	MANUFACTURED HOMES.....	14-3

### Chapter 15 SECTION 8 HOMEOWNERSHIP PLAN

I.	INTRODUCTION.....	15-1
II.	GENERAL.....	15-2
III.	MONTHLY HOMEOWNERSHIP ASSISTANCE PAYMENTS.....	15-3
IV.	MONTHLY HOMEOWNERSHIP ASSISTANCE: ELIGIBILITY REQUIREMENTS.....	15-3
V.	HOMEOWNERSHIP COUNSELING REQUIREMENTS.....	15-4
VI.	ELIGIBLE UNITS.....	15-5
VII.	HACSM SEARCH AND PURCHASE REQUIREMENTS.....	15-6
VIII.	INSPECTION AND CONTRACT.....	15-6
IX.	FINANCING.....	15-7
X.	CONTINUED ASSISTANCE.....	15-8
XI.	MAXIMUM TERM OF HOMEOWNERSHIP ASSISTANCE.....	15-9
XII.	HOMEOWNERSHIP ASSISTANCE PAYMENTS AND HOMEOWNERSHIP EXPENSES.....	15-9
XIII.	PORTABILITY.....	15-10
XIV.	MOVING WITH CONTINUED ASSISTANCE.....	15-10
XV.	DENIAL OR TERMINATION OF ASSISTANCE.....	15-11
XVI.	DOWN PAYMENT ASSISTANCE GRANTS.....	15-11
XVII.	DEFINITIONS (As applicable to Homeownership Plan).....	15-12

## Administrative Plan -Table of Contents

---

### Chapter 16 FAMILY SELF-SUFFICIENCY ACTION PLAN

I.	INTRODUCTION.....	16-1
II.	PROGRAM COORDINATING COMMITTEE.....	16-1
III.	OUTREACH EFFORTS.....	16-2
IV.	ASSURANCES OF NON-INTERFERENCE WITH RIGHTS OF NON-PARTICIPATING FAMILIES.....	16-2
V.	FSS PARTICIPANT SELECTION PROCEDURES.....	16-2

### Chapter 17 MTW SELF-SUFFICIENCY AND HOUSING READINESS PROGRAMS

I.	INTRODUCTION.....	17-1
II.	PARTICIPANT SELECTION.....	17-2
III.	WAITING LIST.....	17-4
IV.	TIME-LIMITED ASSISTANCE.....	17-4
V.	HARDSHIP EXCEPTIONS.....	17-5
VI.	PORTABILITY.....	17-5
VII.	VOUCHER ISSUANCE.....	17-5
VIII.	SUBSIDY CALCULATION.....	17-6
IX.	ESCROW CALCULATION.....	17-6
X.	TERMINATION OF ASSISTANCE.....	17-6

### Chapter 18 INFORMAL REVIEWS AND HEARINGS

I.	INTRODUCTION.....	18-1
II.	INFORMAL REVIEWS.....	18-1
III.	INFORMAL HEARINGS.....	18-2
IV.	INFORMAL HEARING PROCEDURES.....	18-3

### Chapter 19 FAMILY OR OWNER DEBTS TO HACSM

I.	INTRODUCTION.....	19-1
II.	REPAYMENT POLICY.....	19-1

**Administrative Plan -Table of Contents**

---

**Chapter 20  
QUALITY ASSURANCE**

I.	INTRODUCTION.....	20-1
II.	QUALITY ASSURANCE MEASURES.....	20-1
III.	RECORD KEEPING AND MANAGEMENT.....	20-2
IV.	RECORD RETENTION.....	20-2

**Chapter 21  
DEFINITIONS**

**Chapter 22  
PROJECT-BASED VOUCHERS**

**Affirmatively Further Fair Housing Statement  
FUP Addendum  
HCV-FSS Addendum**



## Chapter 1

### PROGRAM OVERVIEW

#### I. INTRODUCTION

The Housing Authority of the County of San Mateo (HACSM) was created in March 1941 to provide housing assistance to low and very low income families. The San Mateo County Board of Supervisors, in a separate legal capacity, serves as the Housing Authority's Board of Commissioners.

HACSM receives its funding for the Housing Choice Voucher (HCV) program from the Department of Housing and Urban Development (HUD). The HACSM is not a federal department or agency. It is a governmental or public body, created and authorized by state law to develop and operate housing and housing programs for low-income families.

HACSM has been a participant in HUD's Moving-To-Work (MTW) demonstration program since the execution of its MTW Agreement in May 2000. Under the original agreement with HUD, HACSM was authorized to design and carry out a demonstration program for 300 families receiving tenant-based assistance. The demonstration exempted HACSM from most of the regulatory requirements that would otherwise apply to these families.

In April 2008, HUD signed a 10-year Moving-to-Work Agreement with HACSM to expand its MTW Program. Under the new MTW Agreement, HACSM is given the authorization to develop policies that are outside the limitations of certain HUD regulations and provisions of the Housing Act of 1937. This expansion applies to the original MTW demonstration program in addition to the other HCV programs administered by HACSM. The MTW Agreement does not include the following programs: Shelter Plus Care, Supportive Housing, and Moderate Rehabilitation.

The three major goals for the MTW program are to increase cost effectiveness, promote self-sufficiency, and expand housing options for program participants. The additional flexibility offered by MTW will allow HACSM to more successfully achieve its mission and program goals, as well as enhance its ability to serve the needs of low-income households and communities in the County of San Mateo.

This Administrative Plan addresses the policies and procedures for HACSM's Housing Choice Voucher (HCV) Program (which includes Family Unification, HCV Family Self-Sufficiency, Homeownership, and Project-Based Assistance) and Moving-to-Work (MTW) Programs (which includes MTW Self-Sufficiency and Housing Readiness).

#### II. HACSM MISSION

The mission of HACSM is to:

1. Preserve and increase the availability of decent, safe and affordable housing;
  2. Ensure equal opportunity in housing for all;
  3. Promote self-sufficiency and asset development of families and individuals;
- and

#### 4. Improve community quality of life and economic viability.

HACSM is also a component program of the San Mateo County Department of Housing (DOH) whose mission is to serve as a catalyst for increasing access to affordable rental housing, increasing the supply of workforce housing, and supporting related community development so that housing exists for people of all income levels in San Mateo County.

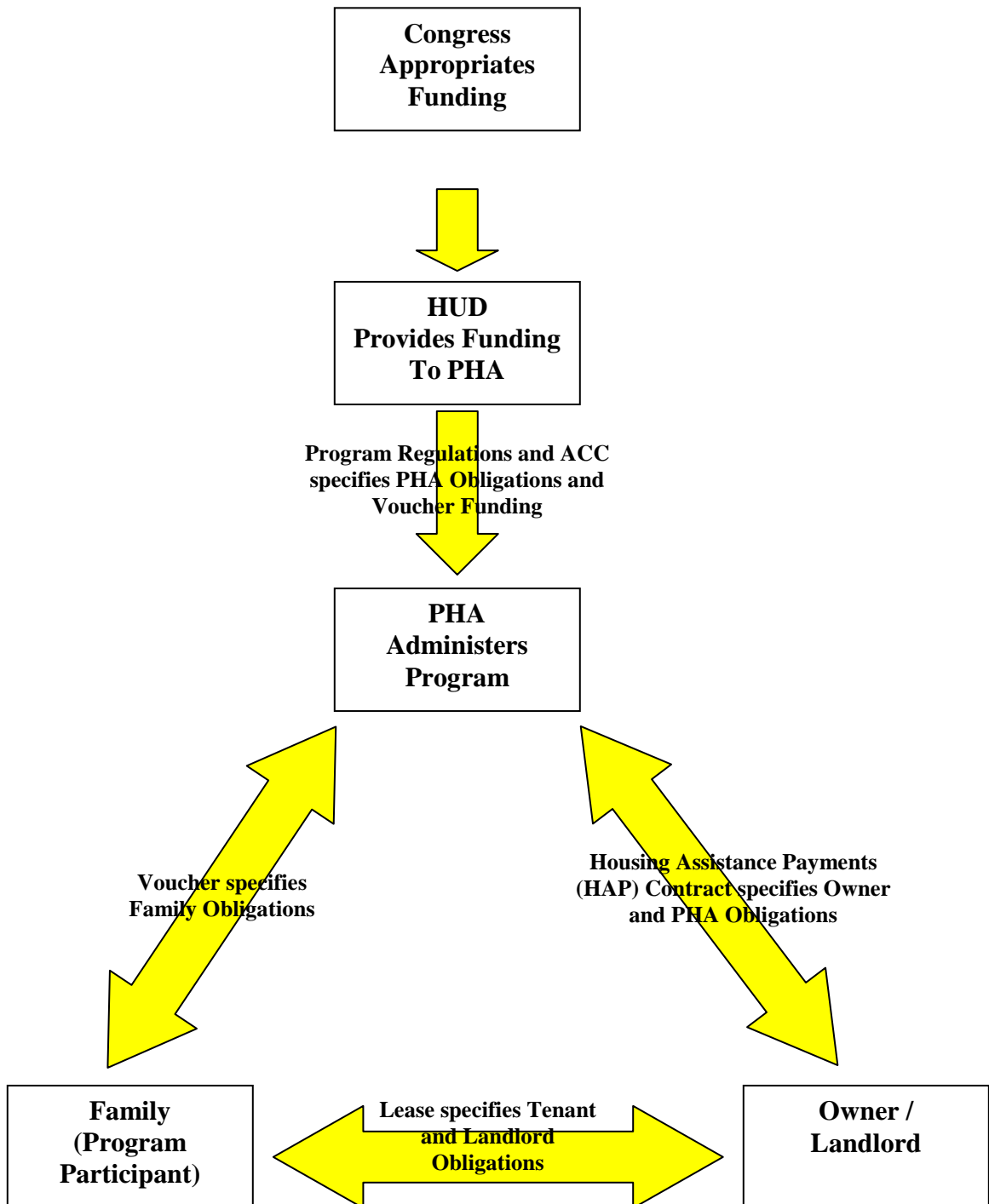
### **III. HACSM COMMITMENT TO ETHICS AND SERVICE**

As a public service agency, HACSM is committed to providing excellent service to HCV & MTW program participants – families and owners – in the community. HACSM standards include:

- Administer applicable federal and state laws and regulations to achieve and maintain efficiency in program operation to ensure fair and consistent treatment of clients served.
- Provide decent, safe, and sanitary housing for very low income families while ensuring that family rents are fair, reasonable, and affordable.
- Encourage self-sufficiency of participant families and expanded opportunities for them to fulfill educational, socio-economic, recreational and other human services needs.
- Promote fair housing and the opportunity for very low-income families of all ethnic backgrounds to experience greater freedom of housing choice.
- Promote a housing program which maintains quality service and integrity while providing an incentive to private property owners to rent to very low-income families.
- Promote a market-driven housing program that will help qualified low-income families be successful in obtaining affordable housing and increase the supply of housing choices for such families.
- Create positive public awareness and family, owner, and community support for the HACSM's mission.
- Attain and maintain high professional standards in day-to-day management of all programs.
- Administer an efficient, high-performing agency through continuous improvement of the HACSM's administrative systems and commitment to its employees and their development.
- Inform program participants of HCV & MTW program rules and regulations and advise them how the program rules affect them.

#### IV. HACSM AND HUD PARTNERSHIPS:

To administer the HCV and MTW programs, HACSM enters into a contractual relationship with HUD. HACSM also enters into a contractual relationship with the assisted family and the owner or landlord of the housing unit. For the programs to work and be successful, all parties involved—HUD, HACSM, owners, and families—have important roles to play. The following chart illustrates key aspects of these relationships.



## V. HACSM RESPONSIBILITIES

- A. HACSM will comply with the consolidated Annual Contributions Contract (ACC), the application, HUD regulations and other requirements, and HACSM's Administrative Plan.
- B. In administering the program, HACSM must:
  1. Publish and disseminate information about the availability and nature of housing assistance under the program;
  2. Explain the program to owners and families;
  3. Seek expanded opportunities for assisted families to locate housing outside areas of poverty or minority concentration;
  4. Encourage owners to make units available for leasing in the program, including owners of suitable units located outside areas of poverty or racial concentration;
  5. Affirmatively further fair-housing goals and comply with equal-opportunity requirements;
  6. Make efforts to help persons with disabilities find satisfactory housing;
  7. Receive applications from families, determine eligibility, maintain the waiting list, select applicants, issue a voucher to each selected family, and provide housing information to families selected;
  8. Determine who can live in the assisted unit at admission and during the family's participation in the program;
  9. Examine family income, size and composition at admission and during the family's participation in the program. The examination includes verification of income and other family information;
  10. Obtain and verify evidence of citizenship and eligible immigration status;
  11. Review the family's request for approval of tenancy and the owner/landlord lease, including the HUD-prescribed tenancy addendum;
  12. Inspect the unit before the assisted occupancy begins and at least annually (unless otherwise noted in this Plan) during the assisted tenancy;
  13. Determine the amount of the housing assistance payment (subsidy) for a family;
  14. Determine whether the rent to owner is reasonable;
  15. Make timely housing assistance payments to an owner in accordance with the HAP contract;
  16. Administer and enforce the housing assistance payments contract with an owner, including taking appropriate action as determined by HACSM, if the owner defaults (e.g. HQS violation);
  17. Determine whether to terminate assistance to a participant family for violation of family obligations;

18. Conduct informal hearings on certain HACSM decisions concerning participant families;
19. Provide sound financial management of the program, including engaging an independent public accountant to conduct audits.

## **VI. OWNER RESPONSIBILITIES**

- A. The owner is responsible for performing all of the owner's obligations under the HAP contract and the lease.
- B. The owner is responsible for:
  1. Performing all management and rental functions for the assisted unit, including selecting a voucher holder to lease the unit, and deciding if the family is suitable for tenancy of the unit;
  2. Maintaining the unit in accordance with HQS, including performance of ordinary and extraordinary maintenance;
  3. Complying with equal opportunity requirements;
  4. Preparing and furnishing HACSM with information required under the HAP contract;
  5. Collecting from the family:
    - o Any security deposit required under the lease.
    - o The tenant contribution (the part of rent to owner not covered by the housing assistance payment/subsidy).
    - o Any charges for unit damage by the family.
  6. Enforcing tenant obligations under the lease;
  7. Paying for utilities and services (unless paid by the family under the lease)
  8. Notifying HACSM at least 60 days prior to any rent increase. Any proposed rent increase is subject to rent reasonableness requirements before it can be approved.

## **VII. FAMILY RESPONSIBILITIES**

### **A. Supplying Required Information:**

1. The family must supply any information that HACSM or HUD determines is necessary in the administration of the program, including submission of required evidence of citizenship or eligible immigration status. Information includes any requested certification, release or other documentation.
2. The family must supply any information requested by HACSM or HUD for use in reexaminations of family income and composition in accordance with HUD requirements.

3. As a condition of admission to or continued assistance under the program, all members of the family who are 18 years of age or older must execute a consent form (including any release and consent as required under authorizing any depository or private source of income, or any Federal, State, or local agency), to furnish or release to HACSM or HUD such information as HACSM or HUD determines to be necessary.
4. The family must promptly furnish HACSM any letter or other notice by HUD to a member of the family that provides information concerning the amount or verification of family income.
5. The family must disclose and verify Social Security Numbers and must sign and submit consent forms for obtaining information.
6. Any information supplied by the family must be true and complete.

**B. HQS Breach Caused by the Family**

The family is responsible for any HQS breach caused by the family or its guests.

**C. Allowing HACSM Inspection**

The family must allow HACSM to inspect the unit at reasonable times and after at least 24 hours notice (except in the case of emergency).

**D. Violation of Lease**

The family must not commit any serious or repeated violation of the lease.

**E. Family Notice of Move or Lease Termination**

The family must notify HACSM and the owner before the family moves out of the unit or terminates the lease by giving at least a 30-day notice to the owner and HACSM.

**F. Owner Eviction Notice**

The family must promptly give HACSM a copy of any owner eviction notice it receives.

**G. Use and Occupancy of the Unit**

1. The family must use the assisted unit for a residence by the family. The unit must be the family's only residence.
2. HACSM must approve the composition of the assisted family residing in the unit. The family must promptly inform HACSM of the birth, adoption or court-awarded custody of a child. The family must request approval from HACSM to add any other family member as an occupant of the unit. Approval must be granted prior to the person(s) moving into the unit. No other person, i.e., no one but members of the assisted family, may reside in the unit, except for a foster child/foster adult or live-in aide as provided in paragraph (4) of this Section.
3. The family must promptly notify HACSM if any family member no longer resides in the unit.

4. If HACSM has given approval, a foster child/foster adult or a live-in aide may reside in the unit. HACSM has the discretion to adopt reasonable policies concerning residence by a foster child/foster adult or a live-in aide and defining when HACSM consent may be given or denied.
5. Members of the household may engage in legal profit-making activities in the unit, but only if such activities are incidental to primary use of the unit for residence by members of the family. Any business uses of the unit must comply with zoning requirements and the affected household member must obtain all appropriate licenses and permission from the landlord.
6. The family must not sublease unit.
7. The family must not assign the lease or transfer the unit.

#### **H. Absence from the Unit**

The family must supply any information or certification requested by HACSM to verify that the family is living in the unit, or relating to family absence from the unit, including any HACSM requested information or certification on the purposes of family absences. The family must cooperate with HACSM for this purpose. The family must promptly notify HACSM of its absence from the unit. Absence means that no approved member of the family is residing in the unit.

#### **I. Interest in the Unit**

The family must not own or have any interest in the unit.

#### **J. Fraud and Other Program Violations**

The members of the family must not commit fraud, bribery, or any other corrupt or criminal act in connection with the program.

#### **K. Crime by Family Members**

The members of the family must not engage in drug-related criminal activity or violent criminal activity.

#### **L. Abuse of Alcohol by Family Members**

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

#### **M. Other Housing Assistance**

An assisted family, or members of the family, may not receive Section 8 tenant-based assistance while receiving another housing subsidy, for the same unit or for a different unit, under any duplicative (as determined by HUD or in accordance with HUD requirements) federal, state or local housing-assistance program.

## Chapter 2

### **EQUAL OPPORTUNITY, FAIR HOUSING AND REASONABLE ACCOMMODATION**

#### **I. INTRODUCTION**

HACSM shall affirmatively further fair housing in the administration of the Section 8 program. It is the policy of HACSM to fully comply with all federal, state and local non-discrimination laws and with rules and regulations governing fair housing and equal opportunity in housing and employment, including:

- Title VI of the Civil Rights Act of 1964
- Title VIII of the Civil Rights Act of 1968 (as amended by the Community Development Act of 1974 and the Fair Housing Amendments Act of 1988)
- Executive Order 11063
- Section 504 of the Rehabilitation Act of 1973
- The Age Discrimination Act of 1975
- Title II of the Americans with Disabilities Act (to the extent that it applies, otherwise Section 504 and the Fair Housing Amendments govern)
- Violence Against Women Reauthorization Act of 2005 (VAWA)
- When more than one civil rights law applies to a situation, the laws will be read and applied together.
- Any applicable state laws or local ordinances and any legislation protecting individual rights of tenants, applicants, or staff that may subsequently be enacted

HACSM shall not discriminate because of race, color, sex, religion, familial status, age, disability or national origin (called “protected classes”), marital status or sexual orientation. Familial status includes children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18.

HACSM will not use any of these factors to:

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



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

## **II. REASONABLE ACCOMMODATION**

In accordance with Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1992, and the Fair Housing Act, as amended, no otherwise qualified individual with disabilities shall, solely by reason of disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity of HACSM. HACSM will take appropriate measures to ensure that an individual with disabilities shall have equal access to available services and programs.

HACSM will make the Section 8 program accessible to disabled applicants and tenants, in any way it is financially feasible to do so, and does not fundamentally alter the program or conflict with program regulations.

Specifically, if necessary to accommodate a verified disability, HACSM will:

- Conduct home visits for reexamination appointments;
- Reinstate, if requested, an applicant on the waiting list, if they have been purged, back to their original placement;
- Take into account any special issues in locating an accessible or suitable unit when considering requests by eligible individuals with disabilities for extensions of Housing Choice Vouchers;
- Permit an authorized designee or advocate to participate in the application or certification process and any other meetings with the HACSM;
- Allow a lease for a unit owned by a relative;
- In its activities to encourage participation by owners, include encouragement of participation by owners having accessible units;
- When issuing a housing voucher to a family that includes an individual with disabilities, include a current listing of available accessible units known to HACSM;
- When applicants with disabilities are denied assistance, the notice of denial must inform them of HACSM's informal review process and their right to request an informal review and reasonable accommodations to participate in the informal review process.

- When a participant family's assistance is terminated, the notice of termination must inform them of HACSM's informal hearing process and their right to request a hearing and reasonable accommodation to participate in the informal hearing process.
- When reviewing reasonable accommodation requests, HACSM must consider whether any mitigating circumstances can be verified to explain and overcome the problem that led to HACSM's decision to deny or terminate assistance. If a reasonable accommodation will allow the family to meet the requirements, HACSM must make the accommodation.
- Utilize Bay Area Communication Agency and California Relay Services to meet the needs of persons with hearing impairments.

### **Request for an Accommodation**

Any applicant or participant with one or more disabled household members may request a reasonable accommodation to any of HACSM rules, policies, practices or services in order to take full advantage of the programs and services offered by the agency. The family must explain what type of accommodation is needed to provide the person with the disability full access to the HACSM's programs and services.

Upon receipt of the initial request, the HACSM may require verification of the need for such accommodation. If the need for the accommodation is not readily apparent or known to the HACSM, the family must explain the relationship between the requested accommodation and the disability. There must be an identifiable relationship, or link, between the requested accommodation and the individual's disability.

### **III. VERIFICATION OF DISABILITY**

The definition of a person with a disability for the purpose of obtaining a reasonable accommodation is much broader than the HUD definition of disability which is used for waiting list preferences and income allowances. Before providing an accommodation, HACSM will determine that the person meets the definition of a person with a disability, and that the accommodation will enhance the family's access to HACSM's programs and services.

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

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

HACSM will not inquire about the nature or extent of any disability except as necessary to evaluate the disability-related need for the accommodation.

Medical records will not be accepted or retained in the participant file.

Requests for accommodations will be assessed on a case-by-case basis, taking into account factors such as the cost of the requested accommodation, the financial

resources of HACSM at the time of the request, the benefits that the accommodation would provide to the family, and the availability of alternative accommodations that would effectively meet the family's disability-related needs.

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

If HACSM denies a request for an accommodation because it is not reasonable (i.e. it would impose an undue financial or administrative burden or fundamentally alter the nature of HACSM's operations) and HACSM believes the family has failed to identify a reasonable alternative accommodation after interactive discussion and negotiation, HACSM will notify the family, in writing, of its determination within 10 business days from the date of the most recent discussion or communication with the family. The notice will offer to schedule a meeting with the family and the agency's 504 Compliance Coordinator to review the decision. If the family does not request a meeting by the stated deadline, HACSM decision will remain in effect.

If the family requests a meeting, HACSM will respond, in writing, within 10 business days. After the review meeting, the 504 Compliance Coordinator will issue a written decision summary to the family and HACSM within 15 business days. If the 504 Compliance Coordinator overturns the HACSM decision, the effective date will be determined by the 504 Compliance Coordinator.

All meetings shall be audio recorded or transcribed at the expense of HACSM. HACSM will keep the audio recording for 90 days from the date of the 504 Compliance Coordinator's final decision. The family may request a copy of the recording at its own expense.

#### **IV. IMPROVING ACCESS TO SERVICES FOR PERSONS WITH LIMITED ENGLISH PROFICIENCY (LEP)**

Language for Limited English Proficiency (LEP) persons can be a barrier to accessing important benefits or services, understanding and exercising important rights, complying with applicable responsibilities, or understanding other information provided by the HCV program. In certain circumstances, failure to ensure that LEP persons can effectively participate in or benefit from federally-assisted programs and activities may violate the prohibition under Title VI against discrimination on the basis of national origin. This part incorporates the Notice of Guidance to Federal Assistance Recipients Regarding Title VI Prohibition Affecting Limited English Proficient Persons, published December 19, 2003 in the *Federal Register*.

HACSM will take affirmative steps to communicate with people who need services or information in a language other than English. These persons will be referred to as persons with Limited English Proficiency (LEP).

LEP is defined as persons who do not speak English as their primary language and who have a limited ability to read, write, speak or understand English. For the purposes of this administrative plan, LEP persons are HCV applicants and participants, and parents and family members of applicants and participants.

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

### **Implementation Plan**

HACSM is committed to ensuring the accessibility of its programs and activities to all eligible applicants and program participants including LEP individuals. HACSM staff shall ensure responsible steps are taken to provide high quality customer service and meaningful access to its programs and services to all eligible LEP individuals by implementing the following activities:

1. When adult family members are LEP, staff will show them the *Language Identification Flashcard*, created by the Census Bureau, so that the family can identify what language they speak.

HACSM has identified staff members who speak Spanish, Chinese, Tagalog, Vietnamese, and Russian to assist in serving families. For other languages, an interpreter will be called to assist the staff person in serving the family.

2. All LEP families will be identified as to their primary language so that appropriate resources can be identified in advance of the family's needing assistance with an appointment.
3. When the number of families speaking a non-English language exceeds five percent (5%) of the number of persons eligible to be served or likely to be affected or encountered, HACSM will actively recruit staff that speak, read and write this language. HACSM has identified Spanish as a non-English language exceeding five percent (5%) of the number of persons eligible to be served or likely to be affected or encountered.
4. HACSM will post signs in public places in languages known to be spoken by LEP applicants and participants to inform them help is available in their own language.
5. HACSM will provide training to current and new staff about the resources available for LEP families and how to utilize these resources for participating families.

## Chapter 3 ELIGIBILITY

**MTW Waiver:** *The Agency is authorized to determine income qualifications for participation in the rental assistance program that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations, as long as the requirements that i) at least 75 percent of those assisted under the demonstration are “very low income” as defined in section 3(b)(2) of the 1937 Act, ii) substantially the same number of low-income persons are assisted under the demonstration as would be without the MTW authorizations contained herein, and iii) a comparable mix of families are assisted under the Agreement as would have been otherwise in Section I.C. of the MTW Agreement are met. This authorization waives certain provisions of Section 16(b) and 8(o)(4) of the 1937 Act and 24 CFR 5.603, 5.609, 5.611, 5.628, and 982.201 as necessary to implement the Agency’s Annual MTW Plan.*

### I. INTRODUCTION

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

To be eligible for the HCV program:

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

### II. FAMILY AND HOUSEHOLD MEMBERS

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

#### **Family**

To be eligible for assistance, an applicant must qualify as a family. *Family* is defined as a single person or a group of persons, a family with a child or children, two or more elderly or disabled persons living together, and one or more elderly or disabled persons, with one or more live-in aides.

## Household

*Household* is a broader term that includes additional people who, with HACSM's permission, live in an assisted unit, such as live-in aides, foster children, and foster adults.

\*See the **Definitions** chapter for the following family and household member terms:

- Head of Household
- Spouse, Co-Head, Other Adult
- Dependent
- Full-Time Student
- Elderly Persons/Family
- Persons with Disabilities/Disabled Family
- Guests
- Foster Children/Foster Adults
- Absent Family Members

### III. FAMILY BREAK-UP, REMAINING MEMBER OF TENANT FAMILY, AND JOINT CUSTODY OF DEPENDENTS

#### Family Break-Up

HACSM has discretion to determine which members of an assisted family continue to receive assistance if the family breaks up. However, if a court determines the disposition of property between members of the assisted family in a divorce or separation decree, HACSM is bound by the court's determination of which family members continue to receive assistance.

- When a family on the *waiting list* breaks up into two otherwise eligible families, only one of the new families may retain the original application date. In the absence of agreement among the family members, HACSM will determine which family will retain the original application date. Other former family members may make a new application with a new application date when the waiting list is open. The application process and the selection policy of the new waiting list shall apply.
- If a family breaks up into two otherwise eligible families while receiving assistance, only one of the new families will continue to be assisted.

In the absence of a judicial decision, or an agreement among the original family members, HACSM will determine which family retains their placement on the waiting list, or will continue to receive assistance taking into consideration the following factors:

1. The interest of any minor children, including custody arrangements;
2. The interest of any ill, elderly, or disabled family members;
3. Any possible risks to family members as a result of domestic violence or criminal activity;
4. Which family member(s) remain in the subsidized unit; and

## 5. The recommendations of social service professionals.

Head of household status shall not be solely determinative in deciding who will retain the voucher assistance. In cases of domestic violence, the victim of domestic violence will receive the voucher (based on documentation received by HACSM), unless there are multiple claims of victim status from the same household (e.g. husband and wife both claim they are victims of domestic violence and both provide supporting documentation). In the event of more than one claim, HACSM will seek legal or judicial guidance in making its decision.

### **Remaining Member of a Tenant Family**

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

If dependents are the only “remaining members of a tenant family” and there is no family member able to assume the responsibilities of the head of household, see Chapter 3, for the policy on “Caretakers for a Child.”

### **Joint Custody of Dependents**

Children who are subject to a joint-custody agreement but who live with one parent at least 183 days of the year (a minimum of 50% plus 1 day), whether consecutively or not, will be considered members of the household. Should both parents be applicants, and both are trying to claim the child, the parent whose address is listed in the school records will be allowed to claim the school-age child as a dependent. If school records are inconclusive, then other pertinent records, such as court records or IRS returns, will be utilized.

### **Caretakers for a Child**

If neither a parent nor a designated guardian remains in a household receiving HCV assistance, HACSM will take the following actions.

- (1) If a responsible agency has determined that another adult is to be brought into the assisted unit to care for a child for an indefinite period, the designated caretaker will not be considered a family member until a determination of custody or legal guardianship is made.
- (2) If a caretaker has assumed responsibility for a child without the involvement of a responsible agency or formal assignment of custody or legal guardianship, the caretaker will be treated as a visitor for 90 days. After the 90 days has elapsed, the caretaker will be considered a family member unless information is provided that would confirm that the caretaker’s role is temporary. In such cases, HACSM will extend the caretaker’s status as an eligible visitor.
- (3) At any time that custody or guardianship legally has been awarded to a caretaker, the housing choice voucher will be transferred to the caretaker.

- (4) During any period that a caretaker is considered a visitor, the income of the caretaker is not counted in annual income and the caretaker does not qualify the family for any deductions from income.

#### **IV. LIVE-IN AIDE**

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

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

A live-in aide is a member of the household, not the family, and the income of the aide is not considered in income calculations. Live-in aides are not subject to Non-Citizen Rule requirements. Relatives may be approved as live-in aides if they meet all of the criteria defining a live-in aide. However, a relative who serves as a live-in aide is not considered a family member and would not be considered a remaining member of a tenant family.

A family's request for a live-in aide must be made in writing. A live-in aide may only reside in the unit with the approval of HACSM and the landlord. Written verification will be required from a reliable, knowledgeable professional, such as a doctor or social worker, that the live-in aide is essential for the care and well-being of the elderly, near-elderly, or disabled family member.

For continued approval, the necessity of a live-in aide shall be subject to review by HACSM at each reexamination and may be re-verified according to the procedure stated in the above paragraph.

The family and live-in aide will be required to sign a certification stating that the live-in aide is (1) not obligated for the support of the person(s) needing the care, and (2) would not be living in the unit except to provide the necessary supportive services. In addition, a live-in aide cannot have ownership or other interest in the subsidized unit. The live-in aide is required to complete a personal declaration form provided by HACSM.

HACSM will not approve a particular person as a live-in aide, and may withdraw such approval if:

- The person commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
- The person commits drug-related criminal activity or violent criminal activity;  
or
- The person currently owes rent or other amounts to HACSM or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act.



- The person is currently engaged in or has engaged in other criminal activity which may threaten the health or safety of the premises by other residents or persons residing in the immediate vicinity of the unit.
- The person has an abuse or pattern of abuse of alcohol that may adversely affect the health or safety of, or right to peaceful enjoyment of the premises by, other residents and persons residing in the immediate vicinity of the premises or if HACSM believes it has reasonable cause to believe the live-in aide has a criminal record (within the past three years) that substantiates the pattern of alcohol abuse.
- The person is subject to a lifetime registration requirement under a State Sex Offender registration program.
- The person has been convicted of manufacturing or producing methamphetamine in a building or complex assisted under the Public Housing or Section 8 programs.

A relative who chooses to be a live-in aide will not be treated as a regular member of the household, but instead will be treated as a live-in aide. Once a person is approved and designated as a live-in aide, the status will not be changed to family member status. Conversely, a person designated as family member will not be changed to live-in aide status. A person who leaves the family household with one status will not be allowed to return to the family household with another status for a period of three (3) years.

The live-in aide's qualification for housing occupancy terminates when the individual needing the supportive services leaves the unit or fails to qualify for continued occupancy. The live-in aide does not qualify for continued occupancy as a remaining member of the tenant family, even if they are related by blood, marriage or operation of law.

Family members of a live-in aide may also reside in the unit provided the following conditions are met:

- The subsidy size is not increased; and
- The presence of the live-in aide's family does not overcrowd the unit.

## **V. BASIC ELIGIBILITY CRITERIA**

### **Income Limits**

HUD establishes income limit schedules for HACSM's areas of operation. The income limits are published annually and are based on HUD estimates of median family income in a particular area or county, with adjustments for family size.

Income limits are used for eligibility only at admission and are not applicable for continued occupancy. Eligibility is established by comparing a family's annual income with HUD's published income limits. To be income-eligible, a family must be a *very low-income* family – income at 50%, or less, of median.

At least 75 percent of the families admitted to HACSM's program during the HACSM fiscal year must be very low-income families.

## **Asset Limits**

Applicants will be determined ineligible for the program if they have more than \$100,000 in net assets, or have a present ownership interest in a suitable home in which they have a legal right to reside unless the family is making a good faith effort to sell the home and the subsequent proceeds are within the aforementioned net asset limit.

Excluded from assets are interests in Indian trust land, equity accounts in HUD homeownership or FSS programs, certain inaccessible trust funds, retirement accounts, settlements or awards due to actions that resulted in the serious disability of a household member, tax-protected education savings accounts, and personal property not of significant value.

### **Other Factors Affecting Applicant Eligibility:**

See Chapter 12, "Denial and Termination of Assistance."

## **VI. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS**

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

### **Declaration**

HACSM requires each family member to declare whether the individual is a citizen, a national, or an eligible non-citizen, except those members who elect not to contend that they have eligible immigration status. Those who elect not to contend their status are considered to be ineligible non-citizens. For citizens, nationals and eligible non-citizens the declaration must be signed personally by the head, spouse, co-head, and any other family member 18 or older, and by a parent or guardian for minors.

The family must identify in writing any family members who elect not to contend their immigration status (see Ineligible Non-citizens below). No declaration is required for live-in aides, foster children, or foster adults.

### **U.S. Citizens and Nationals**

Citizens and nationals are required to submit a signed declaration that claims their status. HACSM will obtain verification of the signed declaration of U.S. Citizenship or U.S. nationality.

### **Eligible Non-citizens**

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

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

### **Ineligible Non-citizens**

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

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

### **Mixed Families**

A family is eligible for assistance as long as at least one member is a citizen, national, or eligible non-citizen. Families that include eligible and ineligible individuals are considered *mixed families*. Such families will be given notice that the amount of their subsidy may be reduced based on their status, and that they may request a hearing if they contest this determination.

### **Ineligible Families**

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

When HACSM determines that an applicant family does not include any citizens, nationals, or eligible non-citizens, following the verification process, the family will be sent a written notice of the determination.

## **VII. SOCIAL SECURITY NUMBERS**

The applicant and all members of the applicant's household must provide documentation of a valid Social Security Number (SSN), if assigned.

If a new member (including a child or children) is added to the family, the new member's SSN documentation must be submitted at the family's next interim or regular reexamination, whichever comes first. If any member of the family obtains a previously undisclosed SSN, or has been assigned a new SSN, the documentation must be submitted at the family's next regularly scheduled reexamination.

Assistance will not be provided to a family until all SSN documentation requirements are met. HACSM will deny assistance to an applicant family if they do not meet the SSN disclosure, documentation and verification, and certification requirements.

## **VIII. FAMILY CONSENT TO RELEASE OF INFORMATION**

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

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

## Chapter 4

### APPLICATIONS, WAITING LIST AND TENANT SELECTION

#### I. INTRODUCTION

When a family wishes to receive Section 8 HCV assistance, the family must submit an application that provides HACSM with the information needed to determine the family's eligibility. HACSM determines how and when it will collect applications and establish a waiting list. When HCV assistance becomes available, HACSM will select families from the waiting list in accordance with HUD requirements and HACSM policies as stated in the Administrative Plan and the MTW Annual Plan.

HACSM is required to adopt a clear approach to accepting applications, placing families on the waiting list, selecting families from the waiting list and must follow this approach consistently.

HUD regulations require that all families have an equal opportunity to apply for and receive housing assistance, and that HACSM affirmatively further fair housing goals in the administration of the program.

When HUD awards funding that is targeted for families with specific characteristics or families living in specific units, HACSM will apply those funds according to HUD guidelines. Persons qualifying for special purpose funding from HUD may be placed on, and selected from, the waiting list over other applicants on the list.

Examples of special funding include programs targeting the homeless and persons with disabilities; families or youths that qualify for the Family Unification program, HACSM public housing residents that are affected by the demolition/disposition process or service-enhanced housing stated in HACSM's MTW Agreement and Annual Plan.

#### II. THE APPLICATION PROCESS

##### **Applying for Assistance**

Any family that wishes to receive HCV assistance must apply for admission to the program.

The purpose of the application taking is to permit HACSM to gather information and determine placement on the waiting list. The application will contain questions designed to obtain pertinent program information.

The application process will involve the following two phases:

1. The first phase is the "pre-application" to be placed on the waiting list. Families who wish to apply for any one of HACSM's programs must complete a pre-application when the waiting list is open.

The purpose of the pre-application is to permit HACSM to preliminarily assess family eligibility or ineligibility, and through a specified process, to be put on the waiting list. The pre-application may contain questions designed to obtain the following information:

- Names of adult members and age of all members
- Gender and relationship of all members
- Street address (residence) and phone number(s)
- Mailing address (PO box okay if no permanent address)
- Amount(s) and source(s) of income received by all household members
- Information regarding disabilities to determine qualifications for allowances and deductions
- Information related to qualification for preferences
- Social Security Numbers
- Racial and ethnic designation of the head of household

Duplicate applications, including applications from a segment of an applicant household, will be rejected.

2. The second phase is the "full" application for final eligibility determination. The full application takes place when the family reaches the top of the waiting list. At this time HACSM ensures that verification of all applicable eligibility factors is current in order to determine the family's eligibility for the issuance of a voucher.

### **Placement on the Waiting List**

HACSM will review each complete application received and make a preliminary assessment of the family's eligibility. HACSM must accept applications from families for whom the list is open unless there is good cause for not accepting the application.

Where the family is determined to be ineligible, HACSM must notify the family in writing. Where the family is determined to be eligible, the family will be placed on a waiting list of applicants.

No applicant has a right or entitlement to be listed on the waiting list, or to any particular position on the waiting list.

### **Ineligible for Placement on the Waiting List**

Since placement on the waiting list does not require an interview and the information contained on the pre-application does not require verification, ineligible families may inadvertently be placed on the waiting list. However, final eligibility will be determined only when the full application process is completed and all information is verified.

### **Eligible for Placement on the Waiting List**

Placement on the waiting list does not indicate that the family is, in fact, eligible for assistance. A final determination of eligibility will be made when the family is selected from the waiting list.

When the pre-application is submitted to HACSM, it is entered into the lottery to determine placement order on the waiting list if selected.

### **III. MANAGING THE WAITING LIST**

#### **Organization of the Waiting List**

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

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

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

HACSM will maintain a single waiting list for the HCV program.

HACSM will maintain a single waiting list for the Project-Based Assistance program and the Moderate Rehabilitation program. The applicants may indicate which properties they are interested in on the pre-application.

#### **Closing the Waiting List**

HACSM will close the waiting list when the estimated waiting period for housing assistance for applicants on the list reaches 36 months (three years) for the most current applicants.

HACSM will announce the closing of the waiting list by public notice. HACSM will give at least one (1) day's notice prior to closing the list.

#### **Reopening the Waiting List**

HACSM will open its waiting list when it determines that there will be an insufficient number of applicants on the waiting list to fill the number of budgeted units or units made available by turnover. HACSM will advertise through public notice in local newspapers, minority publications, media entities, local social services agencies, and other supportive service agencies.

The notice will contain:

- The dates, times, and locations where families may obtain an application
- The program(s) for which applications will be taken
- A brief description of the program(s)
- A statement that current public housing residents must submit a separate application if they want to apply for the Housing Choice Voucher program
- Eligibility requirements

- Limitations, if any, on who may apply
- Preferences, if any, given by the HACSM
- Selection method

## **Outreach**

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

HACSM outreach efforts will comply with fair housing requirements and will be designed to inform qualified families about the availability of assistance under the program. These efforts may include, as needed, any of the following activities:

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

## **Reporting Changes in Family Circumstances**

While the family is on the waiting list, the family must immediately inform HACSM of changes in contact information, including current residence, mailing address, and phone number. For HACSM tracking purposes, the changes must be submitted in writing.

## **Purging the Waiting List**

The waiting list will be updated every 12 to 18 months to ensure that all applicants and applicant information is current and timely.

To update the waiting list, HACSM will send an update request via first class mail to each family on the waiting list to determine whether the family continues to be interested in, and to qualify for, the program. This update request will be sent to the last address that HACSM has on record for the family. The update request will provide a deadline by which the family must respond and will state that failure to respond will result in the applicant's name being removed from the waiting list.

The family's response must be in writing and may be delivered in person, by mail, or by fax. Responses must be postmarked or received by HACSM within the established deadline.

If the family fails to respond within HACSM required time frame, the family will be removed from the waiting list without further notice.

If the notice is returned by the post office with no forwarding address, the applicant will be removed from the waiting list without further notice.

If the notice is returned by the post office with a forwarding address, the notice will be re-sent to the address indicated. The family will have another deadline to respond from the date the letter was re-sent.



If a family is removed from the waiting list for failure to respond, the Housing Programs Supervisor may reinstate the family if s/he determines the lack of response was due to HACSM error, or to circumstances beyond the family's control, or if approved as a reasonable accommodation.

#### **Removal from the Waiting List**

If at any time an applicant family is on the waiting list, HACSM determines that the family is not eligible for assistance, the family will be removed from the waiting list.

If a family is removed from the waiting list because HACSM has determined the family is not eligible for assistance, a denial notice will be sent to the family's address of record.

### **IV. SELECTION FOR ASSISTANCE**

#### **HCV PROGRAM**

##### **Local Preferences**

HACSM will assign preference to families who live, work or are hired to work in San Mateo County.

##### **Order of Selection**

HACSM will use a lottery system to select families for its HCV waiting list. HACSM will pre-determine the total number of applicants it needs to select in order to maintain a 36 month (three-year) waiting list. During the wait list opening period, all completed pre-applications received by the deadline will be entered in the lottery and will be randomly assigned a record number. The resulting record number will determine which applicants will be placed on the waiting list and their placement on the list, with record #1 as the first placement. If the number of applications received is more than HACSM's pre-determined number, HACSM will only accept applications, starting with record #1, in ascending numerical order, up to the pre-determined total number of applicants it needs for a 36 month waiting list.

Applicants who are selected to be placed on the waiting list will be served in the order according to HACSM's local preferences for which they qualify. Among applicants with equal preference status, the record number will be used as tiebreakers.

#### **PROJECT-BASED CERTIFICATE (PBC) PROGRAM**

Many of the provisions of the tenant-based voucher regulations [24 CFR 982] also apply to the PBC program. This includes requirements related to determining eligibility and selecting applicants from the waiting list. Unless otherwise noted, HACSM will determine an applicant family's eligibility, local preferences, and the application process for the PBC program in accordance with the policies in this Plan.

HACSM will maintain a separate waiting list for the PBC program. Applicants who will occupy units with PBC assistance must be selected from the HACSM's PBC waiting

list.

### **Order of Selection**

Applicants will be selected according to HACSM's local preferences for which they qualify. Among applicants with equal preference status, the time and date in which HACSM received the application will be used as a tiebreaker.

HACSM will not conduct screening to determine a PBC applicant family's suitability for tenancy. HACSM will inform owners of their responsibility to screen prospective tenants.

### **SPECIAL ADMISSION**

Pursuant to HUD requirements that special purpose programs be targeted to families with specific characteristics, HACSM will use targeted funds solely for their intended purpose(s). Therefore, families with targeted characteristics may be selected from the waiting list before non-targeted families who applied before them. In the selection of families with targeted characteristics within the overall group of other families with similar targeted characteristics, families will be selected in the same order of preference as are those families on the regular waiting list.

## **V. NOTIFICATION OF SELECTION**

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

- Date, time, and location of the scheduled application interview, including any procedures for rescheduling the interview;
- Who is required to attend the interview;
- Documents and information that must be provided at the interview.

If a notification letter is returned to HACSM with no forwarding address, the family will be removed from the waiting list.

If a family is removed from the waiting list for failure to respond to an interview, the Housing Programs Supervisor may reinstate the family if s/he determines the lack of response was due to HACSM error, or to circumstances beyond the family's control, or if approved as a reasonable accommodation.

## **VI. THE APPLICATION INTERVIEW**

Families selected from the waiting list are required to participate in an eligibility interview. Being invited to attend an interview does not constitute admission to the program.

The head of household and spouse/co-head are both required to attend the interview.

All family members who are 18 years and older are required to attend the interview and sign all required housing documents.

Upon request, reasonable accommodation will be made for persons with disabilities who are unable to attend an interview due to their disability.

Exceptions may be made for students attending school out of state or for members for whom attendance would be a hardship.

If the head of household cannot attend the interview, the spouse/co-head may attend to complete the application and certify for the family. The head of household, however, will be required to attend an interview within 10 business days to review the information and to certify by signature that all of the information is complete and accurate.

If an applicant fails to appear for the interview without prior approval of the HACSM, the application will be denied unless s/he can provide acceptable documentation to the HACSM that an emergency prevented them from attending.

If an application is denied due to failure to attend the full application interview, the applicant will be sent a denial notice and offered an opportunity to request an informal review in accordance with the policies in this Plan.

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

Any required documents or information that the family is unable to provide at the interview must be provided within 10 calendar days of the interview. If the family is unable to obtain the information or materials within the required time frame, the family may request an extension. If the required documents and information are not provided within the required time frame (plus any extensions), the family will be sent a notice of denial.

If the family is unable to attend a scheduled interview, the family must contact HACSM in advance of the interview to request reschedule of appointment. If a family does not attend a scheduled interview and does not request a reschedule, HACSM will send a notice of denial in accordance with policies contained in this Plan.

Applicants who fail to attend two scheduled interviews will be denied assistance based on the family's failure to supply information needed to determine eligibility. A notice of denial will be issued in accordance with policies contained in this Plan.

## **VII. COMPLETING THE APPLICATION PROCESS**

HACSM must verify all information provided by the family. Based on verified information, HACSM will make a final determination of eligibility and must confirm that the family qualified for any selection preference that affected the order in which the family was selected from the waiting list.

If HACSM determines that the family is ineligible, HACSM will send a notice of denial in accordance with policies contained in this Plan.

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

## **VIII. INSUFFICIENT FUNDING**

HACSM will determine whether there is adequate funding to issue vouchers by comparing its annual budget authority to the annual total HAP needs on a monthly basis. The total HAP needs for the calendar year will be projected by establishing the actual HAP costs year to date. To that figure, HACSM will add anticipated HAP expenditures for the remainder of the calendar year. Projected HAP expenditures will be calculated by multiplying the projected number of units leased per remaining months by the most current month's average HAP. The projected number of units leased per month will take into account the average monthly turnover of participant families. If the total annual HAP needs equal or exceed the annual budget authority, or if HACSM cannot support the cost of the proposed subsidy commitment based on the funding analysis, HACSM will be considered to have insufficient funding.

## Chapter 5

### BRIEFINGS AND VOUCHER ISSUANCE

#### I. INTRODUCTION

When a family is determined to be eligible for the Housing Choice Voucher (HCV) program, HACSM will ensure that the family fully understands the way the program operates and the family's obligations under the program. This is accomplished through both an oral briefing and provision of a briefing packet containing written documentation of information the family needs to know. Once the family is fully informed of the program's requirements, HACSM issues the family a voucher. The voucher includes the voucher size the family qualifies for based on HACSM subsidy standards, as well as the dates of issuance and expiration of the voucher. The voucher is the document that permits the family to begin its search for a unit, and limits the amount of time the family has to successfully locate an acceptable unit.

#### II. BRIEFING SESSIONS

When allocations become available, and following the eligibility and verification processes, the family will be scheduled for a briefing and issued a voucher. HACSM will maintain a system to ensure that it will be able to honor all outstanding vouchers within its Annual Contributions Contract (ACC) authorization.

Briefings are conducted to ensure that families understand the program and its requirements. All families who have been determined eligible for the HCV program or who are moving to another unit must attend a briefing. The briefing provides a broad description of owner and family responsibilities, HACSM's policies and procedures, and how to lease a unit.

The issuance of a voucher does not constitute admission to the program. Admission occurs when the lease and contract become effective.

HCV briefings will be conducted in group meetings. Families that attend group briefings and still need individual assistance will be referred to an appropriate HACSM staff person.

The head of household is required to attend the briefing. If the head of household is unable to attend, HACSM may approve another adult family member to attend the briefing providing it receives a prior request and written authorization from the head of household.

HACSM will not issue a voucher to a family unless the household representative has attended a briefing and signed the voucher.

It is important that the briefing session be organized to give families the opportunity to ask questions, discuss the information provided, and clearly understand their rights, duties and obligations as assisted families.

Each briefing will provide information on the following subjects:

- A description of how the program works;
- The term of the voucher and HACSM's policy regarding extensions;
- Family and owner responsibilities under the lease and contract;
- Informing families of HACSM policies of providing known information to prospective landlords;
- How to find a suitable unit;
- Where the family can lease a unit, including renting a unit inside or outside the HACSM's jurisdiction;
- For families eligible under portability, an explanation of portability. HACSM cannot discourage eligible families from moving under portability;
- Applicable Housing Quality Standards;
- How housing subsidy payments are determined and the rent reasonableness test;
- For families living in high-poverty census tracts, an explanation of the advantages of moving to areas outside of high-poverty concentrations.

### **Briefing Packet**

At the same time HACSM issues a voucher, it will give the family a briefing packet containing the required information listed below:

- The term of the voucher, and HACSM's policies on any extensions or suspensions of the term;
- A description of the method used to calculate the housing subsidy for a family;
- Housing Quality Standards (HQS) used by HACSM;
- Where the family may lease a unit. For a family that qualifies to lease a unit outside the HACSM jurisdiction under portability procedures, the information must include an explanation of how portability works;
- The HUD-required tenancy addendum, which must be included in the lease;
- Request for Tenancy Approval;
- HACSM subsidy standards including when and how exceptions are made;
- The HUD pamphlet on lead-based paint entitled *Protect Your Family from Lead in Your Home*;
- Information on federal, state and local equal opportunity laws and a copy of the housing discrimination complaint form;

- A list of landlords or other parties willing to lease to assisted families or help families find units, especially outside areas of poverty or minority concentration;
- Notice that if the family includes a person with disabilities, the family may request a list of available accessible units known to HACSM;
- Family obligations under the program and grounds for termination of assistance;
- HACSM informal hearing procedures including when the HACSM is required to offer a participant family the opportunity for an informal hearing, and how to request the hearing.
- Maps showing areas with housing opportunities outside areas of poverty or minority concentration, both within its jurisdiction and its neighboring jurisdiction;
- The publication *Things You Should Know (HUD-1140-OIG)* that explains the types of actions a family must avoid and the penalties for program abuse;

### **Briefing Notification and Attendance**

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

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

Applicants who provide prior notice of inability to attend a briefing will automatically be scheduled for the next briefing. Applicants who fail to attend two scheduled briefings, without prior notification and HACSM approval, will be sent a notice of denial.

### **III. SUBSIDY STANDARDS AND VOUCHER ISSUANCE**

In issuing the voucher, HACSM will use the following guidelines:

- Head of household and his/her spouse, co-head, or partner will be issued one bedroom;
- All remaining family members will be issued one bedroom per two family members regardless of gender, age, or relationship of these family members;
- Foster children will be included in determining unit size only if they will be in the unit for more than nine months;
- Live-in aides will generally be assigned a separate bedroom. No additional bedrooms will be assigned for the live-in aide's family;
- Single person families will be issued one-bedroom;
- A family that consists of a pregnant woman (with no other persons) will be treated as a two-person family;
- For participant families, the subsidy standard will not be increased for additions to the family *unless* the addition is due to birth, adoption or court-awarded

custody. In all other cases, HACSM will review the subsidy standard of the family upon relocation or at the next annual reexamination, which ever comes first, if it appears the additional family member(s) will remain part of the household and the family size qualifies for a different subsidy standard;

- o If the household size increases due to the addition of a spouse or partner and the spouse or partner has children, the subsidy standard will be increased to accommodate the spouse/partner and the children for whom s/he has legal custody (if applicable);
- o Adding additional members to the household will not be approved if it causes the family to be under-housed (overcrowded)

All standards in this section relate to the number of bedrooms on the voucher, not the family’s actual living arrangements.

HACSM will reference the following chart in determining the appropriate voucher size for a family:

<b>Voucher Size</b>	<b>Persons in Household (Minimum – Maximum)</b>
1 Bedroom	1-2
2 Bedrooms	2-4
3 Bedrooms	3-6
4 Bedrooms	4-8
5 Bedrooms	6-10

Generally, Housing Quality Standards (HQS) and occupancy standards allow two persons per living/sleeping room and permit maximum occupancy levels (assuming a living room is used as a living/sleeping area). The levels may be exceeded if a room in addition to bedrooms and living room is used for sleeping.

### **HQS GUIDELINES FOR UNIT SIZE SELECTED**

	<u>Maximum # in Household</u>
0 Bedroom	2
1 Bedroom	4
2 Bedrooms	6
3 Bedrooms	8
4 Bedrooms	10
5 Bedrooms	12
6 Bedrooms	14



#### **IV. EXCEPTIONS TO SUBSIDY STANDARDS**

HACSM will only consider requests for exceptions to subsidy standards due to handicap or disability. Reasons may include, but are not limited to:

- A need for an additional bedroom for medical equipment
- A need for a separate bedroom for reasons related to a family member's disability, medical or health condition

The family must request an exception to the subsidy standards in writing and explain the need or justification for a larger voucher size based on the handicap or disability, and must include appropriate documentation.

Requests based on handicap or disability must be verified by a knowledgeable professional source (e.g. doctor or health professional), unless the disability and the disability-related request for accommodation is readily apparent or otherwise known. HACSM may re-verify the family's continued need for an additional bedroom due to special medical equipment at annual reexamination.

HACSM will notify the family of its determination. If a participant family's request is denied, the notice will inform the family of their right to request an informal meeting.

#### **V. VOUCHER ISSUANCE**

The voucher is the family's authorization to search for housing. It specifies the unit size for which the family qualifies, and includes both the date of voucher issuance and date of expiration. It contains a brief description of how the program works and explains the family obligations under the program. The voucher is evidence that HACSM has determined the family to be eligible for the program, and that HACSM expects to have money available to subsidize the family if the family finds an approvable unit. However, HACSM does not have any liability to any party by the issuance of the voucher, and the voucher does not give the family any right to participate in HACSM's Housing Choice Voucher Program.

#### **VI. VOUCHER TERM, EXTENSIONS, AND SUSPENSIONS**

##### **Voucher Term**

The Housing Choice Voucher is valid for a term of ninety (90) calendar days.

The family must submit a Request for Tenancy Approval and proposed lease within the 90-day period.

##### **Voucher Extensions**

If a family is unable to find an acceptable unit within the specified 90-day term, the voucher will expire. If there is a request for an extension, HACSM will consider the following circumstances:

- a. Extenuating circumstances, such as hospitalization, family emergencies, etc., which affected the family's ability to locate an acceptable unit but are not expected to affect their search during the additional period, if granted. Any request for an extension must be in writing, submitted prior to the voucher

- expiration date, and include the reason(s) for the extension. An extension for this reason, if granted, will not exceed 30 calendar days.
- b. If there is a request for a reasonable accommodation due to a disability, extensions past the 90-day term will only be granted after written request by the family. The HACSM may require the family to provide documentation to support the request. If additional time is required, HACSM will review the requests on a case-by-case basis.

HACSM will decide whether to approve or deny an extension request and will immediately provide the family notice of its decision.

### **Voucher Suspensions**

The time period from when a family submits the paperwork for inspection until the unit passes inspection, or the owner refuses to make repairs, will not be counted towards the family's maximum time limit. This is known as "suspension" or "tolling".

If a unit does not pass an original inspection, the family and the landlord will be notified of the necessary repairs and will be given 30 days in which to complete them. During that time either the landlord or family must call to schedule a re-inspection or request an extension. One additional 30-day extension may be granted to complete the repairs before the Request for Lease Approval will be placed inactive, and the suspension will be ended.

### **Expiration of Voucher Term**

Once a family's voucher term (including any extension) expires, the family is no longer eligible to search for housing under the program.

If an applicant family's voucher term or extension expires before the family has submitted a Request for Tenancy Approval (RTA), the family may reapply for assistance when the waiting list re-opens. Such a family does not become ineligible for the program on the grounds that it was unable to locate a unit before the voucher expired.

If the RTA is subsequently disapproved by HACSM (after the voucher term has expired), the family will be required to reapply for assistance when the list re-opens.

## Chapter 6

### VERIFICATIONS

**MTW Waiver:** *The Agency is authorized to adopt and implement any reasonable policy for verifying family income and composition and for determining resident eligibility that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. This authorization waives certain provisions of 24 CFR 982.516 and 982 Subpart E, as necessary to implement the Agency's Annual MTW Plan.*

#### I. INTRODUCTION

HACSM will verify information that is used to establish the family's eligibility and level of assistance and is required to obtain the family's consent to collect the information. Applicants and program participants must cooperate with the verification process as a condition of receiving assistance; however, HACSM cannot pass on the cost of verification to the family.

#### II. FAMILY CONSENT TO RELEASE OF INFORMATION

The family must supply any information that HACSM or HUD determines is necessary to the administration of the program and must consent to HACSM verification of that information.

It is required that all adult applicants and participants sign form HUD-9886, Authorization for Release of Information. The purpose of form HUD-9886 is to facilitate automated data collection and computer matching from specific sources and provides the family's consent only for the specific purposes listed on the form. HUD and the HACSM may collect information from State Wage Information Collection Agencies (SWICAs) and current and former employers of adult family members. Only HUD is authorized to collect information directly from the Internal Revenue Service (IRS) and the Social Security Administration (SSA). Adult family members must sign other consent forms as needed to collect information relevant to the family's eligibility and level of assistance.

If any family member who is required to sign a consent form fails to do so, HACSM will deny admission to applicants and terminate assistance of participants. The family may request an informal review (applicants) or informal hearing (participants) in accordance with HACSM procedures.

#### III. OVERVIEW OF VERIFICATION REQUIREMENTS

HACSM will use the following resources related to verification processes:

- HUD's Enterprise Income Verification (EIV) program (a computer matching of tenant income and identity data) in combination with tenant-provided documents, enables HACSM staff to verify and confirm the reliability of tenant-provided documents without relying on third-party sources. The family must provide

current and consecutive pay stubs (at least three) for HACSM to determine annual income.

- If the EIV system is not available, HACSM will accept family-provided documentation. The family must provide current and consecutive pay stubs (at least three) for HACSM to determine annual income.
- HACSM may continue to use third-party verification to resolve income discrepancies or in the absence of other verification or family-provided documents.
- Family self-certification will be used as a last resort. As an additional safeguard, HACSM will inform applicants about the UIV/EIV system during the briefing presentation, and to emphasize the penalties for under-reporting income.

### **Requirements for Acceptable Documents**

Any documents used for verification should be the original (not photocopies) to the maximum extent possible. The documents must not be damaged, altered or in any way illegible.

Verification documents should not be more than 120 days old from the date of the HACSM interview for applicants and participants.

HACSM will accept documents dated up to 6 months before the effective date of the family's initial or annual determination if the document represents the most recent scheduled report from a source. For example, if the holder of a pension annuity provides semi-annual reports, HACSM would accept the most recent report.

Print-outs from web pages are considered original documents.

Any family self-certifications must be made in a format acceptable to HACSM and must be signed in the presence of a HACSM representative or a notary public.

### **HUD's Enterprise Income Verification (EIV) System**

HUD's EIV system contains income reports showing earned income, unemployment benefits, and Social Security/SSI benefits for participant families.

HACSM will obtain income reports from EIV as part of the reexamination process. The EIV income reports will be compared to family-provided documentation as part of the reexamination process. Pay stubs should be current and consecutive (i.e. at least three pay stubs) to allow HACSM to determine annual income amount.

In addition, the EIV income reports will be used in interim reexaminations when it is necessary to verify earned income, unemployment benefits, Social Security and/or SSI benefits, and to verify that families claiming zero income are not receiving income from any of these sources.

If additional information is not needed, HACSM will use the current family-provided documents to calculate annual income.

Third party verification is required only if the tenant disputes the EIV data or additional information is required as determined by HACSM (i.e. effective dates of employment, pay rate, number of hours worked, pay frequency for new jobs, or confirmation of change in circumstances). HACSM will use current family-provided documents or the most current information to calculate annual income.

The EIV income reports will be retained in participant files with the applicable reexamination documents.

When HACSM determines through the EIV reports and/or third party verification that a family has concealed or under-reported income, HACSM will review the information and determine appropriate corrective action.

### ***EIV Identity Verification***

The EIV system verifies tenant identities against SSA records. These records are compared to PIC (PIH Information Center) data for a match on Social Security number, name, and date of birth.

When identity verification for a participant fails, a message will be displayed within the EIV system and no income information will be displayed.

HACSM will identify participants whose identity verification has failed as part of the annual reexamination process.

HACSM will attempt to resolve PIC/SSA discrepancies by reviewing file documents. When HACSM determines that discrepancies exist due to HACSM errors such as spelling errors or incorrect birth dates, the errors will be corrected.

If HACSM determines that discrepancies exist due to inconsistent or invalid family-provided documentation, it will require the family to provide current or valid documentation.

### ***Third-party Verification***

HACSM may continue to use third party verification to resolve discrepancies or in the absence of tenant-provided documents.

HACSM may mail, fax, e-mail, or hand deliver third-party written verification requests and will accept third-party responses using any of these methods.

HACSM will make at least one written and/or oral attempt to obtain third-party verification. A record of the attempt to contact the third-party source (including no-answer calls) and all contacts with the source will be documented in the file. Regarding third-party oral verification, HACSM staff will record in the family's file the name and title of the person contacted, the date and time of the conversation (or attempt), the telephone number used, and the facts provided.

HACSM may determine that third-party verification is not available (i.e. when there is a service charge for verifying an asset *and* the family has original documents that provide the necessary information). HACSM will document in the family file the reason that the third-party verification was not available and will place a copy of the original document(s) in the family file.

### **Self-Certification**

When information cannot be verified by EIV, third party or review of documents, family members will be required to submit self-certifications attesting to the accuracy of the information they have provided to the HACSM.

HACSM may require a family to certify that a family member does not receive a particular type of income or benefit.

The self-certification must be made in a format acceptable to HACSM and must be signed by the family member whose information or status is being verified. All self-certifications must be signed in the presence of a HACSM representative or notary public.

## **IV. VERIFYING FAMILY INFORMATION**

### **Legal Identity**

HACSM will require families to furnish verification of legal identity for each household member.

If a document submitted by a family is illegible or otherwise questionable, more than one document may be required.

Verification of legal identity includes, but is not necessarily limited to, certificate of birth, naturalization papers, valid driver's license or identification card, U.S. military discharge (DD-214), and U.S. passport.

### **Social Security Numbers**

All applicants and participants, including each member of the household, must disclose their Social Security Number (SSN), unless exempt under Notice PIH 2010-3.

Acceptable documentation of a SSN consists of: 1) an original SSN card issued by the Social Security Administration (SSA); 2) an original SSA-issued document, which contains the name and SSN of the individual; or 3) an original document issued by a federal, state, or local government agency, which contains the name and SSN of the individual.

If the family reports an SSN but cannot provide documentation of the number, HACSM will require the family to obtain a duplicate SSN card from the local Social Security Administration (SSA) office.

If there are discrepancies between the name(s) on the SSN card and other identification documents and/or what the family reports, HACSM will require the family to obtain a SSN card that matches other identification documents and/or what they report to HACSM.

If any family member obtains an SSN after admission to the program, the new SSN must be disclosed at the next scheduled action with HACSM (i.e. interim, annual, biennial reexamination) or upon HACSM request, if necessary, for reporting to HUD database.

## **Family Relationships**

Applicants and participants are required to identify the relationship of each household member to the head of household. Definitions of the primary household relationships are provided in the Definitions chapter.

Family relationships are verified only to the extent necessary to determine a family's eligibility and level of assistance. Certification by the head of household normally is sufficient verification of family relationships. In cases where reasonable doubt exists, HACSM may ask the family to provide further verification.

## **Marriage**

A marriage certificate is required to verify that a couple is married.

In the case of a common law marriage, the couple must demonstrate that they hold themselves to be married (e.g., by telling the community they are married, calling each other husband and wife, using the same last name, filing joint income tax returns).

## **Separation or Divorce**

A certified copy of a divorce decree, signed by a court officer, is required to document that a couple is divorced.

A copy of a court-ordered maintenance or other court record is required to document a separation.

## **Absence of Adult Member**

If an adult member who was formerly a member of the household is reported to be permanently absent, HACSM will request the family provide evidence to support that the person is no longer a member of the family (e.g., documentation of another address at which the person resides such as a lease or utility bill), if available.

In the event a member of the household passes away, the HACSM may request a copy of the certified death certificate from the family.

## **Foster Children and Foster Adults**

Verification from the state or local government agency responsible for the placement of the foster children or foster adults with the family is required.

## **Student Status**

HACSM requires families to provide information about the student status of all students who are 18 years of age or older. This information will be verified if:

- The family reports full-time student status for an adult other than the head, spouse, or co-head;
- The family reports child care expenses to enable a family member to further his or her education;
- The family includes a student enrolled in an institution of higher education.

## V. VERIFICATION OF DISABILITY

HACSM must verify the existence of a disability in order to allow certain deductions from income. HACSM is not permitted to inquire about the nature or extent of a person's disability. HACSM will not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If HACSM receives a verification document that provides such information, HACSM will not place this information in the tenant file. Under no circumstances will HACSM request a participant's medical record(s).

The above information does not prohibit the following inquiries, provided these inquiries are made of all applicants, whether or not they are persons with disabilities:

- Inquiry into an applicant's ability to meet the requirements of ownership or tenancy
- Inquiry to determine whether an applicant is qualified for a dwelling available only to persons with disabilities or to persons with a particular type of disability
- Inquiry to determine whether an applicant for a dwelling is qualified for a priority available to persons with disabilities or to persons with a particular type of disability
- Inquiring whether an applicant for a dwelling is a current illegal abuser or addict of a controlled substance
- Inquiring whether an applicant has been convicted of the illegal manufacture or distribution of a controlled substance

### **Family Members Receiving SSA Disability Benefits**

Verification of receipt of disability benefits from the Social Security Administration (SSA) is sufficient verification of disability for the purpose of qualifying for waiting list preferences (if applicable) or certain income disallowances and deductions.

### **Family Members Not Receiving SSA Disability Benefits**

Receipt of veteran's disability benefits, worker's compensation, or other non-SSA benefits based on the individual's claimed disability are not sufficient verification that the individual meets HUD's definition of disability in 24 CFR 5.603.

For family members claiming disability who do not receive disability benefits from the SSA, a knowledgeable professional must provide third-party verification that the family member meets the HUD definition of disability. The knowledgeable professional will verify whether the family member does or does not meet the HUD definition.

## VI. VERIFYING CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS

Housing assistance is not available to persons who are not citizens, nationals, or eligible immigrants. The family will be required to provide certification that identifies each family member as a U.S. citizen, a U.S. national, an eligible noncitizen or an ineligible noncitizen and submit the appropriate documentation for each family member. HACSM is required to obtain verification of citizenship and immigration status declarations.



## **U.S. Citizens or Nationals**

HACSM will require a declaration for each family member who claims to be a U.S. citizen or national. The declaration must be signed personally by any family member 18 or older and by a parent/guardian for minors.

HACSM will request verification of the declaration by requiring presentation of a birth certificate, United States passport or other appropriate documentation (as established by HACSM).

## **Eligible Immigrants**

All family members claiming eligible immigration status must declare their status in the same manner as U.S. citizens and nationals.

The documentation required for eligible non-citizens varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, age, and the date on which the family began receiving HUD-funded assistance.

- **All** non-citizens claiming eligible status must sign a declaration of eligible immigrant status on a form acceptable to the HACSM.
- Except for persons 62 or older, all non-citizens must sign a verification consent form. A person 62 years of age or older who claims eligible immigration status also must provide proof of age such as birth certificate, passport, or documents showing receipt of SS retirement benefits.
- For family members under the age of 62 who claim to be eligible immigrants, the HACSM will verify immigration status with the United States Citizenship and Immigration Services (USCIS). The HACSM will follow all USCIS protocols for verification of eligible immigration status.
- Additional documents are required based upon the person's status.

## **VII. VERIFICATION OF PREFERENCE STATUS**

In order to verify that an applicant lives, works, or is hired to work in San Mateo County, HACSM will require at least one of the following documents:

- Rent receipts showing address of San Mateo County unit
- Lease Agreement(s)
- Utility Bills
- Employer or agency records
- Employment offer letter
- Drivers' License
- Voters' registration records
- Credit report
- Statement from household with whom the family is residing

## VIII. VERIFYING INCOME

### Earned Income

As described earlier in this chapter, HACSM will use the EIV system data in conjunction with family-provided documents to verify earned income. The family must provide current and consecutive pay stubs (at least three) in order for HACSM to calculate the annual income amount.

In the absence of family-provided documents, HACSM will verify earned income via third-party documentation or, as a last resort, family self-certification.

### Business and Self-Employment Income

Business owners and self-employed persons will be required to provide *at least one* of the following:

- Copy of most recent tax return.
- A statement of income and expenses with the business owner or self-employed person certification to its accuracy.
- If a family member has been self-employed less than three (3) months, HACSM will accept the family member's certified estimate of income. If the family member has been self-employed for three (3) to twelve (12) months HACSM will require the family to provide documentation of income and expenses for this period and use that information to project income.
- HACSM will use IRS Publication 535 to determine appropriate business expenses, if applicable.

### Social Security/SSI Benefits

To verify the SS/SSI benefits of applicants, the family will be required to provide a current SSA benefit verification letter for each family member that receives SS/SSI benefits.

To verify the SS/SSI benefits of participants, HACSM will obtain information about SS/SSI benefits through the EIV System. If complete benefit information is not available in HUD systems, the family will be required to provide a current SSA benefit verification letter for each family member that receives SS/SSI, or as indicated by HACSM.

### Alimony or Child Support

If the family declares that it **receives regular payments** for alimony or child support, HACSM will use *at least one* of the following:

- Copy of the latest checks and/or payment stubs from the family or copy of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules
- If payments are made through a state or local entity, HACSM will request a historical record of payments and request that the entity disclose any known information about the likelihood of future payments

- If payments are paid by a former spouse/absent parent, obtain third-party verification from the person paying the support.
- Family's self-certification of amount received and of the likelihood of support payments being received in the future.

If a family receives amounts for alimony and/or child support that differ from the court-awarded amount (i.e. partial payments, arrears payments), HACSM will use the actual amount received by the family if there is verification of the payment(s) being made consistently and it appears the payments are anticipated to continue.

If the family declares that it ***receives irregular or no payments***, the family will be required to certify that support payments are not being received. HACSM may request further verification that the family does not receive support payments.

### **Income from Excluded Sources**

HACSM will not verify, count, or report income that is 100% excluded from the income calculation process on Form HUD-50058 MTW (see Chapter 7 or Definitions chapter for further detail on eligible income exclusions).

### **Zero Income Status**

HACSM will check the EIV system and may request information from third-party sources to verify that certain forms of income such as unemployment benefits, TANF, etc., are not being received by families claiming to have zero income. HACSM will conduct reviews with families claiming zero income every 90 days from the last effective date of action.

### **Student Financial Assistance**

Any financial assistance, in excess of amounts received for tuition, that a person attending an institution of higher education receives under the Higher Education Act of 1965, from private sources, or from an institution of higher education must be considered income unless the student is over the age of 23 with dependent children or is residing with parents who are seeking or receiving HCV assistance.

For students subject to having a portion of their student financial assistance included in annual income, HACSM will require the family to provide verification of both the source and the amount from the educational institution attended by the student as well as from any other person or entity providing such assistance, as reported by the student. In addition, HACSM will request verification of the student's tuition amount.

If HACSM is unable to obtain acceptable verification of the requested information, it will pursue other forms of verification (i.e. third-party).

For students over the age of 23 with dependent children or students residing with parents who are seeking or receiving HCV assistance, the full amount of student financial assistance is excluded from annual income. The full amount of student financial assistance is also excluded for students attending schools that do not qualify

as institutions of higher education. Excluded amounts are verified only if, without verification, the HACSM would not be able to determine whether or to what extent the income is to be excluded.

## **IX. VERIFYING ASSETS**

HACSM will review and use family-provided documents when the total value of assets is \$50,000 and less. Documentation includes, but is not necessarily limited to, current statements and online printouts from the financial institution. Any documentation must contain an identifier (i.e. name, address) linking the statement or printout to the household member(s). A minimum of two balances must be provided.

All assets valued over \$50,000 will require third-party verification. If third-party verification is not returned or not available, HACSM will accept family-provided documents.

HACSM will accept a self-certification from a family as verification of assets disposed of for less than fair market value.

### **Net Income from Rental Property**

When the family reports receiving income from rental property, the family must provide the following:

- A current executed lease for the property that shows the rental amount or certification from the current tenant; and
- A self-certification from the family members engaged in the rental of property providing an estimate of expenses for the coming year and the most recent IRS Form 1040 Schedule E (Rental Income). If Schedule E was not prepared, the HACSM will require the family members involved in the rental property to provide a self-certification of income and expenses for the previous year and may request documentation to support the statement including: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.

## **X. VERIFYING DEDUCTIONS**

HACSM will only verify that the family members identified as dependents or elderly/disabled persons meet the definitions. No further verifications are required.

### **Dependent Deduction**

- Any person under the age of 18 for whom the dependent deduction is claimed is not the head, spouse, or co-head of the family and is not a foster child
- Any person age 18 or older for whom the dependent deduction is claimed is not a foster adult or live-in aide, and is a person with a disability or a full time student

### **Elderly/Disabled Family Deduction**

HACSM will verify that the head, spouse, or co-head is 62 years of age or older or a person with disabilities.

## **Medical Expenses Deduction**

HACSM will verify that:

- The household is eligible for the deduction.
- The costs to be deducted are qualified medical expenses (determined by HACSM).
- The expenses are not paid for or reimbursed by any other source.
- Costs incurred in past years are counted only once.

Medical expenses will be verified through the following method:

- Copies of cancelled checks used to make medical expense payments and/or printouts or receipts from the source. HACSM will include all eligible expenses incurred and paid within the 12 months prior to the current recertification in its calculation without trying to determine if the expense is anticipated to continue or not. However, if the family is able to provide credible verification that proves a medical expense is on-going in nature, such as monthly payments toward a medical bill or medical premium, HACSM will accept evidence of monthly payments or ongoing payments incurred in previous years that will be paid during the upcoming 12 months.

HACSM may also randomly select cases to request third-party verification as a means of ensuring accurate reporting from families while not unduly slowing the initial and continued eligibility processes.

If the family is unable to provide proof of expense listed under Section X within the timeframe given by HACSM, or the information provided is incomplete, HACSM shall calculate the family's annual adjusted income without the deduction. In the event the family submits proof of expense after the interim or recertification is completed and made effective, HACSM shall adjust the tenant portion of rent, if any, effective at least 30 days from the first of the month following receipt of proof of expense. In any event, HACSM shall not consider any expense if proof of expense is submitted 60 days after the effective date of the interim or recertification.

## **Disability Assistance (Expenses) Deduction**

HACSM will verify that:

- The family member for whom the expense is incurred is a person with disabilities
- The expense permits a family member, or members, to work
- The expense is not reimbursed from another source

### ***Attendant Care***

Expenses for attendant care will be verified through the following method:

- Copies of cancelled checks used to make attendant care payments and/or receipts from care source. The family will be required to provide at least three current and consecutive cancelled checks and/or receipts

HACSM may also randomly select cases to request third-party verification as a means of ensuring accurate reporting from families while not unduly slowing the initial and continued eligibility processes.

### ***Auxiliary Apparatus***

Expenses for auxiliary apparatus will be verified through the following method:

- Billing statements for purchase of auxiliary apparatus, or other evidence of monthly payments or total payments that will be due for the apparatus during the upcoming 12 months

If the family is unable to provide proof of expense listed under Section X within the timeframe given by HACSM, or the information provided is incomplete, HACSM shall calculate the family's annual adjusted income without the deduction. In the event the family submits proof of expense after the interim or recertification is completed and made effective, HACSM shall adjust the tenant portion of rent, if any, effective at least 30 days from the first of the month following receipt of proof of expense. In any event, HACSM shall not consider any expense if proof of expense is submitted 60 days after the effective date of the interim or recertification.

### **Child Care Expenses Deduction:**

HACSM will verify that:

- The child is eligible for care. To be eligible for the child care deduction, the costs must be incurred for the care of a child 12 years and under.
- The costs claimed are not reimbursed by another source.
- The costs enable a family member to work, seek work, or attend school.
- The child care provider is not a family member living in the assisted household or a parent (not living in the assisted unit) of the child. Verification will be made through the head of household's declaration of family members who are expected to reside in the unit.
- The costs are reasonable (based on typical costs in the area). If the family presents a justification for costs that exceed typical costs in the area, HACSM may request additional documentation from the family, as required, to support a determination that the higher cost is appropriate.

Expenses for child care will be verified through the following method:

- HACSM-provided certification form plus copies of cancelled checks used to make child care payments and/or receipts from child care source. The family will be required to provide at least three current and consecutive cancelled checks and/or receipts.

To reduce cases of over-reporting child care expenses and potential fraud, HACSM may require participating families to provide copies of their Federal and/or State tax return, if available, for proof of child care expenses claimed.

HACSM may also randomly select cases to request third-party verification as a means of ensuring accurate reporting from families while not unduly slowing the initial and continued eligibility processes.

If the family is unable to provide proof of expense listed under Section X within the timeframe given by HACSM, or the information provided is incomplete, HACSM shall calculate the family's annual adjusted income without the deduction. In the event the family submits proof of expense after the interim or recertification is completed and made effective, HACSM shall adjust the tenant portion of rent, if any, effective at least 30 days from the first of the month following receipt of proof of expense. In any event, HACSM shall not consider any expense if proof of expense is submitted 60 days after the effective date of the interim or recertification.

## Chapter 7

### COMPUTATION OF ANNUAL INCOME, SUBSIDY AND FAMILY SHARE

**MTW Waiver:** *The Agency is authorized to adopt and implement any reasonable policy to establish payment standards, rents or subsidy levels for tenant-based assistance that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. The Agency is authorized to adopt and implement any reasonable policies to calculate the tenant portion of the rent that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. This authorization waives certain provisions of Section 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24 CFR 982.508, 982.503 and 982.518, as necessary to implement the Agency's MTW Plan.*

#### I. INTRODUCTION

A family's income determines eligibility for assistance and is also used to calculate the family's payment and HACSM's subsidy. Once annual income has been established, HACSM may subtract from annual income any of five deductions for which a family qualifies. Based on the adjusted annual income, HACSM will determine its subsidy payment on behalf of the family.

#### II. ANNUAL INCOME

Annual income is the total income from all sources received by the family, including: the head of household, co-head and/or spouse/partner, each additional member of the family, and all net income derived from assets exclusive of income that is temporary, non-recurring or sporadic, and exclusive of certain other types of income (described later in this section).

HACSM may use either actual past income or projected future income for purposes of calculating annual income.

For school employees who are not paid during summer recess, HACSM will consider the actual wages earned during the school year, usually 9-10 months, as annual income. At the same time, HACSM will not process interims for these families when their earnings from school stop during the summer months.

Annual Income **includes**, but is not limited to:

- The gross amount, before any payroll deductions, of wages and salaries, overtime pay, commission fees, tips and bonuses, and other compensation for personal services.
- The net income from operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used



as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service (IRS) regulations (Publication 535). 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.

If a business is co-owned with someone outside the family, the family must document the share of the business it owns. If the family's share of the income is lower than its share of ownership, the family must document the reasons for the difference.

- o Interest, dividends and other net income of any kind from real and personal property (for this purpose, expenditures for amortization of capital indebtedness and an allowance for depreciation of capital assets shall not be deducted to determine the net income from real or personal property). Regardless of the net family asset amount, HACSM will include as income the *actual* income anticipated to be derived from the assets.

Asset Limits: Current participants will be determined ineligible for the program if they have experienced an increase in assets, valuing more than \$100,000 in additional assets, or have gained ownership interest in a suitable home in which they have a legal right to reside unless the family is making a good faith effort to sell the home and the subsequent proceeds are within the aforementioned net asset limit.

Excluded from assets are interests in Indian trust land, equity accounts in HUD homeownership or FSS programs, certain inaccessible trust funds, retirement accounts, settlements or awards due to actions that resulted in the serious disability of a household member, tax-protected education savings accounts, and personal property not of significant value.

- o The gross amount of periodic payments received from sources such as social security, unemployment and welfare assistance, annuities, insurance policies, retirement funds, and pensions. Lump-sum payments received as a result of delays in processing periodic payments, such as unemployment or welfare assistance.
- o Periodic and determinable allowance, such as alimony and child support payments. HACSM will count court-awarded amounts for alimony and child support unless the HACSM verifies that (1) the payments are not being made and (2) the family has made reasonable efforts to collect amounts due, including filing with courts or agencies responsible for enforcing payments.

Families who do not have court-awarded alimony and child support awards are not required to seek a court award and are not required to take independent legal action to obtain collection.

If a family receives amounts for alimony and/or child support that differ from the court-awarded amount (i.e. partial payments, arrears payments), the HACSM will use the actual amount received by the family if there is verification of the payment(s) being made consistently and they are anticipated to continue.

- Regular contributions and gifts received from persons not residing in the dwelling.

Examples of regular contributions and gifts include: (1) regular payment of a family's bills (e.g., utilities, telephone, rent, credit cards, and car payments), (2) cash or other liquid assets provided to any family member on a regular basis, and (3) "in-kind" contributions such as groceries and clothing provided to a family on a regular basis.

- Student Financial Assistance. The inclusion of certain student financial assistance applies only to students who satisfy all of the following conditions:
  - They are enrolled in an institution of higher education, as defined under the Higher Education Act (HEA) of 1965.
  - They are seeking or receiving Section 8 assistance on their own—that is, apart from their parents—through the HCV program, the project-based certificate program, the project-based voucher program, or the moderate rehabilitation program.
  - They are under 24 years of age **OR** they have no dependent children.

For students who satisfy these three conditions, any financial assistance in excess of tuition received: (1) under the 1965 HEA, (2) from a private source, or (3) from an institution of higher education, as defined under the 1965 HEA, must be included in annual income.

- The income of family members approved to live in the unit will be counted, even if the family member is temporarily absent from the unit.

Generally, an individual who is expected to be absent from the assisted unit for 180 consecutive days *or less* is considered temporarily absent and continues to be considered a family member.

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

Annual income **does not** include:

- Non-recurring income, such as casual, sporadic or irregular gifts. Sporadic income includes temporary payments from the U.S. Census Bureau for employment lasting no longer than 180 days [Notice PIH 2009-19].

Sporadic income is income that is not received periodically and cannot be reliably predicted. For example, the income of an individual who works

occasionally as a handyman would be considered sporadic if future work could not be anticipated and no historic, stable pattern of income existed.

- Payments received by participants in other publicly assisted programs as reimbursement for out-of-pocket expenses incurred (special equipment, clothing, transportation, reimbursement for child care, and so forth), which are made solely to allow participation in a specific program and cannot be used for other purposes.
- 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, or deferred periodic payments from Supplemental Security Income (SSI) and Social Security benefits that are received in a lump-sum amount or in prospective monthly amounts. However, these amounts could become net family assets.
- Deferred disability benefits that are received in a lump-sum or in prospective monthly amounts from the Department of Veterans Affairs [FR Notice 11/24/08].
- Any earned-income tax credit (EITC).
- Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member.
- Payments made by a state agency to a family with a developmentally disabled family member living in the home to offset the cost of services and equipment needed to keep that family member at home.
- Income from employment of children (including foster children) under the age of 18 years.
- Earnings (wages) in excess of \$480 for each full-time student 18 years or older (except for the head, spouse, or co-head).
- Income earned by a live-in aide.
- Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era [24 CFR 5.609(c)(10)]
- Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS) [(24 CFR 5.609(c)(8)(ii)]
- Any student financial assistance not subject to inclusion is fully excluded from annual income, whether it is paid directly to the student or to the educational

institution the student is attending. This includes any financial assistance received by:

- Students residing with parents who are seeking or receiving Section 8 assistance
  - Students who are enrolled in an educational institution that does **not** meet the 1965 HEA definition of *institution of higher education*
  - Students who are over 23 **AND** have at least one dependent child
  - Students who are receiving financial assistance through a governmental program not authorized under the 1965 HEA.
- Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the assisted family, who are unable to live alone) [24 CFR 5.609(c)(2)].

HACSM will exclude payments for the care of foster children and foster adults only if the care is provided through an official arrangement with a local welfare agency. In addition, HACSM will exclude from annual income payments received from Kin-GAP (Kinship Guardian Assistance Payments - payments for foster care under California law).

- Adoption assistance payments in excess of \$480 per adopted child.
- 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 types of income are subject to such exclusion:
- Relocation payments made in a lump sum under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4621-4993).
  - The value of the allotment provided to an eligible household for coupons under the Food Stamp Act of 1977 (7 U.S.C. 2011-2029).
  - Payment or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8621-8629)
  - Payments to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)
  - Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552(b))
  - Awards under the federal work-study program (20 U.S.C. 1087 uu)
  - Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))
  - Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))

- Allowances, earnings, and payments to participants in programs funded under the Workforce Investment Act of 1998 (29 U.S.C. 2931)
- Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c))
- Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e)
- Income derived from the disposition of funds to 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)
- 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)
- 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)
- 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).

### **Income from Excluded Sources**

HACSM will not collect, verify, count or report income that is excluded from the income calculation process on Form HUD-50058 MTW. HACSM will require full-time students (18 years and older) to provide verification of their full-time student status prior to receiving the exclusion of earned income (wages). If status is not provided or cannot be confirmed, HACSM will include wage income in its calculation process.

### **III. DETERMINING ANNUAL ADJUSTED INCOME**

#### **Dependent Deduction**

A deduction of \$480 is taken for each dependent. *Dependent* is defined as any family member other than the head, spouse, or co-head who is under the age of 18 or who is 18 or older and is a person with disabilities or a full-time student. Foster children, foster adults, and live-in aides are never considered dependents.

#### **Elderly or Disabled Family Deduction**

A single deduction of \$400 is taken for any elderly or disabled family. An *elderly family* is a family whose head, spouse, co-head, or sole member is 62 years of age or older, and a *disabled family* is a family whose head, spouse, co-head, or sole member is a person with disabilities.

#### **Medical Expenses Deduction**

The medical expense deduction is permitted only for families in which the head, spouse, or co-head is at least 62 or is a person with disabilities. If a family is eligible for a medical expense deduction, the medical expenses of all family members are counted.

Unreimbursed medical expenses, in combination with any disability assistance expenses in excess of three percent, of annual income will be deducted.

HACSM will include all eligible expenses in its calculation without trying to determine if the expense is anticipated to continue or not; however, HACSM will accept evidence of monthly or ongoing payments incurred in previous years that will be paid during the upcoming 12 months.

The most current IRS Publication 502, *Medical and Dental Expenses*, will be used to determine the costs that qualify as medical expenses.

#### **Disability Assistance Expenses Deduction**

Reasonable expenses for attendant care and auxiliary apparatus for a disabled family member may be deducted if they: (1) are necessary to enable a family member 18 years or older to work, (2) are not paid to a family member or reimbursed by an outside source, (3) in combination with any medical expenses, exceed three percent of annual income, and (4) do not exceed the earned income received by the family member who is enabled to work.

#### **Earned Income Limit on the Disability Assistance Expense Deduction**

A family can qualify for the disability assistance expense deduction only if at least one family member (who may be the person with disabilities) is enabled to work.

The disability expense deduction is capped by the amount of “earned income received by family members who are 18 years of age or older and who are able to work” because of the expense. The earned income used for this purpose is the

amount verified before any earned income disallowances or income exclusions are applied.

The family must identify the family members enabled to work as a result of the disability assistance expenses. In evaluating the family's request, the HACSM will consider factors such as how the work schedule of the relevant family members relates to the hours of care provided, the time required for transportation, the relationship of the family members to the person with disabilities, and any special needs of the person with disabilities that might determine which family members are enabled to work.

When HACSM determines that the disability assistance expenses enable more than one family member to work, the expenses will be capped by the sum of the family members' incomes.

### **Eligible Disability Expenses**

Examples of auxiliary apparatus are as follows: items such as wheelchairs, ramps, adaptations to vehicles, or special equipment to enable a blind person to read or type, but only if these items are directly related to permitting the disabled person or other family member to work.

### **Eligible Auxiliary Apparatus**

Expenses incurred for maintaining or repairing an auxiliary apparatus are eligible. In the case of an apparatus that is specially adapted to accommodate a person with disabilities (e.g., a vehicle or computer), the cost to maintain the special adaptations (but not maintenance of the apparatus itself) is an eligible expense.

The cost of service animals trained to give assistance to persons with disabilities, including the cost of acquiring the animal, veterinary care, food, grooming, and other continuing costs of care, may be included. The amount deducted shall reflect reasonable charges for such costs and care.

### **Eligible Attendant Care**

The family determines the type of attendant care that is appropriate for the person with disabilities.

Attendant care includes, but is not limited to, reasonable costs for home medical care, nursing services, in-home or center-based care services, interpreters for persons with hearing impairments, and readers for persons with visual disabilities.

Attendant care expenses will be included for the period that the person enabled to work is employed plus reasonable transportation time. The cost of general housekeeping and personal services is not an eligible attendant care expense. However, if the person enabled to work is the person with disabilities, personal services necessary to enable the person with disabilities to work are eligible.

If the care attendant also provides other services to the family, the HACSM will prorate the cost and allow only that portion of the expenses attributable to attendant care that enables a family member to work. For example, if the care provider also

cares for a child who is not the person with disabilities, the cost of care must be prorated. Unless otherwise specified by the care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

### **Payments to Family Members**

No disability assistance expenses will be deducted for payments to a member of an assisted family. However, expenses paid to a relative who is not a member of the assisted family may be deducted if they are not reimbursed by an outside source.

### **Necessary and Reasonable Expenses**

The family determines the type of care or auxiliary apparatus to be provided and must describe how the expenses enable a family member to work. The family must certify that the disability assistance expenses are necessary and are not paid or reimbursed by any other source. If the HACSM deems the expense is not reasonable or the total amount claimed is disproportionate to the family income, HACSM may require further verification or ask the family to provide a detailed budget to substantiate how the household expenses, including medical expenses, are paid.

### **Families That Qualify for Both Medical and Disability Assistance Expenses**

This policy applies only to families in which the head or spouse is 62 or older or is a person with disabilities.

When expenses anticipated by a family could be defined as either medical or disability assistance expenses, HACSM will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

### **Child Care Expense Deduction**

HACSM defines *child care expenses* as amounts anticipated to be paid by the family for the care of children 12 years of age and under during the period for which annual income is computed, but only where such care is necessary to enable a family member to work, seek work, or go to school (furthering education) and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care.

Child care expenses do not include child support payments made to another on behalf of a minor who is not living in an assisted family's household. However, child care expenses for foster children that are living in the assisted family's household are included when determining the family's child care expenses.

### ***Work (Employment)***

If the child care expense being claimed is to enable a family member to work, the family must provide evidence of the family member's employment during the time that child care is being provided. Employment is any legal work activity (full- or part-time) for which a family member is compensated.



### **Seek Work**

If the child care expense being claimed is to enable a family member to seek employment, the family must provide evidence of the family member's efforts to obtain employment at each reexamination. The deduction may be reduced or denied if the family member's job search efforts are not commensurate with the child care expense being allowed by the HACSM.

### **Furthering Education**

If the child care expense being claimed is to enable a family member to further his or her education, the member must be enrolled in school (academic or vocational) or participating in a formal training program. The family member is not required to be a full-time student, but the time spent in educational activities must be commensurate with the child care claimed.

### **Earned Income Limit on Child Care Expense Deduction**

When a family member looks for work or furthers his or her education, there is no cap on the amount that may be deducted for child care – although the care costs must still be necessary and reasonable. However, when child care enables a family member to work, the deduction is capped by the amount of employment income that is included in annual income.

### **Eligible Child Care Expenses**

The type of care to be provided is determined by the assisted family; however, child care expenses paid to a family member who lives in the family's unit are not eligible and child care expenses paid to the legal parent not living in the assisted household (absent parent) are not eligible. Payments for child care to relatives who do not live in the unit are eligible.

For school-age children, costs attributable to public or private school activities during standard school hours are not considered. Expenses incurred for supervised activities after school or during school holidays (e.g., summer day camp, after-school sports league) are allowable forms of child care.

The costs of general housekeeping and personal services are not eligible as child care expenses.

### **Necessary and Reasonable Costs**

Child care expenses will be considered necessary if: (1) a family adequately explains how the care enables a family member to work, actively seek employment, or further his or her education, and (2) the family certifies the services and that the expenses are not paid or reimbursed by any other source, and (3) the family provides supporting documents that are from credible and established sources such as day care invoices, receipts or written statements from the child care provider.

If the HACSM deems the expense is not reasonable or the total amount claimed is disproportionate to the family income, HACSM may require further verification or ask the family to provide a detailed budget to substantiate how the household expenses, including child care expenses, are paid.

#### **IV. DETERMINING HACSM SUBSIDY AND FAMILY SHARE FOR HOUSING VOUCHER, PROJECT-BASED, MTW SELF-SUFFICIENCY (INCLUDING HOUSING READINESS) PROGRAMS**

##### **HACSM Subsidy**

Implementation date:

- New admissions for all programs noted above - effective 03/01/2010 and after.
- Existing participants in Projected-Based, MTW Self-Sufficiency, and Housing Readiness programs - effective at the 1<sup>st</sup> interim or annual recertification, or upon relocation, whichever occurs first.
- Existing participants in Housing Voucher program - effective upon relocation.

HACSM will calculate the family's adjusted annual income by subtracting all allowable deductions from all reported income. Based on the family's adjusted annual income and eligible voucher size or unit size (whichever is smaller), HACSM will assign a monthly fixed subsidy amount from its established Tiered Subsidy Table (TST).

In any event, the maximum subsidy HACSM will pay on behalf of a family is the lesser of the fixed subsidy amount or the rent to owner (contract rent) minus \$50.00.

For purposes of the above calculation method, HACSM will no longer utilize payment standards or utility allowances in its calculation for the selected programs.

##### **Family Share**

Generally, the family share of rent will be the difference between HACSM's fixed subsidy amount from the TST and the rent to owner (contract rent).

The maximum subsidy HACSM will pay on behalf of a family is the lesser of the fixed subsidy amount or the rent to owner (contract rent) minus \$50.00. As a result of this calculation method, the family share of rent shall not be less than \$50.00.

Regardless of whether a family chooses a unit size smaller or larger than their eligible family unit (voucher) size, HACSM will apply the subsidy based on the smaller amount. For example, if a family qualifies for a two-bedroom voucher and rents a three-bedroom unit, HACSM's subsidy will be based on the two-bedroom voucher size. Similarly, if a family qualifies for a two-bedroom voucher and rents a one-bedroom unit, HACSM's subsidy will be based on the one-bedroom voucher.

Families have the ability to pay more than 40% of their annual adjusted income toward their portion of the rent to owner (contract rent) at initial move-in and relocation. During the move-in process for both new admissions and relocations, HACSM will continue to ensure that the rent to owner (contract rent) is reasonable for the potential unit. If a family chooses to pay more than 40% of their adjusted annual income, HACSM will review the tenant portion with the family and the family will be required to sign a declaration that they understand the applicable rent portions. HACSM may deny a unit if the tenant portion of rent is disproportionately high in comparison to the family income.

### **Prorated Assistance for Mixed Families**

HUD regulations prohibit assistance to ineligible family members. A *mixed family* is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible family members. HACSM will prorate the assistance provided to a mixed family. HACSM will first determine assistance as if all family members were eligible and then prorate the assistance based upon the percentage of family members that actually are eligible. For example, if HACSM subsidy for a family of four is calculated at \$500 and two of the four family members are ineligible, HACSM subsidy would be reduced to \$250.

### **V. DETERMINING HACSM SUBSIDY AND FAMILY SHARE FOR ANNUAL, BIENNIAL, AND INTERIM REEXAMINATIONS FOR EXISTING HCV PARTICIPANTS (NOT PROJECT-BASED OR MTW SELF-SUFFICIENCY PROGRAMS)**

The information contained in the following section only applies to current participants under the HCV program who do not relocate (move) on or after 03/01/2010 and who are not under the Project-Based or MTW Self-Sufficiency Programs (includes Housing Readiness).

#### **HACSM Subsidy**

HACSM will pay a monthly housing assistance payment (HAP) for a family that is equal to the lower of (1) the applicable payment standard for the family minus the family's TTP or (2) the gross rent for the family's unit minus the TTP.

When HACSM subsidy for a family exceeds the rent to owner, the family is due a utility reimbursement. HACSM will make utility reimbursements (UAP) directly to the family.

#### **Family Share**

HUD regulations specify the formula for calculating the total tenant payment (TTP) for an assisted family. For HACSM purposes, TTP is the highest of the following amounts, rounded to the nearest dollar:

- 30 percent of the family's monthly adjusted income;
- 10 percent of the family's monthly gross income;
- A minimum rent of \$50, as established by HACSM. HACSM has authority to suspend and exempt families from minimum rent when a financial hardship exists, as defined in later in this chapter.

The amount that a family pays for rent and utilities (the family share) will never be less than the family's TTP but may be greater than the TTP depending on the rent charged for the unit the family selects.

If a family chooses a unit with a gross rent (rent to owner plus an allowance for tenant-paid utilities) that exceeds HACSM's applicable payment standard, the family will pay more than the TTP.

Families have the ability to pay more than 40% of their annual adjusted income toward their portion of the rent to owner (contract rent) at initial move-in and relocation. During the move-in process for both new admissions and relocations, HACSM will continue to ensure that the rent to owner (contract rent) is reasonable for the potential unit. If a family chooses to pay more than 40% of their adjusted annual income, HACSM will review the tenant portion with the family and the family will be required to sign a declaration that they understand the applicable rent portions. HACSM may deny a unit if the tenant portion of rent is disproportionately high in comparison to the family income.

### **Financial Hardships Affecting Minimum Rent**

The financial hardship exemption applies only to families required to pay the minimum rent under the traditional HCV program calculation (not the TST calculation method). If a family's TTP is higher than the minimum rent, the family is not eligible for a hardship exemption. If HACSM 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 non-citizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996.

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. 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. 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. HACSM has not established any additional hardship criteria.

## **Implementation of Hardship Exemption**

### ***Determination of Hardship***

When a family requests a financial hardship exemption, HACSM must suspend the minimum rent requirement beginning the first of the month following the family's request. HACSM then determines whether the financial hardship exists and whether the hardship is temporary or long-term.

HACSM 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.

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. HACSM will make the determination of hardship within 30 calendar days.

When the minimum rent is suspended, the family share reverts to the highest of the remaining components of the calculated TTP.

### ***No Financial Hardship***

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

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

### ***Temporary Hardship***

If HACSM determines that a qualifying financial hardship is temporary, HACSM 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 HACSM the amounts suspended. HACSM may offer a reasonable repayment agreement, on terms and conditions established by HACSM. HACSM also may determine that circumstances have changed and the hardship is now a long-term hardship.

### ***Long-Term Hardship***

If HACSM determines that the financial hardship is long-term, it 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.

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.

## **Payment Standards**

*Payment standard* is defined as “the maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family)”.

Payment standards are based on fair market rents (FMRs) published annually by HUD. FMRs are set at a percentile within the rent distribution of standard quality rental housing units in each FMR area. For most jurisdictions, FMRs are set at the 40<sup>th</sup> percentile of rents in the market area.

For each unit size, HACSM has established a single payment standard amount for the whole FMR area. The payment standard amount is maintained within HUD’s “basic range” between 90 and 110 percent of the published FMR for each unit size.

HACSM’s schedule of payment standards is used to calculate housing assistance payments for HCV families.

The payment standard for a family is the lower of (1) the payment standard for the family unit size, which is defined as the appropriate number of bedrooms for the family under HACSM’s subsidy standards, or (2) the payment standard for the size of the dwelling unit rented by the family.

HACSM is required to pay a monthly housing assistance payment (HAP) for a family that is the lower of (1) the payment standard for the family minus the family’s TTP or (2) the gross rent for the family’s unit minus the TTP.

HACSM will review the appropriateness of payment standards on an annual basis when the new FMR is published.

## **Changes in Payment Standards**

HACSM will use the current payment standard to calculate the monthly housing assistance payment and implement the applicable payment standard at the effective date of the action being processed (i.e. interim reexaminations, annual reexaminations, change in contract rent).

## **Changes in Family Unit Size**

Irrespective of any increase or decrease in the payment standard, if the family unit size (voucher size) increases or decreases due to changes in the family composition during the HAP contract term, the new family unit (voucher) size will be used to determine the payment standard for the family. The applicable payment standard and

the resulting recalculation of Housing Assistance Payment will be implemented at the action being processed for the change in family size.

### **Reasonable Accommodation**

If a family requires a higher payment standard as a reasonable accommodation for a family member who is a person with disabilities, HACSM is allowed to establish a higher payment standard for the family within the basic range. HACSM may request HUD approval for an exception to the payment standard for a particular family if the required amount falls between 110 and 120 percent of the FMR.

### **Utility Allowances**

A HACSM-established utility allowance schedule is used in determining family share and HACSM subsidy. HACSM will maintain a utility allowance schedule for (1) all tenant-paid utilities, (2) the cost of tenant-supplied refrigerators and ranges, and (3) other tenant-paid housing services such as trash collection.

The utility allowance schedule is determined based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. In developing the schedule, HACSM will use normal patterns of consumption for the community as a whole, and current utility rates.

The utility allowance includes the utilities and services that are necessary in the locality to provide housing that complies with housing quality standards. Costs for telephone, cable/satellite television, and internet services are not included in the utility allowance schedule.

HACSM will use the appropriate utility allowance for the size of dwelling unit actually leased by a family rather than the voucher unit size for which the family qualifies using HACMS subsidy standards.

HACSM may approve a utility allowance amount higher than shown on the HACSM schedule if a higher allowance is needed as a reasonable accommodation for a family member with a disability.

### **Utility Allowance Revisions**

HACSM will review its schedule of utility allowances each year, and will revise the schedule if there has been a change of 10 percent or more in any utility rate since the last time the allowance for that utility was revised.

At reexamination, HACSM will use its current utility allowance schedule. Revised utility allowances will be applied to a family's rent and subsidy calculations at the first annual reexamination or interim reexamination that is effective after the allowance is adopted.

### **Prorated Assistance for Mixed Families**

HUD regulations prohibit assistance to ineligible family members. A *mixed family* is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible family members. HACSM will prorate the assistance provided to a mixed family. HACSM will first determine assistance as if all family members were eligible and then prorate the assistance based upon the percentage of family members that

actually are eligible. For example, if HACSM subsidy for a family of four is calculated at \$500 and two of the four family members are ineligible, HACSM subsidy would be reduced to \$250.

### **Hardship Policy (for MTW Initiatives)**

HACSM has a Hardship Policy designed to address:

- Rent reform initiatives
  - Tiered Subsidy Table Activity
  - Payment Standard Activity
- Time limited assistance

All hardship requests must be made in writing, stating both the reason for the hardship and the expected duration.

Each request will be reviewed and weighed against other local resources available to the family. The result of the review may consist in referral to other local resources, an adjustment in the portion of the family's rent, or an extension in the length of subsidy assistance given.

### ***Hardship Policy - Rent Reform (Tiered Subsidy Table)***

#### **A. Qualification**

In order to qualify for hardship exemptions, households must meet all of the criteria listed below:

1. The household is in compliance with all the program rules and regulations;
2. The household does not owe HACSM any money or is current with a re-payment agreement;
3. The household must be admitted to the program prior to March 1, 2010;
4. The household has not relocated on or after March 1, 2010;
5. The household must experience an increase of \$25.00 or more in rent as a direct result of the MTW rent reform initiatives;
6. The household requested the hardship waiver within the deadline set by HACSM;
7. The household has not received a rent reform hardship relief for tiered subsidy calculation previously.

#### **B. Approval Process**

1. Households who meet the criteria listed above may mail or fax their request to HACSM;
2. HACSM staff will review the request promptly, using the HACSM provided tool, calculate the tenant rent and forward the result and the tenant file to the supervisor



3. Supervisor approves the new rent if there are no other issues. If there are other issues, the supervisor will conduct further review and consult with Housing Rental Programs Manager.

C. Relief

Households who qualify and receive wavier approval may pay their portion of rent based on the HACSM wavier calculation until their next recertification or relocation. At the next annual recertification, biennial recertification, or relocation, whichever comes first, the household will automatically be subject to the rent reform initiatives.

***Hardship Policy – Rent Reform (Payment Standards Application at Interim)***

This section of the Hardship Policy does not apply to Payment Standard changes at annual or biennial recertification.

A. Qualification

In order to qualify for hardship exemptions, households must meet all of the criteria listed below:

1. The household is in compliance with all the program rules and regulations
2. The household does not owe HACSM any money or is current with a re-payment agreement
3. The household must be admitted to the program prior to July 1, 2010
4. The household has not relocated on or after July 1, 2010
5. The household must experience an increase of \$25.00 or more in rent as a direct result of the MTW rent reform initiatives
6. The household requested the hardship waiver within the deadline set by HACSM
7. The household has not received hardship relief for the Payment Standards rent reform previously

B. Approval Process

1. Households who meet the criteria listed above may mail or fax their request to HACSM
2. Housing Occupancy Specialist will review the request promptly, using the HACSM provided tool, calculate the tenant rent and forward the result and the tenant file to the supervisor
3. Supervisor approves the new rent if there are no other issues. If there are other issues, the supervisor will conduct further review and consult with Housing Rental Programs Manager.

### C. Relief

Households who qualify and receive waiver approval may pay their portion of rent based on the HACSM waiver calculation until their next recertification or relocation. Note: For participants on the biennial recertification schedule, the waiver would not extend beyond 12 months. At the next annual recertification, biennial recertification, or relocation, whichever comes first, the household will automatically be subject to the rent reform initiatives.

### ***Hardship Policy – Time Limited Assistance***

#### A. Qualification

1. The household is in compliance with all the program rules and regulations
2. The household does not owe HACSM any money or is current with a repayment agreement
3. The Head of household and all the adult (18 and over) household members are 62 years of age or older and/or people with disabilities
4. The Head of household is the sole adult member who is responsible to care for a minor (under 18) household member who is a person with disability. (HUD's definition of disability for the Section 8 Voucher Program shall apply.)

#### B. Approval Process

1. Households who meet the criteria listed above may mail or fax their request to HACSM
2. HACSM staff will review the request promptly and forward the file to the supervisor with his/her recommendation
3. Supervisor approves the extension if there are no other issues. Otherwise, the request will be submitted to the Hardship Committee for further review.

#### C. Relief

The length of assistance may be extended and will be determined by HACSM or the Hardship Committee on a case-by-case basis. Decisions reached by the HACSM or Hardship Committee will be final.

**Chapter 8**  
**HOUSING QUALITY STANDARDS AND**  
**RENT REASONABLENESS DETERMINATIONS**

*MTW Waiver: The Agency is authorized to certify that housing assisted under MTW will meet housing quality standards established or approved by HUD. The certification form will be approved or provided by HUD. This authorization waives certain provisions of Section 8(o)(8) of the 1937 Act and 24 CFR 982, Subpart I as necessary to implement the Agency's Annual MTW Plan.*

**I. INTRODUCTION**

The goal of the Housing Choice Voucher (HCV) program is to provide “decent, safe, and sanitary” housing to low-income families. To accomplish this, all units must be inspected and meet the Housing Quality Standards (HQS) performance and acceptability standards as outlined in this chapter.

HACSM also requires that units rented by families assisted under the HCV program have rents that are reasonable when compared to similar unassisted units in the market area.

**II. GENERAL HUD REQUIREMENTS**

HUD's performance and acceptability standards for HCV-assisted housing are provided in 24 CFR 982.401. These standards cover the following areas:

- Sanitary facilities
- Food preparation and refuse disposal
- Space and Security
- Thermal Environment
- Illumination and electricity
- Structure and materials
- Interior Air Quality
- Water Supply
- Lead-based paint
- Access
- Site and neighborhood
- Sanitary condition
- Smoke Detectors

As required by HUD, HACSM will enforce HQS but also allow certain judgements about acceptability be left to the family. For example, HACSM must ensure that the unit contains the required sanitary facilities, but the family decides whether the cosmetic condition of the facilities is acceptable.

Additional guidance on HQS requirements is found in the following HUD resources:

- Housing Choice Voucher Guidebook, Chapter 10.
- HUD Inspection Form, form HUD-52580 (3/01) and Inspection Checklist, form HUD-52580-A (9/00)
- HUD Notice 2003-31, Accessibility Notice: Section 504 of the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Architectural Barriers Act of 1968 and the Fair Housing Act of 1988.

### **III. HACSM REQUIREMENTS**

In addition to meeting HQS performance and acceptability standards, the unit must also meet the following requirements adopted by HACSM:

#### **Windows**

- If window security bars or security screens are present on the only emergency exit window(s), they must be equipped with a quick release system. The owner is responsible for ensuring that the family is instructed on the use of the quick release system.

#### **Doors**

- All exterior doors must be weather-tight to avoid any air or water infiltration, be lockable, have no holes, have all trim intact, and have a threshold.
- All interior doors must be in adequate condition and have all trim intact.
- Each main swinging entry door of a dwelling unit must have an operable single cylinder dead bolt lock in accordance with State law requirements. These doors include any exterior door, which will allow access to the unit (front door, back door, the door from the unit to the garage and any doors that allow direct access to the unit).
- Exterior and interior doors cannot have double key dead bolt locks. Exceptions may be approved by HACSM on a case by case basis, provided that all of the following criteria are met:
  - All household members are over 18 years old
  - Keys to the door lock are visible, readily and easily accessible.
  - A written statement from the head of household attesting that having double key dead bolt locks is the tenant's choice.

#### **Water Heaters**

- Water heaters must be braced, anchored, or strapped to resist falling or displacement due to earthquake motion.
- Discharge pipes must be directed towards the floor or outside of the living area.

- Discharge pipes must be made of rigid pipe material (not garden hose or thin plastic pipe).

### **Thermostat**

- The thermostat must be in the subsidized unit and accessible to the family.

### **Bedrooms**

- Bedrooms in basements or attics are not allowed unless they meet local code requirements and must have adequate ventilation and emergency exit capability. Verification with regard to local code requirement may be requested.
- HACSM will verify with the County Assessor's office to determine actual bedroom size of the unit. Any additional bedroom(s) not recorded with the Assessor's office must meet local code and permit requirements. The owner must provide documentation to the HACSM, upon request, to support this information.
- Any room used for sleeping must have at least one openable window.
- Closets are required in bedrooms.
- Bedrooms must not be less than 70 square feet and not less than 7 feet in any dimension.

### **Fences**

- For safety reasons, owners may be requested to repair or remove a fence if it is on the owner's property and/or the owner's responsibility.

### **Pools**

- Pools should not be empty or create unsafe conditions for the family.

### **Fire Extinguishers (in multi-unit buildings and/or common areas)**

- Fire extinguishers must be in proper working order with current tags from the local Fire Department or a licensed, certified company. Extinguishers must be fully charged (as evidenced by indicator in "green" zone), in an intact casing (if applicable), and rust-free.

### **Elevators**

- Elevators must be working and have current permit displayed in the unit. If the permit is expired, the owner must provide proof of a scheduled appointment with the permitting agency or proof of current documentation submitted to the permitting agency to obtain permit (new or renewal).

### **Light Fixture Covers**

- Light fixture covers (globes) are not required on permanent light fixtures (including exterior lights), as long as the fixture is firmly supported and there is no hazardous wiring such as frayed or noninsulated wiring, or improper connections.

## **Garages**

- Owners are not allowed to store their items in the garage (or the unit). If during the lease negotiation, the use of the garage is clearly reserved for the owner and such an arrangement is accepted by the tenant, HACSM may approve an exception to this rule provided:
  - A written acknowledgement is provided by the owner permitting the HACSM to conduct annual or interim HQS inspections for the entire dwelling, including the garage; and
  - The exclusion of the garage is stated in the lease agreement; and
  - The contract rent is adjusted to reflect the exclusion of the garage.

## **Garage Conversions/Room Additions/Structural Modifications (includes In-law units)**

- Structural modifications to the unit such as subdividing the unit into two separate units must meet local code requirements. The owner must provide a copy of the applicable permits from the local code enforcement agency unless the following conditions apply and the owner provides written certification:
  1. The secondary unit is not and will not be occupied by another family, including the owner's, for the duration of the Section 8 tenancy.
  2. The secondary unit will be made available for HQS inspection upon HACSM request.

## **Appliances**

- Any inoperable appliance, not required by HQS (i.g. disposal, dishwasher), must be repaired, replaced, or removed by the owner unless the appliance does not pose any safety or health threat to the family.

## **Modifications to Provide Accessibility**

Under the Fair Housing Act of 1988 an owner must not refuse the request of a family that contains a person with a disability to make necessary and reasonable modifications to the unit. Such modifications are at the family's expense. The owner may require restoration of the unit to its original condition if the modification would interfere with the owner or next occupant's full enjoyment of the premises. The owner may not increase a customarily required security deposit. However, the landlord may negotiate a restoration agreement that requires the family to restore the unit and, if necessary to ensure the likelihood of restoration, may require the tenant to pay a reasonable amount into an interest bearing escrow account over a reasonable period of time. The interest in any such account accrues to the benefit of the tenant. The owner may also require reasonable assurances that the quality of the work will be acceptable and that any required building permits will be obtained.[24 CFR 100.203; Notice 2003-31].

Modifications to units to provide access for a person with a disability must meet all applicable HQS requirements and conform to the design, construction, or alteration of facilities contained in the UFAS and the ADA Accessibility Guidelines (ADAAG) [28 CFR 35.151(c) and Notice 2003-31]

#### **IV. LIFE THREATENING CONDITIONS**

The following items are considered life-threatening conditions and the responsible party must correct life threatening within 24 hours of HACSM notification:

- Gas leaks;
- Severe structural damage: collapsed walls, floors, ceiling;
- Severe plumbing leaks or flooding;
- An electrical problem or condition that could result in severe shock or fire;
- No gas or electric service or lack of running water;
- Lack of functional heating equipment when outside temperature is below 60 degrees Fahrenheit;
- Lack of at least one functioning flush toilet in the unit;
- No functioning smoke detector in the unit

If an owner fails to correct life threatening conditions as required by the HACSM, the housing assistance payment will be abated and the HAP contract may be terminated.

If a family fails to correct a family-caused life threatening condition as required by HACSM, HACSM may terminate the family's assistance.

#### **V. OWNER AND FAMILY RESPONSIBILITIES**

##### **Family Responsibilities**

The family is responsible for correcting the following HQS deficiencies:

- Tenant-paid utilities not in service
- Failure to provide or maintain family-supplied appliances
- Damage to the unit or premises caused by a household member or guest beyond normal wear and tear. "Normal wear and tear" is defined as items which could not be charged against the tenant's security deposit under state law or court practice.

##### **Owner Responsibilities**

The owner is responsible for all HQS violations not listed as a family responsibility above, even if the violation is caused by the family's living habits (e.g., vermin infestation). However, if the family's actions constitute a serious or repeated lease violation the owner may take legal action to evict the family.

## **VI. SPECIAL REQUIREMENTS FOR CHILDREN WITH ENVIRONMENTAL INTERVENTION BLOOD LEAD LEVEL [24 CFR 35.1225]**

If HACSM is notified by a public health department or other medical health care provider, or verifies information from a source other than a public health department or medical health care provider, that a child of less than 6 years of age, living in an HCV-assisted unit has been identified as having an environmental intervention blood lead level, HACSM will complete a risk assessment of the dwelling unit. The risk assessment must be completed in accordance with program requirements, and the result of the risk assessment must be immediately provided to the owner of the dwelling unit. In cases where the public health department has already completed an evaluation of the unit, this information must be provided to the owner.

Within 30 days after receiving the risk assessment report from HACSM, or the evaluation from the public health department, the owner is required to complete the reduction of identified lead-based paint hazards in accordance with the lead-based paint regulations [24 CFR 35.1325 and 35.1330]. If the owner does not complete the "hazard reduction" as required, the dwelling unit is in violation of HQS and HACSM will take action in accordance with policies in this chapter.

### **Reporting and record keeping for children with environmental intervention blood lead level**

HACSM will provide the public health department written notice of the name and address of any child identified as having an environmental intervention blood lead level within five (5) business days of being so notified by any other medical health care professional.

If HACSM obtains names and addresses of environmental intervention blood lead level children from the public health department(s), HACSM must match this information with the names and addresses of families receiving HCV assistance, unless the public health department performs such a procedure. If a match occurs, HACSM will carry out the notification, verification, and hazard reduction requirements and the reporting requirement discussed above.

## **VII. VIOLATION OF HQS SPACE STANDARDS**

If HACSM determines that a unit does not meet the HQS space standards because of an increase in family size or a change in family composition, HACSM will issue the family a new voucher, and the family must try to find an acceptable unit as soon as possible. If the family locates an acceptable unit for rental, HACSM will terminate the HAP contract in accordance with its terms.



## VIII. TYPES OF INSPECTIONS

HACSM conducts the following types of inspections as needed. Each type of inspection is discussed in the paragraphs that follow.

- *Initial Inspections.* HACSM conducts initial (move-in) inspections to approve a unit for participation in the HCV program. The unit must pass the HQS inspection before the effective date of the HAP Contract.
- *Biennial or Annual Inspections.* HACSM generally will inspect all units under lease at least biennially (every other year) to confirm that the unit continues to meet HQS. HACSM may make exceptions to this inspection schedule for landlords and properties that have a history of non-compliance with HQS (e.g. units abated in the previous 12 months).
- Although some units will have a biennial inspection schedule, the unit must at all times meet Housing Quality Standards while it is under contract. The annual or biennial inspection may be conducted in conjunction with the family's annual reexamination or may be conducted separately as determined by HACSM.
- *Special Inspections.* A special (interim) inspection may be requested by the owner, the family, or a third party as a result of problems identified with a unit between annual inspections.
- *Quality Assurance Inspections.* A sample of units will be reinspected by a supervisor or quality assurance staff to ensure that HQS are being enforced correctly and uniformly by all inspectors.

### Inspection of HACSM-owned Units

HACSM will inspect HACSM-owned units or affiliated properties.

## IX. THE INSPECTION PROCESS

### Notice and Scheduling

Both the family and the owner will be given reasonable notice for all inspections. Initial inspections may be scheduled with shorter notice.

Except in the case of a life threatening emergency, reasonable notice is considered to be not less than 48 hours. In the case of a life threatening emergency, HACSM will give as much notice as possible, given the nature of the emergency.

Generally, inspections will be conducted Monday through Friday, between 7:00 a.m. and 6:00 p.m.

### Initial Inspection Attendance

At the initial inspection of a vacant unit, the owner or owner's representative must be present for the inspection. HACSM strongly encourages the presence of the voucher holder or another adult family representative but it is not required.

When a family occupies the unit at the time of an initial inspection, the voucher holder or another adult family representative must be present for the inspection. HACSM

strongly encourages the presence of the owner or the owner's representative but it is not required.

### **Initial Inspection Results and Reinspections**

If any HQS violations are identified during the initial inspection, the owner will be notified of the deficiencies and be given a time frame to correct them. If requested by the owner, the time frame for correcting the deficiencies may be extended by the HACSM for good cause. HACSM will reinspect the unit once the owner notifies HACSM that the required corrections have been made. The time frame for the owner to correct the deficiencies will not exceed 30 days.

If the time period for correcting the deficiencies has elapsed, HACSM will notify the owner and the family that the unit has been rejected and that the family must search for another unit.

### **Utilities**

Generally, at initial lease-up the owner is responsible for demonstrating that all utilities are in working order including those utilities that the family will be responsible for paying.

If utility service is not available for testing at the time of the initial inspection, HACSM will notify the owner to have the utilities turned on. The unit will not pass inspection until HACSM has verified operable utility service.

### **Appliances**

The stove and refrigerator must be present when the unit is inspected if the owner provides these appliances.

If the family is responsible for supplying the stove and/or refrigerator, HACSM will allow the stove and refrigerator to be placed in the unit after the unit has met all other HQS requirements. HACSM will execute the HAP contract based on certification from the family that the appliances have been installed and are working. A confirmatory inspection will be scheduled within 30 days of HAP contract approval.

### **Biennial (or Annual) Inspections**

The family and owner are notified of the date and time of the inspection appointment by mail. If the family or another adult family representative is unable to be present, the family must request a rescheduled appointment so that the inspection is completed within 30 days. If the family is not home for the inspection appointment, HACSM will leave notification at the unit and another appointment will be scheduled automatically.

If the family misses two scheduled inspections, HACSM will consider the family to have violated its obligation to make the unit available for inspection. This may result in termination of the family's assistance in accordance with HACSM policy.

### **Special Inspections**

HACSM will conduct a special inspection if the owner, family, or another source reports HQS violations in the unit. HACSM may request documentation that the

deficiencies have been reported to the responsible party and the responsible party failed to cure the deficiencies within a reasonable time.

During a special inspection, HACSM will inspect only those deficiencies that were reported. However, the inspector will record any additional HQS deficiencies that are observed and will require the responsible party to make the necessary repairs.

If the biennial or annual inspection has been scheduled or is due within 120 days of the date the special inspection is scheduled, HACSM may elect to conduct a full inspection.

### **Quality Assurance Inspections**

HACSM will conduct quality assurance (QA) inspections of a sample of units to ensure that each inspector is conducting accurate and complete inspections and that there is consistency in the application of HQS.

The unit sample will include only units that have been inspected within the preceding three (3) months. The selected sample will include (1) each type of inspection (initial and annual/biennial), (2) a cross-section of each inspector's case load, (3) units from a cross-section of neighborhoods and 4) a cross-section of different unit types.

## **X. BIENNIAL OR ANNUAL INSPECTION RESULTS AND REINSPECTIONS**

When a biennial or annual inspection identifies HQS failures, HACSM will determine whether or not the failure is a life threatening condition and whether the family or owner is responsible.

When life threatening conditions are identified, HACSM will immediately notify both parties by telephone, facsimile, or email. The notice will specify who is responsible for correcting the violation. The corrective actions must be taken within 24 hours of the HACSM's notice. HACSM may verify correction or completion of life threatening conditions by telephone, fax, or e-mail.

When HQS failures that are not life threatening are identified, HACSM will send the owner and the family a written notification of the inspection results. The written notice will specify who is responsible for correcting the violation, and the time frame within which the failure must be corrected. Not more than 30 days will be allowed for the correction.

The notice of inspection results will inform the owner that if life threatening conditions are not corrected within 24 hours, and non-life threatening conditions are not corrected within the specified time frame, the owner's HAP will be abated in accordance with HACSM policy. Likewise, in the case of family-caused deficiencies, the notice will inform the family that if corrections are not made within the specified time frame, the family's assistance will be terminated in accordance with HACSM policy.

### **Extensions**

For conditions that are life-threatening, HACSM will not grant an extension to the 24-hour corrective action period. For conditions that are not life-threatening, HACSM may

grant an exception to the required time frames for correcting the violation, if the HACSM determines that an extension is appropriate.

Extensions will be granted in cases where the HACSM has determined that the owner has made a good faith effort to correct the deficiencies and is unable to for reasons beyond the owner's control. Reasons may include, but are not limited to:

- A repair cannot be completed because required parts or services are not immediately available.
- A repair cannot be completed because of weather conditions.
- A reasonable accommodation is needed because the family includes a person with disabilities.

The length of the extension will be determined on a case-by-case basis, but will not exceed 60 days, except in the case of delays caused by weather conditions. In the case of weather conditions, extensions may be continued until the weather has improved sufficiently to make repairs possible.

### **Reinspections**

HACSM will conduct a reinspection immediately following the end of the corrective period, or any HACSM-approved extension.

If the deficiencies have not been corrected by the time of the reinspection (including any HACSM-approved extension), HACSM will send a notice of abatement to the owner, or in the case of family caused violations, a notice of termination to the family, in accordance with HACSM policies.

If HACSM is unable to gain entry to the unit in order to conduct the scheduled reinspection, HACSM will consider the family to have violated its obligation to make the unit available for inspection. This may result in termination of the family's assistance.

### **HAP Abatement**

If an owner fails to correct HQS deficiencies by the time specified by HACSM, HACSM will abate housing assistance payments. HACSM will make all HAP abatements effective on the 31<sup>st</sup> day after the failed inspection.

No retroactive payments will be made to the owner for the period of time the rent was abated.

Owner rents are not abated as a result of HQS failures that are the family's responsibility.

HACSM will inspect abated units within 3 business days of the owner's notification that the work has been completed. Payment will resume effective on the day the unit passes inspection.

If the owner makes repairs during the abatement period, payment will resume the earlier of (1) the day the unit passes inspection, or (2) the date the repairs were completed, providing proof of completion is available.

If abatement is a result of remediation of conditions such as asbestos, lead, mold, the owner must provide a written clearance by a qualified certified entity.

During any abatement period the family continues to be responsible for its share of the rent. The owner must not seek payment from the family for abated amounts and may not use the abatement as cause for eviction.

### **HAP Contract Termination**

The maximum length of time that a HAP may be abated is 90 days. However, if the owner completes corrections and notifies the HACSM before the termination date of the HAP contract, HACSM may rescind the termination notice if (1) the family still resides in the unit and wishes to remain in the unit and (2) the unit passes inspection.

Reasonable notice of HAP contract termination by the HACSM is 30 days.

### **Enforcing Family Compliance with HQS**

Families are responsible for correcting any family-caused HQS violations mentioned earlier in this chapter. If the family fails to correct a violation within the period allowed by HACSM (and any extensions), HACSM will terminate the family's assistance.

If the owner carries out a repair for which the family is responsible under the lease, the owner may bill the family for the cost of the repair.

## **XI. RENT REASONABLENESS**

HACSM will not approve a HAP contract or owner request for rent adjustment until it has determined that the rent for the unit is reasonable. The purpose of the rent reasonableness test is to ensure that a reasonable rent is paid for each unit rented under the HCV program.

The owner must not change the rent during the initial lease term. Subsequent requests for rent adjustments must be consistent with the lease between the owner and the family and are subject to rent reasonableness certification by the HACSM. Rent increases will not be approved unless any failed items identified by the most recent HQS inspection have been corrected.

If the requested increase is approved, all rents adjustments will be effective the first of the month following 60 days after HACSM's receipt of the owner's request or on the date specified by the owner, whichever is later.

HACSM will make a determination of rent reasonableness if there is a 5 percent decrease in the Fair Market Rent that goes into effect at least 60 days before the contract anniversary date. HACSM may decide that a new determination of rent reasonableness is needed at any time.

### **Factors to Consider**

HACSM will use these factors to make upward or downward adjustments to the rents of comparison units when the units are not identical to the HCV-assisted unit.

- Location and age

- Unit size including number of bedrooms and square footage
- Unit type (e.g. single family, duplex, garden, low-rise, high-rise)
- Quality and condition of the unit including the quality of the construction, maintenance and improvements made
- Amenities included

### **Rents Charged for Other Units on the Premises**

By accepting HACSM payment each month, the owner certifies that the rent is not more than the rent charged for comparable unassisted units on the premises. If asked to do so, the owner must give HACSM information regarding rents charged for other units on the premises.

### **Units that Must Not be Used as Comparables**

Comparable units must represent unrestricted market rents. Therefore, units that receive some form of federal, state, or local assistance that imposes rent restrictions cannot be considered comparable units. These include units assisted by HUD through any of the following programs: Section 8 project-based assistance, Section 236 and Section 221(d)(3) Below Market Interest Rate (BMIR) projects, HOME or Community Development Block Grant (CDBG) program-assisted units in which the rents are subsidized; units subsidized through federal, state, or local tax credits; units subsidized by the Department of Agriculture rural housing programs, and units that are rent-controlled by local ordinance.

### **How Market Data is Collected**

HACSM will collect data on market rents within the HACSM jurisdiction or neighboring jurisdictions. The data will be maintained within an online database administered through a third-party source.

Market areas may be defined by zip codes or neighborhood and the data will be updated on an ongoing basis.

### **How Rents are Determined**

The rent for a unit proposed for HCV assistance will be compared to the rent charged for comparable units in the same or similar market area. HACSM may use comparables in neighboring jurisdictions due to the similarity of units. Because units may be similar, but not exactly like the unit proposed for HCV assistance, HACSM may make adjustments to the range of prices to account for these differences.

HACSM will notify the owner of the rent it determines reasonable upon its analysis of rents for comparable units. The owner may submit information about other comparable units in the market area. HACSM will confirm the accuracy of the information provided and consider this additional information when making rent determinations.

## Chapter 9

### GENERAL LEASING POLICIES

*MTW Waiver: The Agency is authorized to determine contract rents and increases and to determine the content of contract rental agreements that differ from the currently mandated program requirement in the 1937 Act and its implementing regulations. This authorization waives certain provisions of Section 8(o)(7) and 8(o)(13) of the 1937 Act and 24 CFR 982.308, 982.451 and 983 Subpart E as necessary to implement the Agency's Annual MTW Plan.*

#### I. INTRODUCTION

This chapter covers the lease-up process from the family's submission of a Request for Tenancy Approval to execution of the HAP contract.

In order for HACSM to assist a family in a particular dwelling unit, or execute a Housing Assistance Payments (HAP) contract with the owner of a dwelling unit, HACSM must determine that all the program requirements are met.

#### II. TENANT SCREENING

HACSM has no liability or responsibility to the owner or other persons for the family's behavior or suitability for tenancy; therefore, HACSM will not screen applicants for family behavior or suitability for tenancy.

The owner is responsible for screening and selection of the family to occupy the owner's unit.

HACSM will provide documented information regarding tenancy history for the past three (3) years to prospective owners upon written request from the owner. The information may be provided either orally or in writing. HACSM will make an exception to this requirement if the family's whereabouts must be protected due to domestic violence, dating violence, stalking or witness protection and providing such information could jeopardize the family's safety.

HACSM will provide the following information, based on documentation in its possession: Eviction history, damage to rental units, drug trafficking by family members, and/or other aspects of tenancy history that is a matter of public record, unless there is documentation on file that the applicant or participant is or has been a victim of domestic violence, dating violence, or stalking, and providing the information could jeopardize the family's safety.

#### III. REQUESTING TENANCY APPROVAL

After the family is issued a voucher, the family must locate an eligible unit, with an owner or landlord willing to participate in the voucher program. Once a family finds a suitable unit and the owner is willing to lease the unit under the program, the owner and the family must submit two documents to HACSM:

- Completed Request for Tenancy Approval (RTA) form

- Copy of the proposed lease, including the HUD-prescribed Tenancy Addendum

The RTA contains important information about the rental unit selected by the family, including the unit address, number of bedrooms, structure type, year constructed, and the requested beginning date of the lease, necessary for HACSM to determine whether to approve the assisted tenancy in this unit.

On the RTA, owners must certify that they are not the parent, child, grandparent, grandchild, sister or brother of any member of the family, unless HACSM has granted a request for reasonable accommodation for a person with disabilities who is a member of the tenant household.

For units constructed prior to 1978, owners must either 1) certify that the unit, common areas, and exterior have been found to be free of lead-based paint by a certified inspector; or 2) attach a lead-based paint disclosure statement.

Both the RTA and the proposed lease must be submitted no later than the expiration date stated on the voucher.

The RTA must be signed by both the family and the owner.

The completed RTA (including the proposed dwelling lease and Tax ID statement) must be submitted in-person, by mail, e-mail or fax.

HACSM will not process more than one RTA at a time per family/household.

Because of the time sensitive nature of the tenancy approval process, HACSM will attempt to communicate with the owner and family by phone, fax, or email. HACSM will use mail when the parties can't be reached by phone, fax, or email.

#### **IV. UNIT ELIGIBILITY**

HACSM will not assist a unit under the voucher program if the unit is a public housing or Indian housing unit; a unit receiving project-based assistance under section 8 of the 1937 Act (42 U.S.C. 1437f); nursing homes, board and care homes, or facilities providing continual psychiatric, medical, or nursing services; college or other school dormitories; units on the grounds of penal, reformatory, medical, mental, and similar public or private institutions; a unit occupied by its owner or by a person with any interest in the unit.

##### **Duplicative Assistance**

A family may not receive the benefit of HCV tenant-based assistance while receiving the benefit of any of the following forms of other housing subsidy, for the same unit or for a different unit:

- Public or Indian housing assistance;
- Other Section 8 assistance (including other tenant-based assistance);
- Assistance under former Section 23 of the United States Housing Act of 1937 (before amendment by the Housing and Community Development Act of 1974);
- Section 101 rent supplements;
- Section 236 rental assistance payments;



- Tenant-based assistance under the HOME Program;
- Rental assistance payments under Section 521 of the Housing Act of 1949 (a program of the Rural Development Administration);
- Any local or State rent subsidy;
- Section 202 supportive housing for the elderly;
- Section 811 supportive housing for persons with disabilities; (11) Section 202 projects for non-elderly persons with disabilities (Section 162 assistance); or
- Any other duplicative federal, State, or local housing subsidy, as determined by HUD. For this purpose, 'housing subsidy' does not include the housing component of a welfare payment, a social security payment received by the family, or a rent reduction because of a tax credit.

### **Housing Quality Standards (HQS)**

In order to be eligible, the dwelling unit must be in decent, safe and sanitary condition. This determination is made using HUD's Housing Quality Standards (HQS) and/or equivalent state or local standards approved by HUD. See Chapter 8 for a full discussion of the HQS standards, as well as the process for HQS inspection at initial lease-up.

### **Unit Size**

In order to be eligible, the dwelling unit must be appropriate for the number of persons in the household. A family will be allowed to lease an otherwise acceptable dwelling unit with fewer bedrooms than the number of bedrooms stated on the voucher issued to the family, provided the unit meets the applicable HQS and occupancy space requirements. The family is also allowed to lease an otherwise acceptable dwelling unit with more bedrooms than the number of bedrooms stated on the voucher issued to the family. See Chapter 5 for a full discussion of subsidy standards.

### **Rent Reasonableness**

In order to be eligible, the dwelling unit must have a reasonable rent. The rent must be reasonable in relation to comparable unassisted units in the area and must not be in excess of rents charged by the owner for comparable, unassisted units on the premises. See Chapter 8 for a full discussion of rent reasonableness.

## **V. LEASE AND TENANCY ADDENDUM**

The family and the owner must execute and enter into a written dwelling lease for the assisted unit. This written lease is a contract between the tenant family and the owner. HACSM is not a party to the lease agreement.

The tenant must have legal capacity to enter into 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.

## **Lease Form and Tenancy Addendum**

If the owner uses a standard lease form for rental to unassisted tenants in the locality or the premises, the lease must be in such standard form. If the owner does not use a standard lease form for rental to unassisted tenants, the owner may use another form of lease. The HAP contract contains the owner's certification that if the owner uses a standard lease form for rental to unassisted tenants, the lease is in such standard form.

All provisions in the Tenancy Addendum must also be added word-for-word to the owner's standard lease form, for use with the assisted family. The Tenancy Addendum includes the tenancy requirements for the program and the composition of the household as approved by HACSM. As a part of the lease, the tenant shall have the right to enforce the Tenancy Addendum against the owner and the terms of the Tenancy Addendum shall prevail over any other provisions of the lease.

## **Term of Assisted Tenancy**

HACSM will approve an initial lease term of less than one (1) year when it can determine that such shorter term would improve housing opportunities for the tenant or such shorter term is the prevailing local market practice.

During the initial term of the lease, the owner may not raise the rent to owner.

Any provisions for renewal of the dwelling lease will be stated in the dwelling lease. There are no HUD requirements regarding any renewal extension terms, except that they must be in the dwelling lease if they exist.

## **Separate Non-Lease Agreements between Owner and Tenant**

Owners may not demand or accept any rent payment from the family in excess of the rent to the owner minus HACSM's subsidy payments to the owner.

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

HACSM permits owners and families to execute separate, non-lease agreements for services, appliances (other than range and refrigerator) and other items that are not included in the lease.

Any items, appliances, or other services that are customarily provided to unassisted families as part of the dwelling lease with those families, or are permanently installed in the dwelling unit must be included in the dwelling lease for the assisted family. These items, appliances or services cannot be placed under a separate non-lease agreement between the owner and family. Side payments for additional rent, or for items, appliances or services customarily provided to unassisted families as part of the dwelling lease for those families, are prohibited.

Any items, appliances, or other services that are not customarily provided to unassisted families as part of the dwelling lease with those families, are not permanently installed in the dwelling unit and where the family has the sole option of

not utilizing the item, appliance or service, may be included in a separate non-lease agreement between the owner and the family.

The family is not liable and cannot be held responsible under the terms of the assisted dwelling lease for any charges pursuant to a separate non-lease agreement between the owner and the family. Non-payment of any charges pursuant to a separate non-lease agreement between the owner and the family cannot be a cause for eviction or termination of tenancy under the terms of the assisted dwelling lease.

Separate non-lease agreements that involve additional items, appliances or other services may be considered amenities offered by the owner and may be taken into consideration when determining the reasonableness of the rent for the property.

### **Tenancy Approval**

HACSM will complete its determination within 15 business days of receiving all required information.

If HACSM determines that the tenancy cannot be approved for any reason, the owner and the family will be notified and given the opportunity to address any reasons for disapproval. HACSM will instruct the owner and family of the steps that are necessary to approve the tenancy.

Where the tenancy is not approvable because the unit is not approvable, the family must continue to search for eligible housing within the timeframe of the issued voucher.

## **VI. HAP CONTRACT EXECUTION**

The HAP contract is a written agreement between HACSM and the owner of the dwelling unit occupied by a housing choice voucher assisted family. Under the HAP contract, HACSM agrees to make housing assistance payments to the owner on behalf of a specific family occupying a specific unit and obliges the owner to comply with all program requirements.

If HACSM has given approval for the family of the assisted tenancy, the owner and the HACSM execute the HAP contract.

HACSM is permitted to execute a HAP contract even if the funding currently available does not extend for the full term of the HAP contract.

HACSM will not pay any housing assistance payment to the owner until the HAP contract has been executed.

The owner and the assisted family will execute the dwelling lease and the owner must provide a copy to HACSM.

The owner and HACSM will execute the HAP contract. HACSM will not execute the HAP contract until the owner has submitted IRS form W-9 or a Tax ID Statement. HACSM will ensure that the owner receives a copy of the executed HAP contract.

## **VII. CHANGES IN LEASE OR RENT**

If the tenant and the owner agree to any changes in the lease, such changes must be in writing, and the owner must immediately give HACSM a copy of such changes. The

lease, including any changes, must remain in accordance with the requirements of this chapter.

Under certain circumstances, voucher assistance in the unit shall not be continued unless HACSM has approved a new tenancy in accordance with program requirements and has executed a new HAP contract with the owner. These circumstances include:

- Changes in lease provisions governing the term of the lease
- The family moves to a new unit, even if the unit is in the same building or complex

In these cases, if the HCV assistance is to continue, the family must submit a new Request for Tenancy Approval (RTA) along with a new dwelling lease containing the altered terms. A new tenancy must then be approved in accordance with this chapter.

No rent increase is permitted during the initial term of the lease. After the initial lease term, the owner may request a rent adjustment in accordance with the lease.

Where the owner is changing the amount of rent, the owner must notify HACSM of any changes in the amount of the rent to owner at least 60 days before any such changes go into effect. HACSM will agree to such an increase only if the amount of the rent to owner is considered reasonable according to the rent reasonableness standards discussed in Chapter 8. If the requested rent is not found to be reasonable, the owner must either reduce the requested rent increase, or give the family notice in accordance with the terms of the lease.

## Chapter 10

### MOVING WITH CONTINUED ASSISTANCE AND PORTABILITY

#### I. INTRODUCTION

This chapter discusses the general rules that apply to all moves by a family assisted under HACSM's Voucher program, whether the family moves to another unit within HACSM jurisdiction or to a unit outside HACSM jurisdiction under portability.

#### II. MOVING WITH CONTINUED ASSISTANCE

##### Allowable Moves

For families already participating in the Voucher program, HACSM will allow the family to move to a new unit with continued assistance for the following reasons:

- The family has a right to terminate the lease on notice to the owner (for the owner's breach or otherwise) and has given a notice of termination to the owner in accordance with the lease. If the family terminates the lease on notice to the owner, the family must give HACSM a copy of the notice at the same time. Failure to provide notification to HACSM may result in delay of processing the move or termination of assistance;
- The Violence Against Women Reauthorization Act of 2005 provides that "a family may receive a voucher from a public housing agency and move to another jurisdiction under the tenant-based assistance program if the family has complied with all other obligations of the Section 8 program and has moved out of the assisted dwelling unit in order to protect the health or safety of an individual who is or has been a victim of domestic violence, dating violence, or stalking and who reasonably believed he or she was imminently threatened by harm from further violence if he or she remained in the assisted dwelling unit." [24 CFR 982.353(b)];
- The lease for the family's unit has been terminated by mutual agreement of the owner and the family. If the family and the owner mutually agree to terminate the lease for the family's unit, the family or owner must give HACSM a copy of the termination agreement;
- The owner has given the family a notice to vacate, has commenced an action to evict the family, or has obtained a court judgment or other process allowing the owner to evict the family. The family must give HACSM a copy of any owner eviction notice.
- HACSM has terminated the assisted lease for the family's unit for the owner's breach.
- HACSM determines that the family's current unit does not meet the HQS space standards because of an increase in family size or a change in family composition. In such cases, HACSM must issue the family a new voucher, and the family and

HACSM must try to find an acceptable unit as soon as possible. If an acceptable unit is available for the family, HACSM must terminate the HAP contract for the family's old unit in accordance with the HAP contract terms and must notify both the family and the owner of the termination. The HAP contract terminates at the end of the calendar month that follows the calendar month in which HACSM gives notice to the owner.

### **Restrictions on Moves**

A family's right to move is generally contingent upon the family's compliance with program requirements; therefore, if HACSM has grounds for denying or terminating the family's assistance, it may deny the family's right to move. VAWA creates an exception to these restrictions for families who are otherwise in compliance with program obligations, but have moved to protect the health or safety of an individual who is or has been a victim of domestic violence, dating violence or stalking, and who reasonably believed he or she was imminently threatened by harm from further violence if they remained in the unit. [Pub.L. 109-162]

HACSM will deny a family permission to make an elective move during the family's initial lease term. This policy applies to moves within HACSM's jurisdiction or outside it under portability. HACSM will also deny a family permission to make more than one elective move during any 12-month period. This policy applies to all assisted families residing in HACSM's jurisdiction.

HACSM will consider exceptions to these policies for the following reasons: to protect the health or safety of a family member (e.g., lead-based paint hazards, domestic violence, and witness protection programs), to accommodate a change in family circumstances (e.g., new employment, school attendance in a distant area), or to address an emergency situation over which a family has no control.

HACSM will allow exceptions to these policies for purposes of reasonable accommodation of a family member who is a person with disabilities.

## **III. MOVING PROCESS**

### **Notification**

If a family wishes to move to a new unit, the family must notify HACSM and the owner before moving out of the old unit or terminating the lease on notice to the owner. If the family wishes to move to a unit outside the HACSM's jurisdiction under portability, the family must specify to the HACSM the area where the family wishes to move.

### **Voucher Issuance and Briefing**

If the family has been determined eligible to move, HACSM will issue the family a relocation voucher. Although such families may be familiar with the operation of the program, they may still need much of the same information and services as provided first-time voucher holders, so attendance at the briefing is required.

HACSM will follow the policies set forth in Chapter 5 on voucher term, extension, and expiration. If a family does not locate a new unit within the term of the voucher and any extensions, the family may remain in its current unit with continued voucher

assistance if the owner agrees and the HACSM approves. Otherwise, the family will lose its assistance.

### **Housing Assistance Payments**

When a family moves out of an assisted unit, HACSM will not make any housing assistance payment to the owner for any month **after** the month the family moves out. The owner may keep the housing assistance payment for the month when the family moves out of the unit.

If a participant family moves from an assisted unit with continued tenant-based assistance, the term of the assisted lease for the new assisted unit may begin during the month the family moves out of the first assisted unit. Overlap of the last housing assistance payment (for the month when the family moves out of the old unit) and the first assistance payment for the new unit, is not considered to constitute a duplicative housing subsidy.

## **IV. PORTABILITY**

Voucher holders may move to the jurisdiction of another PHA, provided they do not owe money to HACSM and are in good standing.

The receiving PHA has the option of administering the family's voucher for the initial PHA or absorbing the family into its own program. Under the first option, the receiving PHA bills the initial PHA for the family's housing assistance payments and the fees for administering the family's voucher. Under the second option, the receiving PHA pays for the family's assistance out of its own program funds, and the initial PHA has no further relationship with the family.

### **Allowable Moves under Portability**

#### *Applicant Families*

- If there is insufficient funding by HUD to support current contracts and outstanding vouchers, HACSM may deny portability requests to families wishing to move to jurisdictions with higher Voucher Payment Standards or more lenient subsidy standards if that jurisdiction will not be absorbing the family. HACSM must verify that information before denying the portability request.
- If neither the head of household, spouse, or co-head of an applicant family lives, works, or is hired to work in HACSM's jurisdiction at the time of the initial eligibility application, the family must live in HACSM's jurisdiction with voucher assistance for at least 12 consecutive months before requesting portability.

HACSM will consider exceptions to this policy for purposes of reasonable accommodation.

#### *Participant Families*

- HACSM will not provide portable assistance for a participant if a family has moved out of its assisted unit in violation of the lease. VAWA creates an exception to this prohibition for families who are otherwise in compliance with program obligations but have moved to protect the health or safety of an individual who is or has been a victim of domestic violence, dating violence or stalking and who reasonably

believed he or she was imminently threatened by harm from further violence if they remained in the unit.

### **Determining Income Eligibility**

#### *Applicant Families*

An applicant family may lease a unit in a particular area under portability only if the family is income eligible for admission to the voucher program in that area. The family must specify the area to which the family wishes to move.

The initial PHA is responsible for determining whether the family is income eligible in the area to which the family wishes to move. If the applicant family is not income eligible in that area, the HACSM will inform the family that it may not move there and receive voucher assistance.

#### *Participant Families*

The income eligibility of a participant family is not re-determined if the family moves to a new jurisdiction under portability.

### **Reexamination of Family Income and Composition**

No new reexamination of family income and composition will be required for an applicant or participant family.

### **Briefing**

A relocation briefing will be required for a participant family wishing to move outside the HACSM's jurisdiction under portability. HACSM will provide the family with the same oral and written explanation of portability that it provides to applicant families selected for admission to the program.

HACSM will provide the name, address, and phone for the PHA in the jurisdiction to which they wish to move. HACSM will advise the family that they will be under the Receiving PHA's policies and procedures, including subsidy standards and voucher extension policies.

### **Voucher Issuance and Term**

An applicant family has no right to portability until after the family has been issued a voucher.

For participant families approved to move under portability, HACSM will issue a relocation voucher. The issue date of the Voucher will be based on the last date on the family or owner's notice to vacate or the date the family moved out of their previous unit (whichever is later). The term of the Voucher will be 90 days.

### **Voucher Extensions and Expiration**

See Chapter 5 for HACSM policy on voucher extension and expiration. HACSM will allow exceptions to this policy for purposes of reasonable accommodation of a family member who is a person with disabilities.

### **Sending Documentation to the Receiving PHA**

HACSM will send the receiving PHA the following documents:



- Form HUD-52665, Family Portability Information, with Part I filled out [Notice PIH 2004-12]
- A copy of the family's voucher [Notice PIH 2004-12]
- A copy of the family's most recent form HUD-50058, Family Report, or, if necessary in the case of an applicant family, family and income information in a format similar to that of form HUD-50058 [24 CFR 982.355(c)(4), Notice PIH 2004-12]
- Copies of the income verifications backing up the form HUD-50058 [24 CFR 982.355(c)(4), Notice PIH 2004-12]

HACSM will not provide additional documentation to the receiving PHA.

Additional guidance on portability requirements for the Initial and Receiving PHA can be found in the following resources:

- Form HUD-52665 – Family Portability Information
- 24 CFR 982.355 – Administration by receiving PHA. 24 CFR 314(e)(1)
- Notice PIH 2004-12
- Notice PIH 2005-28
- Notice PIH 2006-25
- Notice PIH 2008-43

## Chapter 11

### REEXAMINATIONS

**MTW waiver:** *The Agency is authorized to define, adopt and implement a reexamination program that differs from the reexamination program currently mandated in the 1937 Act and its implementing regulations. This authorization waives certain provisions of Section 8(o)(5) of the 1937 Act and 24 CFR 982.516 as necessary to implement the Agency's MTW Plan.*

#### I. INTRODUCTION

The reexamination process includes gathering and verifying current information about family composition, income, and expenses. Based on the information obtained during the reexamination process, HACSM will calculate the family's annual adjusted income.

#### II. ANNUAL OR BIENNIAL REEXAMINATIONS

HACSM will institute a biennial reexamination schedule (every other year) for families that are designated as elderly or disabled (i.e. receiving the \$400 elderly household allowance). Generally, the sources of income for these households are subject to predictable and minimal increase.

For all other families (non-elderly, non-disabled), reexamination will occur annually.

The reexamination due date is determined by the program admission date of the family. Relocating to a different unit or change of lease date will not affect the reexamination due date.

All families are required to participate in a reexamination interview. All adult household members, 18 years and older must attend the reexamination interview. When full-time students attend school away from home, HACSM may allow the full-time students to complete their part of the recertification via mail. Verification of attendance, name and location of school will be required.

Full-time students who live away from the household can be considered as family members if the head of household so chooses. However, students who participate in on-line courses instead of attending courses at the college or university will not be approved to remain a member of the subsidized household. For example, a FTS who lives in Atlanta, but attends a San Mateo County, Bay Area or other college or university on-line, must be removed from the subsidized household.

Notification of reexamination interviews will be sent by first-class mail and will contain the date, time, and location of the interview. In addition, it will inform the family of the information and documentation that must be provided at the interview. Families are required to bring all information as described in the reexamination notice to the reexamination appointment.

An advocate, interpreter, or other assistant may assist the family in the interview process.

Any required documents or information that the family is unable to provide at the time of the interview must be provided within 10 business days of the interview. If the family is unable to obtain the information or materials within the required time frame, the family may request an extension.

If the family does not provide the required documentation or information within the required time frame, the family will be sent a notice of termination.

If a family fails to attend two scheduled interviews, or if the notice is returned by the post office with no forwarding address, a notice of termination will be sent to the family's address of record in the family's file.

### III. INTERIM REEXAMINATIONS

Families are required to report the following changes:

- Changes in family composition that occur between regularly scheduled reexaminations, and

An interim reexamination will be conducted or processed when:

- There is a change in the income that results in a *decrease* in total family income. The decrease must be expected to last at least 30 days or longer.

The exception to this process is for school employees since HACSM has already calculated their income based on the school year – no interim examination or adjustment will be processed.

- There is a change in family composition that results in fewer household members.
- There is a change (addition) in family composition that is not a result of birth, adoption, or court-awarded custody.

Families must request HACSM approval to add a new family member, live-in aide, foster child, or foster adult. This includes any person not on the lease who is expected to stay in the unit for more than 14 consecutive days, or 60 cumulative days within a twelve-month period, and therefore no longer qualifies as a guest or visitor. Requests must be made in writing and approved by the HACSM *prior* to the individual moving in the unit.

HACSM will not approve the addition of other dependents to the household unless the family can provide proof of legal guardianship.

HACSM will not approve the addition of a new family or household member unless the individual meets the HACSM's eligibility criteria (see Chapter 3).

HACSM will not approve the addition of a foster child or foster adult if it will cause a violation of HQS space standards.

When an interim reexamination is conducted, only those factors that have been changed will be verified.

#### **IV. EFFECTIVE DATES**

For annual and biennial reexaminations, regardless of whether the family's portion of rent increases or decreases, the new rent amount will be effective on the family's designated "anniversary date."

If the family causes a delay so that the processing of the regular reexamination is not completed by the scheduled reexamination date, the adjustment in the housing assistance payment (increase or decrease) will be effective on the first day of the month following completion of the reexamination.

For interim reexaminations, a decrease in the family's portion of the rent is effective on the first day of the month following the completion of processing the change.

For interim reexaminations, an increase in the family's portion of the rent is effective at least 30 days from the first of the month following the completion of processing the change.

#### **V. NOTIFICATION OF NEW FAMILY SHARE AND HAP AMOUNT**

HACSM will notify the owner and family of any changes in the amount of the HAP payment. The notice will include the following information:

- The amount and effective date of the new HAP payment
- The amount and effective date of the new family share of the rent
- The amount and effective date of the new tenant rent to owner

The family will be given an opportunity for an informal hearing and/or hardship review (for MTW rent reform initiatives) regarding HACSM's determination of their annual or adjusted income, and the use of such income to compute the housing assistance payment.

## Chapter 12

### DENIAL OR TERMINATION OF ASSISTANCE

#### I. INTRODUCTION

HACSM may deny or terminate assistance to a family because of the family's action or failure to act. HACSM will provide families with a written description of the grounds under which HACSM is proposing to deny or terminate assistance and the process by which a tenant or an applicant may request an informal hearing or review. This chapter describes HACSM policies for denying or terminating Section 8 assistance.

#### II. DENIAL OF ASSISTANCE

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

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

Denial of program assistance does not include any of the following criteria:

- Age, disability, race, color, religion, sex, or national origin
- Where a family lives prior to admission to the program
- Where the family will live with assistance under the program. Although eligibility is not affected by where the family will live, there may be restrictions on the family's ability to move outside the HACSM's jurisdiction.
- Whether members of the family are unwed parents, recipients of public assistance, or children born out of wedlock
- Whether the family includes children
- Whether a family decides to participate in a family self-sufficiency program
- Whether or not a qualified applicant has been a victim of domestic violence, dating violence, or stalking

#### III. MANDATORY DENIAL OF ASSISTANCE

HACSM will deny assistance in the following cases:

- Any household member has ever been convicted of drug-related criminal activity for the production or manufacture of methamphetamine on the premises of federally assisted housing.
- Any household member is subject to a lifetime registration requirement under a state sex offender registration program.

- Any member of the household has been evicted from federally-assisted housing in the last 3 years for drug-related criminal activity. HACSM will admit an otherwise-eligible family who was evicted from federally-assisted housing within the past 3 years for drug-related criminal activity, if HACSM is able to verify that the household member who engaged in the criminal activity has completed a supervised drug rehabilitation program, or the person who committed the crime, is no longer living in the household.
- HACSM determines that any household member is currently engaged in the use of illegal drugs. *Currently engaged in* is defined as any use of illegal drugs during the previous six months.
- HACSM has reasonable cause to believe that any household member's current use or pattern of use of illegal drugs, or current abuse or pattern of abuse of alcohol, may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

In determining reasonable cause, HACSM will consider all credible evidence, including but not limited to, any record of convictions, arrests, or evictions of household members related to the use of illegal drugs or the abuse of alcohol. A conviction will be given more weight than an arrest. HACSM will also consider evidence from treatment providers or community-based organizations providing services to household members.

- HACSM determines the family has no citizens or eligible alien members in the household. Housing assistance is restricted to citizens and non-citizens who have been lawfully admitted to the United States. "Mixed families" may be eligible for prorated assistance. If the family fails to submit required evidence of citizenship or eligible immigration status based on non-citizen rule regulations and applicable informal hearing procedures and is not eligible.
- If any member of the family fails to sign and submit consent forms allowing HACSM to obtain wage and income information.

#### IV. OTHER REASONS FOR DENIAL OF ASSISTANCE

HACSM will deny an applicant admission for participation in the program in the following cases:

- If any household member is currently engaged in, or has engaged in any of the following criminal activities, within the past three years:
  - *Drug-related criminal activity*, defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug [24 CFR 5.100].
  - *Violent criminal activity*, defined by HUD as any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage [24 CFR 5.100].
  - Criminal activity that may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the

immediate vicinity (*Immediate vicinity* means within a three-block radius of the premises); or

- Criminal activity that may threaten the health or safety of property owners and management staff, and persons performing contract administration functions or other responsibilities on behalf of the HA (including a HA employee or a HA contractor, subcontractor, or agent).

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

-Conviction for drug-related or violent criminal activity within the past 3 years.

-Any record of eviction from public or privately-owned housing as a result of criminal activity within the past 3 years.

- Any family member has been evicted from federally-assisted housing in the last three years;
- Any PHA has ever terminated assistance under the program for any member of the family within the last three years;
- Any family member has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program;
- The family owes rent or other amounts to any housing authority in connection with the HCV, Certificate, Moderate Rehabilitation or public housing programs, unless the family repays the full amount of the debt prior to being selected from the waiting list;
- If the family has not reimbursed any PHA for amounts the PHA paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease, unless the family repays the full amount of the debt prior to being selected from the waiting list;
- The family has breached the terms of a repayment agreement entered into with HACSM, unless the family repays the full amount of the debt covered in the repayment agreement prior to being selected from the waiting list;

Upon consideration of all factors, HACSM may, on a case-by-case basis, decide not to deny assistance.

## **V. SCREENING FOR ELIGIBILITY**

### **Criminal Background Checks**

HACSM is required to perform criminal background checks necessary to determine whether applicants are engaging in or have engaged in certain criminal activities or whether any household member is subject to a lifetime registration requirement under a state sex offender program in the state where the housing is located, as well as in any other state where a household member is known to have resided. In order to obtain access to the records, HACSM will require every applicant family to submit a consent form signed by each adult household member.

If HACSM proposes to deny assistance based on a criminal record or on lifetime sex offender registration information, HACSM must notify the household of the proposed

action and must provide the subject of the record and the applicant a copy of the record and an opportunity to dispute the accuracy and relevance of the information prior to a denial of admission.

### **Screening for Suitability as a Tenant**

HACSM has no liability or responsibility to the owner for the family's behavior or suitability for tenancy. The HACSM will not conduct additional screening to determine an applicant family's suitability for tenancy.

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

HACSM will provide prospective owners with the family's current and prior address (as shown in HACSM records) and the name and address (if known) of the owner at the family's current and prior addresses.

HACSM may provide owners with additional information, as long as families are notified that the information will be provided, and the same type of information is provided to all owners. HACSM will make an exception to this requirement if the family's whereabouts must be protected due to domestic abuse or witness protection.

HACSM will provide the following information, based on documentation in its possession:

- Eviction history
- Damage to rental units
- Other aspects of tenancy history that is a matter of public record
- Drug trafficking by family members

HACSM policy on providing information to owners is included in the briefing packet and will apply uniformly to all families and owners.

## **VI. CRITERIA FOR DECIDING TO DENY ASSISTANCE**

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

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

### **Consideration of Circumstances**

HACSM will consider the following factors when making its decision:



- The seriousness of the case, especially with respect to how it would affect other residents;
- The effects that denial of assistance may have on other members of the family who were not involved in the action or failure;
- The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities, or (as discussed further in section 3-III.G) a victim of domestic violence, dating violence, or stalking;
- The length of time since the violation occurred, the family's recent history and the likelihood of favorable conduct in the future;
- In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully:

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

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

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

## **VII. NOTICE OF ELIGIBILITY OR DENIAL**

If the family is eligible for assistance, HACSM will notify the family when it extends the invitation to attend the voucher briefing appointment.

If HACSM determines that a family is not eligible for the program for any reason, the family will be notified promptly. The notice will describe the reasons for which assistance has been denied, the family's right to an informal review, and the process for obtaining the Informal Review.

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

If based on a criminal record or sex offender registration information, an applicant family appears to be ineligible; HACSM will notify the family in writing of the proposed denial and provide a copy of the record to the applicant and to the subject of the

record. The family will be given 10 business days to dispute the accuracy and relevance of the information.

If the family does not contact HACSM to dispute the information within the established time frame, HACSM will proceed with issuing the notice of denial of admission. A family that does not exercise their right to dispute the accuracy of the information prior to issuance of the official denial letter will still be given the opportunity to do so as part of the informal review process.

### **VIII. PROHIBITION AGAINST DENIAL OF ASSISTANCE TO VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, AND STALKING [24 CFR Part 5, Subpart L]**

The Violence against Women Reauthorization Act of 2005 (VAWA) prohibits denial of admission to an otherwise qualified applicant on the basis that the applicant is or has been a victim of domestic violence, dating violence, or stalking. Specifically, Section 606(1) of VAWA adds the following provision to Section 8 of the U.S. Housing Act of 1937, which lists contract provisions and requirements for the housing choice voucher program:

- That an applicant or participant is or has been a victim of domestic violence, dating violence, or stalking is not an appropriate reason for denial of program assistance or for denial of admission, if the applicant otherwise qualifies for assistance or admission [24 CFR 5.2005].

#### **Definitions [24 CFR 5.2003]**

As used in VAWA:

- The term *bifurcate* means, with respect to a public housing or Section 8 lease, to divide a lease as a matter of law such that certain tenants can be evicted or removed while the remaining family members' lease and occupancy rights are allowed to remain intact.
- The term *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 or has cohabitated with the victim as a spouse, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.
- The term *dating violence* means violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim; and where the existence of such a relationship shall be determined based on a consideration of the following factors:
  - The length of the relationship
  - The type of relationship
  - The frequency of interaction between the persons involved in the relationship

- The term *stalking* means:
  - To follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate; or
  - To place under surveillance with the intent to kill, injure, harass, or intimidate another person; and
  - In the course of, or as a result of, such following, pursuit, surveillance, or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or to cause substantial emotional harm to (1) that person, (2) a member of the immediate family of that person, or (3) the spouse or intimate partner of that person.
- The term *immediate family member* means, with respect to a person:
  - A spouse, parent, brother or sister, or child of that person, or an individual to whom that person stands in the position or place of a parent; or
  - Any other person living in the household of that person and related to that person by blood and marriage.

## **Notification**

HACSM acknowledges that a victim of domestic violence, dating violence, or stalking may have an unfavorable history (e.g. a poor credit history, a record of previous damage to an apartment, a prior arrest record) that would warrant denial under its policies. Therefore, if HACSM makes a determination to deny admission to an applicant family, it will include in its notice of denial

- A statement of the protection against denial provided by VAWA
- A description of HACSM confidentiality requirements
- A request that an applicant wishing to claim this protection submit to HACSM documentation meeting the specifications below with her or his request for an informal review.

## **Documentation**

### *Victim Documentation*

An applicant claiming that the cause of an unfavorable history is that a member of the applicant family is or has been a victim of domestic violence, dating violence, or stalking must provide documentation (1) demonstrating the connection between the abuse and the unfavorable history and (2) naming the perpetrator of the abuse. The documentation must include two elements:

- A statement signed by the victim certifying that the information provided is true and correct and that it describes bona fide incident(s) of actual or threatened domestic violence, dating violence, or stalking; and

One of the following:

- A police or court record documenting the domestic violence, dating violence, or stalking

- Documentation signed by a person who has assisted the victim in addressing domestic violence, dating violence, or stalking, or the effects of such abuse. This person may be an employee, agent, or volunteer of a victim service provider; an attorney; or a medical or other knowledgeable professional. The person signing the documentation must attest under penalty of perjury to the person's belief that the incidents in question are bona fide incidents of abuse. The victim must also sign the documentation.

HACSM may, with respect to any specific case, waive the above-stated requirements for verification and provide the benefits of this policy based on the victim's statement or other corroborating evidence.

#### *Perpetrator Documentation*

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

- A signed statement (1) requesting that the perpetrator be removed from the application and (2) certifying that the perpetrator will not be permitted to visit or to stay as a guest in the assisted unit
- Documentation that the perpetrator has successfully completed, or is successfully undergoing, rehabilitation or treatment. The documentation must be signed by an employee or agent of a domestic violence service provider or by a medical or other knowledgeable professional from whom the perpetrator has sought or is receiving assistance in addressing the abuse. The signer must attest under penalty of perjury to his or her belief that the rehabilitation was successfully completed or is progressing successfully. The victim and perpetrator must also sign or attest to the documentation.

HACSM may, with respect to any specific case, waive the above-stated requirements for verification and provide the benefits of this policy based on the victim's statement or other corroborating evidence.

#### *Time Frame for Submitting Documentation*

The individual claiming victim status must submit the requested documentation within 14 business days after receipt of HACSM's written request or must request an extension within that time frame. HACSM may, at its discretion, extend the deadline for 10 business days.

If the individual provides the requested documentation within 14 business days, or any HACSM-approved extension, HACSM will reconsider its denial of assistance decision in light of the documentation.

If the individual does not provide the requested documentation within 14 business days, or any HACSM-approved extension, HACSM will proceed with denial of the family's assistance in accordance with applicable law, program regulations, and the policies in this plan.

## **HACSM Confidentiality Requirements [24 CFR 5.2007(a)(1)(v)]**

All information provided to HACSM regarding domestic violence, dating violence, or stalking, including the fact that an individual is a victim of such violence or stalking, must be retained in confidence and may neither be entered into any shared database nor provided to any related entity, except to the extent that the disclosure (a) is requested or consented to by the individual in writing, (b) is required for use in an eviction proceeding, or (c) is otherwise required by applicable law.

If disclosure is required for use in an eviction proceeding or is otherwise required by applicable law, HACSM will inform the victim before disclosure occurs so that safety risks can be identified and addressed.

## **IX. TERMINATION OF ASSISTANCE**

### **Family No Longer Requires Assistance**

As a family's income increases, the amount of HACSM subsidy goes down. If the amount of HCV subsidy provided by HACSM drops to zero and remains at zero for 180 consecutive calendar days, the family's assistance terminates automatically.

If a participating family receiving zero assistance experiences a change in circumstances that would cause the HAP payment to rise above zero, the family must notify HACSM of the changed circumstances and request an interim reexamination before the expiration of the 180-day period.

### **Family Exceeds Asset Limits**

Participants will be determined ineligible for the program if they have experienced an increase in assets, valuing more than \$100,000 in assets, or have gained ownership interest in a suitable home in which they have a legal right to reside (see Chapter 7 for further details).

If a participating family is determined ineligible due to the above factor, HACSM will continue assistance for 90 days from the determination prior to terminating assistance. If a participating family experiences a change in asset value during the 90 days, the family must notify HACSM of the changes and request an interim before the expiration of the 90-day period.

### **Family Chooses to Terminate Assistance**

The family may request that HACSM terminate the family's assistance at any time.

The request to terminate assistance should be made in writing and signed by the head of household, spouse, or co-head unless circumstances do not allow for written notice.

If no written notice is received, but some other form of notification is received (verbal from family, verbal or written from owner), HACSM staff will document the file accordingly and send a confirmation notice to the family and the owner within 10 business days of the notification, but no later than the termination effective date.

## **Family Absence from the Unit**

The family may be absent from the unit for brief periods. However, the family cannot be absent from the unit for a period of more than 180 consecutive calendar days for any reason. Absence in this context means that no member of the family is residing in the unit.

If the family is absent from the unit for more than 180 consecutive calendar days, the family's assistance will be terminated and notice of termination will be sent in accordance with policies set forth in this plan.

## **X. MANDATORY TERMINATION OF ASSISTANCE**

HACSM will terminate assistance in the following circumstances:

- If any household member has ever been convicted of the manufacture or production of methamphetamine on the premises of federally-assisted housing.
- The family is evicted from a unit assisted under the HCV program for a serious or repeated violation of the lease. Serious and repeated lease violations will include, but not be limited to, nonpayment of rent, disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises and criminal activity.

A family will be considered *evicted* if the family moves after a legal eviction order has been issued, whether or not physical enforcement of the order was necessary.

If a family moves after the owner has given the family an eviction notice for serious or repeated lease violations but before a legal eviction order has been issued, termination of assistance is not mandatory. However, the HACSM will determine whether the family has committed serious or repeated violations of the lease based on available evidence and may terminate assistance or take any alternative measures. Upon consideration of such alternatives and factors, the HACSM may, on a case-by-case basis, choose not to terminate assistance.

- Any family member fails to sign and submit any consent form they are required to sign for a reexamination.
- The family fails to submit required documentation within the required timeframe concerning any family member's citizenship or immigration status; a family submits evidence of citizenship and eligible immigration status in a timely manner, but United States Citizenship and Immigration Services (USCIS) primary and secondary verification does not verify eligible immigration status of the family; or a family member, as determined by the HACSM, has knowingly permitted another individual who is not eligible for assistance to reside (on a permanent basis) in the unit. For the latter reason, such termination must be for a period of at least 24 months. This does not apply to ineligible non-citizens already in the household where the family's assistance has been prorated.
- If a participant family fails to provide the documentation or certification required for any family member who obtains a social security number or joins the family.

- If a student enrolled at an institution of higher education is under the age of 24, is not a veteran, is not married, does not have dependent children, and is not residing with his/her parents in an HCV assisted household, HACSM must terminate the student's assistance if, at the time of reexamination, either the student's income or the income of the student's parents (if applicable) exceeds the applicable income limit.

If a participant household consists of both eligible and ineligible students, the eligible students shall not be terminated, but must be issued a voucher to move with continued assistance in accordance with program regulations and HACSM policies, or must be given the opportunity to lease in place if the terminated ineligible student members elect to move out of the assisted unit.

- If any household member is currently engaged in any illegal use of a drug, or has a pattern of illegal drug use that interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents. *Currently engaged in* is defined as any use of illegal drugs during the previous six months.
- If any household member's abuse or pattern of abuse of alcohol threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

HACSM will terminate a family's assistance if any household member has violated the family's obligation not to engage in any drug-related or violent criminal activity during participation in the HCV program.

*Drug-related criminal activity* is defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug. *Drug* means a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).

*Violent criminal activity* means any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.

Upon consideration of all factors or alternatives, the HACSM may, on a case-by-case basis, decide not to terminate assistance.

## **XI. OTHER AUTHORIZED REASONS FOR TERMINATION OF ASSISTANCE**

HACSM **may** terminate a family's assistance if:

- The family has failed to comply with any family obligations under the program.
- Any family member has been evicted from federally-assisted housing in the last three years;
- Any PHA has terminated assistance under the program for any member of the family within the last three years;
- Any family member has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program;

- The family currently owes rent or other amounts to any PHA in connection with the HCV, Certificate, Moderate Rehabilitation or public housing programs (unless a repayment agreement is in place and payments are current);
- 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;
- The family has breached the terms of a repayment agreement entered into with the HACSM;
- A family member has engaged in or threatened violent or abusive behavior toward HACSM personnel. *Abusive or violent behavior towards HA personnel* includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior. *Threatening* refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

Upon consideration of all factors or alternatives, the HACSM may, on a case-by-case basis, decide not to terminate assistance.

## **XII. ALTERNATIVES TO TERMINATION OF ASSISTANCE**

### **Change in Household Composition**

As a condition of continued assistance, the head of household must certify that the culpable family member has vacated the unit and will not be permitted to visit or to stay as a guest in the assisted unit. The family must present evidence of the former family member's current address upon HACSM request.

### **Repayment of Family Debts**

If a family owes amounts to HACSM, as a condition of continued assistance, the HACSM will require the family to repay the full amount or to enter into a repayment agreement, within 30 days of receiving notice from HACSM of the amount owed.

## **XIII. CRITERIA FOR DECIDING TO TERMINATE ASSISTANCE**

HACSM will use the concept of "the preponderance of the evidence" as the standard for making termination decisions.

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

### **Consideration of Circumstances**

HACSM will consider the following factors when making its decision:

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



- The effects that termination of assistance may have on other members of the family who were not involved in the action or failure;
- The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities, or a victim of domestic violence, dating violence, or stalking;
- The length of time since the violation occurred, the family's recent history and the likelihood of favorable conduct in the future;
- In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully;

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

### **Reasonable Accommodation**

If the family includes a person with disabilities, HACSM's decision to terminate the family's assistance is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

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

## **XIV. TERMINATING THE ASSISTANCE OF DOMESTIC VIOLENCE, DATING VIOLENCE, OR STALKING VICTIMS AND PERPETRATORS [24 CFR 5.2005]**

The Violence Against Women Reauthorization Act of 2005 (VAWA) provides that "criminal activity directly relating to domestic violence, dating violence, or stalking, engaged in by a member of a tenant's household or any guest or other person under the tenant's control shall not be a cause for termination of assistance, tenancy, or occupancy rights if the tenant or an immediate member of the tenant's family is the victim or threatened victim of that domestic violence, dating violence, or stalking."

VAWA also gives PHAs the authority to "terminate assistance to any individual who is a tenant or lawful occupant and who engages in criminal acts of physical violence against family members or others, without evicting, removing, terminating assistance to, or otherwise penalizing the victim of such violence who is also a tenant or lawful occupant."

VAWA does not limit the authority of the PHA to terminate the assistance of any participant if the PHA "can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property if that tenant is not evicted or

terminated from assistance.” However, situations where this might be relevant are extremely rare.

In determining whether a participant who is a victim of domestic violence, dating violence, or stalking is an actual and imminent threat to other tenants or those employed at or providing service to a property, HACSM will consider the following, and any other relevant, factors:

- Whether the threat is toward a tenant or employee other than the victim of domestic violence, dating violence, stalking;
- Whether the threat is a physical danger beyond a speculative threat;
- Whether the threat is likely to happen within a short period of time;
- Whether the threat to other tenants or employees can be eliminated in some other way, such as helping the victim relocate to a confidential location.

If the tenant wishes to contest HACSM’s determination that he or she is an actual and imminent threat to other tenants or employees, the tenant may do so as part of the informal hearing.

### **Victim Documentation**

When a participant family is facing assistance termination because of the actions of a participant, household member, guest, or other person under the participant’s control and a participant or immediate family member of the participant’s family claims that she or he is the victim of such actions and that the actions are related to domestic violence, dating violence, or stalking, HACSM will request in writing that the individual submit documentation affirming that claim.

- The documentation must include two elements: A statement signed by the victim certifying that the information provided is true and correct and that it describes bona fide incident(s) of actual or threatened domestic violence, dating violence, or stalking; and

One of the following:

- A police or court record documenting the domestic violence, dating violence, or stalking
- Documentation signed by a person who has assisted the victim in addressing domestic violence, dating violence, or stalking, or the effects of such abuse. This person may be an employee, agent, or volunteer of a victim service provider; an attorney; or a medical or other knowledgeable professional. The person signing the documentation must attest under penalty of perjury to the person’s belief that the incidents in question are bona fide incidents of abuse. The victim must also sign the documentation.

HACSM may, with respect to any specific case, waive the above-stated requirements for verification and provide the benefits of this policy based on the victim’s statement or other corroborating evidence.

The individual claiming victim status must submit the requested documentation within 14 business days after receipt of HACSM's written request or must request an extension within that time frame. HACSM may, at its discretion, extend the deadline for 10 business days.

If the individual provides the requested documentation within 14 business days, or any HACSM-approved extension, HACSM will reconsider its termination decision in light of the documentation.

If the individual does not provide the requested documentation within 14 business days, or any HACSM-approved extension, HACSM will proceed with termination of the family's assistance in accordance with applicable law, program regulations, and the policies in this plan.

### **Terminating the Assistance of a Domestic Violence Perpetrator [24 CFR 5.2005(c)]**

Although VAWA provides assistance termination protection for victims of domestic violence, it does not provide protection for perpetrators. VAWA gives the PHA the explicit authority to "terminate assistance to any individual who is a tenant or lawful occupant and who engages in criminal acts of physical violence against family members or others...without terminating assistance to, or otherwise penalizing the victim of such violence who is also a tenant or lawful occupant." This authority is not dependent on a bifurcated lease or other eviction action by an owner against an individual family member. Further, this authority supersedes any local, state, or other federal law to the contrary. However, if the PHA chooses to exercise this authority, it must follow any procedures prescribed by HUD or by applicable local, state, or federal law regarding termination of assistance [Pub.L. 109-271]. This means that the PHA must follow the same rules when terminating assistance to an individual as it would when terminating the assistance of an entire family [3/16/07 *Federal Register* notice on the applicability of VAWA to HUD programs].

HACSM will terminate assistance to a family member if it determines that the family member has committed criminal acts of physical violence against other family members or others. This action will not affect the assistance of the remaining, nonculpable family members.

In making its decision, HACSM will consider all credible evidence, including, but not limited to, a signed certification (from HUD-50066) or other documentation of abuse submitted to HACSM by the victim in accordance with this section. HACSM will also consider the factors in Section XIII of this chapter. Upon such consideration, HACSM may, on a case-by-case basis, choose not to terminate the assistance of the culpable family member.

If HACSM does terminate the assistance of the culpable family member, it will do so in accordance with applicable law, HUD regulations, and the policies in this plan.

### **HACSM Confidentiality Requirements**

All information provided to HACSM regarding domestic violence, dating violence, or stalking, including the fact that an individual is a victim of such violence or stalking,

must be retained in confidence and may neither be entered into any shared data base nor provided to any related entity, except to the extent that the disclosure (a) is requested or consented to by the individual in writing, (b) is required for use in an eviction proceeding, or (c) is otherwise required by applicable law.

If disclosure is required for use in eviction proceeding or is otherwise required by applicable law, HACSM will inform the victim before disclosure occurs so that safety risks can be identified and addressed.

## **XV. TERMINATION NOTICE**

If a family's assistance is to be terminated, whether voluntarily or involuntarily, the HACSM will give the family and the owner written notice that specifies:

- The reasons for which assistance has been terminated,
- The effective date of the termination,
- The family's right to an informal hearing and process to request one

If a criminal record is the basis of the termination, a copy of the record must accompany the notice. A copy of the criminal record also must be provided to the subject of the record [24 CFR 982.553(d)].

When termination is initiated by the HACSM, the notice to terminate will be sent to the family and the owner at least 30 calendar days prior to the effective date of the termination. However, if a family vacates the unit without informing the HACSM, 30 days notice may not be given. In these cases, the notice to terminate will be sent at the time the HACSM learns the family has vacated the unit. The notice will be sent to the last known address on record with the HACSM.

## **XVI. TERMINATION OF TENANCY BY THE OWNER**

Termination of an assisted tenancy is a matter between the owner and the family; the HACSM is not directly involved. However, the owner is under some constraints when terminating an assisted tenancy and the reasons for which a tenancy is terminated dictate whether assistance also will be terminated.

During the term of the lease, the owner is not permitted to terminate the tenancy except for serious or repeated violations of the lease, certain violations of state or local law, or other good cause.

### **Serious or Repeated Lease Violations**

The owner is permitted to terminate the family's tenancy for serious or repeated violations of the terms and conditions of the lease, including failure to pay rent or other amounts due under the lease, except when the violations are related to incidents of actual or threatened domestic violence, dating violence, or stalking against that participant. This includes failure to pay rent or other amounts due under the lease. However, HACSM's failure to make a HAP payment to the owner is not a violation of the lease between the family and the owner.

If a termination is not due to a serious or repeated violation of the lease, and if the HACSM has no other grounds for termination of assistance, HACSM may issue a new voucher so that the family can move with continued assistance.

### **Violation of Federal, State, or Local Law**

The owner is permitted to terminate the tenancy if a family member violates federal, state, or local law that imposes obligations in connection with the occupancy or use of the premises.

### **Criminal Activity or Alcohol Abuse**

The owner may terminate tenancy during the term of the lease if any *covered person*, meaning any member of the household, a guest or another person under the tenant's control commits any of the following types of criminal activity (for applicable definitions see 24 CFR 5.100):

- Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of the premises by, other residents (including property management staff residing on the premises);
- Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of their residences by, persons residing in the immediate vicinity of the premises;
- Any violent criminal activity on or near the premises; or
- Any drug-related criminal activity on or near the premises.

The owner may terminate tenancy during the term of the lease if any member of the household is:

- Fleeing to avoid prosecution, custody, or confinement after conviction for a crime or an attempt to commit a crime that is a felony under the laws of the place from which the individual flees, or that, in the case of the State of New Jersey, is a high misdemeanor; or
- Violating a condition of probation or parole imposed under federal or state law.

The owner may terminate tenancy for criminal activity by a household member in accordance with this section if the owner determines that the household member has committed the criminal activity, regardless of whether the household member has been arrested or convicted for such activity.

The owner may terminate tenancy during the term of the lease if any member of the household has engaged in abuse of alcohol that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

### **Evidence of Criminal Activity**

The owner may terminate tenancy and evict by judicial action a family for criminal activity by a covered person if the owner determines they have engaged in the criminal activity, regardless of arrest or conviction and without satisfying the standard of proof used for a criminal conviction, except in certain incidents where the criminal activity directly relates to domestic violence, dating violence, or stalking and the

tenant or an immediate member of the tenant's family is the victim or threatened victim of the domestic violence, dating violence, or stalking (See Section 12-II.E.).

### **Other Good Cause**

During the initial lease term, the owner may not terminate the tenancy for "other good cause" unless the owner is terminating the tenancy because of something the family did or failed to do. During the initial lease term or during any extension term, other good cause includes the disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises.

After the initial lease term, "other good cause" for termination of tenancy by the owner includes:

- Failure by the family to accept the offer of a new lease or revision;
- The owner's desire to use the unit for personal or family use, or for a purpose other than as a residential rental unit; or
- A business or economic reason for termination of the tenancy (such as sale of the property, renovation of the unit, or desire to lease the unit at a higher rent).

After the initial lease term, the owner may give the family notice at any time, in accordance with the terms of the lease.

### **Eviction**

The owner must give the tenant a written notice that specifies the grounds for termination of tenancy during the term of the lease. The tenancy does not terminate before the owner has given this notice, and the notice must be given at or before commencement of the eviction action.

The notice of grounds may be included in, or may be combined with, any owner eviction notice to the tenant.

Owner eviction notice means a notice to vacate, or a complaint or other initial pleading used under state or local law to commence an eviction action. The owner may only evict the tenant from the unit by instituting a court action. The owner must give HACSM a copy of any eviction notice at the same time the owner notifies the family. The family is also required to give HACSM a copy of any eviction notice.

If the eviction action is finalized in court, the owner must provide the HACSM with documentation related to the eviction, including notice of the eviction date, as soon as possible

## **XVII. DECIDING WHETHER TO TERMINATE TENANCY**

An owner who has grounds to terminate a tenancy is not required to do so, and may consider all of the circumstances relevant to a particular case before making a decision. These might include:

- The nature of the offending action;
- The seriousness of the offending action;

- The effect on the community of the termination, or of the owner's failure to terminate the tenancy;
- The extent of participation by the leaseholder in the offending action;
- The effect of termination of tenancy on household members not involved in the offending activity;
- The demand for assisted housing by families who will adhere to lease responsibilities;
- The extent to which the leaseholder has shown personal responsibility and taken all reasonable steps to prevent or mitigate the offending action;
- The effect of the owner's action on the integrity of the program.

The owner may require a family to exclude a household member in order to continue to reside in the assisted unit, where that household member has participated in or been culpable for action or failure to act that warrants termination.

In determining whether to terminate tenancy for illegal use of drugs or alcohol abuse by a household member who is no longer engaged in such behavior, the owner may consider whether such household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program, or has otherwise been rehabilitated successfully (42 U.S.C. 13661). For this purpose, the owner may require the tenant to submit evidence of the household member's current participation in, or successful completion of, a supervised drug or alcohol rehabilitation program or evidence of otherwise having been rehabilitated successfully.

The owner's termination of tenancy actions must be consistent with the fair housing and equal opportunity provisions in 24 CFR 5.105.

An owner's decision to terminate tenancy for incidents related to domestic violence, dating violence, or stalking is limited by the Violence Against Women Reauthorization Act of 2005 (VAWA).

## Chapter 13

### OWNERS

#### I. INTRODUCTION

Owners play a central role in the HCV program by supplying decent, safe, and sanitary housing for participating families.

Owners have numerous responsibilities under the program, including screening and leasing to families, maintaining the dwelling unit, enforcing the lease, and complying with various contractual obligations.

#### II. OWNER RECRUITMENT AND RETENTION

##### Recruitment

HACSM is responsible for ensuring that very low income families have access to all types and ranges of affordable housing in its jurisdiction, particularly housing outside areas of poverty or minority concentration. A critical element in fulfilling this responsibility is for the HACSM to ensure that a sufficient number of owners, representing all types and ranges of affordable housing in the jurisdiction, are willing to participate in the HCV program.

HACSM will conduct owner outreach to ensure that owners are familiar with the program and its advantages. Outreach strategies may include, but are not limited to:

- Distributing printed material about the program to property owners and managers
- Contacting property owners and managers by phone or in-person
- Participating in community-based organizations comprised of private property and apartment owners and managers
- Developing working relationships with owners and real estate brokers associations

Outreach strategies will be monitored for effectiveness and adapted accordingly as change in the program and market occurs.

##### Retention

In addition to recruiting owners to participate in the HCV program, HACSM must also provide the kind of customer service that will encourage participating owners to remain active in the program.

All HACSM activities that may affect an owner's ability to lease a unit will be processed as rapidly as possible, in order to minimize vacancy losses for owners.

HACSM will give special attention to helping new owners succeed through activities such as:



- Providing the owner with a designated contact person;
- Coordinating inspection and leasing activities between HACSM, the owner, and the family;
- Providing written information about how the program operates, including answers to frequently asked questions;

### **III. OWNER RESPONSIBILITIES**

The owner is responsible for performing all of the owner's obligations under the HAP contract and the lease.

1. Performing all management and rental functions for the assisted unit, including selecting a voucher holder to lease the unit, and deciding if the family is suitable for tenancy of the unit;
2. Maintaining the unit in accordance with HQS, including performance of ordinary and extraordinary maintenance;
3. Complying with equal opportunity requirements;
4. Preparing and furnishing HACSM with information required under the HAP contract;
5. Collecting from the family:
  - o Any security deposit required under the lease.
  - o The tenant contribution (the part of rent to owner not covered by the housing assistance payment/subsidy).
  - o Any charges for unit damage by the family.
6. Enforcing tenant obligations under the lease;
7. Paying for utilities and services (unless paid by the family under the lease)
8. Notifying HACSM at least 60 days prior to any rent increase. Any proposed rent increase is subject to rent reasonableness requirements before it can be approved.
9. Complying with the Violence Against Women Reauthorization Act of 2005 (VAWA) when screening and terminating tenants.

### **IV. OWNER QUALIFICATIONS**

HACSM does not formally approve an owner to participate in the HCV program. However, there are a number of criteria where the HACSM may deny approval of an assisted tenancy based on past owner behavior, conflict of interest, or other owner-related issues. No owner has a right to participate in the HCV program.

#### **Conflict of Interest**

HACSM will not approve a tenancy in which any of the following classes of persons has any interest, direct or indirect, during tenure or for one year thereafter:

- Any present or former member or officer of HACSM (except a tenant commissioner)

- Any employee of HACSM, or any contractor, subcontractor or agent of the HACSM, who formulates policy or who influences decisions with respect to the programs
- Any tenant who is a candidate for employment with HACSM in a policy or decision-making position
- Any public official, member of a governing body, or State or local legislator, who exercises functions or responsibilities with respect to the programs
- Any member of the Congress of the United States

HUD may waive the conflict of interest requirements, except for members of Congress, for good cause. HACSM must submit a waiver request to the appropriate HUD Field Office for determination.

### **Leasing to Relatives**

HACSM will not approve an RTA if the owner is the parent, child, grandparent, grandchild, sister, or brother of any member of the family. The owner is required to certify that no such relationship exists. HACSM may make an exception as a reasonable accommodation for a family member with a disability.

### **Owner Actions That May Result in Disapproval of a Tenancy Request**

HACSM may refuse to approve a request for tenancy if any of the following are true:

- The owner or his/her representative has violated obligations under a HAP contract under Section 8 of the 1937 Act (42 U.S.C. 1437f);
- HACSM has been informed by HUD (or otherwise) that the owner has been disbarred, suspended or subject to a limited denial of participation under 24 CFR Part 24;
- HUD has informed HACSM that the Federal Government has instituted an administrative or judicial action against the owner for violation of the Fair Housing Act or other federal equal-opportunity requirements and such action is pending;
- The owner or his/her representative has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
- The owner or his/her representative has engaged in any drug-related criminal activity or violent criminal activity;
- The owner or his/her representative has a history or practice of non-compliance with the HQS for units leased under the tenant-based programs, or with applicable housing standards for units leased with project-based Section 8 assistance or leased under any other federal housing program;
- The owner or his/her representative has been threatening, abusive, belligerent or confrontational with HACSM staff and behaves in a manner that disrupts the normal Housing Authority operations;
- The owner or his/her representative has a history or practice of harassing, retaliatory, or illegal activities towards tenants;

- The owner or his/her representative has a history or practice of renting units that fail to meet state or local housing codes;
- The owner or his/her representative has not paid state or local real estate taxes, fines, or assessment.
- The owner or his/her representative has a history or practice of failing to terminate tenancy of tenants of units assisted under Section 8 or any other federally assisted housing program for activity engaged in by the tenant, any member of the household, a guest or another person under the control of any member of the household that:
  - a. Threatens the right to peaceful enjoyment of the premises by other residents;
  - b. Threatens the health or safety of other residents, of employees of the HACSM, or of owner employees or other persons engaged in management of the housing;
  - c. Threatens the health or safety of, or the right to peaceful enjoyment of their residences, by persons residing in the immediate vicinity of the premises; or
  - d. Is drug-related criminal activity or violent criminal activity;

In considering whether to disapprove owners for any of the discretionary reasons listed above, HACSM will consider any mitigating factors. Such factors may include, but are not limited to, the seriousness of the violation in relation to program requirements, the impact on the ability of families to lease units under the program, health and safety of participating families, among others.

### **Legal Ownership of Unit**

HACSM will only enter into a contractual relationship of a qualified unit with the legal owner or his/her representative with proper management agreement or written authorization. No tenancy will be approved without *acceptable* documentation of legal ownership (e.g. deed of trust, proof of taxes paid for most recent year).

HACSM will require owners to complete and execute tax identification certifications in accordance with IRS requirements. HACSM will comply with IRS regulations in income reporting and back-up withholding.

### **Non-Discrimination**

The owner must not discriminate against any person because of race, color, religion, sex, national origin, age, familial status, disability, marital status or sexual orientation in connection with any actions or responsibilities under the HCV program and the HAP contract with HACSM.

The owner must cooperate with HACSM and with HUD in conducting any equal opportunity compliance reviews and complaint investigations in connection with the HCV program and the HAP contract with HACSM.

## **V. HAP CONTRACTS**

The HAP contract represents a written agreement between HACSM and the owner of the dwelling unit occupied by a HCV assisted family. The contract spells out the owner's responsibilities under the program, as well as the Housing Authority's obligations. Under the HAP contract, HACSM agrees to make housing assistance payments to the owner on behalf of a specific family occupying a specific unit.

If HACSM has given approval for the family of the assisted tenancy, the owner and HACSM execute the HAP contract.

### **HAP Contract Payments**

During the term of the HAP contract, and subject to the provisions of the HAP contract, HACSM will make monthly HAP payments to the owner on behalf of the family, at the beginning of each month. If a lease term begins after the first of the month, the HAP payment for the first month is prorated for a partial month.

The amount of the HAP payment (subsidy) is determined according to the HACSM policies described in Chapter 7, and is subject to change during the term of the HAP contract. HACSM will notify the owner and the family in writing of any changes in the HAP payment.

HAP payments will be made only during the lease term, and only while the family is residing in the unit.

The monthly HAP payment by the HACSM is credited toward the monthly rent to owner under the family's lease. The total of the rent paid by the tenant, plus the HACSM HAP payment, should be equal to the rent to owner specified in the lease.

The family is not responsible for payment of the HAP payment, and HACSM is not responsible for payment of the family share of rent.

The family's share of the rent cannot be more than the difference between the total rent to the owner and the HAP payment. The owner must not demand or accept any rent payment from the tenant in excess of this maximum. The owner must not charge the tenant extra amounts for items customarily included in rent in the locality, or provided at no additional cost to unsubsidized tenants in the premises.

HACSM will immediately terminate program assistance for deceased single member households or a household where the remaining household member is a live-in aide. Subsidy payment will end the first day after the month in which the participant dies.

If the owner receives any excess HAP from HACSM, the excess amount must be returned immediately. If HACSM determines that the owner is not entitled to all or a portion of the HAP, HACSM may deduct the amount of overpayment from any amounts due to the owner, including amounts due under any other Section 8 HCV contract.

### **Late HAP Payments**

HACSM is responsible for making HAP payments promptly when due to the owner, in accordance with the terms of the HAP contract. After the first two calendar months of

the HAP contract term, the HAP contract provides for penalties if HACSM fails to make the HAP payment on time.

Penalties for late HAP payments can only be imposed if 1) the penalties are in accordance with generally accepted local rental market practices and law governing penalties for late payment by tenants; 2) it is the owner's normal business practice to charge late payment penalties for both assisted and unassisted families; and 3) the owner charges the assisted family for late payment of the family's share of the rent.

HACSM is not required to pay a late payment penalty if HUD determines that the payment is late for reasons beyond HACSM's control. In addition, late payment penalties are not required if the HACSM intentionally delays or denies payment as a remedy to an owner breach of the HAP contract.

### **Owner Certification of Compliance**

By endorsing the monthly check from HACSM, the owner certifies to compliance with the terms of the HAP contract. This includes certification that the owner is maintaining the unit and premises in accordance with HQS; that the contract unit is leased to the tenant family and, to the best of the owner's knowledge, the family resides in the unit as the family's only residence; the rent to owner does not exceed rents charged by the owner for comparable unassisted units on the premises; and that the owner does not receive (other than rent to owner) any additional payments or other consideration for rent of the contract unit during the HAP term.

### **Termination of HAP Payments**

HACSM must continue making housing assistance payments to the owner in accordance with the HAP contract as long as the tenant continues to occupy the unit and the HAP contract is not violated.

HAP payments terminate when the HAP contract terminates or when the tenancy is terminated in accordance with the terms of the lease.

If the owner has initiated eviction proceedings against the family and the family continues to reside in the unit, HACSM must continue to make housing assistance payments to the owner until the owner has obtained a court judgment or other process allowing the owner to evict the tenant.

The owner must inform HACSM when the owner has initiated eviction proceedings against the family and the family continues to reside in the unit.

The owner must inform HACSM when the owner has obtained a court judgment or other process allowing the owner to evict the tenant, and provide HACSM with a copy of such judgment or determination.

After the owner has obtained a court judgment or other process allowing the owner to evict the tenant, HACSM will continue to make HAP payments to the owner until the family actually moves from the unit or until the family is physically evicted from the unit, whichever is earlier. The owner must inform HACSM of the date when the family actually moves from the unit or the family is physically evicted from the unit.

## **Breach of HAP Contract**

Any of the following actions by the owner constitutes a breach of the HAP contract:

- If the owner violates any obligations under the HAP contract including failure to maintain the unit in accordance with HQS;
- If the owner has violated any obligation under any other HAP contract under Section 8;
- If the owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
- For projects with mortgages insured by HUD or loans made by HUD, if the owner has failed to comply with the regulations for the applicable program; or if the owner has committed fraud, bribery or any other corrupt or criminal act in connection with the mortgage or loan;
- If the owner has engaged in drug-related criminal activity
- If the owner has committed any violent criminal activity

HACSM rights and remedies against the owner under the HAP contract include recovery of any HAP overpayment, suspension of housing assistance payments, abatement or reduction of the housing assistance payment, termination of the payment or termination the HAP contract. HACSM may also obtain additional relief by judicial order or action.

HACSM will notify the owner of its determination and provide in writing the reasons for the determination. The notice may require the owner to take corrective action by an established deadline. HACSM will provide the owner with written notice of any reduction in housing assistance payments or the termination of the HAP contract.

Before HACSM invokes a remedy against an owner, it will evaluate all information and documents available to determine if the contract has been breached. If relevant, HACSM will conduct an audit of the owner's records pertaining to the tenancy or unit.

If it is determined that the owner has breached the contract, HACSM will consider all of the relevant factors including the seriousness of the breach, the effect on the family, the owner's record of compliance and the number and seriousness of any prior HAP contract violations.

## **HAP Contract Terminations**

The HAP contract and the housing assistance payments made under the HAP contract terminate if:

- The owner or the family terminates the lease;
- The lease expires;
- HACSM terminates the HAP contract;
- HACSM terminates assistance for the family;

- The family moves from the assisted unit. In this situation, the owner is entitled to keep the housing assistance payment for the month when the family moves out of the unit;
- 180 calendar days have elapsed since HACSM made the last housing assistance payment to the owner;
- The family is absent from the unit for longer than the maximum period permitted by HACSM;
- The Annual Contributions Contract (ACC) between HACSM and HUD expires;
- HACSM elects to terminate the HAP contract. HACSM may elect to terminate the HAP contract in each of the following situations:
  - Available program funding is not sufficient to support continued assistance for families in the program;
  - The unit does not meet HQS size requirements due to change in family composition;
  - The unit does not meet HQS;
  - The family breaks up;
  - The owner breaches the HAP contract

If HACSM terminates the HAP contract, it must give the owner and the family written notice. The notice must specify the reasons for the termination and the effective date of the termination. Once a HAP contract is terminated, no further HAP payments will be made under that contract.

The HAP contract terminates at the end of the calendar month that follows the calendar month in which HACSM gives written notice to the owner. The owner is not entitled to any housing assistance payment after this period, and must return to HACSM any housing assistance payment received after this period.

If the family moves from the assisted unit into a new unit, even if the new unit is in the same building or complex as the assisted unit, the HAP contract for the assisted unit terminates. A new HAP contract would be required.

When the family moves from an assisted unit into a new unit, the term of the HAP contract for the new unit may begin in the same month in which the family moves out of its old unit. This is not considered a duplicative subsidy.

### **Change in Ownership / Assignment of the HAP Contract**

An owner under a HAP contract must notify HACSM in writing prior to a change in the legal ownership of the unit. The owner must supply all information as requested by HACSM.

Prior to approval of assignment to a new owner, the new owner must agree to be bound by and comply with the HAP contract. HACSM must receive a signed, written request from the existing or new owner stating the name and address of the new HAP payee and the effective date of the assignment in order to change the HAP payee under an outstanding HAP contract.

In order to process payment, the new owner must provide a written certification to HACSM that includes:

- A copy of the escrow statement or other document showing the transfer of title and recorded deed;
- A copy of the owner's IRS Form W-9 or Request for Taxpayer Identification Number and Certification;
- The effective date of the HAP contract assignment;
- A written agreement to comply with the terms of the HAP contract; and
- Confirmation that the new owner is not a prohibited relative.

If the new owner does not agree to an assignment of the HAP contract, or fails to provide the necessary documents, HACSM will terminate the HAP contract.



## Chapter 14

### SPECIAL HOUSING TYPES

#### I. INTRODUCTION

For the purposes of this chapter, special housing types include single room occupancy (SRO), shared housing, and manufactured homes where the family owns the home and leases the space.

#### II. SINGLE ROOM OCCUPANCY

Single room occupancy (SRO) units provide living and sleeping space for the exclusive use of the occupant but require the occupant to share sanitary and/or food preparation facilities with others. More than one person may not occupy an SRO unit. HCV regulations do not limit the number of units in an SRO facility, but the size of a facility may be limited by local ordinances.

When providing HCV assistance in an SRO unit, a separate lease and HAP contract are executed for each assisted person, and the standard form of the HAP contract is used.

#### **Housing Quality Standards (HQS)**

HQS requirements described in Chapter 8 apply to SRO housing except as modified below.

- *Access:* Access doors to the SRO unit must have working locks for privacy. The occupant must be able to access the unit without going through any other unit. Each unit must have immediate access to two or more approved means of exit from the building, appropriately marked and leading to safe and open space at ground level. The SRO unit must also have any other means of exit required by State or local law.
- *Fire Safety:* All SRO facilities must have a sprinkler system that protects major spaces. "Major spaces" are defined as hallways, common areas, and any other areas specified in local fire, building, or safety codes. SROs must also have hard-wired smoke detectors, and any other fire and safety equipment required by state or local law.

Sanitary facilities and space and security standards must meet local code requirements for SRO housing. In the absence of local code standards the requirements discussed below apply [24 CFR 982.605].

- *Sanitary Facilities:* At least one flush toilet that can be used in privacy, a lavatory basin, and a bathtub or shower in proper operating condition must be provided for each six persons (or fewer) residing in the SRO facility. If the SRO units are leased only to men, flush urinals may be substituted for up to one half of the required number of toilets. Sanitary facilities must be reasonably accessible from a common hall or passageway, and may not be located more than one floor above or below the SRO unit. They may not be located below grade unless the SRO units are located on that level.
- *Space and Security:* An SRO unit must contain at least 110 square feet of floor space, and at least four square feet of closet space with an unobstructed height of at least five feet, for use by the occupant. If the closet space is less than four square feet, the habitable floor space in the SRO unit must be increased by the amount of the deficiency. Exterior doors and windows accessible from outside the SRO unit must be lockable.

Because no children live in SRO housing, the housing quality standards applicable to lead-based paint do not apply.

### **III. SHARED HOUSING**

Shared housing is a single housing unit occupied by an assisted family and another resident or residents. The shared unit consists of both common space for use by the occupants of the unit and separate private space for each assisted family.

An assisted family may share a unit with other persons assisted under the HCV program or with other unassisted persons. The owner of a shared housing unit may reside in the unit, but housing assistance may not be paid on behalf of the owner. The resident owner may not be related by blood or marriage to the assisted family.

If approved by HACSM, a live-in aide may reside with the family to care for a person with disabilities. HACSM must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

When providing HCV assistance in shared housing, a separate lease and HAP contract are executed for each assisted family, and the standard form of the HAP contract is used.

The rents paid for families living in shared housing are subject to generally applicable standards for rent reasonableness. The rent paid to the owner for the assisted family must not exceed the pro-rata portion of the reasonable rent for the shared unit. In determining reasonable rent, HACSM should consider whether sanitary and food preparation areas are private or shared.

#### **Housing Quality Standards**

HACSM may not give approval to reside in shared housing unless the entire unit, including the portion of the unit available for use by the assisted family under its lease, meets the housing quality standards.

HQS requirements described in Chapter 8 apply to shared housing except for the requirements stated below.

- *Facilities Available for the Family:* Facilities available to the assisted family, whether shared or private, must include a living room, a bathroom, and food preparation and refuse disposal facilities.
- *Space and Security:* The entire unit must provide adequate space and security for all assisted and unassisted residents. The private space for each assisted family must contain at least one bedroom for each two persons in the family. The number of bedrooms in the private space of an assisted family must not be less than the family unit size. A 0-bedroom or 1-bedroom unit may not be used for shared housing.

#### **IV. MANUFACTURED HOMES**

A manufactured home is a manufactured structure, transportable in one or more parts, which is built on a permanent chassis, and designed for use as a principal place of residence. HCV-assisted families may occupy manufactured homes in two different ways.

(1) HACSM will permit a family to rent a manufactured home already installed on a space it. In this instance, program rules are the same as when a family rents any other residential housing, except that there are special HQS requirements as provided below.

(2) HACSM will permit an otherwise eligible family that owns a manufactured home to rent a space for the manufactured home and receive HCV assistance with the rent for the space.

##### **Family Income**

In determining the annual income of families leasing manufactured home spaces, the value of the family's equity in the manufactured home in which the family resides is not counted as a family asset.

##### **Rent Reasonableness**

Initially, and annually thereafter HACSM will determine that the rent for the manufactured home space is reasonable based on rents for comparable manufactured home spaces. HACSM will consider the location and size of the space, and any services and maintenance to be provided by the owner. By accepting the monthly HAP check, the owner certifies that the rent does not exceed rents charged by the owner for comparable unassisted spaces in the manufactured home park or elsewhere.

##### **Housing Quality Standards**

Under either type of occupancy described above, the manufactured home must meet all HQS performance requirements and acceptability criteria discussed in Chapter 8 of this plan. In addition, the following requirement applies:

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

## Chapter 15

### SECTION 8 HOMEOWNERSHIP PLAN

#### I. INTRODUCTION

A Section 8 Homeownership Program is hereby established pursuant to the HUD Final Rule dated September 12, 2000 (effective date October 12, 2000) and its changes to 24 CFR Parts 5, 903 and 982.

The Section 8 Homeownership Plan consists of the required and optional policies to administer the program.

The Housing Authority of the County of San Mateo (hereinafter referred to as HACSM) shall provide Section 8 Homeownership assistance up to 25 of the units allocated in HACSM's Section 8 Housing Choice Voucher Program. If this number is achieved, HACSM may suspend offering the Section 8 Homeownership option. HACSM shall not set aside a portion of its funding solely for this program, as it is simply permitting this option with a limit of up to 25 of its units. HACSM shall offer the Section 8 Homeownership Program to both non-elderly/disabled and to elderly/disabled families, and may establish a Homeownership Program waiting list of interested participants.

For purposes of administering the Section 8 Homeownership Program, HACSM may establish partnerships with local agencies to assist in the implementation of the program by providing services, support and expertise in various areas. Such partnerships may be revised as HACSM determines necessary to best administer the homeownership program.

This program will provide assistance generally for first-time homebuyers or for families acquiring shares in a cooperative. The assistance may be used to purchase a home that is existing or under construction at the time HACSM determines that the family is eligible for Section 8 Homeownership assistance. If needed, HACSM may request a waiver from HUD to include new construction that has not started at the time of HACSM approval for a participant.

The Homeownership Option may be utilized in two types of housing:

- A single unit property owned by the family. Homes previously occupied under a lease-purchase agreement are eligible; or
- A single dwelling unit in a cooperative or condominium. One or more family members hold membership shares in the cooperative or condominium association.

HACSM shall encourage participants in the Family Self-Sufficiency (FSS) program to make homeownership a goal, if appropriate, and to utilize the Section 8 Homeownership Program. Likewise, participants and voucher holders who are interested in the Section 8 Homeownership Program will be encouraged to participate in the FSS Program.

## **II. GENERAL**

The homeownership option is used to assist a family residing in a home purchased and owned by one or more members of the family.

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

HACSM may make homeownership available to all who qualify, or restrict homeownership to families or purposes defined by the HACSM. HACSM may also limit the number of families assisted with homeownership.

HACSM may provide homeownership assistance in the form of monthly payments, or as a down payment assistance grant. The HACSM may choose to offer either or both forms, or may choose not to offer homeownership assistance. If the HACSM offers both forms of assistance, the family chooses which form to receive.

HACSM must offer either form of assistance if necessary as a reasonable accommodation. However, HACSM may determine that homeownership assistance is not a reasonable accommodation if HACSM has otherwise opted not to implement a homeownership program.

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

HACSM will offer monthly homeownership assistance payments to qualified families according to the policies contained in this chapter.

HACSM will offer down payment assistance grants to qualified families according to the policies contained in this chapter.

Families selected to receive homeownership assistance may choose either monthly assistance payments or a down payment assistance grant.

HACSM will impose or enforce any requirement for the recapture of voucher homeownership assistance under the homeownership option.

### **III. MONTHLY HOMEOWNERSHIP ASSISTANCE PAYMENTS**

HACSM will offer monthly homeownership assistance only to participating families who:

- Have been a participant in the HACSM's Section 8 Program for at least one year.
- Are currently enrolled in the Family Self-Sufficiency (FSS) Program and in compliance with the FSS contract or are graduates of the HACSM's FSS Program. Elderly or disabled families are exempted from the FSS participation requirement.
- Have established an escrow account in the HACSM's Family Self Sufficiency Program (FSS).
- Have good credit.
- Have established a checking and savings account.

### **IV. MONTHLY HOMEOWNERSHIP ASSISTANCE: ELIGIBILITY REQUIREMENTS**

[24 CFR 982.627]

The family must meet all of the requirements listed below before the commencement of homeownership assistance.

- The family must be eligible for the Housing Choice Voucher program.
- The family must qualify as a first-time homeowner, or may be a co-operative member.
- The family must meet the Federal minimum income requirement. The family must have a gross annual income equal to the Federal minimum wage multiplied by 2000, based on the income of adult family members who will own the home.
- For disabled families, the minimum income requirement is equal to the current SSI monthly payment for an individual living alone, multiplied by 12.
- For elderly or disabled families, welfare assistance payments for adult family members who will own the home will be included in determining whether the family meets the minimum income requirement.
- The family must demonstrate that it has been pre-qualified or pre-approved for financing.
- The family must meet the Federal minimum employment requirement.

At least one adult family member who will own the home must be currently employed full time and must have been continuously employed for one year prior to homeownership assistance.

HUD regulations define “full time employment” as not less than an average of 30 hours per week.

A family member will be considered to have been continuously employed even if that family member has experienced a break in employment, provided that the break in employment did not exceed 30 calendar days; and did not occur within the 6 month period immediately prior to the family’s request to utilize the homeownership option; and has been the only break in employment within the past 12 calendar months.

The Federal minimum employment requirement does not apply to elderly or disabled families.

Any family member who was an adult member of a family that previously defaulted on a mortgage obtained through the homeownership option is barred from receiving future homeownership assistance.

HACSM will impose the following additional initial requirements:

- The family had not violated any Family Obligations within the last three years.
- The family is not within the initial 1-year period of a HAP Contract.
- The family does not owe money to the HACSM.

## **V. HOMEOWNERSHIP COUNSELING REQUIREMENTS [24 CFR 982.630]**

When the family has been determined eligible, they must attend and complete homeownership counseling sessions. These counseling sessions will be conducted by HACSM staff or other HACSM-approved housing counseling agency. Such counseling shall be consistent with HUD-approved housing counseling.

The following topics will be included in the homeownership counseling sessions:

1. Home maintenance (including care of the grounds);
2. Budgeting and money management;
3. Credit counseling;
4. How to negotiate the purchase price of a home;
5. How to obtain homeownership financing and loan pre-approvals, including a description of types of financing that may be available, and the pros and cons of different types of financing;
6. How to find a home, including information about homeownership opportunities, schools, and transportation in the HACSM jurisdiction;



7. Advantages of purchasing a home in an area that does not have a high concentration of low-income families and how to locate homes in such areas;
8. Information about Real Estate Settlement Procedures Act, state and Federal truth-in-lending laws, and how to identify and avoid loans with oppressive terms and conditions;
9. The legal role of the real estate agent and how to choose one;
10. The search, inspection, disclosure, negotiation, finance and contract processes;
11. How to choose a lender
12. How to choose an appropriate inspector;
13. How to determine the prospective growth in housing values in a particular neighborhood;
14. How to locate down payment funds;
15. How to choose the best home insurance;
16. Home warranties and warranty service

## **VI. ELIGIBLE UNITS [24 CFR 982.628]**

The unit must meet all of the following requirements:

- The unit must meet HUD's "Eligible Housing" requirements. The unit may not be any of the following:
  - A public housing or Indian housing unit;
  - A unit receiving Section 8 project-based assistance;
  - A nursing home, board and care home, or facility providing continual psychiatric, medical or nursing services;
  - A college or other school dormitory;
  - On the grounds of penal, reformatory, medical, mental, or similar public or private institutions.
- The unit was already existing or under construction at the time the family was determined eligible for homeownership assistance.
- The unit is a one-unit property or a single dwelling unit in a cooperative or condominium.
- The unit has been inspected by HACSM and by an independent inspector designated by the family.

- The unit meets HUD Housing Quality Standards.
- The unit may be a home where the family will not own fee title to the real property (such as a manufactured home), if the home has a permanent foundation and the family has the right to occupy the site for at least 40 years.

HACSM will not approve the seller of the unit if it has been informed that the seller is debarred, suspended, or subject to a limited denial of participation. HACSM may disapprove the seller for any reason provided for disapproval of an owner in the voucher program.

## **VII. HACSM SEARCH AND PURCHASE REQUIREMENTS [24 CFR 982.629]**

HACSM has established the maximum time that will be allowed for a family to locate and purchase a home.

The family must obtain pre-qualified or pre-approval for financing by a lender prior to homeownership option is determined.

The family's deadline date for locating a home to purchase will be 120 calendar days from the date the family's eligibility for the homeownership option is determined.

The family must purchase the home within 120 calendar days of locating a home to purchase.

HACSM will require periodic reports on the family's progress in finding and purchasing a home. Such reports will be provided by the family at intervals of 30 calendar days.

If the family is unable to purchase a home within the maximum time limit and had not moved out the subsidized unit, HACSM will allow the family to remain in the Housing Choice Voucher Program.

## **VIII. INSPECTION AND CONTRACT [24 CFR 982.631]**

The unit must meet Housing Quality Standards, and must also be inspected by an independent professional inspector selected and paid by the family.

The independent inspection must cover major building systems and components. The inspector must be qualified to identify physical defects and report on property conditions, including major building systems and components. These systems and components include, but are not limited to:

- Foundation and structure;
- Housing interior and exterior;
- Roofing;
- Plumbing, electrical and heating systems.

The independent inspector must not be a HACSM employee or contractor. HACSM will not require the family to use an independent inspector selected by HACSM, but HACSM has established the following standards for qualification of inspectors selected by the family:

- A member of American Society of Home Inspectors or a similar national organization
- Bonded and insured

Copies of the independent inspection report will be provided to the family and HACSM. Based on the information in this report, the family and HACSM will determine whether any pre-purchase repairs are necessary.

HACSM may disapprove the unit for homeownership assistance because of information in the report.

The family must enter into a contract of sale with the seller of the unit. A copy of the contract must be given to the HACSM. The contract of sale must specify the price and terms of sale, and provide that the purchaser will arrange for a pre-purchase independent inspection of the home. The contract must also:

- Provide that the purchaser is not obligated to buy the unit unless the inspection is satisfactory;
- Provide that the purchaser is not obligated to pay for necessary repairs; and
- Contain the seller's certification that he or she has not been debarred, suspended or subject to a limited denial of participation.

## **IX. FINANCING [24 CFR 982.632]**

The family is responsible for securing financing. Financing must be guaranteed by the State or Federal government, comply with secondary mortgage market underwriting requirements, or comply with generally accepted private sector underwriting standards.

HACSM assumes no responsibility for the finance arrangements. Participants are encouraged to apply all principles identified during the housing counseling and training sessions.

If the purchase of the home is financed with FHA mortgage insurance, such financing is subject to FHA mortgage insurance requirements.

HACSM may review lender qualifications and loan terms before authorizing homeownership assistance. Loan terms may comply with the secondary market's Community or Affordable Lending Guidelines.

HACSM may disapprove proposed financing if it determines that the debt is unaffordable.

HACSM will prohibit the following forms of financing:

- balloon payment mortgages
- variable interest rate loans
- seller financing on a case-by-case basis

Participants are required to have 3% of the purchase price of the home as a down payment. One percent (1%) of the purchase price must come from the family's own resources. The 3% down payment is the program requirement for HACSM; however, HACSM informs families that mortgage lenders might have a higher requirement for loan qualification purposes.

#### **X. CONTINUED ASSISTANCE [24 CFR 982.633]**

Homeownership assistance may only be paid while the family is residing in the home. The family or lender is not required to refund homeownership assistance for the month when the family moves out.

The family must comply with the following obligations:

1. The family must comply with the terms of the mortgage securing debt incurred to purchase the home, or any refinancing of such debt.
2. The family may not convey or transfer ownership of the home, except for purposes of financing, refinancing, or pending settlement of the estate of a deceased family member. Use and occupancy of the home are subject to CFR 982.551 (h) and (i).
3. The family must supply information to HACSM or HUD as specified in CFR 982.551(b). The family must further supply any information required by HACSM or HUD concerning mortgage financing or refinancing, sale or transfer of any interest in the home, or homeownership expenses.
4. The family must notify HACSM before moving out of the home.
5. The family must notify HACSM if the family defaults on the mortgage used to purchase the home.
6. No family member may have any ownership interest in any other residential property.
7. The family must attend and complete ongoing homeownership counseling as needed when identified by HACSM.
8. The home must pass a HUD Housing Quality Standards (HQS) inspection.
9. The members of the family must not commit fraud, bribery or any other corrupt or criminal act in connection with the program.
10. The family or members of an assisted family may not receive any other type of housing subsidy for the same or a different unit under any federal, State or local housing assistance program.

11. The family must supply any information requested by HACSM or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition.

Before commencement of homeownership assistance, the family must execute a statement in which the family agrees to comply with all family obligations under the homeownership option.

#### **XI. MAXIMUM TERM OF HOMEOWNERSHIP ASSISTANCE [24 CFR 982.634]**

Except in the case of elderly or disabled families, the maximum term of homeownership assistance is:

- 15 years, if the initial mortgage term is 20 years or longer, or
- 10 years in all other cases.

The elderly exception only applies if the family qualified as elderly at the start of homeownership assistance. The disabled exception applies if, at any time during receipt of homeownership assistance, the family qualifies as disabled.

If the family ceases to qualify as elderly or disabled during the course of homeownership assistance, the maximum term becomes applicable from the date assistance commenced. However, such a family must be afforded at least 6 months of homeownership assistance after the maximum term becomes applicable.

If the family receives homeownership assistance for different homes, or from different PHA's, the total is subject to the maximum term limitations.

#### **XII. HOMEOWNERSHIP ASSISTANCE PAYMENTS AND HOMEOWNERSHIP EXPENSES [24 CFR 982.635]**

In determining the amount of the homeownership assistance payment, HACSM will use the same Tiered Subsidy Table (TST) as described in this plan for the Voucher program (see Chapter 7).

The monthly homeownership assistance payment is the lower of the TST amount or the monthly homeownership expenses minus \$50.00.

HACSM will pay the homeownership assistance payment directly to a lender on behalf of the family.

Some homeownership expenses are allowances or standards determined by the HACSM in accordance with HUD regulations. These allowances are used in determining expenses for all homeownership families and are not based on the condition of the home.

Homeownership expenses include:

- Principal and interest on mortgage debt.
- Mortgage insurance premium.

- Taxes and insurance.
- HACSM utility allowance used for the voucher program.
- HACSM allowance for maintenance expenses.
- HACSM allowance for costs of major repairs and replacements.
- Principal and interest on mortgage debt incurred to finance costs for major repairs, replacements, or improvements for the home.
- If the home is a cooperative or condominium, expenses also include operating expenses or maintenance fees assessed by the homeowner association.

### **XIII. PORTABILITY [24 CFR 982.636, 982.353(b) and (c), 982.552, 982.553]**

HACSM endeavors to increase the stability of the neighborhoods within its jurisdiction through the Section 8 Homeownership Program. As such, HACSM does not anticipate any participants utilizing the portability feature.

Subject to the restrictions on portability included in HUD regulations and HACSM policy, the family may exercise portability if the receiving HACSM is administering a voucher homeownership program and accepting new homeownership families.

The receiving housing authority may absorb the family into its voucher program, or bill HACSM. The receiving housing authority arranges for housing counseling and the receiving housing authority's homeownership policies apply.

### **XIV. MOVING WITH CONTINUED ASSISTANCE [24 CFR 982.637]**

A family receiving homeownership assistance may move with continued tenant-based assistance. The family may move with voucher rental assistance or with voucher homeownership assistance. Continued tenant-based assistance for a new unit cannot begin so long as any family member holds title to the prior home.

HACSM prohibits more than one move by the family during any one year period.

HACSM will require the family to complete additional homeownership counseling prior to moving to a new unit with continued assistance under the homeownership option. The family must meet all initial requirements of the homeownership program except the requirement to be a first-time homeowner.

HACSM will deny permission to move with continued rental or homeownership assistance if the HACSM determines that it does not have sufficient funding to provide continued assistance.

## **XV. DENIAL OR TERMINATION OF ASSISTANCE [24 CFR 982.638]**

Termination of homeownership assistance is governed by the policies for the Housing Choice Voucher program contained in chapter 15 of the Administrative Plan. However, the provisions of CFR 982.551 (c) through (j) are not applicable to homeownership.

HACSM will terminate homeownership assistance if the family is dispossessed from the home due to a judgment or order of foreclosure. The HACSM will not permit such a family to move with voucher rental assistance.

HACSM will terminate homeownership assistance and will not receive a Section 8 Housing Choice Voucher if the family violates any of the family obligations contained in this section.

HACSM will terminate homeownership assistance and will not receive a Section 8 Housing Choice Voucher if the family violates any of the following family obligations:

- Transfer or conveyance of ownership of the home;
- Providing requested information to HACSM or HUD;
- Notifying HACSM before moving out of the home.

## **XVI. DOWN PAYMENT ASSISTANCE GRANTS (24 CFR 982.643)**

Most of the regulations governing monthly homeownership assistance apply to down payment assistance grants. However, families receiving down payment assistance are not subject to the regulations concerning continued assistance, family obligations, the maximum term of assistance, amount and distribution of payments, or moves with continued assistance.

Eligibility for down payment assistance is limited to current participants in the voucher program.

The maximum down payment assistance grant is the HACSM's tiered subsidy that the family qualifies for minus the family's TTP, multiplied by 12.

Down payment assistance must be applied to the down payment for purchase of the home. The HACSM may allow the grant to be applied to reasonable and customary closing costs as defined by the HACSM. If the family purchases a home with FHA mortgage insurance, closing costs are subject to FHA requirements.

The down payment assistance grant must be applied to the down payment for the home and the following closing costs:

- Loan origination fees
- Credit report fees
- Escrow fees

- Title insurance fees
- Recording fees
- Appraisal reports
- Survey fees

## **XVII. DEFINITIONS (As Applicable to the Homeownership Plan)**

Cooperative Housing: Owned by a corporation or association, and where a member of the corporation or association has the right to reside in a particular unit, and to participate in management of the housing.

Cooperative member: A family of which one or more members own membership shares in a cooperative.

Down Payment Assistance Grant: A form of homeownership assistance in the homeownership option: A single down payment assistance grant for the family. If a family receives a down payment assistance grant, a HACSM may not make monthly homeownership assistance payments for the family. A down payment assistance grant is applied to the down payment for purchase of the home or reasonable and customary closing costs required in connection with purchase of the home.

Family: A person or group of persons, as determined by the HACSM, approved to reside in a unit with assistance under the program.

First-time Homeowner: A family of which no member has any present ownership interest in a residence of any family member during the three (3) years before commencement of homeownership assistance for the family. The term "first time homeowner" includes a single parent or displaced homemaker who, while married, owned a home with his or her spouse, or resided in a home owned by his or her spouse.

Home: A dwelling unit for which the HACSM pays homeownership assistance.

Homeownership assistance: Assistance for a family under the homeownership option. There are two alternative and mutually exclusive forms of homeownership assistance by the HACSM for a family: monthly homeownership assistance payments, or a single down payment assistance grant. Either form of homeownership assistance may be paid to the family, or to a mortgage lender on behalf of the family.

Interest in the home: (1) In the case of assistance for a homeowner, *interest in the home* includes title to the home, any lease or other right to occupy the home, or other present interest in the home; or (2) In the case of assistance for a cooperative member, *interest in the home* includes ownership of membership shares in the cooperative, any lease or other right to occupy the home, or other present interest in the home.



Membership shares: Refers to shares in a cooperative. By owning such cooperative shares, the share-owner has the right to reside in the particular unit in the cooperative, and the right to participate in management of the housing.

Present ownership interest: Includes title, in whole or in part, to a residence, or ownership, in whole or in part, of membership shares in a cooperative. *Present ownership interest* does not include the right to purchase title to the residence under a lease-purchase agreement.

Special housing types: Includes single room occupancy housing, shared housing, manufactured homes, cooperative housing (excluding families that are not cooperative members) and the homeownership option.

Statement of homeowner obligations: The family's agreement to comply with program obligations.

## Chapter 16

### FAMILY SELF-SUFFICIENCY ACTION PLAN

**MTW Waiver:** *HACSM is authorized to operate any of its existing self-sufficiency and training programs, including its Family Self-Sufficiency (FSS) Program and any successor programs exempt from certain HUD program requirements. These may include those requirements governing program size or participation, including whether to establish escrow accounts and other rent incentives and whether to establish mandatory self-sufficiency participation requirements. If HACSM receives dedicated funding for an FSS coordinator, such funds must be used to employ a self-sufficiency coordinator. In developing and operating such programs, HACSM is authorized to establish strategic relationships and partnerships with local private and public agencies and service providers to leverage expertise and funding. However, notwithstanding the above, any funds granted pursuant to a competition must be used in accordance with the NOFA and the approved application and work plan. This authorization waives certain provisions of Section 23 of the 1937 Act and 24 C.F.R. 984 as necessary to implement the Agency's Annual MTW Plan.*

#### I. INTRODUCTION

The purpose of the FSS program is to promote the development of local strategies to coordinate the use of the Section 8 Voucher housing assistance program(s) with public and private resources to enable eligible families to achieve economic independence and self-sufficiency.

The objectives of the FSS program are to reduce the dependency of Section 8 participants on welfare and other public assistance programs and enhance economic independence through community coordinated efforts including but not limited to education, job training, savings, child care, personal financial management, counseling, and other related social service assistance.

#### II. PROGRAM COORDINATING COMMITTEE (PCC)

HACSM has established an FSS Program Coordinating Committee (PCC) as required in CFR 984.202., whose functions are to assist HACSM in securing commitments of public and private resources for the operation of the FSS program within HACSM's jurisdiction, including assistance in developing the Action Plan and in implementing the program.

##### **PCC Membership**

The PCC is comprised of a broad representation of community public and private organizations as well as program participants and representatives of HACSM.

In addition, the Committee composition includes but is not limited to representation from the following agencies:

- Employment and Job Training
  - Human Services Agency
  - Regional Occupational Program
- Child Care
  - Children and Family Services
  - Child Care Coordinating Council
- Education
  - San Mateo County Community Colleges
- Financial Services:
  - Meriwest Credit Corporation
- Family and Health Services:
  - Human Service Agency
- Homeownership Education
  - 1st Time Home Buyers, Dept. of Housing, County of San Mateo

### **III. OUTREACH EFFORTS**

Currently, FSS outreach efforts focus primarily on Section 8 Housing Choice Voucher (HCV) recipients as participation in the FSS program is not mandatory for HCV recipients.

HACSM utilizes the following methods to recruit current HCV Program participants of the availability and advantages of participating in the FSS Program:

- Include FSS Program information at orientation briefings and annual reexaminations
- Post FSS Program information in HACSM lobby
- Conduct FSS orientations regularly at the HACSM office
- Provide FSS Program information to the community at large

### **IV. ASSURANCES OF NON-INTERFERENCE WITH RIGHTS OF NON-PARTICIPATING FAMILIES**

During recruitment efforts, HACSM shall provide assurances to HCV families that their election not to participate in the FSS will in no way affect their admission, continued assistance, and right to occupancy in accordance with the HCV program.

### **V. FSS PARTICIPANT SELECTION PROCEDURES**

As of January 1, 2010, HACSM is allocated 4063 Section 8 Vouchers of which 300 vouchers are designated as the time-limited assistance Moving-To-Work vouchers. Participation in the FSS Program is mandatory for the Moving-To-Work Program participants.

HACSM shall select FSS participants without regard to race, color, religion, sex, disability, familial status or national origin and shall comply fully with applicable Civil Rights laws. HACSM shall select a program size determined by HUD requirements, the existing funding availability, and current HACSM staff capacity.

In addition to currently participating in the Section 8 Housing Assistance Program(s), families also must meet the following additional requirements:

1. The family must be in compliance with all the Family's Obligations as stated on the voucher, including not owing money to HACSM or is current with the repayment agreement.
2. The head of household must agree to seek and maintain employment.
3. The head of household must sign an FSS Contract of Participation (COP).
4. The Head of household must agree to set short and long term goals, and commit to working towards meeting those goals.
5. The head of household must agree to meet at least annually with his/her FSS Coordinator to review these goals.
6. Families may participate only once. Exceptions may be made on a case by case basis and only if termination of the previous COP is with good cause. No exceptions shall be made if the family has been distributed escrow fund balance.
7. Remaining family members of a family who participated in the FSS Program are not eligible to assume the COP and may not participate in the FSS Program if the family has been distributed escrow fund balance.

When space is available, HACSM shall accept eligible families into the FSS Program on a first come first serve basis. HACSM does not keep a waiting list for FSS Program applicants.

HACSM will conduct orientation with interested families. At the orientation, the family is given a general overview of the program and details on the roles and responsibilities of FSS participants, as well as the role of the HACSM. A description of supportive services, escrow accounts, program policies, expectations, and requirements for successful completion of the program is provided. A needs assessment is conducted to develop an Individual Training and Services Plan (ITSP) for achieving self-sufficiency.

## **VI. CONTRACT OF PARTICIPATION**

Each family selected is required to enter into a contract with HACSM that outlines the participant's goals, individualized training and service plan, rights and responsibilities pursuant to the Section 8 FSS program requirements, resources

and services provided and specific activities, including target dates, to be completed by the FSS program participant. The COP shall require that the FSS family comply with the terms and conditions of the Section 8 HCV program. In addition to stating the rights and responsibilities of the participant, the contract will include an Individual Training and Services Plan (ITSP) as defined in Section VII and VIII of this plan.

### **Term of Contract**

All HCV families selected for participation in the FSS program will be required to sign a five-year COP. All MTW families will be required to sign a COP with a term that is up to the term limit of the MTW program.

The contract will be successfully completed when the HACSM determines that the family has fulfilled all of its responsibilities under the contract, or the subsidy payment becomes zero for 6 months.

Upon mutual consent, changes to the terms of the ITSP may be initiated by the FSS participant or Coordinator at any time. Notwithstanding any difficulties concerning compliance with the ITSP or any other FSS requirement, an HCV FSS participant may choose to withdraw voluntarily from FSS at any time. An HCV FSS participant withdrawing from the FSS program will not lose any rights as an HCV participant, as long as other requirements of the HCV program are met. The early withdrawal option is not available to MTW participants as FSS participation is mandatory. Therefore, termination of COP will result in termination of Section 8 rental assistance for MTW participants.

## **VII. INCENTIVES TO ENCOUAGE PARTICIPATION**

### **FSS Individual Training and Service Plan**

HACSM will assist each FSS participant to develop an Individual Training and Service Plan (ITSP) to help the participant determine the actions necessary to become self-sufficient. In addition, the contract must include obtaining employment and leaving welfare assistance at least 12 months prior to the end of contract term as final goals. The FSS Coordinator and the participant may mutually agree to modify an existing ITSP as long as the new activities will enhance the participant's ability to achieve their self-sufficiency goals.

### **Training, Education, and Workshops**

Through the PCC and other forums, the HACSM will link FSS participants with job training, educational, and social service agencies to provide the supportive services necessary to develop self-sufficiency. In addition, FSS participants will be provided with information on homeownership opportunities.

## **Escrow Accounts**

HACSM will award a flat escrow amount to FSS participants who have successfully completed their COP and are in compliance with their HCV family obligations.

FSS participants will need to provide proof that they have: 1) increased their earned income, 2) fulfilled their educational goals that enhanced their ability to succeed or advance in the workplace, 3) participated in a HACSM-approved budget class, 4) achieved a minimum of \$1,500.00 increase in savings, and 5) improved their credit score.

## **VIII. FSS ACTIVITIES AND SUPPORTIVE SERVICES**

### **Assessment and Referral**

Inquiries from potential participants and referrals to the FSS program are handled by FSS Coordinators. They explain the intent and structure of the program which is to maximize the participant's earnings through meaningful, full-time employment. The FSS Coordinators are trained to assist the family in assessing their strengths and needs. Individuals who need more education and/or training before seeking or returning to work are appropriately referred to the necessary supportive services.

For clients who are not working when they join the FSS program, the assessment will focus on the immediate barriers to employment and longer-range career goals. For those with jobs, the assessment will address needs and resources related to job stability, retention and career advancement. The assessment will identify the family's resources and needs in such areas as work experience, job search and retention skills, education, training, childcare and transportation. The assessment will also address such issues as physical and mental health, parenting, budgeting and household management, English language skills, coping skills and other skills necessary to gain and sustain employment. Several key objectives will guide the assessment process covering the many issues faced during a participant's preparation for and entry into employment:

- Determine whether the participant is ready to look for work, including whether the participant has the skills needed for the type of employment sought and whether additional training would enhance the participant's long-term employability.
- Determine which service needs the family can meet themselves and which will require outside assistance.
- Encourage participants to identify and build on the positive life skills, strengths and capabilities they already possess.
- Establish priorities among identified needs.

The assessment will provide the basis for developing the family's ITSP. The ITSP will outline steps towards long-term independence from public assistance, establish interim goal timeframes, identify potential barriers, and anticipate strategies for

overcoming barriers. The ITSP also outlines FSS program commitments to support the participant efforts, and the roles and responsibilities of program staff in helping participants reach their goals. The ITSP, like the assessment, will be reviewed periodically; staff and participants may choose to revise ITSPs as appropriate.

### **Services and Family Advocacy**

The primary goal of the HACSM approach to the FSS program is to help clients clarify their vocational goals, link and refer them to necessary services, and provide the ongoing support they need to maintain their focus and motivation.

Thus, the intake interview is the foundation of a client's participation in FSS. It is during this interview that the Coordinator lays the groundwork for developing a successful long-term relationship with the client. The objective is to build a relationship based upon respect for the client, an assessment of the client's needs and appreciation for their strengths, and an understanding of any barriers to employment and services necessary to overcome them.

Although staff will be supportive and share some responsibility for coordinating and arranging services, ultimately the participant will be encouraged to assume responsibility for obtaining the services needed to implement their strategy for self-sufficiency. Staff will convey a consistent message that participants need to take control of, and assume responsibility for their working lives. This acceptance of responsibility will be critical to participant success in the workplace.

### **Service Referrals**

Following the development of the ITSP, the coordinators begin assisting participants to identify the resources needed to begin implementing their plans for reaching self-sufficiency. Participants seeking further education are referred for additional academic assessment if needed; those who are still identifying their employment goals may be referred for in-depth testing and career counseling. Depending on the participant's interests and prior education, referrals may be made to local providers of basic education (GED), vocational or technical education, English as a Second Language course, and/or academic training. Participants may also receive referrals for supportive services, such as childcare and transportation assistance, personal or family counseling, or medical services.

To make effective use of the education, training, and support services available to FSS-eligible families, FSS staff compiles, maintains and updates a directory of local service providers. Coordinators will make every effort to follow up with participants and service providers regarding the outcomes of referrals. Heavy reliance is placed on clients reporting if they are unable to access the referred services so that, if needed, intervention can take place on their behalf.

FSS participants will meet with the FSS Coordinator as often as necessary but no less than once annually to evaluate progress towards the goals and objectives listed in ITSP.

## **IX. MAINTENANCE OF ESCROW ACCOUNTS**

### **Calculation of Escrow**

Effective July 1, 2009, HACSM will use the following schedule in determining escrow credit:

1. \$1000.00 per family who has increased a minimum of \$1,200 annually in earned income at graduation.
2. \$100.00 for each completed educational goal such as a GED, a degree from an accredited school/college, a vocational certificate, etc. The maximum escrow credit for achieving educational goals will be \$300.00 per family.
3. \$100.00 per family for completing a HACSM-approved budget class.
4. \$1,500.00 per family for increasing its savings by an additional \$1,500.00 or more at graduation.
5. \$1.00 for each credit score point improved. The escrow credit for improving credit score is limited to one adult family member per family.

FSS participants may qualify for one or more of the escrow credits stated above.

### **Escrow Reports to Families**

Because escrows are calculated and credited at the end of the contract term, there will be no escrow reports to the FSS families.

For cumulated escrow fund balance prior to July 1, 2009, escrow account reports will be sent to each FSS family at least once annually. The report will include the escrow balance, the amount of interest earned, and any deductions made from the account for the period.

### **Forfeiture of Escrow Funds**

A FSS family has no right to any escrow funds if the family's COP is terminated, declared null and void, or the HACSM determines the family did not successfully graduate from the FSS program. For escrow balance accrued prior to July 1, 2009, the HACSM will close the family's escrow account and will treat forfeited escrow funds as program receipts under the Section 8 program guidelines, or in accordance with HUD regulations at the time of the forfeiture.

### **Escrow Disbursements**

Effective July 1, 2009, escrow will be calculated and credited at the end of the FSS contract term and only if the family provides credible and verifiable documentation showing they qualify for the escrow credit. The maximum escrow credit and pay out at graduation will be \$3,000.00 per family plus any accrued balances prior to July 1, 2009. Because escrows are calculated and credited at the end of the FSS Contract term, there will be no interim withdrawals during the term of COP.



## **Succession to FSS Escrow Account**

Other family members have no succession right to the FSS escrow account if the FSS head of household left the assisted unit. If the FSS head of household fulfilled all the terms and conditions of the COP and ITSP, HACSM may disburse escrow balance to the FSS head of household upon receiving written request 30 days prior to his/her departure from the unit. At which time, an exit interview must be conducted by the FSS Coordinator. If the COP and ITSP obligations were not fulfilled or the FSS head of household failed to request escrow disbursement in writing 30 days prior to his/her departure, the escrow fund is considered forfeited.

## **X. TERMINATION AND GRIEVANCE PROCEDURES**

The COP is automatically terminated if:

- The family Section 8 assistance is terminated
- The family is at zero HAP for 6 months
- The family requests early termination
- The family moves to a different jurisdiction during the first 12 months of the FSS participation

The contract may be terminated for terms and conditions listed below:

- Failure to meet the obligations under the COP or ITSP without good cause
- Failure to comply with the COP requirements because the family has moved outside the jurisdiction of HACSM
- Such other act as is deemed inconsistent with the purpose of the FSS program

The FSS participant will be notified by mail of decisions affecting the family's participation in the FSS program. The notification will include the reasons for the decision and the HACSM policies and HUD regulations supporting it. If the participant disagrees with the decision, an appeal may be made in accordance with the procedures stated in the Informal Hearing section of this Plan.

At the discretion of HACSM, the FSS Coordinator may schedule a pre-hearing conference with the participation to discuss whether an agreement can be reached to cure the violations without terminating the family's FSS participation. However, if the participant disagrees with the conference outcomes, he/she is still entitled to an informal hearing.

## **XI. PORTABILITY**

The portability option is not available to MTW participants. This section is applicable to HCV participants only.

### **Port Out**

After the first twelve (12) months of the FSS participation, the FSS family may move outside the HACSM jurisdiction with continued FSS participation. Because escrow is calculated and credited at the end of COP, there will be no transfer of escrow monies to the receiving housing authority at port out.

If the FSS family moves during the first twelve (12) months of the FSS participation, the COP will be automatically terminated.

A relocating FSS family may participate in the FSS program of the receiving housing authority if the receiving housing authority accepts the family into its FSS program. If the receiving housing authority does not accept the family into its FSS program, the family may continue with the HACSM FSS Program if servicing the COP and ITSP is practical and doable. If servicing the COP and ITSP is not practical or doable, the COP will be terminated.

### **Port In**

A relocating FSS family from another jurisdiction may participate in the HACSM FSS Program. The HACSM may approve, but is not obligated to enroll a relocating FSS family into its FSS Program. If HACSM accepts the relocating FSS family to participate in its FSS Program, the HACSM will enter into a new COP with the FSS family for the remaining term of the COP from the initial housing authority. The HACSM escrow calculation method shall apply.

## **XII. MONITORING PROGRAM PERFORMANCE**

HACSM staff and management are responsible for monitoring and assessing FSS program performance on a regular basis. Key indicators tracked on a regular basis are:

- Total enrollment
- Number of clients enrolled in any given month
- Number of households with increase in income
- Number of households with employment income
- Number of households achieved educational goals
- Number and amount of escrow pay out for the period

## Chapter 17

### MTW SELF-SUFFICIENCY AND HOUSING READINESS PROGRAMS

#### I. INTRODUCTION

The Housing Authority of the County of San Mateo (HACSM) has been a participant in HUD's Moving to Work (MTW) demonstration program since the execution of its MTW Agreement in May 2000. Under the original MTW Agreement with the U.S. Department of Housing and Urban Development (HUD), HACSM is authorized to design and carry out a demonstration program for 300 families receiving tenant-based assistance. The demonstration exempts HACSM from most of the regulatory requirements that would otherwise apply to these families.

In December 2007, HUD developed and offered HACSM a new Amended and Restated MTW agreement. The purpose of establishing a new agreement is to provide consistent, clear, and standardized language for all MTW agencies. While the new agreement will preserve HACSM's current funding, it also gives HACSM opportunities to undertake additional program designs. As such, HACSM wrote into its FY2008-09 MTW Annual Plan a new MTW initiative wherein 60 of the existing 300 MTW vouchers are to be used to establish a Housing Readiness Program for homeless individuals and families. This number may expand in subsequent years, with HUD approval.

The goals and objectives of HACSM in developing its MTW Program are the same as that of HUD:

- Provide incentives and assistance to families to become economically self-sufficient
- Reduce program costs and achieve greater cost effectiveness
- Increase housing choice for low-income families

To promote incentives to families to become economically self-sufficient, HACSM provides case management services to MTW participants to obtain employment, secure reliable child care, complete educational goals, improve credit ratings, establish savings, and participate in homeownership counseling. HACSM's rent policy for the MTW participants includes various income exclusions that promote working, savings, and family unifications. Furthermore, HACSM gives financial incentives in the form of escrow credit to families whose portion of rent increases due to increases in employment income. Successful graduates who participate in

the MTW Self-Sufficiency Program receive the escrow fund balance at the end of their term.

This chapter states provisions unique to the MTW program. For items not addressed in this chapter, the Housing Voucher Program policies shall apply as stated in other chapters of this plan.

## **II. PARTICIPANT SELECTION**

### **1. Admission**

The MTW program has two components. The first component is to assist eligible individuals and families with their rent payments. The second component is to provide and coordinate a full range of supportive services for the individuals and families so that they may obtain self-sufficiency at the end of their contract term. The program relies upon the existing supportive services offered in San Mateo County. Some of these services are job training and placement, child care, transportation, education, homeownership education, alcohol and drug rehabilitation, domestic violence counseling, and other services that promote self-sufficiency.

HACSM only accepts applications by referral from recognized referring agencies. Social service or other community service agencies may become a referring agency by entering into an MOU with HACSM. Referring agencies are required to provide supportive services to the MTW Program participants in accordance with the terms and conditions of the MOU.

### **2. Eligibility**

The applicants must meet the same income and other eligibility requirements as the Housing Voucher Program applicants. In addition, applicants must meet the following MTW eligibility requirements:

#### **a. MTW Self-Sufficiency Program**

- Applicants must be current participants in the County's Work First/SUCCESS or any other Community Based Assistance Program and are in compliance with the requirements of those programs.
- Applicants must agree to participate in the self-sufficiency component of the program.

- Applicants must agree to participate in the required case management with the goal of becoming self-sufficient.
- Applicants must agree to enter into a Contract of Participation Contract (COP) with HACSM. The COP is based on the family's self-sufficiency goal plan that describes a realistic process for achieving economic self-sufficiency within the term of the Contract.

**b. MTW Housing Readiness Program**

Applicants must be homeless as defined by HACSM's policy.

- If the applicant is a participant in the County's Work First/SUCCESS or any other Community Based Assistance Program, the applicant must be in compliance with the requirements of those programs.
- Applicants must agree to participate in the required case management with the goal of becoming self-sufficient.

HACSM Homeless Definition:

Applicants are considered homeless if they are:

- In places not meant for human habitation, such as cars, parks, sidewalks, abandoned buildings (on the street).
- In an emergency shelter.
- In transitional or supportive housing for homeless persons who originally came from the streets or emergency shelters.
- In any of the above places but spending a short time (up to 30 consecutive days) in a hospital or other institution.
- Being discharged within 30 calendar days from an institution, such as a mental health or substance abuse treatment facility or a jail/prison, in which the person has been a resident for more than 30 consecutive days and no subsequent residence has been identified and the person lacks the resources and support networks needed to obtain housing.
- Fleeing a domestic violence housing situation and no subsequent residence has been identified and lacks the resources and support networks needed to obtain housing.

### **3. Preference**

HACSM has established a system of preferences for the selection of individuals or families admitted to the program. These preferences are based on local housing needs and priorities, and are consistent with the program goals and objectives. The selection preferences affect only the order of selecting applicants. They do not make any individual or family ineligible which would otherwise be eligible. Preference will be given to individuals and families that:

- Have members who reside, work, or are hired to work in San Mateo County.
- Are not a prior MTW participant.

One preference point will be given for each of the verifiable preferences. HACSM will select families with the highest total preference points for eligibility interviews first. Families who have the same total preference points will be selected based on the time and date that the completed referral packet was received by HACSM.

Applicants who claim a preference must submit verifiable documents with their referral packet. Below are some examples of acceptable documents:

Residency: signed lease, utility bills, governmental benefit notices prior to becoming homeless. Certification from supportive service agencies.

First time program participant: HACSM will use its database to verify this preference.

### **III. WAITING LIST**

When funding is not sufficient to serve all eligible applicants or all 300 vouchers are in current use, HACSM will place applicants on the MTW Self-Sufficiency or the MTW Housing Readiness waiting lists, in the order of preference points and the time and date that the referral was received. HACSM may close its waitlist at any time. Referring agencies will be notified of the waitlist closing. Referral packets received after the closing will be returned to the referral agency.

### **IV. TIME-LIMITED ASSISTANCE**

Participants in the MTW Self-Sufficiency Program have a maximum of 72 months of rental assistance. Participants in the MTW Housing Readiness Program have a maximum of 36 months of rental assistance. The total maximum length of time

a participant may receive housing assistance for any combination of Housing Readiness and MTW Self-Sufficiency programs is seventy-two months.

When applicants receive their vouchers they will be given an MTW addendum describing time limits on MTW assistance and other aspects of the program that differ from the Housing Choice Voucher Program. MTW families will also be required to sign a statement regarding time remaining in the program at each annual reexamination.

## **V. HARDSHIP EXCEPTIONS**

MTW participants who meet all of the following criteria may apply for hardship exemption to extend their term of assistance:

- The participant is in compliance with all the program rules and regulations
- The participant does not owe HACSM any money
- The Head of household and all the adult (18 and over) household members are 62 years of age or older or people with disabilities
- The Head of household is the sole adult member who is responsible to care for a minor (under 18) household member who is a person with disability. HUD's definition of disability for the Section 8 Voucher Program shall apply.

## **VI. PORTABILITY**

MTW Self-Sufficiency and Housing Readiness program participants may only use their rental assistance in the County of San Mateo. These MTW vouchers are not portable.

## **VII. VOUCHER ISSUANCE**

All applicants selected to receive MTW vouchers will receive a briefing on how the program operates and what he/she as an applicant must do to achieve and maintain eligible status. Whether delivered individually or in a group setting, the briefing must contain all pertinent information about the voucher program in general and the MTW program in particular. The staff member conducting the briefing should place special emphasis on non-traditional aspects of the program, particularly:

- The time limited feature of the program.
- The fact that MTW vouchers are not portable.

- For the MTW Self-Sufficiency Program participants, the requirement for participation in the self-sufficiency component of the program by the head of household and all other adult members of the household.
- The requirement of having case management.

To ensure that the applicant fully understands the differences between an MTW voucher and a Housing Choice Voucher, the applicant must sign the MTW Voucher Addendum.

## **VIII. SUBSIDY CALCULATION**

All definitions in subsidy calculation used in the Housing Voucher Program will apply to MTW and HRP participants (see Chapter 7).

## **IX. ESCROW CALCULATION**

The basic premise of the MTW escrow calculation, credit, and pay out are the same as the Section 8 FSS program. See chapter 16 of this Plan for further information.

## **X. TERMINATION OF ASSISTANCE**

MTW participants may have their assistance terminated for failure to comply with the self-sufficiency activities or the COP.



## Chapter 18

### INFORMAL REVIEWS AND HEARINGS

#### I. INTRODUCTION

When HACSM makes a decision that has a negative impact on a family, the family is often entitled to appeal the decision. For applicants, the appeal takes the form of an informal review; for participants, or for applicants denied admission because of citizenship issues, the appeal takes the form of an informal hearing.

This chapter discusses the informal review process for applicants and the informal hearing process for participants.

#### II. INFORMAL REVIEWS

Informal reviews are provided for program applicants. An applicant is someone who has applied for admission to the program, but is not yet a participant in the program. Informal reviews are intended to provide a “minimum hearing requirement”, and will not be as elaborate as the informal hearing requirements.

HACSM will only offer an informal review to applicants for whom assistance is being denied. Denial of assistance includes:

- Removal from the waiting list;
- Denying or withdrawing a voucher;
- Refusing to enter into a HAP contract or approve a lease;
- Refusing to process or provide assistance under portability procedures
- An unfavorable history that may be the result of domestic violence, dating violence or stalking.

Informal reviews will *not* be provided for the following reasons:

- Discretionary administrative determinations by HACSM
- General policy issues or class grievances
- Determination of the voucher size under HACSM subsidy standards
- HACSM determination not to grant approval of the tenancy
- HACSM determination that the unit is not in compliance with the HQS
- HACSM determination that the unit is not in accordance with the HQS due to family size or composition

## **Notice to the Applicant**

HACSM will give an applicant prompt notice of a decision denying assistance. The notice will contain a brief statement of the reasons for HACSM's decision and also state that the applicant may request an informal review of the decision and the process to request one.

## **Scheduling an Informal Review**

If the applicant requests an informal review, the request must be made in writing by the Head of Household, spouse, or co-head and delivered to HACSM either in person, by first class mail or fax, by the close of the business day (5:00 PM), no later than the designated deadline date stated in the notice of denial of assistance.

The Head of Household, spouse, or co-head must sign the request for an informal review.

## **Informal Review Procedures**

The informal review will be conducted by a person other than the one who made or approved the decision under review, or a subordinate of this person.

The applicant will be provided an opportunity to present written or oral objections to the decision of HACSM.

The person conducting the review will make a recommendation to HACSM, but HACSM is responsible for making the final decision as to whether assistance should be granted or denied.

If the decision to deny assistance is overturned as a result of the informal review, processing for admission will resume.

If the family fails to appear for their informal review, the denial of admission will stand and the family will be so notified.

## **III. INFORMAL HEARINGS**

HACSM must offer an informal hearing for certain determinations relating to the individual circumstances of a participant family. A participant is defined as a family that has been admitted to HACSM's HCV program and is currently assisted in the program. The purpose of the informal hearing is to consider whether HACSM's decisions related to the family's circumstances are in accordance with the law, HUD regulations and HACSM policies.

HACSM will not terminate a family's assistance until the time allowed for the family to request an informal hearing has elapsed, and any requested hearing has been completed.

HACSM will give participants an opportunity for an informal hearing in the following circumstances:

- A determination of the family's annual or adjusted income, and the use of such income to compute the housing assistance payment (subsidy amount);

- A determination of the family unit size under HACSM's subsidy standards;
- A determination to deny the family's request for an exception to the standards;
- A determination to terminate assistance for a participant family because of the family's actions or failure to act
- A determination to terminate assistance because the participant has been absent from the assisted unit for longer than the maximum period permitted
- A determination to terminate assistance based on an unfavorable history that may be the result of domestic violence, dating violence, or stalking.

Participants are not entitled to informal hearings to:

- Review discretionary, administrative determinations by HACSM;
- Consider general policy issues or class grievances;
- Review HACSM's determination that a unit does not comply with the Housing Authority's HQS; that the owner has failed to maintain a unit in a decent, safe, and sanitary housing condition; or that the unit is not decent, safe and sanitary because of an increase in family size or change in family composition;
- Review a decision by HACSM to exercise any remedy against the owner under an outstanding contract (including termination of housing assistance payments to the owner);
- Review HACSM'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 participation in the Section 8 program;
- To discuss requirements for a larger unit due to change in family size or composition;
- To discuss HACSM establishment of utility deductions;
- To discuss HACSM failure to approve a proposed lease;
- Review of denial of a hardship request.

#### **IV. INFORMAL HEARING PROCEDURES**

##### **Notice to the Family**

When HACSM makes a decision that is subject to informal hearing procedures, HACSM will inform the family of its right to an informal hearing at the same time that it informs the family of the decision. The notice will contain a brief statement of the reasons for the decision and a statement if the family does not agree with the decision the family may request an informal hearing on the

decision, and a statement of the deadline for the family to request an informal hearing.

For decisions related to the family's annual or adjusted income and the determination of the family unit size, HACSM will notify the family that they may ask for an explanation of the basis of the determination, and that if they do not agree with the decision, they may request an informal hearing on the decision.

### **Scheduling an Informal Hearing**

A request for an informal hearing must be made in writing by the Head of Household, spouse, or co-head and delivered to the HACSM either in person or by first class mail or fax, by the close of the business day (5:00 PM), no later than the designated deadline date in the notice to terminate assistance.

The Head of Household, spouse, or co-head must sign the request for hearing.

After an informal hearing date has been set, either party may request that the hearing be rescheduled by submitting a request, in writing, at least three working days prior to the scheduled date of the hearing. Each party is entitled to one continuance as of right for up to 15 working (i.e. non-holiday, non-weekend) days and need not provide a reason for the request to reschedule. With the concurrence of both parties, a continuance of longer than 15 days may be granted. If the family fails to appear at a rescheduled hearing, they will forfeit their right to an informal hearing.

The family and HACSM will only be allowed to reschedule the hearing once. If the family misses the rescheduled hearing appointment, the HACSM decision to terminate assistance will stand.

If the family does not appear at the scheduled hearing and does not contact the HACSM to reschedule within the allotted time frame, the HACSM decision to terminate assistance will stand.

### **Pre-Hearing Right to Discovery**

The family will be given the opportunity to examine, before the hearing, any HACSM documents that are directly relevant to the hearing. For the purpose of informal hearings, *documents* include records and regulations.

The family will be allowed to copy any such documents at their own expense. If the HACSM does not make the document available for examination on request of the family, the HACSM may not rely on the document at the hearing. The family must request discovery of HACSM documents no later than 5:00 p.m. three (3) full business days (no less than 72 hours) prior to the scheduled hearing date.

HACSM will request the opportunity to examine at the HACSM offices before the hearing, any family documents that are directly relevant to the hearing.

HACSM will be allowed to copy any such document at the HACSM's expense. If the family does not make the document available for examination on request of the HACSM, the family may not rely on the document at the hearing. The participant must make the documents available no later than 5:00 pm three (3) full business days (no less than 72 hours) prior to the scheduled hearing date.

### **Participant's Right to Bring Counsel**

At its own expense, the family may be represented by a lawyer or other representative at the informal hearing.

### **Informal Hearing Officer**

Informal hearings will be conducted by a person or persons approved by HACSM, other than the person who made or approved the decision or a subordinate of the person who made or approved the decision.

HACSM has designated the following to serve as hearing officers:

- Managers/Supervisors of the HACSM (based on a rotating schedule);
- Managers/Supervisors from other departments of the County of San Mateo;
- Managers/Supervisors from other Housing Authorities;
- Professional mediators or arbitrators.

### **Recording of the Hearing**

All hearings will be audio recorded or transcribed at the expense of HACSM.

HACSM will keep the audio recording for 90 days from the date of "Notice of Final Decision". The family may request a copy of the recording at its own expense.

### **Evidence**

HACSM and the family will be given the opportunity to present evidence and question any witnesses. In general, all types of evidence are admissible at an informal hearing. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

Any evidence to be considered by the hearing officer must be presented at the time of the hearing. There are four categories of evidence:

- 1. Oral evidence:** The testimony of witnesses.
- 2. Documentary evidence:** A writing which is relevant to the case, for example, a letter written to the HACSM. Writings include all forms of recorded communication or representation, including letters, words, pictures, sounds, videotapes or symbols or combinations thereof.

3. **Demonstrative evidence:** Evidence created specifically for the hearing and presented as an illustrative aid to assist the hearing officer, such as a model, a chart or other diagram.
4. **Real evidence:** A tangible item relating directly to the case.

*Hearsay Evidence* is evidence of a statement that was made other than by a witness while testifying at the hearing and that is offered to prove the truth of the matter. Even though evidence, including hearsay, is generally admissible, hearsay evidence alone cannot be used as the sole basis for the hearing officer's decision.

If either the HACSM or the family fail to comply with the discovery requirements described above, the hearing officer will refuse to admit such evidence.

The hearing officer has the authority to overrule any objections to evidence other than the failure of a party to comply with discovery.

### **Hearing Officer's Decision**

The hearing officer will issue a written decision summary to the family and HACSM no later than 15 business days after the hearing. Failure of the hearing officer to render a decision within the stipulated time period because of extenuating circumstances shall not invalidate the decision when rendered.

### **Notice of Final Decision**

HACSM is not bound by the decision of the hearing officer for matters in which the HACSM is not required to provide an opportunity for a hearing, decisions that exceed the authority of the hearing officer, decisions that conflict with or contradict HUD regulations, requirements, or are otherwise contrary to Federal, State or local laws.

If HACSM determines it is not bound by the hearing officer's decision in accordance with HUD regulations, the HACSM will promptly notify the family of the determination and the reason for the determination.

Within 15 days of its receipt of the informal hearing decision from the hearing officer, the HACSM will provide a Notice of Final Decision to the family and their representative (if applicable). The Notice will state: 1) whether or not the HACSM adopts the decision or finding; 2) the date the HACSM makes its final decision; 3) the date the HACSM decision will be effective and implemented; and 4) any appeal rights the family may have.

The Notice will be sent by first-class mail, with a "Proof of Service by Mail" enclosed.

## Chapter 19

### FAMILY OR OWNER DEBTS TO HACSM

#### I. INTRODUCTION

When an action or inaction of an owner or participant results in the overpayment of housing assistance, HACSM will hold the owner or participant liable to return any overpayments to HACSM.

HACSM may enter into repayment agreements in accordance with the policies contained in this part as a means to recover overpayments.

When an owner or participant refuses to repay monies owed to HACSM, it will utilize other available collection alternatives including, but not limited to, the following:

- Collection agencies
- Small claims court
- Civil law suit
- State income tax set-off program

#### II. REPAYMENT POLICY

##### Owner Debts to HACSM

Any amount due to HACSM by an owner must be repaid by the owner within 30 days of HACSM determination of the debt.

If the owner fails to repay the debt within the required time frame and is entitled to future HAP payments, HACSM will reduce the future HAP payments by the amount owed until the debt is paid in full.

If the owner is not entitled to future HAP payments, HACSM may offer to enter into a repayment agreement in accordance with the policies below.

If the owner refuses to repay the debt, enter into a repayment agreement, or breaches a repayment agreement, HACSM will ban the owner from future participation in the program and pursue other modes of collection.

##### Family Debts to HACSM

Any amount due to HACSM by a program participant must be repaid by the family. If the family is unable to repay the debt within 30 days, HACSM may offer to enter into a repayment agreement in accordance with the policies below.

If the family refuses to repay the debt, enter into a repayment agreement, or breaches a repayment agreement, HACSM will terminate the assistance upon notification to the family and pursue other modes of collection.

### **Repayment Agreement**

The term *repayment agreement* refers to a formal document signed by a tenant or owner and provided to the HACSM in which a tenant or owner acknowledges a debt in a specific amount and agrees to repay the amount due at specific time periods.

### **Down Payment Requirement**

Prior to the execution of a repayment agreement, the owner or family must pay the first installment amount owed.

### **Payment Procedures**

The maximum length of time HACSM will enter into a payment agreement with a family is three (3) years.

The minimum monthly amount of payment for any repayment agreement is \$50.00.

The family will be required to pre-pay the down payment (first installment) amount owed prior to execution of the payment agreement.

Payments shall only be made by money order or cashier's check.

### **Execution of the Agreement**

The head of household and spouse/co-head (if applicable) must sign the repayment agreement.

### **Due Dates**

All payments are due by the close of business on the designated due date. If the due date does not fall on a business day, the due date is the close of business on the first business day after the due date.

### **Non-Payment**

If a payment is not received by the end of the business day on the due date, and prior approval for the missed payment has not been given by HACSM, HACSM will send the family a delinquency notice giving the family 10 business days to make the late payment. If the payment is not received by the due date of the delinquency notice, it will be considered a breach of the agreement and HACSM will terminate assistance upon written notification to the family.



If a family receives three (3) delinquency notices for unexcused late payments in a 12-month period, the repayment agreement will be considered in default, and HACSM will terminate assistance upon written notification to the family.

**No Offer of Repayment Agreement**

HACSM will not enter into a repayment agreement for the following reasons:

- If there is already a repayment agreement in place with the family or owner;
- If HACSM determines the family committed program fraud;
- The amounts owed by the family or owner exceed the Federal or State threshold for criminal prosecution.

## Chapter 20

### QUALITY ASSURANCE

#### I. INTRODUCTION

Quality assurance measures are critical and vital components in the administration of the HACSM housing programs. To that extent, HACSM is committed to ensuring that subsidy funds made available to HACSM are spent in accordance with requirements and that HACSM develops comprehensive administrative policies and procedures that offer clear and consistent structure.

Due to the agency's MTW status as of July 1, 2008, HACSM has opted out of SEMAP submissions effective July 1, 2009; however, HACSM will continue its quality assurance measures and systems as detailed in the following sections.

#### II. QUALITY ASSURANCE MEASURES

Quality assurance measures include the following:

- Training – conduct frequent staff training to increase and enhance their skills and competence in the respective area of responsibility. Work guides and internal forms are designed to increase accuracy and uniformity.
- Procedures – develop internal procedures to offer consistency in the application of applicable regulations in a clear and concise manner relative to each subject matter.
- Auditing – supervisory and/or compliance personnel oversee performance standards by auditing each administrative task related to new admissions, new contracts, Housing Quality Standards (HQS) inspections, HQS enforcement, re-certification, occupancy and customer service. Audit checklists are designed to provide supervisory personnel with quality control mechanisms to ensure program rules and requirements are uniformly applied in the administration of the program.
- The number of randomly selected audit files drawn in an unbiased manner conforms with HACSM-established universe for quality control sampling and measure the following areas:
  - Selection from the Waiting List
  - Reasonable Rent
  - Determination of Annual Adjusted Income
  - HQS Quality Control Inspections
  - HQS Enforcement

- Reexaminations

- HACSM employees are expected to provide high quality service to all of its clients: applicants, participants and owners, business associates and co-workers, and to treat clients in a polite and respectful manner. Should a client be dissatisfied with a service provided or have another concern or complaint, an employee is expected to give the matter prompt attention.

When a customer service related complaint cannot be resolved at the direct service level, or if it is desired by the client, it should be referred to the appropriate supervisor for review. HACSM will make every effort to fairly evaluate and address the issues raised by clients and will use feedback to make improvements, as appropriate to the situation.

- Quality assurance measures provide effective mechanisms to improve staff accountability, client compliance, and proper application of program requirements.
- Auditing controls measure program effectiveness and permit strategic program improvements in areas found to have systemic error.

HACSM's auditing practices along with policies and procedures for each administrative task are designed to provide a comprehensive approach to ensure HACSM personnel uniformly apply program requirements to the various job functions with accuracy and consistency to achieve the required quality control.

### **III. RECORD KEEPING AND MANAGEMENT**

HACSM will maintain complete and accurate accounts and other records for the program in accordance with HUD requirements, in a manner that permits a speedy and effective audit. All such records will be made available to HUD or the Comptroller General of the United States upon request.

All applicant and participant information will be kept in a secure location and access will be limited to authorized HACSM staff.

HACSM staff will not discuss personal family information unless there is a business reason to do so. Inappropriate discussion of family information or improper disclosure of family information by staff will result in disciplinary action.

### **IV. RECORD RETENTION**

During the term of each assisted lease, and for at least three years thereafter, the HACSM will keep:

- A copy of the executed lease;
- The HAP contract; and
- The application from the family.

In addition, HACSM will keep the following records for at least three years:

- Records that provide income, racial, ethnic, gender, and disability status data on program applicants and participants;
- An application from each ineligible family and notice that the applicant is not eligible;
- HUD-required reports;
- Unit inspection reports;
- Lead-based paint records as required by 24 CFR 35, Subpart B.
- Accounts and other records supporting HACSM budget and financial statements for the program;
- Records to document the basis for HACSM determination that rent to owner is a reasonable rent (initially and during the term of a HAP contract); and
- Other records specified by HUD.

## Chapter 21

### DEFINITIONS

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

Absent Students: Full-time students who live away from the household can be considered as family members if the head of household so chooses unless HACSM determines or family declares student has established a separate household. However, students who participate in on-line courses instead of attending courses at the college or university will not be approved to remain a member of the subsidized household. For example, a FTS who lives in Atlanta, but attends a San Mateo County, Bay Area or other college or university on-line, must be removed from the subsidized household.

Absences Due to Incarceration: If the sole member of the household (head of household) is incarcerated for more than 180 consecutive days, s/he will be considered permanently absent and the HACSM will terminate assistance.

If a family member is expected to be incarcerated for more than 180 consecutive days, the person will be considered permanently absent and no longer considered a family member. If the individual intends to return to the unit following incarceration, the individual is subject to the eligibility and screening requirements discussed in the Chapter 3.

Absences Due to Placement in Foster Care: If a child has been placed in foster care, the HACSM will verify with the appropriate agency whether and when the child is expected to be returned to the home. Unless the agency confirms that the child has been permanently removed from the home, the child will be counted as a family member unless 180 days have lapsed since the removal. If the time period is to be greater than 180 days from the date of removal of the child/ren, the voucher size will be adjusted accordingly, if applicable. If all children are removed from the home permanently, the voucher size will be adjusted in accordance with HACSM's subsidy standards.

Absent Head, Spouse, or Co-head: A head, spouse, or co-head absent from the unit more than 180 consecutive days due to employment will continue to be considered a family member. In such circumstances the absent family member remains a member of the family and all of the employment income is considered available to the household. This would include, for instance, a head of household or spouse who has been called to active military duty or who does construction work in another state.

Court-Ordered Absences: If a member of the family is subject to a court order that restricts the member from the home, the HACSM will determine whether the person will be considered temporarily or permanently absent. If the court order specifies a permanent restriction or if the court restriction exceeds 180 days, the person will no

longer be considered a family member. If the individual intends to return to the unit at the end of the restriction, the individual is subject to the eligibility and screening requirements discussed in Chapter 3.

***Family Members Permanently Confined for Medical Reasons:*** If a family member is confined to a nursing home or hospital on a permanent basis, that person is no longer considered a family member and the income of that person is not counted.

HACSM will request verification from a responsible medical professional and will use this determination. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent if the time period is less than 180 days.

If the medical professional determines the time period or absence from the unit is to be greater than 180 days, the member will be considered permanently absent and, if applicable, the Voucher size will be reduced in accordance with the HACSM subsidy standards. At any time, the family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member.

When an individual who has been counted as a family member is determined permanently absent, the family may be eligible for the medical expense deduction only if the remaining head, spouse, or co-head qualify as an elderly person or a person with disabilities.

2. **Absorption:** In portability, the point at which a receiving Housing Authority stops billing the initial Housing Authority for assistance on behalf of a portability family.
3. **Adult:** A household member who is 18 years or older or who is the head of household, or spouse, or co-head. An adult must have the legal capacity to enter a lease under state and local law.
4. **Annual Income:** Annual income is the total income from all sources received by the family head of household, co-head and/or spouse, and by each additional member of the family, including all net income derived from assets anticipated for the 12-month period following the effective date of initial determination, reexamination of income, exclusive of income that is temporary, non-recurring or sporadic, and exclusive of certain other types of income.

Annual Income **includes**, but is not limited to:

- The gross amount, before any payroll deductions, of wages and salaries, overtime pay, commission fees, tips and bonuses, and other compensation for personal services.
- The net income from operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service (IRS) regulations

(Publication 535). 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.

If a business is co-owned with someone outside the family, the family must document the share of the business it owns. If the family's share of the income is lower than its share of ownership, the family must document the reasons for the difference.

- Interest, dividends and other net income of any kind from real and personal property (for this purpose, expenditures for amortization of capital indebtedness and an allowance for depreciation of capital assets shall not be deducted to determine the net income from real or personal property). Regardless of the net family asset amount, HACSM will include as income the *actual* income anticipated to be derived from the assets.
- The gross amount of periodic payments from sources such as social security, unemployment and welfare assistance, annuities, insurance policies, retirement funds, and pensions. However, periodic payment from retirement accounts, annuities, and similar forms of investments are counted only after they exceed the amount contributed by the family.
- Disability or death benefits and lottery receipts paid periodically, rather than in a single lump sum.
- Most lump-sums received as a result of delays in processing periodic payments, such as unemployment or welfare assistance, are counted as income. However, lump-sum receipts for the delayed start of periodic social security or supplemental security income (SSI) payments are not counted as income. Additionally, any deferred disability benefits that are received in a lump-sum or in prospective monthly amounts from the Department of Veterans Affairs are to be excluded from annual income.
- Welfare assistance, including any amount being deducted from the family's income because of fraud or failure to participate in economic self-sufficiency programs or comply with work activities.
- Periodic and determinable allowances, such as alimony and child support payments.

HACSM will count court-awarded amounts for alimony and child support unless HACSM verifies that (1) the payments are not being made, and (2) the family has made reasonable efforts to collect amounts due, including filing with courts or agencies responsible for enforcing payments.

Families who do not have court-awarded alimony and child support awards are not required to seek a court award and are not required to take independent legal action to obtain collection.

If a family receives amounts for alimony and/or child support that differ from the court-awarded amount (i.e. partial payments, arrears payments), the HACSM will use the actual amount received by the family if there is verification of the payment(s) being made consistently and they are anticipated to continue.

- Regular contributions and gifts received from persons not residing in the dwelling.

Examples of regular contributions and gifts include: (1) regular payment of a family's bills (e.g., utilities, telephone, rent, credit cards, and car payments), (2) cash or other liquid assets provided to any family member on a regular basis, and (3) "in-kind" contributions such as groceries and clothing provided to a family on a regular basis.

- Student Financial Assistance. The inclusion of certain student financial assistance applies only to students who satisfy all of the following conditions:
  - They are enrolled in an institution of higher education, as defined under the Higher Education Act (HEA) of 1965.
  - They are seeking or receiving Section 8 assistance on their own—that is, apart from their parents—through the HCV program, the project-based certificate program, the project-based voucher program, or the moderate rehabilitation program.
  - They are under 24 years of age **OR** they have no dependent children.

For students who satisfy these three conditions, any financial assistance in excess of tuition received: (1) under the 1965 HEA, (2) from a private source, or (3) from an institution of higher education, as defined under the 1965 HEA, must be included in annual income.

- The income of family members approved to live in the unit will be counted, even if the family member is temporarily absent from the unit.

Generally, an individual who is expected to be absent from the assisted unit for 180 consecutive days *or less* is considered temporarily absent and continues to be considered a family member.

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

Annual income **does not** include:

- Non-recurring income, such as casual, sporadic or irregular gifts.
- Payments received by participants in other publicly assisted programs as reimbursement for out-of-pocket expenses incurred (special equipment, clothing, transportation, reimbursement for child care, and so forth), which are made



solely to allow participation in a specific program and cannot be used for other purposes.

- 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, or deferred periodic payments from Supplemental Security Income (SSI) and Social Security benefits that are received in a lump-sum amount or in prospective monthly amounts. However, these amounts could become net family assets.
- Lump-sums or prospective monthly amounts received as deferred disability benefits from the Department of Veterans Affairs (VA).
- Any earned-income tax credit (EITC).
- Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member.
- Payments made by a state agency to a family with a developmentally disabled family member living in the home to offset the cost of services and equipment needed to keep that family member at home.
- Income from employment of children (including foster children) under the age of 18 years.
- Earnings (wages) in excess of \$480 for each full-time student 18 years or older (except for the head, spouse, or co-head).
- Income earned by a live-in aide.
- Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era [24 CFR 5.609(c)(10)]
- Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS) [(24 CFR 5.609(c)(8)(ii)]
- Refunds or rebates on property taxes paid on the dwelling unit [24 CFR 5.609(c)(15)]
- Any student financial assistance not subject to inclusion is fully excluded from annual income, whether it is paid directly to the student or to the educational institution the student is attending. This includes any financial assistance received by:
  - Students residing with parents who are seeking or receiving Section 8 assistance
  - Students who are enrolled in an educational institution that does **not** meet the 1965 HEA definition of *institution of higher education*

- Students who are over 23 **AND** have at least one dependent child
- Students who are receiving financial assistance through a governmental program not authorized under the 1965 HEA.
- Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the assisted family, who are unable to live alone) [24 CFR 5.609(c)(2)].

HACSM will exclude payments for the care of foster children and foster adults only if the care is provided through an official arrangement with a local welfare agency. In addition, HACSM will exclude from annual income payments received from Kin-GAP (Kinship Guardian Assistance Payments - payments for foster care under California law).

- Adoption assistance payments in excess of \$480 per adopted child.
- 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 types of income are subject to such exclusion:
  - Relocation payments made in a lump sum under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4621-4993).
  - The value of the allotment provided to an eligible household for coupons under the Food Stamp Act of 1977 (7 U.S.C. 2011-2029).
  - Payment or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8621-8629)
  - Payments to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)
  - Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552(b))
  - Awards under the federal work-study program (20 U.S.C. 1087 uu)
  - Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))
  - Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))
  - Allowances, earnings, and payments to participants in programs funded under the Workforce Investment Act of 1998 (29 U.S.C. 2931)
  - Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c))

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

**5. Assets:** See Net Family Assets.

**6. Asset Income:** Actual income received from assets held by household members.

**7. Citizen:** A resident by birth or naturalization of the United States.

**8. Co-head:** An individual in the household who is equally responsible with the head of household for ensuring the family fulfills all of its responsibilities under the program, but who is not a spouse. A family may have a co-head or spouse but not both. A family can have only one co-head. A co-head never qualifies as a dependent. The co-head must have legal capacity to enter into a lease.

**9. Contract Rent:** The rent charged a tenant for the use of the dwelling unit and appliances (such as ranges and refrigerators, but not including furniture).

**10. Dating violence:** Violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim; and where the existence of

such a relationship shall be determined based on a consideration of the following factors:

- The length of the relationship
- The type of relationship
- The frequency of interaction between the persons involved in the relationship

- 11. Dependent:** A family member who is under 18 years of age or a person of any age who is a person with a disability or a full-time student, except that the following persons can never be dependents: the head of household, spouse, co-head, foster children/adults and live-in aides.
- 12. Disabled Family:** A family whose head, spouse, or sole member is a person with disabilities; or two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides.
- 13. Domestic violence:** Felony or misdemeanor crimes of violence committed by a current or former spouse of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.
- 14. Drug-related criminal activity:** Illegal use or personal use of a controlled substance and the illegal manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute or use, of a controlled substance.
- 15. Drug-trafficking:** The illegal manufacture, sale, or distribution, or the possession with intent to manufacture, sell, or distribute, of a controlled substance.
- 16. Elderly Family:** A family whose head, co-head, spouse, or sole member is a person who is at least 62 years of age; or two or more persons who are at least 62 years of age living together; or one or more persons who are at least 62 years of age living with one or more live-in aides.
- 17. Elderly Person:** An individual who is at least 62 years of age.
- 18. Fair Housing Act:** Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988.
- 19. Fair Market Rents:** HUD publishes fair-market rents on an annual basis to determine modest, non-luxury rents for the area. These rents are the basis for determining the subsidy amounts for the voucher program.
- 20. Family:** A single person or a group of persons, a family with a child or children, two or more elderly or disabled persons living together, and one or more elderly or disabled persons, with one or more live-in aides. The HACSM has the discretion to determine if any other group of persons qualifies as a family.
- 21. Family Share:** The portion of rent to owner paid by the family (also known as Tenant Rent).

**22. Family Unit Size:** The appropriate number of bedrooms for a family, as determined by HACSM under its subsidy standards.

**23. Foster Adult(s):** Generally, persons with disabilities, unrelated to the tenant family, who are unable to live alone.

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

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

**25. Full-time Student:** A person who is attending school or vocational training on a full-time basis. The time commitment or subject load that is needed to be full-time is defined by the educational institution.

**26. Guests:** A person temporarily staying in the unit with the consent of a member of the household who has express or implied authority to so consent.

HACSM policy allows for a guest to remain in the assisted unit no longer than 14 consecutive days or a total of 60 cumulative days during any 12-month period. Children who are subject to a joint custody arrangement or for whom a family has visitation privileges, that are not included as a family member because they live outside the assisted household more than 50 percent of the time, are not subject to the time limitations of guest as described above.

A family may request an exception to this policy for valid reasons (e.g. care of a relative recovering from a medical procedure is expected to last 40 consecutive days). An exception will not be made unless the family can identify and provide documentation of the residence to which the guest will return.

**27. Head of household (HOH):** The adult member of the family who is considered the head for purposes of determining income eligibility and rent. The HOH is responsible for ensuring the family fulfills all of its responsibilities under the program, alone or in conjunction with a co-head or spouse. A head of household must be at least 18 years of age or an emancipated minor.

**28. Household:** A broader term than *family* – it includes additional people who, with HACSM's permission, live in an assisted unit, such as live-in aides, foster children, and foster adults.

**29. Housing Assistance Payment (Subsidy):** The monthly assistance payment by a Public Housing Agency (PHA), which includes payment to the owner for rent to the owner under the family's lease.

**30. Housing Assistance Payments Contract:** A written contract between the PHA and an owner for the purpose of providing housing assistance payments to the owner on behalf of an eligible family (sometimes referred to as the HAP contract).

**31. Housing Quality Standards (HQS):** The HUD minimum-quality standards for housing assisted under the Section 8 program.

- 32. Income Category:** Designates a family's income range. There are three categories: low-income, very low-income, and extremely low-income.
- 33. Initial Housing Authority:** In portability, the term refers to both: (1) A Housing Authority that originally selected a family that later decides to move out of the jurisdiction of the selecting Housing Authority; and (2) A Housing Authority that absorbed a family that later decides to move out of the jurisdiction of the absorbing Housing Authority.
- 34. Initial Rent to Owner:** The rent to owner at the beginning of the initial lease term.
- 35. Lease:** A written agreement between an owner and a tenant for the leasing of a dwelling unit to the tenant. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP contract between the owner and the Housing Authority.
- 36. Live-in aide:** A person who resides with one or more elderly persons, or persons with disabilities, and who:
- Is determined to be essential to the care and well-being of the persons;
  - Is not obligated for the financial support of the persons; and
  - Would not be living in the unit except to provide the necessary supportive services.
- 37. Manufactured home:** A manufactured structure that is built on a permanent chassis, is designed for use as a principal place of residence, and meets the HQS.
- 38. Minimum Rent:** The minimum rent for HACSM is \$50 (see Chapter 7 for further explanation of minimum rent).
- 39. Mixed family:** A family whose members include those with citizenship or eligible immigration status, and those without citizenship or eligible immigration status.
- 40. Net family assets:** Value of equity in real property, savings, stocks, bonds and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs less the cost of converting the assets to cash. The value of necessary items of personal property, such as furniture and automobiles, shall be excluded.

In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered as an asset, so long as the fund continues to be held in trust. However, any income distributed from the trust fund shall be counted when determining annual income.

*Jointly Owned Assets:* If an asset is owned by more than one person and any family member has unrestricted access to the asset, HACSM will count the full value of the asset. A family member has unrestricted access to an asset when he or she can legally dispose of the asset without the consent of any of the other owners.

If an asset is owned by more than one person, including a family member, but the family member does not have unrestricted access to the asset, HACSM will prorate the asset according to the percentage of ownership. If no percentage is specified or

provided for by state or local law, HACSM will prorate the asset evenly among all owners.

Assets Disposed Of for Less than Fair Market Value: HACSM will not include the value of assets disposed of for less than fair market value unless the cumulative fair market value of all assets disposed of during the past two years exceeds the gross amount received for the assets by more than \$1,000. If more than \$1,000, the amount counted will be the market value, less costs and the amount actually received.

- 41. Non-citizen:** A person who is neither a citizen nor national of the United States.
- 42. Occupancy Standards:** The standards that the Housing Authority establishes for determining the appropriate number of bedrooms needed to house families of different sizes or composition.
- 43. Other Adult:** A family member, other than the head, spouse, or co-head, who is 18 years of age or older. Foster adults and live-in aides are not considered other adults.
- 44. Owner:** Any person or entity, including a cooperative, having the legal right to lease or sublease existing housing.
- 45. Participant (participant family):** A family that has been admitted to the Housing Authority's 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 Housing Authority for the family (first day of initial lease).
- 46. Payment Standard:** The maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family).
- 47. Persons with Disabilities:** A person who has a disability as defined in 42 U.S.C. 423 or a developmental disability as defined in 42 U.S.C. 6001. Also includes a person who is determined, under HUD regulations, to have a physical or mental impairment that is expected to be of long-continued and indefinite duration, substantially impedes the ability to live independently, and is of such a nature that the ability to live independently could be improved by more suitable housing conditions. For purposes of reasonable accommodation and program accessibility for persons with disabilities, means and "individual with handicaps" as defined in 24 CFR 8.3. Definition does not exclude persons who have AIDS or conditions arising from AIDS, but does not include a person whose disability is based solely on drug or alcohol dependence (for low-income housing eligibility purposes).
- 48. Portability:** The ability of a Section 8 voucher holder to move from the jurisdiction of its current housing authority to the jurisdiction of another PHA.
- 49. Proration of Assistance:** "Mixed families" with some members who are citizens or eligible aliens, and some who are not, will have assistance prorated on the basis of total number of family members, divided by number of citizens or eligible non-citizen.
- 50. Receiving PHA:** In portability, a Housing Authority that receives a family selected for participation in the tenant-based program of another Housing Authority. The receiving Housing Authority issues a voucher and provides program assistance to the family.

- 51. Recertification:** A reexamination of a household's income, expenses and family composition to determine the household's rent.
- 52. Remaining Member of Tenant Family:** Person left in assisted housing who may or may not normally qualify for assistance on own circumstances (i.e., an elderly spouse dies, leaving widow age 47 who is not disabled). Does not include foster children, foster adults, or live-in aides.
- 53. Rent to Owner:** The monthly rent payable to the owner under the lease. Rent to owner covers payment for any housing services, maintenance and utilities that the owner is required to provide and pay for.
- 54. Rent Reasonableness:** The Housing Authority must certify and document that the contract rent is reasonable in relation to rents currently being charged for comparable units in the private, unassisted market, and that the contract rent is not in excess of rent currently being charged by the owner for comparable unassisted units, taking into consideration the location, unit type, age and amenities to be sure there is a valid comparison. In order to satisfy these requirements, the Housing Authority must have an overall knowledge of the rental market within its jurisdiction and data on the rents being charged for specific units.
- 55. Single Person:** A person living alone or intending to live alone, and who does not qualify as an elderly family or a person with disabilities, or as the remaining member of the family.
- 56. Spouse:** The marriage partner of the head of household. The term *spouse* does not apply to friends, roommates, or significant others who are not marriage partners. A minor who is emancipated under state law may be designated as a spouse.
- 57. Stalking:** To follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate; or to place under surveillance with the intent to kill, injure, harass, or intimidate another person; and in the course of, or as a result of, such following, pursuit, surveillance, or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or to cause substantial emotional harm to (1) that person, (2) a member of the immediate family of that person, or (3) the spouse or intimate partner of that person.
- 58. Subsidy Standards:** Standards established by a Housing Authority to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions.
- 59. Suspension (sometimes called Tolling):** Stopping the clock on the term of a family's voucher for a period determined by the Housing Authority from the time when the family submits a Request for Lease Approval for a unit until the time when the housing authority approves or denies the request.
- 60. Tenant:** The person or persons (other than a live-in aide or foster adult) who executes the lease as lessee(s) of the dwelling unit.
- 61. Tolling:** See "Suspension".
- 62. Total Tenant Payment (TTP):** For HACSM, the TTP is the highest of the following amounts (rounded to the nearest dollar) – 30 percent of the family's monthly adjusted



income, 10 percent of the family's monthly gross income, the minimum rent of \$50 (established by HACSM).

- 63. Utility Allowance Schedule:** Used in determining family share and HACSM subsidy. The schedule is based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality.
- 64. Utility Reimbursement:** When HACSM subsidy for a family exceeds the rent to owner, the family is due a utility reimbursement.
- 65. Very Low-Income Family:** A family whose annual income does not exceed 50% of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income limits or lower than 50% of the median income for the area on the basis of its finding that such variations are necessary because of unusually high or low family incomes.
- 66. 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.
- 67. Voucher:** A document issued by a PHA, declaring a family to be eligible for participation in the Voucher program and stating terms and conditions for the family's participation.
- 68. Voucher holder:** A family holding a Voucher with an unexpired search time.

## Chapter 22

### PROJECT-BASED VOUCHERS

*MTW Waiver: Some of the activities in this chapter are authorized in HACSM's MTW Agreement, Attachment C, Paragraph D, 7(a)(b)(c) and waives certain provisions of Sections 8 (o)(13)(B and D) of the 1937 Act and 24 CFR 982.1, 982,102, and CFR Part 983. In addition, some of the activities in this chapter are authorized in HACSM's MTW Agreement, Attachment D, for broader use of funds.*

#### INTRODUCTION

This chapter describes HUD regulations and HACSM policies related to the project-based voucher (PBV) program and its administration. The PBV program attaches rental assistance to a particular unit rather than to a family (as with tenant-based rental assistance).

#### I. GENERAL REQUIREMENTS [24 CFR 983.5]

Using its MTW authority, HACSM will operate a project-based voucher program using up to 30 percent of its budget authority for project-based assistance.

PBV assistance may be attached to existing housing or newly constructed or rehabilitated housing [24 CFR 983.52]. If PBV units are already selected for project-based assistance either under an agreement to enter into HAP Contract (Agreement) or a HAP contract, HACSM is not required to reduce the number of these units if the amount of budget authority is subsequently reduced. However, HACSM 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].

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

#### Relocation Requirements [24 CFR 983.7]

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

The cost of required relocation assistance may be paid with funds provided by the owner, local public funds, or funds available from other sources. HACSM may not use voucher program funds to cover relocation costs, except that HACSM may use their administrative fee reserve to pay for relocation expenses after all other program administrative expenses are satisfied, and provided that payment of the relocation

benefits is consistent with state and local law. Use of the administrative fee for these purposes must also be consistent with other legal and regulatory requirements, including the requirement in 24 CFR 982.155 and other official HUD issuances.

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

### **Equal Opportunity Requirements [24 CFR 983.8]**

HACSM will 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, HACSM will comply with the PHA Plan certification on civil rights and affirmatively furthering fair housing, submitted in accordance with 24 CFR 903.7(o).

## **II. PBV OWNER PROPOSALS**

This section describes the procedures for owner submission of PBV proposals and for selection of PBV proposals. Before selecting a PBV proposal, HACSM will 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, and meets the site selection standards [24 CFR 983.57].

### **Owner Proposal Selection Procedures [24 CFR 983.51]**

HACSM will select PBV proposals by either of the following two methods.

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

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

HACSM procedures for selecting PBV proposals will be designed and actually operated to provide broad public notice of the opportunity to offer PBV proposals for consideration by HACSM. The public notice procedures may include publication of the public notice in a local newspaper of general circulation and other means designed and

actually operated to provide broad public notice. The public notice of the HACSM request for PBV proposals will specify the submission deadline. Detailed application and selection information will be provided at the request of interested parties.

#### HACSM Request for Proposals for Rehabilitated and Newly Constructed Units

- HACSM will advertise its request for proposals (RFP) for rehabilitated and newly constructed housing in local newspapers of general circulation and the HACSM web site.
- HACSM will publish its advertisement in local newspapers and the HACSM web site for at least one day per week for two consecutive weeks. The advertisement will specify the number of units HACSM estimates that it will be able to assist under the funding HACSM is making available.
- In order for the proposal to be considered, the owner must submit the proposal to HACSM by the published deadline date, and the proposal must respond to all requirements as outlined in the RFP. Incomplete proposals and late proposals will not be reviewed.
- HACSM will rate and rank proposals for rehabilitated and newly constructed housing using the following criteria:
  - Term of contract requested. A long term commitment (subject to the regulatory cap) will be ranked higher than shorter term commitment;
  - Owner experience and capability to build or rehabilitate housing as identified in the RFP;
  - Extent to which the project furthers HACSM'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;
  - New constructions that will be restricted to low or very-low income occupancy;
  - Projects that are situated along public transportation corridors;
  - Projects that are owned or developed by non-profit organizations that have a solid record of effective property management;
  - Projects that have completed feasibility/readiness reviews to commence construction.

#### HACSM Requests for Proposals for Existing Housing Units

- HACSM will advertise its request for proposals (RFP) for existing housing in local newspapers of general circulation and the HACSM web site.
- HACSM will periodically publish its advertisement in local newspapers and the HACSM web site at least one day per week for two consecutive weeks. The advertisement will specify the number of units HACSM estimates that it will be able

to assist under the funding it is making available. Owner proposals will be accepted on a first-come first-served basis and will be evaluated using the following criteria:

- Experience as an owner in the tenant-based voucher program and owner compliance with the owner's obligations under the tenant-based program;
- Extent to which the project furthers HACSM's goal of deconcentrating poverty and expanding housing and economic opportunities;
- If applicable, extent to which services for special populations are provided on site or in the immediate area for occupants of the property; and
- Extent to which units are occupied by families that are eligible to participate in the PBV program.

#### HACSM Selection of Proposals Subject to a Previous Competition under a Federal, State, or Local Housing Assistance Program

- HACSM 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 (LIHTC) on an ongoing basis.
  - HACSM may periodically advertise that it is accepting proposals, in local newspapers of general circulation and the HACSM web site.
- In addition to, or in place of advertising, HACSM 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. HACSM will evaluate each proposal on its merits using the following factors:
  - Extent to which the project furthers HACSM'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 a public housing site under the HOPE VI program, the HOME program, CDBG activities, other development activities in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community.

#### **HACSM-Owned Units [24 CFR 983.51(e) and 983.59]**

HACSM-owned units 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 HACSM-owned units were appropriately selected based on the selection procedures specified in the HACSM administrative plan. If HACSM selects a proposal for housing that is owned or controlled by HACSM, it must identify the entity that will review the HACSM proposal selection process and perform specific functions with respect to rent determinations and inspections.

In the case of HACSM-owned units, the initial contract rent will be approved by an independent entity based on an appraisal by a licensed, state-certified appraiser. The

independent entity that performs this service may be the unit of general local government for the HACSM jurisdiction (unless HACSM is itself the unit of general local government or an agency of such government) or another HUD-approved public or private independent entity.

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

### **HACSM Notice of Owner Selection [24 CFR 983.51(d)]**

HACSM will give prompt written notice to the party that submitted a selected proposal and HACSM will notify in writing all owners that submitted proposals that were not selected and advise such owners of the name of the selected owner.

HACSM will publish its notice for selection of PBV proposals for two consecutive days in the same newspapers it used to solicit the proposals. The announcement will include the name of the owner that was selected for the PBV program. HACSM will also post the notice of owner selection on its web site.

HACSM will make available to any interested party its rating and ranking sheets and documents that identify HACSM's basis for selecting the proposal. These documents will be available for review by the public and other interested parties for one month after publication of the notice of owner selection. HACSM will not make available sensitive owner information that is privileged, such as financial statements and similar information about the owner.

HACSM will make these documents available for review at its office during normal business hours. There will be a nominal charge per page for the cost of reproduction of allowable documents.

### **Housing Type [24 CFR 983.52]**

HACSM may attach PBV assistance for units in existing housing or for newly constructed or rehabilitated housing developed under and in accordance with an agreement to enter into a housing assistance payments contract that was executed prior to the start of construction. A housing unit is considered an existing unit for purposes of the PBV program, if, at the time of notice of HACSM 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.

HACSM will decide what housing type, new construction, rehabilitation, or existing housing, will be used to develop project-based housing. HACSM's choice of housing type will be reflected in its solicitation for proposals.

## **Prohibition of Assistance for Certain Units**

### ***Ineligible Housing Types [24 CFR 983.53]***

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

### ***Subsidized Housing [24 CFR 983.54]***

HACSM will 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 (unless it's 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 HACSM in accordance with HUD requirements.

### **Subsidy Layering Requirements [24 CFR 983.55, FR Notice 11/24/08]**

HACSM 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.

HACSM will submit the necessary documentation to HUD for a subsidy layering review. HACSM may not enter into an agreement to enter into a HAP contract or AHAP until HUD (or an independent entity approved by HUD) 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 HUD requirements.

### **Cap on Number of PBV Units in Each Project**

In general, HACSM will not select a proposal to provide PBV assistance for units in a project or enter into an agreement to enter into a HAP or AHAP contract to provide PBV assistance for units in a project, if the total number of dwelling units in the project that will receive PBV assistance during the term of the PBV HAP contract is more than 50 percent of the number of dwelling units (assisted or unassisted) in the project.

HACSM may enact its MTW authority and project-base up to 100% of the units in a project provided the project is a public housing property that has received HUD approval of its disposition application.

### ***Exceptions to 50 Percent per Project Cap***

Exceptions are allowed and PBV units are not counted against the 50 percent per project 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*).

HACSM will include in its administrative plan the type of services offered to families for a project to qualify for the exception and the extent to which such services will be provided. It is not necessary that the services be provided at or by the project, if they are approved services. To qualify, a family must have at least one member receiving at least one qualifying supportive service. HACSM may not require participation in medical or disability-related services other than drug and alcohol treatment in the case of current abusers as a condition of living in an excepted unit, although such services may be offered. The lease must contain the family's obligation to participate in the designated service program. Failure of the family to comply is good cause to terminate the family from the program

The types of supportive services offered to families for a project to qualify for the exception are those intended to promote self-sufficiency, including:

- Outreach
- Case management, counseling



- Health care, psychiatric and mental health care, substance abuse treatment
- Life skills, parenting skills
- Child care, transportation, housing search assistance, budgeting
- Employment assistance, job training/placement
- Education, vocational opportunities

If a family at the time of initial tenancy is receiving, and while the resident of an excepted unit has received, FSS supportive services or any other supportive services as defined in the HACSM administrative plan, and successfully completes the FSS contract of participation or the supportive services requirement, the unit continues to count as an excepted unit for as long as the family resides in the unit.

HACSM will monitor the excepted family's continued receipt of supportive services and take appropriate action regarding those families that fail without good cause to complete their supportive services requirement.

### **Site Selection Standards**

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

HACSM will not select a proposal for existing, newly constructed, or rehabilitated PBV housing on a site or enter into an agreement to enter into a HAP contract or HAP contract for units on the site, unless HACSM has determined that PBV assistance for housing at the selected site is consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities. The standard for deconcentrating poverty and expanding housing and economic opportunities must be consistent with the PHA Plan under 24 CFR 903 and administrative plan.

In addition, prior to selecting a proposal, HACSM must determine that the site is suitable from the standpoint of facilitating and furthering full compliance with the applicable Civil Rights Laws, regulations, and Executive Orders, and that the site meets the HQS site and neighborhood standards at 24 CFR 982.401(l).

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

However, HACSM will grant exceptions to the 20 percent standard where it 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.

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

HACSM will 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 HACSM 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.

### **Environmental Review [24 CFR 983.58]**

HACSM 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.). HACSM will 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 will 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.

HACSM will not enter into an agreement to enter into a HAP contract or a HAP contract with an owner, and HACSM, 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.

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

### **III. DWELLING UNITS**

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.

#### **Housing Quality Standards [24 CFR 983.101]**

The housing quality standards (HQS) for the tenant-based program, including those for special housing types, generally apply to the PBV program. HQS requirements for shared housing, manufactured home space rental and the homeownership option do not apply because these housing types are not assisted under the PBV program.

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.

#### **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. HACSM 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)

## **Inspecting Units**

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

HACSM will examine the proposed site before the proposal selection date. If the units to be assisted already exist, HACSM will inspect all the units before the proposal selection date, and will 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, HACSM may not execute the HAP contract until the units fully comply with HQS.

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

HACSM will inspect each contract unit before execution of the HAP contract. HACSM 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, HACSM will inspect the unit. HACSM may not provide assistance on behalf of the family until the unit fully complies with HQS.

### ***Annual or Biennial Inspections***

HACSM generally will inspect all units under lease at least biennially (every other year) to confirm that the unit continues to meet HQS. HACSM may make exceptions to this inspection schedule for landlords and properties that have a history of non-compliance with HQS (e.g. units abated in the previous 12 months).

Although some units will have a biennial inspection schedule, the unit must at all time meet Housing Quality Standards while it is under contract. The annual or biennial inspection may be conducted in conjunction with the family's annual reexamination or may be conducted separately as determined by HACSM.

### ***Other Inspections [24 CFR 983.103(e)]***

HACSM will 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. HACSM will take into account complaints and any other information coming to its attention in scheduling inspections.

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

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

### ***Inspecting HACSM-owned Units***

HACSM received authorization through its FY2009 MTW Annual Plan that it may inspect HACSM-owned units. HACSM will take prompt corrective actions to address any HQS findings.

#### **IV. REHABILITATED AND NEWLY CONSTRUCTED UNITS [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.

#### **Agreement to Enter Into HAP Contract**

In order to offer PBV assistance in rehabilitated or newly constructed units, HACSM will enter into an agreement to enter into a HAP contract (Agreement) with the owner of the property. The Agreement must be in the form required by HUD [24 CFR 983.152(a)].

In the Agreement the owner agrees to develop the PBV contract units to comply with HQS, and HACSM agrees that upon timely completion of such development in accordance with the terms of the Agreement, HACSM 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 will 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 will include the rehabilitation work write up and, where determined necessary by HACSM, specifications and plans. For new construction units, the description will 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, FR Notice 11/24/08]***

The Agreement will be executed promptly after HACSM notice of proposal selection to the selected owner. Generally, HACSM may not enter into the Agreement with the owner until the subsidy layering review is completed. Likewise, HACSM may not enter into the Agreement until the environmental review is completed and HACSM has received environmental approval. However, HACSM does not need to conduct a subsidy layering review in the case of a HAP contract for an existing structure or if the applicable state or local agency has conducted such a review. Similarly, environmental reviews are not required for existing structures unless otherwise required by law or regulation.

### **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. HACSM will 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 opportunity requirements.

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

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

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

### **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 HACSM in the form and manner required by HACSM:

- 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.

HACSM 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. HACSM will specify any additional documentation requirements in the Agreement to enter into HAP contract.

***HACSM Acceptance of Completed Units [24 CFR 983.156]***

Upon notice from the owner that the housing is completed, HACSM will 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. HACSM 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, HACSM will not enter into the HAP contract.

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

**V. HOUSING ASSISTANCE PAYMENTS CONTRACT (HAP)**

HACSM will 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].

**HAP Contract Requirements**

***Contract Information [24 CFR 983.203, FR Notice 11/24/08]***

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 percent per project 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]***

HACSM will not enter into a HAP contract until each contract unit has been inspected and it has determined that the unit complies with the Housing Quality Standards (HQS).

For existing housing, the HAP contract will be executed promptly after HACSM selects the owner proposal, inspects the housing units, and determines that all units pass HQS.

For newly constructed or rehabilitated housing, the HAP contract will be executed after HACSM 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]***

HACSM will enter into a HAP contract with an owner for an initial term of no less than one year and no more than fifteen (15) years. The term of all PBV HAP contracts will be negotiated with the owner on a case-by-case basis.

At any time before expiration of the HAP contract, HACSM may extend the term of the contract for an additional term of up to 15 years if HACSM determines an extension is appropriate to continue providing affordable housing for low-income families or to expand housing opportunities. 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, HACSM 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 HACSM [24 CFR 983.205(c)]***

The HAP contract will provide that the term of HACSM's contractual commitment is subject to the availability of sufficient appropriated funding as determined by HUD or by HACSM 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, HACSM 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), FR Notice 11/24/08]***

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 HACSM. In this case, families living in the contract units must be offered tenant-based assistance.

At its discretion, HACSM may specify in the HAP contract that the maximum rent on a unit will not be less than the initial rent.

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

HACSM will 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 HACSM determines that a contract does not comply with HQS, it will 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.

## **Amendments to the HAP Contract**

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

At HACSM'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, HACSM will inspect the proposed unit and determine the reasonable rent for the unit.

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

At the HACSM'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 HACSM'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.

HACSM may consider adding contract units to the HAP contract when it determines that additional housing is needed to serve eligible low-income families. Circumstances may include, but are not limited to:

- The local housing inventory is reduced due to a disaster (either due to loss of housing units, or an influx of displaced families); and
- Voucher holders are having difficulty finding units that meet program requirements.

### **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.

### **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 HACSM, and the lease is in accordance with the HAP contract and HUD 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.

### **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 HACSM 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.

HACSM 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.

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

#### ***Vacancy Payments [24 CFR 983.352(b)]***

At the discretion of HACSM, the HAP contract may provide for vacancy payments to the owner for a HACSM-determined period of vacancy extending from the beginning of the first calendar month after the move-out month for a period not exceeding two full months following the move-out month. The amount of the vacancy payment will be determined by HACSM and cannot exceed the monthly rent to owner under the assisted lease, minus any portion of the rental payment received by the owner (including amounts available from the tenant's security deposit).

HACSM will decide on a case-by-case basis if it will provide vacancy payments to the owner. 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.

## **VI. SELECTION OF PBV PROGRAM PARTICIPANTS**

Many of the provisions of the tenant-based voucher regulations 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.

#### **Eligibility for PBV Assistance [24 CFR 983.251(a) and (b)]**

HACSM may select families for the PBV program from those who are participants in HACSM'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 will be determined at the commencement of PBV assistance.

Applicants for PBV assistance must meet the same eligibility requirements as applicants for the tenant-based voucher program. Applicants must qualify as a family as defined by HUD and HACSM, have income at or below HUD-specified income limits, and qualify on the basis of citizenship or the eligible immigration status of family members [24 CFR 982.201(a) and 24 CFR 983.2(a)]. In addition, an applicant family must provide social security information for family members [24 CFR 5.216 and 5.218] and consent to HACSM's collection and use of family information regarding income, expenses, and family composition [24 CFR 5.230]. An applicant family must also meet HUD requirements related to current or past criminal activity.

HACSM will determine an applicant family's eligibility for the PBV program in accordance with the policies in Chapter 3.

### ***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 HACSM 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 will be placed on HACSM's waiting list.

Once the family's continued eligibility is determined (HACSM may deny assistance to an in-place family for the grounds specified in 24 CFR 982.552 and 982.553), the family will be given an absolute selection preference and HACSM 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.

### ***Organization of the Waiting List [24 CFR 983.251(c)]***

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

### ***Selection from the Waiting List [24 CFR 983.251(c)]***

Applicants who will occupy units with PBV assistance will be selected from HACSM's waiting list. HACSM may establish selection criteria or preferences for occupancy of particular PBV units. HACSM 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 HACSM's tenant-based and project-based voucher programs during HACSM's 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, HACSM will first refer families who require such features to the owner.

### ***Preferences [24 CFR 983.251(d), FR Notice 11/24/08]***

HACSM may use the same selection preferences that are used for the tenant-based voucher program, establish selection criteria or preferences for the PBV program as a whole, or for occupancy of particular PBV developments or units. HACSM must provide an absolute selection preference for eligible in-place families as described above (see In-Place Families).

Although HACSM is prohibited from granting preferences to persons with a specific disability, HACSM may give preference to disabled families who need services offered at a particular project or site if the preference is limited to families (including individuals):

- With disabilities that significantly interfere with their ability to obtain and maintain themselves in housing;
- Who, without appropriate supportive services, will not be able to obtain or maintain themselves in housing; and
- For whom such services cannot be provided in a non-segregated setting.

In advertising such a project, the owner may advertise the project as offering services for a particular type of disability; however, the project must be open to all otherwise eligible disabled persons who may benefit from services provided in the project. In these projects, disabled residents may not be required to accept the particular services offered as a condition of occupancy.

If HACSM has projects with more than 50 percent of the units receiving project-based assistance because those projects include “excepted units” (units specifically made available for elderly or disabled families, or families receiving supportive services), HACSM must give preference to such families when referring families to these units [24 CFR 983.261(b)].

HACSM will provide a selection preference when required by the regulation (e.g., eligible in-place families, qualifying families for “excepted units,” mobility impaired persons for accessible units).

HACSM will provide a selection preference when the available supportive services most match the family’s needs.

Families with equal preference will be selected based on time and date of the receipt of their housing application.

### **Offer of PBV Assistance**

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

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

- Refuse to list the applicant on the waiting list for tenant-based voucher assistance;
- Deny any admission preference for which the applicant qualifies;
- Change the applicant's place on the waiting list based on preference, date, and time of application, or other factors affecting selection under HACSM'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, HACSM will give the family an oral briefing. The briefing will include information on how the program works and the responsibilities of the family and owner. In addition to the oral briefing, HACSM will provide a briefing packet that explains how it determines the total tenant payment for a family, the family obligations under the program, and applicable fair housing information.

*Persons with Disabilities*

If an applicant family's head or spouse is disabled, HACSM will assure effective communication, in accordance with 24 CFR 8.6, in conducting the oral briefing and in providing the written information packet (see Chapter 2). In addition, HACSM will have a mechanism for referring a family that includes a member with mobility impairment to an appropriate accessible PBV unit.

*Persons with Limited English Proficiency*

HACSM will take reasonable steps to assure meaningful access by persons with limited English proficiency in accordance with Title VI of the Civil Rights Act of 1964 and Executive Order 13166 (see Chapter 2).

**Owner Selection of Tenants**

The owner is responsible for developing written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low-income families and reasonably related to program eligibility and an applicant's ability to fulfill their obligations under the lease. An owner must promptly notify in writing any rejected applicant of the grounds for any rejection [24 CFR 983.253(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 HACSM from HACSM's waiting list. The contract unit leased to the family must be the appropriate size unit for the size of the family, based on HACSM's subsidy standards.

### ***Filling Vacancies [24 CFR 983.254(a)]***

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

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

If any contract units have been vacant for 120 or more days since owner notice of the vacancy, HACSM may give notice to the owner amending the HAP contract to reduce the number of contract units by subtracting the number of contract units (according to the bedroom size) that have been vacant for this period.

If HACSM gives notice to the owner amending the HAP contract, HACSM will provide the notice to the owner within 10 business days of the 120<sup>th</sup> day of the vacancy. The amendment to the HAP contract will be effective the 1<sup>st</sup> day of the month following the date of HACSM's notice.

### **Tenant Screening [24 CFR 983.255]**

#### ***HACSM Responsibility***

HACSM is not responsible or liable to the owner or any other person for the family's behavior or suitability for tenancy.

HACSM will not conduct screening to determine a PBV applicant family's suitability for tenancy unless the PBV unit is HACSM-owned.

HACSM will provide the owner with an applicant family's current and prior address (as shown in HACSM records) and the name and address (if known by HACSM) of the family's current landlord and any prior landlords. In addition, HACSM may offer the owner other information it may have about a family, including information about the tenancy history of family members or about drug trafficking and criminal activity by family members. HACSM will provide applicant families a description of its policy on providing information to owners, and HACSM will give the same types of information to all owners.

HACSM will make an exception to the above requirement if the family's whereabouts must be protected due to domestic violence, dating violence, stalking or witness protection.

#### ***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.

## **VII. OCCUPANCY**

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

### **Lease**

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, 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.

#### ***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 provide by the owner; and
- The amount of any charges for food, furniture, or supportive services.

#### ***Tenancy Addendum [24 CFR 983.256(d)]***

The tenancy addendum in the lease must state:

- The program tenancy requirements;
- The composition of the household as approved by HACSM (the names of family members and any HACSM-approved live-in aide);

All provisions in the HUD-required tenancy addendum must be included in the lease. The terms of the tenancy addendum prevail over other provisions of the lease.



### ***Initial Term and Lease Renewal [24 CFR 983.256(f) and 983.257(b)]***

Using its MTW authority, HACSM will require the family to fulfill an initial lease term of 24 months, unless the family is approved for a reasonable accommodation. The family may terminate the lease at any time after the first two years (or 24 months) of occupancy. The family must give advance written notice to the owner in accordance with the lease and provide a copy of such notice to HACSM. If the family wishes to move with continued assistance, the family must contact HACSM to request the rental assistance prior to providing notice to terminate the lease.

If the family terminates the lease in accordance with the above requirements, HACSM will offer the family the opportunity for continued assistance under HACSM's MTW Self-Sufficiency Program and subject to all terms and conditions of the program (see Chapter 17). If MTW Self-Sufficiency assistance or other comparable assistance is not immediately available upon termination of the family's lease in the PBV unit, HACSM will give the family priority to receive the next available opportunity for continued assistance under the MTW Self-Sufficiency Program.

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, HACSM will provide the family with assistance under the MTW Self-Sufficiency Program or other comparable programs as stated above. The owner must fill the vacancy immediately with the next eligible family or the unit will be removed from the PBV HAP contract.

HACSM may grant exceptions to the type of assistance a family receives after terminating the lease as a reasonable accommodation. Should the original household member for whom the accommodation request was granted no longer be a part of the household, the type of assistance will be reverted back to the MTW Self-Sufficiency Program or other comparable programs

### ***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 HACSM a copy of all changes.

### ***Owner Termination of Tenancy [24 CFR 983.257]***

With two exceptions, the owner of a PBV unit may terminate tenancy for the same reasons an owner may in the tenant-based voucher program (see 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.

### ***Non-Compliance with Supportive Services Requirement [24 CFR 983.257(c), FR Notice 11/24/08]***

If a family is living in a project-based unit that is "excepted" from the per project cap on project-basing because of participation in a supportive services program (e.g., Family Self-Sufficiency), and the family fails to complete its supportive services requirement without good cause, such failure is grounds for lease termination by the owner.

### ***Tenant Absence from the Unit [24 CFR 983.256(g) and 982.312(a)]***

The owner may specify in the lease a maximum period of tenant absence from the unit that is shorter than the maximum period permitted by HACSM policy. According to HACSM program requirements, the family's assistance will 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. HACSM will prohibit security deposits in excess of private market practice, or 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. HACSM has no liability or responsibility for payment of any amount owed by the family to the owner.

## **Moves**

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

If HACSM determines that a family is occupying a wrong size unit, based on HACSM'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, HACSM will promptly notify the family and the owner of this determination, and HACSM will offer the family the opportunity to receive continued housing assistance in another unit.

HACSM will offer the family the following types of continued assistance in the following order, based on the availability of assistance:

- PBV assistance in the same building or project;
- PBV assistance in another project; and
- Tenant-based voucher assistance.

If HACSM offers the family a tenant-based voucher, it will terminate the housing assistance payments for a wrong-sized or accessible unit at the earlier of (1) when the family vacates the PBV unit, or (2) expiration of the term of the family's voucher (including any extension granted by HACSM).

If HACSM 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 HACSM, or both, HACSM will terminate the housing assistance payments for the unit at the expiration of a reasonable period as determined by HACSM.

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

HACSM may make exceptions to this 30-day period if needed for reasons beyond the family's control such as death, serious illness, or other medical emergency of a family member.

### ***Family Right to Move***

Using its MTW authority, HACSM requires the family to fulfill an initial lease term of 24 months, unless the family is approved for a reasonable accommodation. The family may terminate the lease at any time after the first two years (or 24 months) of occupancy. The family must give advance written notice to the owner in accordance with the lease and provide a copy of such notice to HACSM. If the family wishes to move with continued assistance, the family must contact HACSM to request the rental assistance prior to providing notice to terminate the lease.

If the family terminates the lease in accordance with these requirements, HACSM will offer the family the opportunity for continued assistance under HACSM's MTW Self-Sufficiency Program and subject to all terms and conditions of the program (see Chapter 17). If assistance under the MTW Self-Sufficiency Program or other comparable assistance is not immediately available upon termination of the family's lease in the PBV unit, HACSM will give the family priority to receive the next available opportunity for continued assistance under the MTW Self-Sufficiency Program.

If the family terminates the assisted lease before the end of the first two years (24 months), the family relinquishes the opportunity for continued assistance.

### **Exceptions to the Occupancy Cap**

HACSM will not pay housing assistance under a PBV HAP contract for more than 50 percent of the number of dwelling units in a project unless the units are [24 CFR 983.56]:

- In a single-family building;
- Specifically made available for elderly or disabled families; or
- Specifically made available for families receiving supportive services as defined by HACSM. At least one member must be receiving at least one qualifying supportive service.

If a family at the time of initial tenancy is receiving and while the resident of an excepted unit has received Family Self-Sufficiency (FSS) supportive services or any other service as defined as defined by HACSM and successfully completes the FSS contract of participation or the supportive services requirement, the unit continues to count as an excepted unit for as long as the family resides in the unit.

A family (or remaining members of a family) residing in an excepted unit that no longer meets the criteria for a "qualifying family" in connection with the per project 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 HACSM, and HACSM will 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 will be terminated by HACSM.

## **VIII. DETERMINING RENT TO OWNER**

The amount of the initial rent to an owner of units receiving PBV assistance is established at the beginning of the HAP contract term. Although for rehabilitated or newly constructed housing, the agreement to enter into HAP Contract (Agreement) states the estimated amount of the initial rent to owner, the actual amount of the initial rent to owner is established at the beginning of the HAP contract term.

During the 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.

### **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 HACSM, 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), FR Notice 11/24/08]***

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 HACSM-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.

However, HACSM is permitted to use the higher Section 8 rent for a tax credit unit if the tax credit rent is less than the amount that would be permitted under Section 8. In these cases, Section 8 rent reasonableness requirements must continue to be met.

### ***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(f)]***

When determining the initial rent to owner, HACSM will use the most recently published FMR in effect and the utility allowance schedule in effect at execution of the HAP contract. When redetermining the rent to owner, HACSM will use the most recently published FMR and the utility allowance schedule in effect at the time of redetermination. At its discretion, HACSM may for initial rent, use the amounts in effect at any time during the 30-day period immediately before the beginning date of the HAP contract, or for redeterminations of rent, the 30-day period immediately before the redetermination date.

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

Likewise, HACSM may not establish or apply different utility allowance amounts for the PBV program. The same utility allowance schedule applies to both the tenant-based and project-based voucher programs.

### ***Redetermination of Rent [24 CFR 983.302, FR Notice 11/24/08]***

HACSM will redetermine the rent to owner upon the owner's request or when there is a five percent or greater decrease in the published FMR.

### ***Rent Increase***

If an owner wishes to request an increase in the rent to owner from HACSM, it must be requested at the annual anniversary of the HAP contract. The request must be in writing and in the form and manner required by HACSM. HACSM 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 to HACSM 60 days prior to the anniversary date of the HAP contract, and must include the new rent amount the owner is proposing.

HACSM will not approve and the owner will not receive any increase of rent to owner until and unless the owner has complied with requirements of the HAP contract, including compliance with HQS. The owner will 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 will be decreased regardless of whether the owner requested a rent adjustment. However, HACSM may stipulate in the HAP contract that the maximum rent on a unit will not be less than the initial rent.

### ***Notice of Rent Change***

The rent to owner is redetermined by written notice by HACSM to the owner specifying the amount of the redetermined rent. HACSM notice of rent adjustment constitutes an amendment of the rent to owner specified in the HAP contract. The adjusted amount of rent to owner applies for the period of 12 calendar months from the annual anniversary of the HAP contract.

HACSM will provide the owner with at least 30 days written notice of any change in the amount of rent to owner.

### ***HACSM-owned Units [24 CFR 983.301(g)]***

HACSM-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. HACSM must use the rent to owner established by the independent entity.

### ***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 HACSM.

### ***When Rent Reasonable Determinations are Required***

HACSM will 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;
- HACSM 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 will be determined by comparison to rent for other comparable unassisted units. When making this determination, HACSM will 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 will 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 will show how the reasonable rent was determined, including major differences between the contract units and comparable unassisted units, and will be retained by HACSM. The comparability analysis may be performed by HACSM staff or by another qualified person or entity. Those who conduct these analyses or are involved in determining the housing assistance payment based on the analyses may not have any direct or indirect interest in the property.

### ***HACSM-owned Units***

For HACSM-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 HACSM-owned units to HACSM 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, HACSM may require the owner to submit information on rents charged by the owner for other units in the premises or elsewhere.

## **Effect of Other Subsidy and Rent Control**

In addition to the rent limits discussed in previous sections 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.

### ***Other Subsidy [24 CFR 983.304]***

At its discretion, HACSM 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.

## **IX. PAYMENTS TO OWNER**

### **Housing Assistance Payments [24 CFR 983.351]**

During the term of the HAP contract, HACSM will make housing assistance payments to the owner in accordance with the terms of the HAP contract. During the term of the HAP contract, payments will 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 will be paid to the owner on or about the first day of the month for which payment is due.

Except for discretionary vacancy payments, HACSM will 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).

HACSM received approval through its FY2009 MTW Annual Plan to institute an alternate subsidy calculation method. The amount of the housing assistance payment



by HACSM is the rent to owner minus the subsidy amount as determined by HACSM's tiered subsidy table (TST).

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.

### **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 HACSM determines that the vacancy is the owner's fault.

If HACSM determines that the owner is responsible for a vacancy and, as a result, is not entitled to keep the housing assistance payment, HACSM will notify the landlord of the amount of housing assistance payment that the owner must repay. HACSM will require the owner to repay the amount owed in accordance with the policies in Chapter 19.

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

- The owner gives HACSM 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.

The owner must submit a request for vacancy payments in the form and manner required by HACSM and must provide any information or substantiation required by HACSM to determine the amount of any vacancy payment.

### **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 HACSM in accordance with HUD requirements. Any changes in the amount of tenant rent will be effective on the date stated in HACSM's notice to the family and owner.

The family is responsible for paying the tenant rent. HACSM received approval through its FY2009 MTW Annual Plan to institute an alternate subsidy calculation method. The amount of the housing assistance payment by HACSM is the rent to owner minus the tenant rent portion as determined by HACSM's tiered subsidy table. The tenant rent is the rent to owner minus the HACSM subsidy. The minimum tenant rent is \$50.00. (see Chapter 7 for further detail on this calculation method)

The amount of the tenant rent determined by HACSM is the maximum amount the owner may charge the family for rental of a contract unit. The owner may not demand or accept any rent payment from the tenant in excess of the tenant rent as determined by HACSM. The owner must immediately return any excess payment to the tenant.

### ***Tenant and HACSM 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 HACSM.

Likewise, HACSM is responsible only for making the housing assistance payment to the owner in accordance with the HAP contract. HACSM is not responsible for paying tenant rent, or any other claim by the owner, including damage to the unit. HACSM 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***

HACSM will not make utility reimbursements to the family.

### **Other Fees and Charges [24 CFR 983.354]**

#### ***Meals and Supportive Services***

With the exception of PBV assistance in assisted living developments, the owner may not require the tenant to pay charges for meals or supportive services. Non-payment of such charges is not grounds for termination of tenancy.

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

#### ***Other Charges by Owner***

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.

### **Provider-Based Assistance**

HACSM proposes to expand its Section 8 Project-Based voucher program to advance the strategic objectives of San Mateo County's ten-year plan to end homelessness (the HOPE Plan). The program expansion will include directing a percentage of the voucher funding to support provider-based units, targeted to extremely- and very-low income households who are homeless or at-risk of homelessness due to insufficient income, disability, domestic violence, or other cause.

All provider-based awards will be determined through HACSM's NOFA process. All award recipients must meet the qualifying criteria of the NOFA and agree to the terms and conditions of the contract as negotiated with HACSM.

HACSM will establish, via a contract, with any service provider the exact location or layout of the units subsidized. Provider-based assistance may be provided within a single structure or in scattered sites, owned or leased by the provider, upon approval of HACSM.

In an effort to best utilize the potential of the provider-based program and meet the specific needs of the community served, the length of continued assistance would be determined as part of the contract with the specific service organization. In all cases, the assistance will not continue beyond December 31, 2018.

## Housing Authority of the County of San Mateo Affirmatively Further Fair Housing Statement

It is the mission of the Housing Authority of the County of San Mateo (HACSM) to promote non-discrimination, and fair and equal housing opportunities for all. HACSM shall comply fully with all Federal, State, and local laws, rules and regulations governing Fair Housing and Equal Opportunity in housing and employment.

In administering the Family Unification Program and all other rental assistance programs, HACSM shall not deny any family or individual the equal opportunity to apply for, or receive assistance on the basis of race, color, national origin, religion, sex, age, disability, familial status, and sexual orientation.

HACSM will take reasonable steps to affirmatively further fair housing. Specific steps include to:

### **Overcome the effects of impediments to fair housing choice that were identified in the jurisdiction's Analysis of Impediments (AI) to Fair Housing Choice**

The County's Analysis of Impediments to Fair Housing Choice has identified the following impediments:

- High cost of housing.
- Limited number of affordable housing due to zoning requirements and high land and construction costs.
- Community opposition to affordable housing developments.
- Language barrier.

HACSM will take the following steps to overcome the effects of impediments that were identified in the County's AI to Fair Housing Choice:

- To the extent possible and within HACSM budget authority, establish Payment Standards at 110% of the HUD published Fair Market Rents to maximize housing choice.
- Approve reasonable requests for higher rents to owners that provide accessible units with structural modifications.
- Provide rental listings at no cost to program participants.
- Identify accessible features on rental listings.
- Extend search time for people with disabilities because of lack of availability of accessible units.
- Refer owners who need to have their rental units made accessible to the Department's Housing Rehabilitation Program and other agencies that provide such service.

- Where feasible, maximize project-basing to increase affordable unit stock.
- Work with developers to develop additional affordable housing units.
- Monitor client pools to assess language needs and determine which vital documents to translate.
- Use “I Speak” cards to assist clients needing translation services.
- Where feasible, hire bilingual staff to be available to act as interpreters and translators.
- Partner with local agencies to provide interpretation and translation services.

### **Remedy discrimination in housing**

HACSM will take the following steps to remedy discrimination in housing:

- Refer applicants and program participants who report discrimination claims to local legal aid agencies and tenant advocacy groups.
- Make every reasonable attempt to determine whether the applicant’s or participant’s discrimination assertions have merit and take any warranted corrective action against the property owner or manager.
- Display posters and other fair housing information in HACSM’s lobby and other HACSM locations.
- Distribute a wide range of fair housing education materials to applicants and program participants.
- Assist applicants and program participants how to file discrimination claims.
- Educate property owners regarding occupancy standards under fair housing law.
- Distribute fair housing education materials to housing industry providers to reduce and eliminate discriminatory practices.

### **Promote fair housing rights and fair housing choice**

HACSM will take the following steps to promote fair housing rights and fair housing choice:

- Participate in community meetings to promote awareness of fair housing laws.
- Collaborate with fair housing agencies to educate families and owners of applicable fair housing laws.
- Provide information to families about fair housing requirements and the opportunity to rent in a broad range of neighborhoods at program admission and upon relocation.
- Maintain listing of available housing units in all neighborhoods to ensure greater mobility and housing choice to families.

- Initiate personal contact with property owners and managers to recruit available units and promote fair housing requirements.
- Encourage applicants or participants who believe that they have been discriminated against by an owner to report the incident to HACSM.
- Provide reasonable accommodation for applicants and participants who are unable to come into the office by making home visits where necessary to ensure access to services.

## Family Unification Program (FUP) Addendum to the Housing Authority of the County of San Mateo Administrative Plan

Chapter 2 of the HACSM Administrative Plan explains the laws, HUD regulations, and HACSM policies to affirmatively further civil rights and fair housing in all federally-assisted housing programs. This addendum outlines reasonable steps HACSM will take to affirmatively further fair housing in regards to the vouchers awarded under Fiscal Year 2008 Notice of Funding Availability for the Family Unification Program (FUP).

- a. HACSM will identify and ensure certification of FUP eligible families and youth that may be on HACSM's waiting list and ensure that the family or youth maintain their original position on the waiting list after certification. HACSM will use social security numbers, names, and date of births to identify FUP eligible families and youths referred by the Public Child Welfare Agency (PCWA) that may be on the HACSM's Housing Choice Voucher (HCV) waiting list. FUP eligible families and youths will maintain their original position on the HCV waiting list after admission to FUP.
- b. HACSM will appropriately place all FUP eligible families and youth referred from the PCWA on the HCV waiting list in order of first come, first served. HACSM will time and date stamp all referrals from PCWA immediately upon receipt. HACSM will place all FUP eligible families and youths referred from PCWA on the HCV waiting list in order of time and date. HACSM will create a FUP-eligible families and FUP-eligible youths preference, up to the number of vouchers awarded. If the HCV waiting list is closed and HACSM has not reached the maximum number of FUP vouchers, HACSM will reopen the waiting list to accept a FUP applicant who is not currently on the HCV waiting list.
- c. HACSM will inform applicants on how to file a fair housing complaint including the provision of the toll free number for the Housing Discrimination Hotline: 1-800-669-9777. Posters on how to file a fair housing complaint will be posted in the HACSM lobby. Information about fair housing and how to file a fair housing complaint will be included in the briefing packets.
- d. HACSM will comply with the affirmatively furthering fair housing requirements of 24 CFR Section 903.7(o) by:
  1. Examining HACSM's programs or proposed programs;
  2. Identifying any impediments to fair housing choice within those programs;

3. Addressing those impediments in a reasonable fashion in view of the resources available;
4. Working with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require HACSM's involvement;
5. Maintaining records reflecting these analyses and actions.

Furthermore, HACSM will take the following proactive steps, when feasible, in addressing accessibility problems for persons with disabilities:

- a. HACSM will assist FUP applicants and participants to gain access to supportive services available within the community. HACSM will not require otherwise eligible applicants or participants to accept supportive services as a condition of continued participation in the program.
- b. HACSM will identify public and private funding sources to assist participants with disabilities in covering the costs of structural alternations and other accessibility features that are needed as accommodations for their disabilities.
- c. HACSM will not deny persons who qualify for this program other housing opportunities, or otherwise restrict access to HACSM programs to eligible applicants who choose not to participate.
- d. HACSM will provide housing search assistance by providing real time rental listings through [www.gosection8.com](http://www.gosection8.com).
- e. HACSM will approve higher rents to owners that provide accessible units with structural modifications for persons with disabilities. Rent must be reasonable in accordance with rent reasonableness requirements.
- f. HACSM will provide technical assistance, through referral to local fair housing and equal opportunity offices, to owners interested in making reasonable accommodations or units accessible to persons with disabilities.



HCV-FSS Addendum to the  
Housing Authority of the County of San Mateo (HACSM)  
Administrative Plan

**Affirmatively Further Fair Housing in the  
Housing Choice Voucher (HCV) Family Self-Sufficiency (FSS) Program**

Chapter 2 of the HACSM Administrative Plan explains the laws, HUD regulations, and HACSM policies to affirmatively further civil rights and fair housing in all federally-assisted housing programs. This addendum outlines reasonable steps HACSM will take to affirmatively further fair housing in regards to the FSS Coordinator Grant awarded under Fiscal Year 2008 Notice of Funding Availability.

Specific steps include:

- 1. Advertising widely in the community for the coordinator position(s)**  
HACSM will advertise any vacant FSS positions fairly and broadly to allow all interested parties an opportunity to apply. Notices may be published in local newspapers, listed with Internet job search sites, posted in HACSM offices and on the HACSM web site.
- 2. Marketing the program to all eligible persons, including persons with disabilities and persons with limited English proficiency**  
HACSM markets the availability of the FSS program through briefings with applicants and program participants. The marketing materials list the names and telephone numbers of the FSS Coordinators so that the applicant or program participant may contact them for further information or request special accommodations.  
  
HACSM has conducted a four factor analysis in its efforts to serve applicants and participants with limited English proficiency. HACSM will continue to monitor its current and potential client pool to determine which vital documents to translate to make the FSS program more accessible to non-English speaking clients. HACSM uses "I Speak" cards to assist clients needing translation services, and where feasible, hire bilingual staff to act as interpreters and translators. HACSM also partners with local agencies to provide interpretation and translation services, including sign language, at no cost to the client.
- 3. Making buildings and communications that facilitate applications and service delivery accessible to persons with disabilities**  
HACSM offices are accessible to persons with physical disabilities. HACSM uses the relay service provided by the local phone company for clients with

hearing impaired. HACSM conducts home visits for applicants and participants who are unable to come into the office.

HACSM provides referral services to owners who are interested in making units accessible to persons with disabilities. When appropriate, HACSM will approve reasonable requests for higher rents to owners that provide accessible units with structural modifications.

HACSM provides rental listings at no cost to the program participants. The listing contains accessible features of the unit. Upon request, HACSM may extend search time for people with disabilities because of lack of availability of accessible units.

**4. Providing fair housing counseling services or referrals to fair housing agencies**

FSS participants who believe they have been subject to unlawful discrimination may notify their FSS Coordinators or the HACSM Fair Housing Officer (504 Coordinator) either orally or in writing. HACSM will make every reasonable attempt to determine whether the claims of discrimination have merit and take any warranted corrective action.

HACSM displays posters and other fair housing information in HACSM's lobby and other HACSM locations.

**5. Informing participants on how to file a fair housing complaint**

HACSM informs FSS participants on how to file a fair housing complaint and include the toll free number for the Housing Discrimination Hotline: 1-800-669-9777. Information about fair housing and how to file a fair housing complaint are included in briefing packets.

A wide range of fair housing education materials are available at HACSM offices.

**6. Recruiting landlords and service providers in areas that expand housing choice to program participants**

HACSM educates property owners regarding occupancy standards under fair housing law to avoid unlawful restrictions to families who are searching for a unit.

HACSM maintains listing of available housing units in all neighborhoods to ensure greater mobility and housing choice to families.

HACSM initiates personal contact with property owners and managers to recruit available units and promote fair housing requirements.

## **Record-Keeping of Program Participants**

HACSM will maintain a record of the following information for all FSS participants:

- Race
- Ethnicity
- Familial status
- Disability status
- Income information
- Reasonable accommodation requests

All records will be maintained in each participant file as well as a separate database. The information will be reviewed on an ongoing basis and utilized for program reporting and planning.