

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

PHA Plans

5 Year Plan for Fiscal Years 2001 - 2005

Annual Plan for Fiscal Year 2001

**NOTE: THIS PHA PLANS TEMPLATE (HUD 50075) IS TO BE COMPLETED IN ACCORDANCE WITH
INSTRUCTIONS LOCATED IN APPLICABLE PIH NOTICES**

HUD 50075
OMB Approval No: 2577-0226
Expires: 03/31/2002

PHA Plan Agency Identification

PHA Name: Milbank Housing Authority

PHA Number: SD037

PHA Fiscal Year Beginning: (mm/yyyy) 10/2000

Public Access to Information

**Information regarding any activities outlined in this plan can be obtained by contacting:
(select all that apply)**

- Main administrative office of the PHA
- PHA development management offices
- PHA local offices

Display Locations For PHA Plans and Supporting Documents

The PHA Plans (including attachments) are available for public inspection at: (select all that apply)

- Main administrative office of the PHA
- PHA development management offices
- PHA local offices
- Main administrative office of the local government
- Main administrative office of the County government
- Main administrative office of the State government
- Public library
- PHA website
- Other (list below)

PHA Plan Supporting Documents are available for inspection at: (select all that apply)

- Main business office of the PHA
- PHA development management offices
- Other (list below)

5-YEAR PLAN
PHA FISCAL YEARS 2001 - 2005

[24 CFR Part 903.5]

A. Mission

State the PHA's mission for serving the needs of low-income, very low income, and extremely low-income families in the PHA's jurisdiction. (select one of the choices below)

The mission of the PHA is the same as that of the Department of Housing and Urban Development: To promote adequate and affordable housing, economic opportunity and a suitable living environment free from discrimination.

The PHA's mission is: (state mission here)

The mission statement of the Milbank Housing Authority of the City of Milbank and County of Grant is to assist low-income families with safe, decent and affordable housing opportunities as they strive to achieve self-sufficiency and improve the quality of their lives. The Milbank Housing Authority is committed to operate in an efficient, ethical, and professional manner. The Milbank Housing Authority will create and maintain partnerships with its clients and appropriate community agencies in order to accomplish this mission.

B. Goals

The goals and objectives listed below are derived from HUD's strategic Goals and Objectives and those emphasized in recent legislation. PHAs may select any of these goals and objectives as their own, or identify other goals and/or objectives. Whether selecting the HUD-suggested objectives or their own, **PHAS ARE STRONGLY ENCOURAGED TO IDENTIFY QUANTIFIABLE MEASURES OF SUCCESS IN REACHING THEIR OBJECTIVES OVER THE COURSE OF THE 5 YEARS.** (Quantifiable measures would include targets such as: numbers of families served or PHAS scores achieved.) PHAs should identify these measures in the spaces to the right of or below the stated objectives.

HUD Strategic Goal: Increase the availability of decent, safe, and affordable housing.

PHA Goal: Expand the supply of assisted housing

Objectives:

Apply for additional rental vouchers:

Reduce public housing vacancies:

Leverage private or other public funds to create additional housing opportunities:

Acquire or build units or developments

Other (list below)

1. The Milbank Housing Authority will search for and educate landlords in the community on the benefits of working with the rental voucher program and low-income families.

2. The Milbank Housing Authority will locate at least two partners, non-profit or for-profit, locally or nationally-based. These partners will work with us on the acquisition, improvement and/or development of additional housing opportunities for this target group.

PHA Goal: Improve the quality of assisted housing

Objectives:

- Improve public housing management: (PHAS score)
- Improve voucher management: (SEMAP score)
- Increase customer satisfaction:
- Concentrate on efforts to improve specific management functions: (list; e.g., public housing finance; voucher unit inspections)
- Renovate or modernize public housing units:
- Demolish or dispose of obsolete public housing:
- Provide replacement public housing:
- Provide replacement vouchers:
- Other: (list below)
 1. The Milbank Housing Authority will assist potential tenants with the selection of rental units using the HUD checklist of finding safe, decent and suitable housing in the community.
 2. The Milbank Housing Authority will inspect all rental units upon initial lease up and at each annual recertification following HUD's inspection guidelines.
 3. The Milbank Housing Authority will work with landlords to keep properties in safe and decent condition with proper notices of needed repairs and maintenance.

PHA Goal: Increase assisted housing choices

Objectives:

- Provide voucher mobility counseling:
- Conduct outreach efforts to potential voucher landlords
- Increase voucher payment standards
- Implement voucher homeownership program:
- Implement public housing or other homeownership programs:
- Implement public housing site-based waiting lists:
- Convert public housing to vouchers:
- Other: (list below)

HUD Strategic Goal: Improve community quality of life and economic vitality

- PHA Goal: Provide an improved living environment
Objectives:
- Implement measures to deconcentrate poverty by bringing higher income public housing households into lower income developments:
 - Implement measures to promote income mixing in public housing by assuring access for lower income families into higher income developments:
 - Implement public housing security improvements:
 - Designate developments or buildings for particular resident groups (elderly, persons with disabilities)
 - Other: (list below)
 1. The Milbank Housing Authority will aggressively screen tenants to prevent evictions and criminal activity in the units under the voucher program.
 2. The Milbank Housing Authority will encourage tenants to find suitable housing in the entire community.

HUD Strategic Goal: Promote self-sufficiency and asset development of families and individuals

- PHA Goal: Promote self-sufficiency and asset development of assisted households
Objectives:
- Increase the number and percentage of employed persons in assisted families:
 - Provide or attract supportive services to improve assistance recipients' employability:
 - Provide or attract supportive services to increase independence for the elderly or families with disabilities.
 - Other: (list below)
 1. The Milbank Housing Authority will more effectively utilize its community's resources to provide tenants with services to be self-sufficient.
 2. The Milbank Housing Authority will ensure that at least 2 supportive service opportunities are present for every tenant on the voucher program.
 3. The Milbank Housing Authority shall assist 10 families voluntarily move from assisted to unassisted housing by December 31, 2004.

HUD Strategic Goal: Ensure Equal Opportunity in Housing for all Americans

- PHA Goal: Ensure equal opportunity and affirmatively further fair housing
Objectives:

- Undertake affirmative measures to ensure access to assisted housing regardless of race, color, religion national origin, sex, familial status, and disability:
- Undertake affirmative measures to provide a suitable living environment for families living in assisted housing, regardless of race, color, religion national origin, sex, familial status, and disability:
- Undertake affirmative measures to ensure accessible housing to persons with all varieties of disabilities regardless of unit size required:
- Other: (list below)
 1. The Milbank Housing Authority will operate in full compliance with all Equal Opportunity laws and regulations and affirmatively further fair housing.

Other PHA Goals and Objectives: (list below)

Annual PHA Plan
PHA Fiscal Year 2001

[24 CFR Part 903.7]

i. Annual Plan Type:

Select which type of Annual Plan the PHA will submit.

Standard Plan

Streamlined Plan:

- High Performing PHA**
- Small Agency (<250 Public Housing Units)**
- Administering Section 8 Only**

Troubled Agency Plan

ii. Executive Summary of the Annual PHA Plan

[24 CFR Part 903.7 9 (r)]

EXECUTIVE SUMMARY

The Milbank Housing Authority has prepared this Agency Plan in compliance with Section 511 of the Quality Housing and Work Responsibility Act of 1998 and the ensuing HUD requirements.

We have adopted the following mission statement to guide the activities of the Milbank Housing Authority.

The mission statement of the Milbank Housing Authority of the City of Milbank and County of Grant is to assist low-income families with safe, decent and affordable housing opportunities as they strive to achieve self-sufficiency and improve the quality of their lives. The Milbank Housing Authority is committed to operation in an efficient, ethical, and professional manner. The Milbank Housing Authority will create and maintain partnerships with its clients and appropriate community agencies in order to accomplish this mission.

We have also adopted the following goals and objectives for the next five years.

The Milbank Housing Authority will be managed in a manner that results in full compliance with applicable statutes and regulations as defined by program audit finding.

1. By December 31, 2001, the Milbank Housing Authority shall have a waiting list of sufficient size so that we can fill our existing housing units within 60 days of them becoming vacant.
1. The Milbank Housing Authority shall achieve and sustain a voucher usage rate of 95% by December 31, 2004.

The Milbank Housing Authority will assist our community with increasing the availability of affordable, suitable housing for families in the very-low income range.

1. The Milbank Housing Authority will search for and educate landlords in the community on the benefits of working with the rental voucher program and low-income families.
2. Locate at least two partners, non-profit or for-profit, locally or nationally-based. These partners will work with us on the acquisition, improvement and/or development of additional housing opportunities for this target group.

The Milbank Housing Authority will strive to make the rental voucher program a viable resource for the very-low income residents of Milbank and Grant County.

1. The Milbank Housing Authority shall continue to be a customer-oriented organization.
2. Through the use of local media, the Milbank Housing Authority will make more potential customers aware of the services available through the voucher program.

The Milbank Housing Authority shall provide a safe and secure environment for the residents using the existing housing rental vouchers.

1. The Milbank Housing Authority will assist potential tenants with the selection of rental units using the Housing Urban and Development's checklist of finding safe, decent and suitable housing.
2. The Milbank Housing Authority will aggressively screen tenants to prevent evictions and criminal activity in the units under the voucher program.

The Milbank Housing Authority will assure safe & decent housing for tenants.

1. The Housing Authority will inspect all rental properties upon initial lease up and at each annual recertification following HUD's inspection guidelines.
2. The Milbank Housing Authority will work with landlords to keep properties in safe and decent condition with proper notices of needed repairs and maintenance.

The Milbank Housing Authority will operate in full compliance with all Equal Opportunity laws and regulations and affirmatively further fair housing.

1. The Milbank Housing Authority will encourage tenants to find suitable housing in the whole community.

The Milbank Housing Authority will ensure full compliance with all applicable standards and regulations including government generally accepted accounting practices.

1. The Milbank Housing Authority shall operate so that income exceeds expenses each year.
2. The Milbank Housing Authority will be audited annually by a reputable accounting firm familiar with HUD policies.

The Milbank Housing Authority shall strive to enhance the image of rental assisted housing in our community.

1. The Milbank Housing Authority's leadership shall speak to at least 4 civic, religious, or fraternal groups a year to explain how important they are to the community.
2. The Milbank Housing Authority shall ensure that there is at least one positive story a year in the local media about the Housing Authority or one of the families it works with.

The Milbank Housing Authority shall strive to improve access to services that support economic opportunity and quality of life for the tenants it serves.

1. The Milbank Housing Authority will more effectively utilize its community's resources to provide tenants with services to be self-sufficient.
2. The Milbank Housing Authority will ensure that at least 2 supportive service opportunities are present for every tenant on the voucher program.
3. The Milbank Housing Authority shall have an effective, fully functioning tenant organization in the community for the tenant-based program by December 31, 2002.
4. The Milbank Housing Authority shall assist 10 families voluntarily move from assisted to unassisted housing by December 31, 2004.

Our Annual Plan is based on the premise that if we accomplish our goals and objectives we will be working towards the achievement of our mission.

- The plans, statements, budget summary, policies, etc. set forth in the Annual Plan all lead towards the accomplishment of our goals and objectives. Taken as a whole, they outline a comprehensive approach towards our goals and objectives and are consistent with the Consolidated Plan.

In summary, we are on course to improve the condition of affordable housing in Milbank and Grant County.

iii. Annual Plan Table of Contents

[24 CFR Part 903.7 9 (r)]

Table of Contents

	<u>Page #</u>
Annual Plan	
i. Executive Summary	1
ii. Table of Contents	3
1. Housing Needs	6
2. Financial Resources	12
3. Policies on Eligibility, Selection and Admissions	13/18
4. Rent Determination Policies	22
5. Operations and Management Policies	26
6. Grievance Procedures	28
7. Capital Improvement Needs	28
8. Demolition and Disposition	30
9. Designation of Housing	31
10. Conversions of Public Housing	32
11. Homeownership	33
12. Community Service Programs	35
13. Crime and Safety	38
14. Pets (Inactive for January 1 PHAs)	40
15. Civil Rights Certifications (included with PHA Plan Certifications)	40
16. Audit	40
17. Asset Management	40
18. Other Information	41

Attachments

Indicate which attachments are provided by selecting all that apply. Provide the attachment's name (A, B, etc.) in the space to the left of the name of the attachment. Note: If the attachment is provided as a **SEPARATE** file submission from the PHA Plans file, provide the file name in parentheses in the space to the right of the title.

Required Attachments:

- Admissions Policy for Deconcentration
- FY 2000 Capital Fund Program Annual Statement
- Most recent board-approved operating budget (Required Attachment for PHAs that are troubled or at risk of being designated troubled ONLY)

Optional Attachments:

- PHA Management Organizational Chart
- FY 2000 Capital Fund Program 5 Year Action Plan
- Public Housing Drug Elimination Program (PHDEP) Plan
- Comments of Resident Advisory Board or Boards (must be attached if not included in PHA Plan text)
- Other (List below, providing each attachment name)

Supporting Documents Available for Review

Indicate which documents are available for public review by placing a mark in the “Applicable & On Display” column in the appropriate rows. All listed documents must be on display if applicable to the program activities conducted by the PHA.

List of Supporting Documents Available for Review		
Applicable & On Display	Supporting Document	Applicable Plan Component
X	PHA Plan Certifications of Compliance with the PHA Plans and Related Regulations	5 Year and Annual Plans
X	State/Local Government Certification of Consistency with the Consolidated Plan	5 Year and Annual Plans
X	Fair Housing Documentation: Records reflecting that the PHA has examined its programs or proposed programs, identified any impediments to fair housing choice in those programs, addressed or is addressing those impediments in a reasonable fashion in view of the resources available, and worked or is working with local jurisdictions to implement any of the jurisdictions’ initiatives to affirmatively further fair housing that require the PHA’s involvement.	5 Year and Annual Plans
X	Consolidated Plan for the jurisdiction/s in which the PHA is located (which includes the Analysis of Impediments to Fair Housing Choice (AI)) and any additional backup data to support statement of housing needs in the jurisdiction	Annual Plan: Housing Needs
X	Most recent board-approved operating budget for the public housing program	Annual Plan: Financial Resources;
NA	Public Housing Admissions and (Continued) Occupancy Policy (A&O), which includes the Tenant Selection and Assignment Plan [TSAP]	Annual Plan: Eligibility, Selection, and Admissions Policies
X	Section 8 Administrative Plan	Annual Plan: Eligibility, Selection, and Admissions

List of Supporting Documents Available for Review		
Applicable & On Display	Supporting Document	Applicable Plan Component
		Policies
NA	Public Housing Deconcentration and Income Mixing Documentation: 1. PHA board certifications of compliance with deconcentration requirements (section 16(a) of the US Housing Act of 1937, as implemented in the 2/18/99 <i>Quality Housing and Work Responsibility Act Initial Guidance; Notice</i> and any further HUD guidance) and 2. Documentation of the required deconcentration and income mixing analysis	Annual Plan: Eligibility, Selection, and Admissions Policies
N/A	Public housing rent determination policies, including the methodology for setting public housing flat rents <input type="checkbox"/> check here if included in the public housing A & O Policy	Annual Plan: Rent Determination
N/A	Schedule of flat rents offered at each public housing development <input type="checkbox"/> check here if included in the public housing A & O Policy	Annual Plan: Rent Determination
X	Section 8 rent determination (payment standard) policies <input checked="" type="checkbox"/> check here if included in Section 8 Administrative Plan	Annual Plan: Rent Determination
NA	Public housing management and maintenance policy documents, including policies for the prevention or eradication of pest infestation (including cockroach infestation)	Annual Plan: Operations and Maintenance
X	Public housing grievance procedures <input checked="" type="checkbox"/> check here if included in the public housing Section 8 Administrative Plan	Annual Plan: Grievance Procedures
X	Section 8 informal review and hearing procedures <input checked="" type="checkbox"/> check here if included in Section 8 Administrative Plan	Annual Plan: Grievance Procedures
N/A	The HUD-approved Capital Fund/Comprehensive Grant Program Annual Statement (HUD 52837) for the active grant year	Annual Plan: Capital Needs
N/A	Most recent CIAP Budget/Progress Report (HUD 52825) for any active CIAP grant	Annual Plan: Capital Needs
N/A	Most recent, approved 5 Year Action Plan for the Capital Fund/Comprehensive Grant Program, if not included as an attachment (provided at PHA option)	Annual Plan: Capital Needs
N/A	Approved HOPE VI applications or, if more recent, approved or submitted HOPE VI Revitalization Plans or any other approved proposal for development of public housing	Annual Plan: Capital Needs
N/A	Approved or submitted applications for demolition and/or disposition of public housing	Annual Plan: Demolition and Disposition
N/A	Approved or submitted applications for designation of public housing (Designated Housing Plans)	Annual Plan: Designation of Public Housing
N/A	Approved or submitted assessments of reasonable	Annual Plan: Conversion of

List of Supporting Documents Available for Review		
Applicable & On Display	Supporting Document	Applicable Plan Component
	revitalization of public housing and approved or submitted conversion plans prepared pursuant to section 202 of the 1996 HUD Appropriations Act	Public Housing
N/A	Approved or submitted public housing homeownership programs/plans	Annual Plan: Homeownership
N/A	Policies governing any Section 8 Homeownership program <input type="checkbox"/> check here if included in the Section 8 Administrative Plan	Annual Plan: Homeownership
NA	Any cooperative agreement between the PHA and the TANF agency	Annual Plan: Community Service & Self-Sufficiency
N/A	FSS Action Plan/s for public housing and/or Section 8	Annual Plan: Community Service & Self-Sufficiency
N/A	Most recent self-sufficiency (ED/SS, TOP or ROSS or other resident services grant) grant program reports	Annual Plan: Community Service & Self-Sufficiency
N/A	The most recent Public Housing Drug Elimination Program (PHEDEP) semi-annual performance report for any open grant and most recently submitted PHDEP application (PHDEP Plan)	Annual Plan: Safety and Crime Prevention
X	The most recent fiscal year audit of the PHA conducted under section 5(h)(2) of the U.S. Housing Act of 1937 (42 U.S.C. 1437c(h)), the results of that audit and the PHA's response to any findings	Annual Plan: Annual Audit
NA	Troubled PHAs: MOA/Recovery Plan	Troubled PHAs
	Other supporting documents (optional) (list individually; use as many lines as necessary)	(specify as needed)

1. Statement of Housing Needs

[24 CFR Part 903.7 9 (a)]

A. Housing Needs of Families in the Jurisdiction/s Served by the PHA

Based upon the information contained in the Consolidated Plan/s applicable to the jurisdiction, and/or other data available to the PHA, provide a statement of the housing needs in the jurisdiction by completing the following table. In the "Overall" Needs column, provide the estimated number of renter families that have housing needs. For the remaining characteristics, rate the impact of that factor on the housing needs for each family type, from 1 to 5, with 1 being "no impact" and 5 being "severe impact." Use N/A to indicate that no information is available upon which the PHA can make this assessment.

Housing Needs of Families in the Jurisdiction by Family Type							
Family Type	Overall	Afford-ability	Supply	Quality	Access-ibility	Size	Loca-tion
Income <= 30% of AMI	164	N/A	N/A	N/A	N/A	N/A	N/A

Housing Needs of Families in the Jurisdiction by Family Type							
Family Type	Overall	Afford-ability	Supply	Quality	Access-ibility	Size	Loca-tion
Income >30% but <=50% of AMI	146	N/A	N/A	N/A	N/A	N/A	N/A
Income >50% but <80% of AMI	165	N/A	N/A	N/A	N/A	N/A	N/A
Elderly	211	N/A	N/A	N/A	N/A	N/A	N/A
Families with Disabilities	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Race/Ethnicity							
Race/Ethnicity							
Race/Ethnicity							
Race/Ethnicity							

What sources of information did the PHA use to conduct this analysis? (Check all that apply; all materials must be made available for public inspection.)

- Consolidated Plan of the Jurisdiction/s
Indicate year:
- U.S. Census data: the Comprehensive Housing Affordability Strategy (“CHAS”) dataset
- American Housing Survey data
Indicate year:
- Other housing market study
Indicate year:
- Other sources: (list and indicate year of information)

B. Housing Needs of Families on the Public Housing and Section 8 Tenant- Based Assistance Waiting Lists

State the housing needs of the families on the PHA’s waiting list/s. **Complete one table for each type of PHA-wide waiting list administered by the PHA.** PHAs may provide separate tables for site-based or sub-jurisdictional public housing waiting lists at their option.

Housing Needs of Families on the Waiting List			
Waiting list type: (select one)			
<input checked="" type="checkbox"/> Section 8 tenant-based assistance			
<input type="checkbox"/> Public Housing			
<input type="checkbox"/> Combined Section 8 and Public Housing			
<input type="checkbox"/> Public Housing Site-Based or sub-jurisdictional waiting list (optional)			
If used, identify which development/subjurisdiction:			
	# of families	% of total families	Annual Turnover
Waiting list total	19		5
Extremely low income <=30% AMI	3	16%	
Very low income (>30% but <=50% AMI)	15	79%	
Low income (>50% but <80% AMI)	1	5%	
Families with children	11	58%	
Elderly families	3	16%	
Families with Disabilities	6	32%	
White	18	95%	
American Indian	1	5%	
Race/ethnicity			
Race/ethnicity			
Characteristics by Bedroom Size (Public Housing Only)			
1BR	6	32%	3
2 BR	11	58%	1
3 BR	2	10%	2
4 BR			
5 BR			
5+ BR			

Housing Needs of Families on the Waiting List

Is the waiting list closed (select one)? No Yes

If yes:

How long has it been closed (# of months)?

Does the PHA expect to reopen the list in the PHA Plan year? No Yes

Does the PHA permit specific categories of families onto the waiting list, even if generally closed? No Yes

C. Strategy for Addressing Needs

Provide a brief description of the PHA's strategy for addressing the housing needs of families in the jurisdiction and on the waiting list **IN THE UPCOMING YEAR**, and the Agency's reasons for choosing this strategy.

(1) Strategies

Need: Shortage of affordable housing for all eligible populations

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

Select all that apply

- Employ effective maintenance and management policies to minimize the number of public housing units off-line
- Reduce turnover time for vacated public housing units
- Reduce time to renovate public housing units
- Seek replacement of public housing units lost to the inventory through mixed finance development
- Seek replacement of public housing units lost to the inventory through section 8 replacement housing resources
- Maintain or increase section 8 lease-up rates by establishing payment standards that will enable families to rent throughout the jurisdiction
- Undertake measures to ensure access to affordable housing among families assisted by the PHA, regardless of unit size required
- Maintain or increase section 8 lease-up rates by marketing the program to owners, particularly those outside of areas of minority and poverty concentration
- Maintain or increase section 8 lease-up rates by effectively screening Section 8 applicants to increase owner acceptance of program
- Participate in the Consolidated Plan development process to ensure coordination with broader community strategies
- Other (list below)

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

Select all that apply

- Apply for additional section 8 units should they become available
- Leverage affordable housing resources in the community through the creation of mixed - finance housing
- Pursue housing resources other than public housing or Section 8 tenant-based assistance.
- Other: (list below)

Need: Specific Family Types: Families at or below 30% of median

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

Select all that apply

- Exceed HUD federal targeting requirements for families at or below 30% of AMI in public housing
- Exceed HUD federal targeting requirements for families at or below 30% of AMI in tenant-based section 8 assistance
- Employ admissions preferences aimed at families with economic hardships
- Adopt rent policies to support and encourage work
- Other: (list below)

Need: Specific Family Types: Families at or below 50% of median

Strategy 1: Target available assistance to families at or below 50% of AMI

Select all that apply

- Employ admissions preferences aimed at families who are working
- Adopt rent policies to support and encourage work
- Other: (list below)

Need: Specific Family Types: The Elderly

Strategy 1: Target available assistance to the elderly:

Select all that apply

- Seek designation of public housing for the elderly
- Apply for special-purpose vouchers targeted to the elderly, should they become available
- Other: (list below)

List elderly as a preference in the Section 8 Administrative Plan for applying tenants.

Need: Specific Family Types: Families with Disabilities

Strategy 1: Target available assistance to Families with Disabilities:

Select all that apply

- Seek designation of public housing for families with disabilities
- Carry out the modifications needed in public housing based on the section 504 Needs Assessment for Public Housing
- Apply for special-purpose vouchers targeted to families with disabilities, should they become available
- Affirmatively market to local non-profit agencies that assist families with disabilities
- Other: (list below)
List Families with Disabilities on preferences of the Section 8 Administrative Plan.

Need: Specific Family Types: Races or ethnicities with disproportionate housing needs

Strategy 1: Increase awareness of PHA resources among families of races and ethnicities with disproportionate needs:

Select if applicable

- Affirmatively market to races/ethnicities shown to have disproportionate housing needs
- Other: (list below)

Strategy 2: Conduct activities to affirmatively further fair housing

Select all that apply

- Counsel section 8 tenants as to location of units outside of areas of poverty or minority concentration and assist them to locate those units
- Market the section 8 program to owners outside of areas of poverty /minority concentrations
- Other: (list below)

Other Housing Needs & Strategies: (list needs and strategies below)

(2) Reasons for Selecting Strategies

Of the factors listed below, select all that influenced the PHA's selection of the strategies it will pursue:

- Funding constraints
- Staffing constraints
- Limited availability of sites for assisted housing

- Extent to which particular housing needs are met by other organizations in the community
- Evidence of housing needs as demonstrated in the Consolidated Plan and other information available to the PHA
- Influence of the housing market on PHA programs
- Community priorities regarding housing assistance
- Results of consultation with local or state government
- Results of consultation with residents and the Resident Advisory Board
- Results of consultation with advocacy groups
- Other: (list below)

2. Statement of Financial Resources

[24 CFR Part 903.7 9 (b)]

List the financial resources that are anticipated to be available to the PHA for the support of Federal public housing and tenant-based Section 8 assistance programs administered by the PHA during the Plan year. Note: the table assumes that Federal public housing or tenant based Section 8 assistance grant funds are expended on eligible purposes; therefore, uses of these funds need not be stated. For other funds, indicate the use for those funds as one of the following categories: public housing operations, public housing capital improvements, public housing safety/security, public housing supportive services, Section 8 tenant-based assistance, Section 8 supportive services or other.

Financial Resources: Planned Sources and Uses		
Sources	Planned \$	Planned Uses
1. Federal Grants (FY 2000 grants)		
a) Public Housing Operating Fund	N/A	
b) Public Housing Capital Fund	N/A	
c) HOPE VI Revitalization	N/A	
d) HOPE VI Demolition	N/A	
e) Annual Contributions for Section 8 Tenant-Based Assistance	\$142,380	
f) Public Housing Drug Elimination Program (including any Technical Assistance funds)	N/A	
g) Resident Opportunity and Self-Sufficiency Grants	N/A	
h) Community Development Block Grant	N/A	
i) HOME	N/A	
Other Federal Grants (list below)	N/A	

Financial Resources: Planned Sources and Uses		
Sources	Planned \$	Planned Uses
2. Prior Year Federal Grants (unobligated funds only) (list below)		
3. Public Housing Dwelling Rental Income	N/A	
4. Other income (list below)	N/A	
4. Non-federal sources (list below)	N/A	
Total resources	\$142,380	

3. PHA Policies Governing Eligibility, Selection, and Admissions

[24 CFR Part 903.7 9 (c)]

A. Public Housing

Exemptions: PHAs that do not administer public housing are not required to complete subcomponent 3A.

(1) Eligibility

a. When does the PHA verify eligibility for admission to public housing? (select all that apply)

- When families are within a certain number of being offered a unit: (state number)
- When families are within a certain time of being offered a unit: (state time)
- Other: (describe)
When the family applies for assistance and is put on a waiting list.

b. Which non-income (screening) factors does the PHA use to establish eligibility for admission to public housing (select all that apply)?

- Criminal or Drug-related activity
- Rental history
- Housekeeping
- Other (describe)

- c. Yes No: Does the PHA request criminal records from local law enforcement agencies for screening purposes?
- d. Yes No: Does the PHA request criminal records from State law enforcement agencies for screening purposes?
- e. Yes No: Does the PHA access FBI criminal records from the FBI for screening purposes? (either directly or through an NCIC-authorized source)

(2)Waiting List Organization

a. Which methods does the PHA plan to use to organize its public housing waiting list (select all that apply)

- Community-wide list
- Sub-jurisdictional lists
- Site-based waiting lists
- Other (describe)

b. Where may interested persons apply for admission to public housing?

- PHA main administrative office
- PHA development site management office
- Other (list below)

County’s Department of Social Services office and the County Interlakes Community Action office.

c. If the PHA plans to operate one or more site-based waiting lists in the coming year, answer each of the following questions; if not, skip to subsection **(3) Assignment**

1. How many site-based waiting lists will the PHA operate in the coming year?

2. Yes No: Are any or all of the PHA’s site-based waiting lists new for the upcoming year (that is, they are not part of a previously-HUD-approved site based waiting list plan)?
If yes, how many lists?

3. Yes No: May families be on more than one list simultaneously
If yes, how many lists?

4. Where can interested persons obtain more information about and sign up to be on the site-based waiting lists (select all that apply)?

- PHA main administrative office
- All PHA development management offices
- Management offices at developments with site-based waiting lists
- At the development to which they would like to apply
- Other (list below)

(3) Assignment

a. How many vacant unit choices are applicants ordinarily given before they fall to the bottom of or are removed from the waiting list? (select one)

- One
- Two
- Three or More

b. Yes No: Is this policy consistent across all waiting list types?

c. If answer to b is no, list variations for any other than the primary public housing waiting list/s for the PHA:

(4) Admissions Preferences

a. Income targeting:

Yes No: Does the PHA plan to exceed the federal targeting requirements by targeting more than 40% of all new admissions to public housing to families at or below 30% of median area income?

b. Transfer policies:

In what circumstances will transfers take precedence over new admissions? (list below)

- Emergencies
- Overhoused
- Underhoused
- Medical justification
- Administrative reasons determined by the PHA (e.g., to permit modernization work)
- Resident choice: (state circumstances below)
- Other: (list below)

c. Preferences

1. Yes No: Has the PHA established preferences for admission to public housing (other than date and time of application)? (If “no” is selected, skip to subsection **(5) Occupancy**)

2. Which of the following admission preferences does the PHA plan to employ in the coming year? (select all that apply from either former Federal preferences or other preferences)

Former Federal preferences:

- Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)
- Victims of domestic violence
- Substandard housing
- Homelessness
- High rent burden (rent is > 50 percent of income)

Other preferences: (select below)

- Working families and those unable to work because of age or disability
- Veterans and veterans’ families
- Residents who live and/or work in the jurisdiction
- Those enrolled currently in educational, training, or upward mobility programs
- Households that contribute to meeting income goals (broad range of incomes)
- Households that contribute to meeting income requirements (targeting)
- Those previously enrolled in educational, training, or upward mobility programs
- Victims of reprisals or hate crimes
- Other preference(s) (list below)

3. If the PHA will employ admissions preferences, please prioritize by placing a “1” in the space that represents your first priority, a “2” in the box representing your second priority, and so on. If you give equal weight to one or more of these choices (either through an absolute hierarchy or through a point system), place the same number next to each. That means you can use “1” more than once, “2” more than once, etc.

Date and Time

Former Federal preferences:

- Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)
- Victims of domestic violence
- Substandard housing
- Homelessness
- High rent burden

Other preferences (select all that apply)

- Working families and those unable to work because of age or disability
- Veterans and veterans' families
- Residents who live and/or work in the jurisdiction
- Those enrolled currently in educational, training, or upward mobility programs
- Households that contribute to meeting income goals (broad range of incomes)
- Households that contribute to meeting income requirements (targeting)
- Those previously enrolled in educational, training, or upward mobility programs
- Victims of reprisals or hate crimes
- Other preference(s) (list below)

4. Relationship of preferences to income targeting requirements:

- The PHA applies preferences within income tiers
- Not applicable: the pool of applicant families ensures that the PHA will meet income targeting requirements

(5) Occupancy

a. What reference materials can applicants and residents use to obtain information about the rules of occupancy of public housing (select all that apply)

- The PHA-resident lease
- The PHA's Admissions and (Continued) Occupancy policy
- PHA briefing seminars or written materials
- Other source (list)

b. How often must residents notify the PHA of changes in family composition? (select all that apply)

- At an annual reexamination and lease renewal
- Any time family composition changes
- At family request for revision
- Other (list)

(6) Deconcentration and Income Mixing

a. Yes No: Did the PHA's analysis of its family (general occupancy) developments to determine concentrations of poverty indicate the need for measures to promote deconcentration of poverty or income mixing?

b. Yes No: Did the PHA adopt any changes to its **admissions policies** based on the results of the required analysis of the need to promote deconcentration of poverty or to assure income mixing?

c. If the answer to b was yes, what changes were adopted? (select all that apply)

Adoption of site-based waiting lists
If selected, list targeted developments below:

Employing waiting list "skipping" to achieve deconcentration of poverty or income mixing goals at targeted developments
If selected, list targeted developments below:

Employing new admission preferences at targeted developments
If selected, list targeted developments below:

Other (list policies and developments targeted below)

d. Yes No: Did the PHA adopt any changes to **other** policies based on the results of the required analysis of the need for deconcentration of poverty and income mixing?

e. If the answer to d was yes, how would you describe these changes? (select all that apply)

- Additional affirmative marketing
- Actions to improve the marketability of certain developments
- Adoption or adjustment of ceiling rents for certain developments
- Adoption of rent incentives to encourage deconcentration of poverty and income-mixing
- Other (list below)

f. Based on the results of the required analysis, in which developments will the PHA make special efforts to attract or retain higher-income families? (select all that apply)

- Not applicable: results of analysis did not indicate a need for such efforts
- List (any applicable) developments below:

g. Based on the results of the required analysis, in which developments will the PHA make special efforts to assure access for lower-income families? (select all that apply)

- Not applicable: results of analysis did not indicate a need for such efforts

- List (any applicable) developments below:

B. Section 8

Exemptions: PHAs that do not administer section 8 are not required to complete sub-component 3B.
Unless otherwise specified, all questions in this section apply only to the tenant-based section 8 assistance program (vouchers, and until completely merged into the voucher program, certificates).

(1) Eligibility

- a. What is the extent of screening conducted by the PHA? (select all that apply)
- Criminal or drug-related activity only to the extent required by law or regulation
 - Criminal and drug-related activity, more extensively than required by law or regulation
 - More general screening than criminal and drug-related activity (list factors below)
 - Other (list below)
- b. Yes No: Does the PHA request criminal records from local law enforcement agencies for screening purposes?
- c. Yes No: Does the PHA request criminal records from State law enforcement agencies for screening purposes?
- d. Yes No: Does the PHA access FBI criminal records from the FBI for screening purposes? (either directly or through an NCIC-authorized source)
- e. Indicate what kinds of information you share with prospective landlords? (select all that apply)
- Criminal or drug-related activity
 - Other (describe below)
Rental history of applying tenant is provided to landlords and landlords are encouraged to screen potential tenants.

(2) Waiting List Organization

- a. With which of the following program waiting lists is the section 8 tenant-based assistance waiting list merged? (select all that apply)
- None
 - Federal public housing
 - Federal moderate rehabilitation
 - Federal project-based certificate program
 - Other federal or local program (list below)

b. Where may interested persons apply for admission to section 8 tenant-based assistance?
(select all that apply)

PHA main administrative office

Other (list below)

Department of Social Services Office in the Grant County Courthouse and the Interlakes Community Action Office also located in the Grant County Courthouse.

(3) Search Time

a. Yes No: Does the PHA give extensions on standard 60-day period to search for a unit?

If yes, state circumstances below:

(4) Admissions Preferences

a. Income targeting

Yes No: Does the PHA plan to exceed the federal targeting requirements by targeting more than 75% of all new admissions to the section 8 program to families at or below 30% of median area income?

b. Preferences

1. Yes No: Has the PHA established preferences for admission to section 8 tenant-based assistance? (other than date and time of application) (if no, skip to subcomponent **(5) Special purpose section 8 assistance programs**)

2. Which of the following admission preferences does the PHA plan to employ in the coming year? (select all that apply from either former Federal preferences or other preferences)

Former Federal preferences

Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)

Victims of domestic violence

Substandard housing

Homelessness

High rent burden (rent is > 50 percent of income)

Other preferences (select all that apply)

Working families and those unable to work because of age or disability

- Veterans and veterans' families
- Residents who live and/or work in your jurisdiction
- Those enrolled currently in educational, training, or upward mobility programs
- Households that contribute to meeting income goals (broad range of incomes)
- Households that contribute to meeting income requirements (targeting)
- Those previously enrolled in educational, training, or upward mobility programs
- Victims of reprisals or hate crimes
- Other preference(s) (list below)

3. If the PHA will employ admissions preferences, please prioritize by placing a "1" in the space that represents your first priority, a "2" in the box representing your second priority, and so on. If you give equal weight to one or more of these choices (either through an absolute hierarchy or through a point system), place the same number next to each. That means you can use "1" more than once, "2" more than once, etc.

2 Date and Time

Former Federal preferences

- 1 Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)
- Victims of domestic violence
- 1 Substandard housing
- 1 Homelessness
- 1 High rent burden

Other preferences (select all that apply)

- Working families and those unable to work because of age or disability
- Veterans and veterans' families
- Residents who live and/or work in your jurisdiction
- Those enrolled currently in educational, training, or upward mobility programs
- Households that contribute to meeting income goals (broad range of incomes)
- Households that contribute to meeting income requirements (targeting)
- Those previously enrolled in educational, training, or upward mobility programs
- Victims of reprisals or hate crimes
- Other preference(s) (list below)

4. Among applicants on the waiting list with equal preference status, how are applicants selected? (select one)

- Date and time of application
- Drawing (lottery) or other random choice technique

5. If the PHA plans to employ preferences for “residents who live and/or work in the jurisdiction” (select one)

- This preference has previously been reviewed and approved by HUD
- The PHA requests approval for this preference through this PHA Plan

6. Relationship of preferences to income targeting requirements: (select one)

- The PHA applies preferences within income tiers
- Not applicable: the pool of applicant families ensures that the PHA will meet income targeting requirements

(5) Special Purpose Section 8 Assistance Programs

a. In which documents or other reference materials are the policies governing eligibility, selection, and admissions to any special-purpose section 8 program administered by the PHA contained? (select all that apply)

- The Section 8 Administrative Plan
- Briefing sessions and written materials
- Other (list below)

b. How does the PHA announce the availability of any special-purpose section 8 programs to the public?

- Through published notices
- Other (list below)

4. PHA Rent Determination Policies

[24 CFR Part 903.7 9 (d)]

A. Public Housing

Exemptions: PHAs that do not administer public housing are not required to complete sub-component 4A.

(1) Income Based Rent Policies

Describe the PHA’s income based rent setting policy/ies for public housing using, including discretionary (that is, not required by statute or regulation) income disregards and exclusions, in the appropriate spaces below.

a. Use of discretionary policies: (select one)

The PHA will not employ any discretionary rent-setting policies for income based rent in public housing. Income-based rents are set at the higher of 30% of adjusted monthly income, 10% of unadjusted monthly income, the welfare rent, or minimum rent (less HUD mandatory deductions and exclusions). (If selected, skip to sub-component (2))

---or---

The PHA employs discretionary policies for determining income based rent (If selected, continue to question b.)

b. Minimum Rent

1. What amount best reflects the PHA's minimum rent? (select one)

- \$0
- \$1-\$25
- \$26-\$50

2. Yes No: Has the PHA adopted any discretionary minimum rent hardship exemption policies?

3. If yes to question 2, list these policies below:

c. Rents set at less than 30% than adjusted income

1. Yes No: Does the PHA plan to charge rents at a fixed amount or percentage less than 30% of adjusted income?

2. If yes to above, list the amounts or percentages charged and the circumstances under which these will be used below:

d. Which of the discretionary (optional) deductions and/or exclusions policies does the PHA plan to employ (select all that apply)

- For the earned income of a previously unemployed household member
- For increases in earned income
- Fixed amount (other than general rent-setting policy)

If yes, state amount/s and circumstances below:

- Fixed percentage (other than general rent-setting policy)
If yes, state percentage/s and circumstances below:
- For household heads
- For other family members
- For transportation expenses
- For the non-reimbursed medical expenses of non-disabled or non-elderly families
- Other (describe below)

e. Ceiling rents

1. Do you have ceiling rents? (rents set at a level lower than 30% of adjusted income) (select one)

- Yes for all developments
- Yes but only for some developments
- No

2. For which kinds of developments are ceiling rents in place? (select all that apply)

- For all developments
- For all general occupancy developments (not elderly or disabled or elderly only)
- For specified general occupancy developments
- For certain parts of developments; e.g., the high-rise portion
- For certain size units; e.g., larger bedroom sizes
- Other (list below)

3. Select the space or spaces that best describe how you arrive at ceiling rents (select all that apply)

- Market comparability study
- Fair market rents (FMR)
- 95th percentile rents
- 75 percent of operating costs
- 100 percent of operating costs for general occupancy (family) developments
- Operating costs plus debt service
- The “rental value” of the unit
- Other (list below)

f. Rent re-determinations:

1. Between income reexaminations, how often must tenants report changes in income or family composition to the PHA such that the changes result in an adjustment to rent? (select all that apply)

- Never
- At family option
- Any time the family experiences an income increase
- Any time a family experiences an income increase above a threshold amount or percentage: (if selected, specify threshold)_____
- Other (list below)

g. Yes No: Does the PHA plan to implement individual savings accounts for residents (ISAs) as an alternative to the required 12 month disallowance of earned income and phasing in of rent increases in the next year?

(2) Flat Rents

1. In setting the market-based flat rents, what sources of information did the PHA use to establish comparability? (select all that apply.)

- The section 8 rent reasonableness study of comparable housing
- Survey of rents listed in local newspaper
- Survey of similar unassisted units in the neighborhood
- Other (list/describe below)

B. Section 8 Tenant-Based Assistance

Exemptions: PHAs that do not administer Section 8 tenant-based assistance are not required to complete sub-component 4B. **Unless otherwise specified, all questions in this section apply only to the tenant-based section 8 assistance program (vouchers, and until completely merged into the voucher program, certificates).**

(1) Payment Standards

Describe the voucher payment standards and policies .

a. What is the PHA's payment standard? (select the category that best describes your standard)

- At or above 90% but below 100% of FMR
- 100% of FMR
- Above 100% but at or below 110% of FMR

Above 110% of FMR (if HUD approved; describe circumstances below)

b. If the payment standard is lower than FMR, why has the PHA selected this standard? (select all that apply)

- FMRs are adequate to ensure success among assisted families in the PHA's segment of the FMR area
- The PHA has chosen to serve additional families by lowering the payment standard
- Reflects market or submarket
- Other (list below)

c. If the payment standard is higher than FMR, why has the PHA chosen this level? (select all that apply)

- FMRs are not adequate to ensure success among assisted families in the PHA's segment of the FMR area
- Reflects market or submarket
- To increase housing options for families
- Other (list below)

d. How often are payment standards reevaluated for adequacy? (select one)

- Annually
- Other (list below)

e. What factors will the PHA consider in its assessment of the adequacy of its payment standard? (select all that apply)

- Success rates of assisted families
- Rent burdens of assisted families
- Other (list below)

(2) Minimum Rent

a. What amount best reflects the PHA's minimum rent? (select one)

- \$0
- \$1-\$25
- \$26-\$50

b. Yes No: Has the PHA adopted any discretionary minimum rent hardship exemption policies? (if yes, list below)

5. Operations and Management

[24 CFR Part 903.7 9 (e)]

Exemptions from Component 5: High performing and small PHAs are not required to complete this section. Section 8 only PHAs must complete parts A, B, and C(2)

A. PHA Management Structure

Describe the PHA's management structure and organization.

(select one)

- An organization chart showing the PHA's management structure and organization is attached.
- A brief description of the management structure and organization of the PHA follows:
 The Milbank Housing Authority is overseen by a board of commissioners that is appointed by the City of Milbank and the Grant County Commissioners on a rotating basis. The current board has 6 members. The commissioners meet on a quarterly basis with the Executive Director of the Housing Authority. The day to day operations and financial responsibilities of administering the program is left to the Executive Director as outlined in the Administrative Plan.

B. HUD Programs Under PHA Management

List Federal programs administered by the PHA, number of families served at the beginning of the upcoming fiscal year, and expected turnover in each. (Use "NA" to indicate that the PHA does not operate any of the programs listed below.)

Program Name	Units or Families Served at Year Beginning	Expected Turnover
Public Housing	N/A	N/A
Section 8 Vouchers	46	10
Section 8 Certificates	N/A	N/A
Section 8 Mod Rehab	N/A	N/A
Special Purpose Section 8 Certificates/Vouchers (list individually)	N/A	N/A
Public Housing Drug Elimination Program (PHDEP)	N/A	N/A
Other Federal Programs(list individually)	N/A	N/A

--	--	--

C. Management and Maintenance Policies

List the PHA’s public housing management and maintenance policy documents, manuals and handbooks that contain the Agency’s rules, standards, and policies that govern maintenance and management of public housing, including a description of any measures necessary for the prevention or eradication of pest infestation (which includes cockroach infestation) and the policies governing Section 8 management.

a. Public Housing Maintenance and Management: (list below)

b. Section 8 Management: (list below)

The Milbank Housing Authority uses its Administrative Plan as a guide for agency rules, standards and policies as approved by the Board of Commissioners.

6. PHA Grievance Procedures

[24 CFR Part 903.7 9 (f)]

Exemptions from component 6: High performing PHAs are not required to complete component 6. Section 8-Only PHAs are exempt from sub-component 6A.

A. Public Housing

1. Yes No: Has the PHA established any written grievance procedures in addition to federal requirements found at 24 CFR Part 966, Subpart B, for residents of public housing?

If yes, list additions to federal requirements below:

2. Which PHA office should residents or applicants to public housing contact to initiate the PHA grievance process? (select all that apply)

- PHA main administrative office
- PHA development management offices
- Other (list below)

B. Section 8 Tenant-Based Assistance

1. Yes No: Has the PHA established informal review procedures for applicants to the Section 8 tenant-based assistance program and informal hearing procedures for families assisted by the Section 8 tenant-based

assistance program in addition to federal requirements found at 24 CFR 982?

If yes, list additions to federal requirements below:

2. Which PHA office should applicants or assisted families contact to initiate the informal review and informal hearing processes? (select all that apply)

- PHA main administrative office
 Other (list below)

7. Capital Improvement Needs

[24 CFR Part 903.7 9 (g)]

Exemptions from Component 7: Section 8 only PHAs are not required to complete this component and may skip to Component 8.

A. Capital Fund Activities

Exemptions from sub-component 7A: PHAs that will not participate in the Capital Fund Program may skip to component 7B. All other PHAs must complete 7A as instructed.

(1) Capital Fund Program Annual Statement

Using parts I, II, and III of the Annual Statement for the Capital Fund Program (CFP), identify capital activities the PHA is proposing for the upcoming year to ensure long-term physical and social viability of its public housing developments. This statement can be completed by using the CFP Annual Statement tables provided in the table library at the end of the PHA Plan template **OR**, at the PHA's option, by completing and attaching a properly updated HUD-52837.

Select one:

- The Capital Fund Program Annual Statement is provided as an attachment to the PHA Plan at Attachment (state name)

-OR-

- The Capital Fund Program Annual Statement is provided below: (if selected, copy the CFP Annual Statement from the Table Library and insert here)

(2) Optional 5-Year Action Plan

Agencies are encouraged to include a 5-Year Action Plan covering capital work items. This statement can be completed by using the 5 Year Action Plan table provided in the table library at the end of the PHA Plan template **OR** by completing and attaching a properly updated HUD-52834.

a. Yes No: Is the PHA providing an optional 5-Year Action Plan for the Capital Fund?
(if no, skip to sub-component 7B)

b. If yes to question a, select one:

The Capital Fund Program 5-Year Action Plan is provided as an attachment to the PHA Plan at Attachment (state name

-or-

The Capital Fund Program 5-Year Action Plan is provided below: (if selected, copy the CFP optional 5 Year Action Plan from the Table Library and insert here)

B. HOPE VI and Public Housing Development and Replacement Activities (Non-Capital Fund)

Applicability of sub-component 7B: All PHAs administering public housing. Identify any approved HOPE VI and/or public housing development or replacement activities not described in the Capital Fund Program Annual Statement.

Yes No: a) Has the PHA received a HOPE VI revitalization grant? (if no, skip to question c; if yes, provide responses to question b for each grant, copying and completing as many times as necessary)
b) Status of HOPE VI revitalization grant (complete one set of questions for each grant)

1. Development name:

2. Development (project) number:

3. Status of grant: (select the statement that best describes the current status)

- Revitalization Plan under development
- Revitalization Plan submitted, pending approval
- Revitalization Plan approved
- Activities pursuant to an approved Revitalization Plan underway

Yes No: c) Does the PHA plan to apply for a HOPE VI Revitalization grant in the Plan year?
If yes, list development name/s below:

Yes No: d) Will the PHA be engaging in any mixed-finance development activities for public housing in the Plan year?
If yes, list developments or activities below:

Yes No: e) Will the PHA be conducting any other public housing development or replacement activities not discussed in the Capital Fund Program Annual Statement?

If yes, list developments or activities below:

8. Demolition and Disposition

[24 CFR Part 903.7 9 (h)]

Applicability of component 8: Section 8 only PHAs are not required to complete this section.

1. Yes No: Does the PHA plan to conduct any demolition or disposition activities (pursuant to section 18 of the U.S. Housing Act of 1937 (42 U.S.C. 1437p)) in the plan Fiscal Year? (If “No”, skip to component 9; if “yes”, complete one activity description for each development.)

2. Activity Description

Yes No: Has the PHA provided the activities description information in the **optional** Public Housing Asset Management Table? (If “yes”, skip to component 9. If “No”, complete the Activity Description table below.)

Demolition/Disposition Activity Description	
1a. Development name:	
1b. Development (project) number:	
2. Activity type: Demolition <input type="checkbox"/> Disposition <input type="checkbox"/>	
3. Application status (select one) Approved <input type="checkbox"/> Submitted, pending approval <input type="checkbox"/> Planned application <input type="checkbox"/>	
4. Date application approved, submitted, or planned for submission: <u>(DD/MM/YY)</u>	
5. Number of units affected:	
6. Coverage of action (select one) <input type="checkbox"/> Part of the development <input type="checkbox"/> Total development	
7. Timeline for activity: a. Actual or projected start date of activity: b. Projected end date of activity:	

9. Designation of Public Housing for Occupancy by Elderly Families or Families with Disabilities or Elderly Families and Families with Disabilities

[24 CFR Part 903.7 9 (i)]

Exemptions from Component 9; Section 8 only PHAs are not required to complete this section.

1. Yes No: Has the PHA designated or applied for approval to designate or does the PHA plan to apply to designate any public housing for occupancy only by the elderly families or only by families with disabilities, or by elderly families and families with disabilities or will apply for designation for occupancy by only elderly families or only families with disabilities, or by elderly families and families with disabilities as provided by section 7 of the U.S. Housing Act of 1937 (42 U.S.C. 1437e) in the upcoming fiscal year? (If “No”, skip to component 10. If “yes”, complete one activity description for each development, unless the PHA is eligible to complete a streamlined submission; PHAs completing streamlined submissions may skip to component 10.)

2. Activity Description

Yes No: Has the PHA provided all required activity description information for this component in the **optional** Public Housing Asset Management Table? If “yes”, skip to component 10. If “No”, complete the Activity Description table below.

Designation of Public Housing Activity Description	
1a. Development name:	
1b. Development (project) number:	
2. Designation type:	Occupancy by only the elderly <input type="checkbox"/> Occupancy by families with disabilities <input type="checkbox"/> Occupancy by only elderly families and families with disabilities <input type="checkbox"/>
3. Application status (select one)	Approved; included in the PHA’s Designation Plan <input type="checkbox"/> Submitted, pending approval <input type="checkbox"/> Planned application <input type="checkbox"/>
4. Date this designation approved, submitted, or planned for submission:	(DD/MM/YY)
5. If approved, will this designation constitute a (select one)	<input type="checkbox"/> New Designation Plan <input type="checkbox"/> Revision of a previously-approved Designation Plan?
6. Number of units affected:	
7. Coverage of action (select one)	

- | |
|--|
| <input type="checkbox"/> Part of the development
<input type="checkbox"/> Total development |
|--|

10. Conversion of Public Housing to Tenant-Based Assistance

[24 CFR Part 903.7 9 (j)]

Exemptions from Component 10; Section 8 only PHAs are not required to complete this section.

A. Assessments of Reasonable Revitalization Pursuant to section 202 of the HUD FY 1996 HUD Appropriations Act

1. Yes No: Have any of the PHA’s developments or portions of developments been identified by HUD or the PHA as covered under section 202 of the HUD FY 1996 HUD Appropriations Act? (If “No”, skip to component 11; if “yes”, complete one activity description for each identified development, unless eligible to complete a streamlined submission. PHAs completing streamlined submissions may skip to component 11.)

2. Activity Description

- Yes No: Has the PHA provided all required activity description information for this component in the **optional** Public Housing Asset Management Table? If “yes”, skip to component 11. If “No”, complete the Activity Description table below.

Conversion of Public Housing Activity Description
1a. Development name:
1b. Development (project) number:
2. What is the status of the required assessment? <input type="checkbox"/> Assessment underway <input type="checkbox"/> Assessment results submitted to HUD <input type="checkbox"/> Assessment results approved by HUD (if marked, proceed to next question) <input type="checkbox"/> Other (explain below)
3. <input type="checkbox"/> Yes <input type="checkbox"/> No: Is a Conversion Plan required? (If yes, go to block 4; if no, go to block 5.)
4. Status of Conversion Plan (select the statement that best describes the current status) <input type="checkbox"/> Conversion Plan in development <input type="checkbox"/> Conversion Plan submitted to HUD on: (DD/MM/YYYY) <input type="checkbox"/> Conversion Plan approved by HUD on: (DD/MM/YYYY) <input type="checkbox"/> Activities pursuant to HUD-approved Conversion Plan underway

5. Description of how requirements of Section 202 are being satisfied by means other than conversion (select one)

- Units addressed in a pending or approved demolition application (date submitted or approved: _____)
- Units addressed in a pending or approved HOPE VI demolition application (date submitted or approved: _____)
- Units addressed in a pending or approved HOPE VI Revitalization Plan (date submitted or approved: _____)
- Requirements no longer applicable: vacancy rates are less than 10 percent
- Requirements no longer applicable: site now has less than 300 units
- Other: (describe below)

B. Reserved for Conversions pursuant to Section 22 of the U.S. Housing Act of 1937

C. Reserved for Conversions pursuant to Section 33 of the U.S. Housing Act of 1937

11. Homeownership Programs Administered by the PHA

[24 CFR Part 903.7 9 (k)]

A. Public Housing

Exemptions from Component 11A: Section 8 only PHAs are not required to complete 11A.

1. Yes No: Does the PHA administer any homeownership programs administered by the PHA under an approved section 5(h) homeownership program (42 U.S.C. 1437c(h)), or an approved HOPE I program (42 U.S.C. 1437aaa) or has the PHA applied or plan to apply to administer any homeownership programs under section 5(h), the HOPE I program, or section 32 of the U.S. Housing Act of 1937 (42 U.S.C. 1437z-4). (If “No”, skip to component 11B; if “yes”, complete one activity description for each applicable program/plan, unless eligible to complete a streamlined submission due to **small PHA** or **high performing PHA** status. PHAs completing streamlined submissions may skip to component 11B.)

2. Activity Description

Yes No: Has the PHA provided all required activity description information for this component in the **optional** Public Housing Asset Management Table? (If “yes”, skip to component 12. If “No”, complete the Activity Description table below.)

Public Housing Homeownership Activity Description (Complete one for each development affected)	
1a. Development name:	
1b. Development (project) number:	
2. Federal Program authority:	
	<input type="checkbox"/> HOPE I
	<input type="checkbox"/> 5(h)
	<input type="checkbox"/> Turnkey III
	<input type="checkbox"/> Section 32 of the USHA of 1937 (effective 10/1/99)
3. Application status: (select one)	
	<input type="checkbox"/> Approved; included in the PHA’s Homeownership Plan/Program
	<input type="checkbox"/> Submitted, pending approval
	<input type="checkbox"/> Planned application
4. Date Homeownership Plan/Program approved, submitted, or planned for submission: (DD/MM/YYYY)	
5. Number of units affected:	
6. Coverage of action: (select one)	
	<input type="checkbox"/> Part of the development
	<input type="checkbox"/> Total development

B. Section 8 Tenant Based Assistance

1. Yes No: Does the PHA plan to administer a Section 8 Homeownership program pursuant to Section 8(y) of the U.S.H.A. of 1937, as implemented by 24 CFR part 982 ? (If “No”, skip to component 12; if “yes”, describe each program using the table below (copy and complete questions for each program identified), unless the PHA is eligible to complete a streamlined submission due to high performer status. **High performing PHAs** may skip to component 12.)

2. Program Description:

a. Size of Program

Yes No: Will the PHA limit the number of families participating in the section 8 homeownership option?

If the answer to the question above was yes, which statement best describes the number of participants? (select one)

- 25 or fewer participants
- 26 - 50 participants
- 51 to 100 participants
- more than 100 participants

b. PHA-established eligibility criteria

Yes No: Will the PHA's program have eligibility criteria for participation in its Section 8 Homeownership Option program in addition to HUD criteria?
If yes, list criteria below:

12. PHA Community Service and Self-sufficiency Programs

[24 CFR Part 903.7 9 (l)]

Exemptions from Component 12: High performing and small PHAs are not required to complete this component. Section 8-Only PHAs are not required to complete sub-component C.

A. PHA Coordination with the Welfare (TANF) Agency

1. Cooperative agreements:

Yes No: Has the PHA has entered into a cooperative agreement with the TANF Agency, to share information and/or target supportive services (as contemplated by section 12(d)(7) of the Housing Act of 1937)?

If yes, what was the date that agreement was signed? DD/MM/YY

2. Other coordination efforts between the PHA and TANF agency (select all that apply)

- Client referrals
- Information sharing regarding mutual clients (for rent determinations and otherwise)
- Coordinate the provision of specific social and self-sufficiency services and programs to eligible families
- Jointly administer programs
- Partner to administer a HUD Welfare-to-Work voucher program
- Joint administration of other demonstration program
- Other (describe)

B. Services and programs offered to residents and participants

(1) General

a. Self-Sufficiency Policies

Which, if any of the following discretionary policies will the PHA employ to enhance the economic and social self-sufficiency of assisted families in the following areas? (select all that apply)

- Public housing rent determination policies
- Public housing admissions policies
- Section 8 admissions policies
- Preference in admission to section 8 for certain public housing families
- Preferences for families working or engaging in training or education programs for non-housing programs operated or coordinated by the PHA
- Preference/eligibility for public housing homeownership option participation
- Preference/eligibility for section 8 homeownership option participation
- Other policies (list below)

b. Economic and Social self-sufficiency programs

Yes No: Does the PHA coordinate, promote or provide any programs to enhance the economic and social self-sufficiency of residents? (If “yes”, complete the following table; if “no” skip to sub-component 2, Family Self Sufficiency Programs. The position of the table may be altered to facilitate its use.)

Services and Programs				
Program Name & Description (including location, if appropriate)	Estimated Size	Allocation Method (waiting list/random selection/specific criteria/other)	Access (development office / PHA main office / other provider name)	Eligibility (public housing or section 8 participants or both)

--	--	--	--	--

(2) Family Self Sufficiency program/s

a. Participation Description

Family Self Sufficiency (FSS) Participation		
Program	Required Number of Participants (start of FY 2000 Estimate)	Actual Number of Participants (As of: DD/MM/YY)
Public Housing		
Section 8		

- b. Yes No: If the PHA is not maintaining the minimum program size required by HUD, does the most recent FSS Action Plan address the steps the PHA plans to take to achieve at least the minimum program size? If no, list steps the PHA will take below:

C. Welfare Benefit Reductions

1. The PHA is complying with the statutory requirements of section 12(d) of the U.S. Housing Act of 1937 (relating to the treatment of income changes resulting from welfare program requirements) by: (select all that apply)

- Adopting appropriate changes to the PHA’s public housing rent determination policies and train staff to carry out those policies
- Informing residents of new policy on admission and reexamination
- Actively notifying residents of new policy at times in addition to admission and reexamination.
- Establishing or pursuing a cooperative agreement with all appropriate TANF agencies regarding the exchange of information and coordination of services
- Establishing a protocol for exchange of information with all appropriate TANF agencies
- Other: (list below)

D. Reserved for Community Service Requirement pursuant to section 12(c) of the U.S. Housing Act of 1937

13. PHA Safety and Crime Prevention Measures

[24 CFR Part 903.79 (m)]

Exemptions from Component 13: High performing and small PHAs not participating in PHDEP and Section 8 Only PHAs may skip to component 15. High Performing and small PHAs that are participating in PHDEP and are submitting a PHDEP Plan with this PHA Plan may skip to sub-component D.

A. Need for measures to ensure the safety of public housing residents

1. Describe the need for measures to ensure the safety of public housing residents (select all that apply)

- High incidence of violent and/or drug-related crime in some or all of the PHA's developments
- High incidence of violent and/or drug-related crime in the areas surrounding or adjacent to the PHA's developments
- Residents fearful for their safety and/or the safety of their children
- Observed lower-level crime, vandalism and/or graffiti
- People on waiting list unwilling to move into one or more developments due to perceived and/or actual levels of violent and/or drug-related crime
- Other (describe below)

2. What information or data did the PHA used to determine the need for PHA actions to improve safety of residents (select all that apply).

- Safety and security survey of residents
- Analysis of crime statistics over time for crimes committed “in and around” public housing authority
- Analysis of cost trends over time for repair of vandalism and removal of graffiti
- Resident reports
- PHA employee reports
- Police reports
- Demonstrable, quantifiable success with previous or ongoing anticrime/anti drug programs
- Other (describe below)

3. Which developments are most affected? (list below)

B. Crime and Drug Prevention activities the PHA has undertaken or plans to undertake in the next PHA fiscal year

1. List the crime prevention activities the PHA has undertaken or plans to undertake: (select all that apply)

- Contracting with outside and/or resident organizations for the provision of crime- and/or drug-prevention activities
- Crime Prevention Through Environmental Design
- Activities targeted to at-risk youth, adults, or seniors
- Volunteer Resident Patrol/Block Watchers Program
- Other (describe below)

2. Which developments are most affected? (list below)

C. Coordination between PHA and the police

1. Describe the coordination between the PHA and the appropriate police precincts for carrying out crime prevention measures and activities: (select all that apply)

- Police involvement in development, implementation, and/or ongoing evaluation of drug-elimination plan
- Police provide crime data to housing authority staff for analysis and action
- Police have established a physical presence on housing authority property (e.g., community policing office, officer in residence)
- Police regularly testify in and otherwise support eviction cases
- Police regularly meet with the PHA management and residents
- Agreement between PHA and local law enforcement agency for provision of above-baseline law enforcement services
- Other activities (list below)

2. Which developments are most affected? (list below)

D. Additional information as required by PHDEP/PHDEP Plan

PHAs eligible for FY 2000 PHDEP funds must provide a PHDEP Plan meeting specified requirements prior to receipt of PHDEP funds.

- Yes No: Is the PHA eligible to participate in the PHDEP in the fiscal year covered by this PHA Plan?
- Yes No: Has the PHA included the PHDEP Plan for FY 2000 in this PHA Plan?
- Yes No: This PHDEP Plan is an Attachment. (Attachment Filename: ____)

14. RESERVED FOR PET POLICY

[24 CFR Part 903.7 9 (n)]

15. Civil Rights Certifications

[24 CFR Part 903.7 9 (o)]

Civil rights certifications are included in the PHA Plan Certifications of Compliance with the PHA Plans and Related Regulations.

16. Fiscal Audit

[24 CFR Part 903.7 9 (p)]

1. Yes No: Is the PHA required to have an audit conducted under section 5(h)(2) of the U.S. Housing Act of 1937 (42 U.S.C. 1437c(h))?
(If no, skip to component 17.)
2. Yes No: Was the most recent fiscal audit submitted to HUD?
3. Yes No: Were there any findings as the result of that audit?
4. Yes No: If there were any findings, do any remain unresolved?
If yes, how many unresolved findings remain? _____
5. Yes No: Have responses to any unresolved findings been submitted to HUD?
If not, when are they due (state below)?

17. PHA Asset Management

[24 CFR Part 903.7 9 (q)]

Exemptions from component 17: Section 8 Only PHAs are not required to complete this component. High performing and small PHAs are not required to complete this component.

1. Yes No: Is the PHA engaging in any activities that will contribute to the long-term asset management of its public housing stock, including how the Agency will plan for long-term operating, capital investment, rehabilitation, modernization, disposition, and other needs that have **not** been addressed elsewhere in this PHA Plan?
2. What types of asset management activities will the PHA undertake? (select all that apply)
 Not applicable
 Private management
 Development-based accounting
 Comprehensive stock assessment
 Other: (list below)
3. Yes No: Has the PHA included descriptions of asset management activities in the **optional** Public Housing Asset Management Table?

18. Other Information

[24 CFR Part 903.7 9 (r)]

A. Resident Advisory Board Recommendations

1. Yes No: Did the PHA receive any comments on the PHA Plan from the Resident Advisory Board/s? N/A

2. If yes, the comments are: (if comments were received, the PHA **MUST** select one)

Attached at Attachment (File name)

Provided below:

3. In what manner did the PHA address those comments? (select all that apply)

Considered comments, but determined that no changes to the PHA Plan were necessary.

The PHA changed portions of the PHA Plan in response to comments
List changes below:

Other: (list below)

B. Description of Election process for Residents on the PHA Board

1. Yes No: Does the PHA meet the exemption criteria provided section 2(b)(2) of the U.S. Housing Act of 1937? (If no, continue to question 2; if yes, skip to sub-component C.)

2. Yes No: Was the resident who serves on the PHA Board elected by the residents? (If yes, continue to question 3; if no, skip to sub-component C.)

3. Description of Resident Election Process

a. Nomination of candidates for place on the ballot: (select all that apply)

Candidates were nominated by resident and assisted family organizations

Candidates could be nominated by any adult recipient of PHA assistance

Self-nomination: Candidates registered with the PHA and requested a place on ballot

Other: (describe)

b. Eligible candidates: (select one)

Any recipient of PHA assistance

- Any head of household receiving PHA assistance
- Any adult recipient of PHA assistance
- Any adult member of a resident or assisted family organization
- Other (list)

c. Eligible voters: (select all that apply)

- All adult recipients of PHA assistance (public housing and section 8 tenant-based assistance)
- Representatives of all PHA resident and assisted family organizations
- Other (list)

C. Statement of Consistency with the Consolidated Plan

For each applicable Consolidated Plan, make the following statement (copy questions as many times as necessary).

1. Consolidated Plan jurisdiction: South Dakota Housing Development Authority
2. The PHA has taken the following steps to ensure consistency of this PHA Plan with the Consolidated Plan for the jurisdiction: (select all that apply)
 - The PHA has based its statement of needs of families in the jurisdiction on the needs expressed in the Consolidated Plan/s.
 - The PHA has participated in any consultation process organized and offered by the Consolidated Plan agency in the development of the Consolidated Plan.
 - The PHA has consulted with the Consolidated Plan agency during the development of this PHA Plan.
 - Activities to be undertaken by the PHA in the coming year are consistent with the initiatives contained in the Consolidated Plan. (list below)
 - Other: (list below)
4. The Consolidated Plan of the jurisdiction supports the PHA Plan with the following actions and commitments: (describe below)

D. Other Information Required by HUD

Use this section to provide any additional information requested by HUD.

1. Certification by State/Local official of PHA Plans Consistency

- 2. PHA certification of compliance**
- 3. Milbank Housing Authority's administrative plan**

4. Attachments

**PHA Plan
Table Library**

**Component 7
Capital Fund Program Annual Statement
Parts I, II, and II**

Annual Statement

Capital Fund Program (CFP) Part I: Summary

Capital Fund Grant Number FFY of Grant Approval: (MM/YYYY)

Original Annual Statement

Line No.	Summary by Development Account	Total Estimated Cost
1	Total Non-CGP Funds	
2	1406 Operations	
3	1408 Management Improvements	
4	1410 Administration	
5	1411 Audit	
6	1415 Liquidated Damages	
7	1430 Fees and Costs	
8	1440 Site Acquisition	
9	1450 Site Improvement	
10	1460 Dwelling Structures	
11	1465.1 Dwelling Equipment-Nonexpendable	
12	1470 Nondwelling Structures	
13	1475 Nondwelling Equipment	
14	1485 Demolition	
15	1490 Replacement Reserve	
16	1492 Moving to Work Demonstration	
17	1495.1 Relocation Costs	
18	1498 Mod Used for Development	
19	1502 Contingency	
20	Amount of Annual Grant (Sum of lines 2-19)	
21	Amount of line 20 Related to LBP Activities	
22	Amount of line 20 Related to Section 504 Compliance	

23	Amount of line 20 Related to Security	
24	Amount of line 20 Related to Energy Conservation Measures	

Annual Statement

Capital Fund Program (CFP) Part II: Supporting Table

Development Number/Name HA-Wide Activities	General Description of Major Work Categories	Development Account Number	Total Estimated Cost

Annual Statement
Capital Fund Program (CFP) Part III: Implementation Schedule

Development Number/Name HA-Wide Activities	All Funds Obligated (Quarter Ending Date)	All Funds Expended (Quarter Ending Date)

Optional Table for 5-Year Action Plan for Capital Fund (Component 7)

Complete one table for each development in which work is planned in the next 5 PHA fiscal years. Complete a table for any PHA-wide physical or management improvements planned in the next 5 PHA fiscal year. Copy this table as many times as necessary. Note: PHAs need not include information from Year One of the 5-Year cycle, because this information is included in the Capital Fund Program Annual Statement.

Optional 5-Year Action Plan Tables				
Development Number	Development Name (or indicate PHA wide)	Number Vacant Units	% Vacancies in Development	
Description of Needed Physical Improvements or Management Improvements			Estimated Cost	Planned Start Date (HA Fiscal Year)
Total estimated cost over next 5 years				

SECTION 8 ADMINISTRATION PLAN TABLE OF CONTENTS

1.0	APPROACH AND OBJECTIVES IN PROGRAM ADMINISTRATION.....	1
2.0	STAFFING AND ADMINISTRATION.....	1
3.0	EQUAL OPPORTUNITY.....	2
3.1	FAIR HOUSING.....	2
3.2	REASONABLE ACCOMODATION.....	2
3.3	COMMUNICATION.....	2
3.4	QUESTIONS TO ASK IN GRANTING THE ACCOMODATION.....	2
3.5	FAMILY/OWNER OUTREACH.....	3
3.6	RIGHT TO PRIVACY.....	3
3.7	REQUIRED POSTINGS.....	3
4.0	MHRC/OWNER RESPONSIBILITY/OBLIGATIONS OF THE FAMLY.....	4
4.1	MHRC RESPONSIBILITY.....	5
4.2	OWNER RESPONSIBILITY.....	6
4.3	OBLIGATIONS OF THE PARTICIPANT.....	6
5.0	ELIGIBILITY FOR ADMISSION.....	8
5.1	INTRODUCTION.....	8
5.2	ELIGIBILITY CRITERIA.....	8
6.0	MANAGING THE WAITING LIST.....	11
6.1	OPENING AND CLOSING THE WAITING LIST.....	11
6.2	TAKING APPLICATIONS.....	12
6.3	ORGANIZATION OF THE WAITING LIST.....	13
6.4	FAMILIES NEARING THE TOP OF THE WAITING LIST.....	13
6.5	MISSED APPOINTMENTS.....	13
6.6	PURGING THE WAITING LIST.....	14
6.7	REMOVAL OF APPLICATIONS FROM THE WAITING LIST.....	14
6.8	GROUND FOR DENIAL.....	14
6.9	NOTIFICATION OF NEGATIVE ACTION.....	15
6.10	INFORMAL REVIEW.....	15
7.0	SELECTING FAMLIES FROM THE WAITING LIST.....	15
7.1	WAITING LIST ADMISSIONS AND SPECIAL ADMISSIONS.....	15
7.2	PREFERENCES.....	16
7.3	PREFERENCE DISQUALIFICATION.....	18
7.4	QUALIFYING FOR A PREFERENCE.....	19
7.5	EXEMPTIONS.....	20
7.6	SELECTION FROM THE WAITING LIST.....	20

8.0	ASSIGNMENT OF BEDROOM SIZES (SUBSIDY STANDARDS).....	20
8.1	BRIEFING.....	21
8.2	PACKET.....	22
8.3	ISSUANCE OF VOUCHER; REQUEST FOR APPROVAL OF TENANCY..	23
8.4	TERM OF VOUCHER.....	23
8.5	APPROVAL TO LEASE A UNIT.....	24
8.6	MHRC DISAPPROVAL OF OWNER.....	25
8.7	INELIGIBLE/ELIGIBLE HOUSING.....	25
8.8	SECURITY DEPOSIT.....	26
9.0	MOVES WITH CONTINUED ASSISTANCE.....	26
9.1	WHEN A FAMILY MAY MOVE.....	26
9.2	PROCEDURES REGARDING FAMILY MOVES.....	27
10.0	PORTABILITY	
10.1	GENERAL POLICIES OF THE MHRC.....	27
10.2	INCOME ELIGIBILITY.....	28
10.3	PORTABILITY: ADMINISTRATION BY RECEIVING HOUSING AUTH....	28
10.4	PORTABILITY PROCEDURES.....	28
11.0	DETERMINATION OF FAMILY INCOME.....	30
11.1	INCOME, EXCLUSIONS FROM INCOME, DEDUCTIONS FROM INCOME.....	30
11.2	INCOME.....	30
11.3	EXCLUSIONS FROM INCOME.....	31
11.4	DECUTIONS FROM ANNUAL INCOME.....	33
12.0	VERIFICATION.....	33
12.1	ACCEPTABLE METHODS OF VERIFCATION.....	33
12.2	TYPES OF VERIFICATION.....	34
12.3	VERFICATION OF CITIZENSHIP OR ELIGIBLE NONCITIZEN STATUS..	35
12.4	VERIFICATION OF SOCIAL SECURITY NUMBERS.....	35
12.5	TIMING OF VERIFICATION.....	36
12.6	FREQUENCY OF OBTAINING VERIFICATION.....	36
13.0	RENT AND HOUSING ASSISTANCE PAYMENT.....	36
13.1	GENERAL.....	36
13.2	RENT REASONABLENESS.....	37
13.3	COMPARABILITY.....	37
13.4	MAXIMUM SUBSIDY.....	37
13.5	SETTING THE PAYMENT STANDARD.....	38
13.6	SELECTING THE CORRECT PAYMENT STANDARD FOR A FAMILY....	38

13.7	AREA EXCEPTION RENTS.....	39
13.8	ASSISTANCE AND RENT FORMULAS.....	39
13.9	UTILTIY ALLOWANCE.....	41
13.10	DISTRIBUTION OF HOUSING ASSISTANCE PAYMENT.....	42
13.11	CHANGE OF OWNERSHIP.....	42
14.0	INSPECTION POLICIES; HOUSING QUALITY STANDARDS AND DAMAGE CLAIMS.....	42
14.1	TYPES OF INSPECTIONS.....	42
14.2	OWNER AND FAMILY RESPONSILBILTY.....	43
14.3	HOUSING QUALITY STANDARDS.....	44
14.4	EXCEPTIONS TO THE HOUSING QUALITY STANDARDS ACCEPTABILITY CRITERIA.....	50
14.5	TIME FRAMES & CORRECTIONS OF HOUSING QUALITY STANDARDS FAIL ITEMS.....	50
14.6	EMERGENCY FAIL ITEMS.....	51
14.7	ABATEMENT.....	52
15.0	OWNER CLAIMS FOR DAMAGES, UNPAID RENT, AND VACANCY LOSS AND PARTICIPANTS INSUING RESPONSIBILITIES.....	52
15.1	OWNER CLAIMS FOR PRE-OCTOBER 2, 1995, UNITS.....	53
15.2	PARTICIPANT RESPONSILBILITES.....	53
16.0	RECERTIFICATION.....	53
16.1	ANNUAL REEXAMINATION.....	53
16.1.1	EFFECTIVE DATE OF RENT CHANGES FOR ANNUAL REEXAMINATION.....	54
16.1.2	MISSED APPOINTMENTS.....	54
16.2	INTERIM REEXAMINATIONS.....	54
16.2.1	SPECIAL REEXAMINATIONS.....	55
16.2.2	EFFECTIVE DATE OF RENT CHANGES DUE TO INTERIM OR SPECIAL REEXAMINATIONS.....	55
17.0	TERMINATION OF ASSISTANCE TO THE FAMILY BY THE MHRC.....	56
18.0	COMPLAINTS, INFORMAL REVIEWS FOR APPLICANTS, INFORMAL HEARINGS FOR PARTICIPANTS.....	57
18.1	COMPLAINTS.....	57
18.2	INFORMAL REVIEW FOR THE APPLICANT.....	57
18.3	INFORMAL HEARINGS FOR PARTICIPANT.....	58
19.0	TERMINATION OF THE LEASE AND CONTRACT.....	61

20.0	CHARGES AGAINST THE SECTION 8 ADMIN FEE.....	63
21.0	INTELLECTUAL PROPERTY RIGHTS.....	63
22.0	TRANSITION TO THE NEW HOUSING CHOICE VOUCHER PROGRAM...63	
23.0	APPENDIX.....	65
23.1	CHECK SIGNING AUTHORIZATION POLICY.....	66
23.2	CRIMINAL, DRUG TREATMENT, AND REGISTERED SEX OFFENDER CLASSIFICATION RECORDS MANAGEMENT POLICY.....	66
23.3	DRUG FREE WORKPLACE POLICY.....	67
23.4	ETHICS POLICY.....	68
23.5	FUNDS TRANSFER POLICY.....	74
23.6	INVESTMENT POLICY.....	75
23.7	PROCUREMENT POLICY.....	76

Milbank Housing Authority Section 8 Administrative Plan

1.0 Approach and Objectives in Program Administration

The Milbank Housing and Redevelopment Commission's (MHRC) objective in the administration of the Section 8 rental assistance programs is to provide affordable, safe, decent and sanitary housing to low-income families residing or wishing to reside in Grant County. MHRC will ensure, that participants will be aware of the wide variety of housing types and neighborhoods available to them. All efforts will be made to ensure that participants take advantage of the freedom of housing choice and expansion of housing opportunities made available by the Section 8 programs. By consistent and thorough enforcement of HUD's minimum housing quality standards, MHRC will enhance community efforts to improve and maintain the existing housing stock.

The Administrative Plan addresses all local discretionary program functions in the Section 8 rental assistance programs. All other operational procedures will be developed and implemented according to federal regulations found at 24 Code of Federal Regulations 882 and 887. In the event HUD regulations change, the implementation of the Section 8 programs governed by this plan will change accordingly.

2.0 Staffing and Administration

The Executive Director of the housing programs has the primary responsibility for administration of the Section 8 programs. All reviews to determine compliance with Federal Regulations and review of submissions are conducted under the supervision of the Board of Directors. The Board of Directors and the Executive Director review and are responsible for approval of all document submissions.

MHRC staff and general responsibilities are as follows:

Executive Director (1) responsible for the overall administration of the programs including the following tasks:

- (a) Coordinator of housing programs: responsible for the day-to-day administration of the programs; audit tenant files; assist with hearings and landlord/tenant concerns; review damage, unpaid rent and vacancy claims and monitor HQS evaluations.
- (b) Housing Specialist: responsible for conducting tenant briefings and assisting families in locating units that qualify for the program; explaining program to landlords unfamiliar with the program; preparing documents and securing signatures for initial lease-up, annual recertifications and interim changes; maintaining tenant files; negotiating vacancy claims with landlords and answering participant's questions.
- (c) Program eligibility specialist: responsible for interviewing applicants/program participants for initial certification and annual recertification, and gathering verifications.
- (d) Information specialist: responsible for intake and review of preliminary applications for housing assistance; explaining program to prospective landlords and program participants; gathering of certifications to establish preference on the waiting list and comparing applications to accounts receivable listing.
- (e) Comptroller: responsible for all aspects of accounting for the programs, including preparation and monitoring of budgets, requisitioning of funds from HUD; and issuance of checks.
- (f) Housing Quality Standards Evaluator: responsible for initial, annual and special inspections for all units to determine compliance with HUD's Housing Quality Standards; notification of owners of all deficiencies found during the inspection; negotiating damage claims with landlords and determining rent reasonableness.

- (g) Office Manager/Secretary/Receptionist: responsible for the operation of the office; general maintenance of the waiting list; printing data/letters when funding/units come available; notifying applicants of ineligibility; typing outgoing correspondence, documents, reports and forms; answering incoming phone calls; greeting prospective and continuing participants; and handling all incoming mail.

3.0 Equal Opportunity

3.1 FAIR HOUSING

It is the policy of the Milbank Housing and Redevelopment Commission to comply fully with all Federal, State, and local nondiscrimination laws; the Americans With Disabilities Act; and the U.S. Department of Housing and Urban Development regulations governing Fair Housing and Equal Opportunity.

No person shall, on ground of race, color, sex, religion, national or ethnic origin, familial status, or disability be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under the MHRC's housing programs.

To further its commitment to full compliance with applicable Civil Rights laws, the MHRC will provide Federal/State/local information to applicants for and participants in the Section 8 Housing Program regarding discrimination and any recourse available to them if they may be victims of discrimination. Such information will be made available with the application, and all applicable Fair Housing Information and Discrimination Complaint Forms will be made available at the MHRC office. In addition, all written information and advertisements will contain the appropriate Equal Opportunity language and logo.

The MHRC will assist any family that believes that they have suffered illegal discrimination by providing them copies of the housing discrimination form. The MHRC will also assist them in completing the form, if requested, and will provide them with the address of the nearest HUD office of Fair Housing and Equal Opportunity.

3.2 REASONABLE ACCOMODATION

Sometimes people with disabilities may need a reasonable accommodation in order to take full advantage of the MHRC housing programs and related services. When such accommodations are granted they do not confer special treatment or advantage for the person with a disability; rather, they make the program fully accessible to them in a way that would otherwise not be possible due to their disability. This policy clarifies how people can request accommodations and the guidelines the MHRC will follow in determining whether it is reasonable to provide a requested accommodation. Because disabilities are not always apparent, the MHRC will ensure that all applicants/participants are aware of the opportunity to request reasonable accommodations.

3.3 COMMUNICATION

Anyone requesting an application will also receive a Request for Reasonable Accommodation Form. Notifications of reexamination, inspection, appointment, or eviction will include information about requesting a reasonable accommodation. Any notification requesting action by the participant will include information about requesting a reasonable accommodation.

All decisions granting or denying requests will be in writing.

3.4 QUESTIONS TO ASK IN GRANTING THE ACCOMMODATION

- (a) Is the requestor a person with disabilities? For this purpose the definition of disabilities is different than the definition used for admission. The Fair Housing definition used for this purpose is:
A person with a physical or mental impairment that substantially limits one or more major life activities, has a record of such impairment, or is regarded as having such impairment. (The disability may not be apparent to others, i.e. a heart condition).
If the disability is apparent or already documented, the answer to this question is yes. It is possible that the disability for which the accommodation is being requested is a disability rather than the apparent disability. If the disability is not apparent or documented, the MHRC will obtain verification that the person is a person with a disability.
- (b) Is the requested accommodation related to the disability? If it is apparent that the request is related to the apparent or documented disability, the answer to this question is yes. If it is not apparent, the MHRC will obtain documentation that the requested accommodation is needed due to the disability. The MHRC will not inquire as to the nature of the disability.
- (c) Is the requested accommodation reasonable? In order to be determined reasonable, the accommodation must meet two criteria:
1. Would the accommodation constitute a fundamental alteration? The MHRC's business is housing. If the request would alter the fundamental business that the MHRC conducts, that would not be reasonable. For instance, the MHRC would deny a request to have the MHRC do grocery shopping for the person with disabilities.
 2. Would the requested accommodation create an undue financial hardship or administrative burden? Frequently the requested accommodation costs little or nothing. If the cost would be an undue burden, the MHRC may request a meeting with the individual to investigate and consider equally effective alternatives.

Generally the individual knows best what they need; however, the MHRC retains the right to be shown how the requested accommodation enables the individual to access or use the MHRC's programs or services.

If more than one accommodation is equally effective in providing access to the MHRC's programs and services, the MHRC retains the right to select the most efficient or economic choice.

The cost necessary to carry out approved requests will be borne by the MHRC if there is no one else willing to pay for the modifications. If another party pays for the modifications, the MHRC will seek to have the same entity pay for any restoration costs.

If the participant requests, as a reasonable accommodation, that he or she be permitted to make physical modifications to their dwelling unit, at their own expense, the request should be made to the property owner/manager. The Housing Authority does not have responsibility for the owner's unit and does not have responsibility to make the unit accessible. Any request for an accommodation that would enable a participant to materially violate family obligations will not be approved.

3.5 FAMILY/OWNER OUTREACH

The MHRC will publicize the availability and nature of the Section 8 Program for extremely low-income, very low and low-income families in a newspaper of general circulation, minority media, and other suitable means.

To reach persons, who cannot or do not read newspapers, the MHRC will distribute fact sheets to the broadcasting media and initiate personal contacts with members of the news media and community service personnel. The MHRC will also try to utilize public service announcements.

The MHRC will communicate the status of program availability to other service providers in the community and advise them of housing eligibility factors and guidelines so that they can make proper referral of their clients to the program.

The MHRC will hold briefings for owners who participate in or who are seeking information about the Section 8 Program. The briefings will be conducted in association with initial participant lease up. The briefing is intended to:

- A. Explain how the program works;
- B. Explain how the program benefits owners;
- C. Explain owners' responsibilities under the program. Emphasis is placed on quality screening and ways the MHRC helps owners do better screening; and
- D. Provide an opportunity for owners to ask questions, obtain written materials, and meet the Housing Authority staff.

The MHRC will particularly encourage owners of suitable units located outside have low-income or minority concentration to attend. Targeted mailing lists will be developed and announcements mailed.

3.6 RIGHT TO PRIVACY

All adult members of both applicant and participant households are required to sign HUD form 9886, *Authorization for Release of Information and Privacy Act Notice*. The *Authorization for Release of Information and Privacy Act Notice* states how family information will be released and includes *Federal Privacy Act Statement*.

Any request for applicant or participant information will not be released unless there is a signed release of information request from the applicant or participant.

3.7 REQUIRED POSTINGS

The MHRC will post in each of its offices in a conspicuous place and at a height easily read by all persons including persons with mobility disabilities, the following information:

- A. The Section 8 Administrative Plan
- B. Notice of the status of the waiting list (opened or closed)
- C. Address of the MHRC office, office hours, and telephone numbers
- D. Income limits for admission
- E. Informal review and Informal hearing procedures
- F. Fair Housing poster
- G. Equal Opportunity in Employment poster

4.0 MHRC/Owner Responsibility/Obligation of the Family

This section outlines the responsibilities and obligations of the MHRC, the Section 8 Owners/Landlords, and the participating families.

4.8 MHRC RESPONSIBILITIES

- A. The MHRC will comply with the consolidated ACC, the application, HUD regulations and other requirements, and the MHRC Section 8 Administrative Plan.
- B. In administering the program, the MHRC 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 located housing outside areas of poverty or racial 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 disabled persons 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. Obtain and verify evidence of citizenship and eligible immigration status in accordance with 24 CFR part 5;
 - 10. Review the family's request for approval of tenancy and the owner/landlord lease, including the HUD prescribed tenancy addendum;
 - 11. Inspect the unit before the assisted occupancy begins and at least annually during the assisted tenancy;
 - 12. Determine the amount of the housing assistance payment for a family;
 - 13. Determine the maximum rent to the owner and whether the rent is reasonable;
 - 14. Make timely housing assistance payments to an owner in accordance with the HAP contract;
 - 15. 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;
 - 16. Establish and adjust the MHRC utility allowance;
 - 17. Administer and enforce the housing assistance payments contract with an owner, including taking appropriate action as determined by MHRC, if the owner defaults (e.g. HQS violation);
 - 18. Determine whether to terminate assistance to a participant family for violation of family obligations;

19. Conduct informal reviews of certain MHRC decisions concerning applicants for participation in the program;
20. Conduct informal hearings on certain MHRC decisions concerning participating families; and
21. Provide sound financial management of the program, including engaging an independent public accountant to conduct audits.

4.9 OWNER RESPONSIBILITY

- 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 to the MHRC information required under the HAP contract.
 5. Collecting from the family:
 - a. Any security deposit required under the lease.
 - b. The tenant contribution (the part of the rent to owner not covered by the housing assistance payment).
 - c. 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).
- C. For provisions on modifications to a dwelling unit occupied or to be occupied by a person with disabilities see 24 CFR 100.203.

4.10 OBLIGATIONS OF THE PARTICIPANT

This section states the obligations of a participant family under the program.

- A. Supplying required information.
 1. The family must supply any information that the MHRC 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 the MHRC or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition in accordance with HUD requirements.
 3. The family must disclose and verify Social Security numbers and must sign and submit consent forms for obtaining information.

4. Any information supplied by the family must be true and complete.
- B. HQS breach caused by the Family
1. The family is responsible for any HQS breach caused by the family or its guests.
- C. Allowing MHRC Inspection
1. The family must allow the MHRC to inspect the unit at reasonable times and after at least 2 days notice.
- D. Violation of lease
1. The family may not commit any serious or repeated violation of the lease.
- E. Family Notice of Move or Lease Termination
1. The family must notify the MHRC and the owner before the family moves out of the unit or terminates the lease by a notice to the owner.
- F. Owner Eviction Notice
1. The family must promptly give the MHRC 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. The MHRC must approve the composition of the assisted family residing in the unit. The family must promptly inform the MHRC of the birth, adoption or court-awarded custody of a child. The family must request approval from the MHRC to add any other family member as an occupant of 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 the MHRC if any family member no longer resides in the unit.
 4. If the MHRC has given approval, a foster child/foster adult or a live-in aide may reside in the unit. The MHRC has the discretion to adopt reasonable policies concerning residence by a foster child/foster adult or a live-in aide and defining when the MHRC 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 or 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.
 6. The family must not sublease or let the 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 the MHRC to verify that the family is living in the unit, or relating to family absence from the unit, including any MHRC requested information or certification on the purposes of family absences. The family must cooperate with the MHRC for this purpose. The family must promptly notify the MHRC of its absence from the unit.

Absence means that no member of the family is residing in the unit. The family may be absent from the unit for up to 30 days. The family must request permission from the MHRC for absences exceeding 30 days. The MHRC will make a determination within 5 business days of the request. An authorized absence may not exceed 180 days. Any family absent for more than 30 days without authorization will be terminated from the program.

Authorized absences may include, but are not limited to:

1. Prolonged hospitalization
2. Absences beyond the control of the family (i.e., death in the family, other family member illness)
3. Other absences that are deemed necessary by the MHRC

I. Interest in the Unit

The family may not own or have any interest in the unit (except for owners of manufactured homes renting the manufactured home space).

J. Fraud and Other Program Violation

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

K. Crime by Family Members

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

L. 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 programs.

5.0 Eligibility for Admission

5.11 INTRODUCTION

There are five eligibility requirements for admission to Section 8 – qualifies as a family, has an income within the income limits, meets citizenship/eligible immigrant criteria, provides documentation of Social Security

numbers, and signs consent authorization documents. In addition to the eligibility criteria, families must also meet the MHRC screening criteria in order to be admitted to the Section 8 program.

5.12 ELIGIBILITY CRITERIA

A. Family status.

1. A family **with or without children**. Such a family is defined as a group of people related by blood, marriage, adoption or affinity that lives together in a stable family relationship.
 - a. Children temporarily absent from the home due to placement in foster care are considered family members.
 - b. Unborn children and children in the process of being adopted are considered family members for purposes of determining bedroom size, but are not considered family members for determining income limit.
1. **An elderly family**, which is:
 - a. A family whose head, spouse, or sole member is a person who is at least 62 years of age;
 - b. Two or more persons who are at least 62 years of age living together; or
 - c. One or more persons who are at least 62 years of age living with one or more live-in aides.
2. A **disabled family**, which is:
 - a. A family whose head, spouse or sole member is a person with disabilities;
 - b. Two or more persons with disabilities living together; or
 - c. One or more persons with disabilities living with one or more live-in aides.
3. A **displaced family** is a family in which each member, or whose sole member, has been displaced by governmental action, or whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws.
4. A **remaining member of a tenant family**.
5. A **single person** who is not elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family.

B. Income eligibility

1. To be eligible to receive assistance a family shall, at the time the family initially receives assistance under the Section 8 program shall be a low-income family that is:

- c. A very low-income family;
 - d. A low-income family continuously assisted under the 1937 Housing Act;
 - e. A low-income family that meets additional eligibility criteria specified by the MHRC;
 - f. A low-income family or moderate-income family that is displaced as a result of the prepayment of the mortgage or voluntary termination of an insurance contract or eligible low-income housing.
 - g. A low-income family that is a nonpurchasing tenant in a HOPE 1 or HOPE 2 project or a property subject to a resident homeownership program under 24 CFR248.173;
 - h. A low-income family that qualifies for voucher assistance as a non-purchasing family residing in a HOPE 1 (HOPE for public housing homeownership) or HOPE 2 (HOPE for homeownership of multifamily units) project.
2. Income limits apply only at admission and are not applicable for continued occupancy; however, as income raises the assistance will decrease.
 3. The applicable income limit for issuance of a voucher is the highest income limit for the family size for areas within the housing authority's jurisdiction. The applicable income limit for admission to the program is the income limit for the area in which the family is initially assisted in the program. The family may only use the voucher to rent a unit in an area where the family is income eligible at admission to the program.
 4. Families who are moving into the MHRC's jurisdiction under portability and have the status of applicant rather than of participant at their initial housing authority, must meet the income limit for the area where they were initially assisted under the program.
 5. Families who are moving into the MHRC's jurisdiction under portability and are already program participants at their initial housing authority do not have to meet the income eligibility requirement for the MHRC program.
 6. Income limit restrictions do not apply to families transferring units within the MHRC Section 8 Program.

C. Citizenship/Eligible Immigrant status

To be eligible each member of the family must be a citizen, national, or a noncitizen that has eligible immigration status under one of the categories set forth in Section 214 of the Housing and Community Development Act of 1980 (see 42 U.S.C. 1436a(a)).

Family eligibility for assistance.

1. A family shall not be eligible for assistance unless every member of the family residing in the unit is determined to have eligible status, with the exception noted below.
2. Despite the ineligibility of one or more family members, a mixed family may be eligible for one of three types of assistance. (see Section 11.5 (K) for calculating rents under the non-citizen rule).

3. A family without any eligible members and receiving assistance on June 19, 1995, may be eligible for temporary deferral of termination assistance.

D. Social Security Number Documentation

To be eligible, all family members 6 years of age and older must provide a Social Security number or certify that they do not have one.

E. Signing Consent Forms

1. In order to be eligible each member of the family who is at least 18 years of age, and each family head and spouse regardless of age, shall sign one or more consent forms.
2. The consent form must contain, at a minimum, the following:
 - a. A provision authorizing HUD and the MHRC to obtain from State Wage Information Collection Agencies (SWICAs) any information or materials necessary to complete or verify the application for participation or for eligibility for continued occupancy;
 - b. A provision authorizing HUD or the MHRC to verify with previous or current employers income information pertinent to the family's eligibility for or level of assistance.
 - c. A provision authorizing HUD to request income information from the IRS and the SSA for the sole purpose of verifying income information pertinent to the family's eligibility for or level of assistance.
 - d. A statement that the authorization to release the information requested by the consent form expires 15 months after the date the consent form is signed.

- F. Suitability to tenancy. The MHRC determines eligibility for participation and will also conduct criminal background checks on all adult household members, including live-in aides. The MHRC will deny assistance to a family because of drug-related criminal activity or violent criminal activity by family members. This check will be made through state or local law enforcement or court records in those cases where the household member has lived in the local jurisdiction for the last three years. If the individual has lived outside the local area, the MHRC may contact law enforcement agencies where the individual had lived or request a check through the FBI's National Crime Information Center (NCIC).

The MHRC will check with State sex offender registration program and will ban for life any individual who is registered as a lifetime sex offender.

Additional screening is the responsibility of the owner. Upon the request of a prospective owner, the MHRC will provide any factual information or third party written information they have relevant to a voucher holder's history of, or ability to, comply with material standard lease terms or any history of drug trafficking.

6.0 Managing the Waiting List

6.13 OPENING AND CLOSING THE WAITING LIST

Opening of the waiting list will be announced via public notice that applications for Section 8 will again be accepted. The public notice will state where, when, and how to apply. The notice will be published in a local newspaper of general circulation, and also by any available minority media. The public notice will state any limitations to who may apply.

The notice will state that applicants already on waiting lists for other housing programs must apply separately for this program, and that such applicants will not lose their place on other waiting lists when they apply for Section 8. The notice will include the Fair Housing logo and slogan and otherwise be in compliance with Fair Housing requirements.

The MHRC will also send a similar notice to interested Social Service Agencies in its jurisdiction.

Closing of the waiting list will be announced via public notice. The public notice will state the date the waiting list will be closed. The public notice will be published in a local newspaper or general circulation, and also by any available minority media.

6.14 TAKING APPLICATIONS

Families wishing to apply for the Section 8 Program will be required to complete an application for housing assistance. Applications will be accepted during regular business hours at:

Third floor Grant County Courthouse
210 East 5th Ave
Milbank, SD 57252

Applications are taken to compile a waiting list. Due to the demand for Section 8 assistance in the MHRC jurisdiction, the MHRC may take applications on an open enrollment basis, depending on the length of the waiting list.

When the waiting list is open, completed applications will be accepted from all applicants. The MHRC will later verify the information in the applications relevant to the applicant's eligibility, admission, and level of benefit.

Applications may be made in person at the MHRC office on the 3rd floor of the Grant County Courthouse or Department of Social Services office on the 1st floor of the Grant County Courthouse located at 210 E 5th Ave., Milbank, SD on Monday through Friday from 8 am to 5 pm. Applications will be mailed to interested families upon request.

The completed application will be dated and time stamped upon its return to the MHRC office. Persons with disabilities who require a reasonable accommodation in completing the application may call the MHRC to make special arrangements to complete their application.

The application process will involve two phases. The first phase is the initial application for housing assistance or the pre-application. The pre-application requires the family to provide limited basic information including name, address,

phone number, family composition and family unit size, racial or ethnic designation of the head of household, income category, and information establishing any preferences to which they may be entitled. The first phase results in the family's placement on the waiting list.

Upon receipt of the families pre-application, the MHRC will make a preliminary determination of eligibility. The MHRC will notify the family in writing of the date and time of placement on the waiting list and approximate amount of time before housing assistance may be offered. If the MHRC determines the family to be ineligible, the notice will state the reasons therefore and offer the family the opportunity of an informal review of this determination.

An applicant may at any time report changes in their applicant status including changes in family composition, income, or preference factors. The MHRC will annotate the applicant's file and will update their place on the waiting list. Confirmation of the changes will be confirmed with the family in writing.

The second phase is the final determination of eligibility, referred to as the full application. The full application takes place when the family nears the top of the waiting list. The MHRC will ensure that verification of all preferences, eligibility; suitability selection factors are current in order to determine the family's final eligibility for admission into the Section 8 program.

6.15 ORGANIZATION OF THE WAITING LIST

The waiting list will be maintained in accordance with the following guidelines:

- A. The application will be a permanent file;
 - B. All applications will be maintained in order of preference and then in order of date and time of application;
 - C. Any contact between the MHRC and the applicant will be documented in the applicant file.
- Note: The waiting list cannot be maintained by bedroom size under current HUD regulations.

6.16 FAMILIES NEARING THE TOP OF THE WAITING LIST

When a family appears to be within 2 months of being offered assistance, the family will be invited to an interview and the verification process will begin. It is at this point in time that the family's waiting list preference will be verified. If the family no longer qualifies to be near the top of the list, the family's name will be returned to the appropriate spot on the waiting list. The MHRC must notify the family in writing of this determination, and give the family the opportunity for an informal review.

Once the preference has been verified the family will complete a full application, present Social Security Numbers information, citizenship/eligible immigration, and sign the Consent for Release of Information forms.

6.17 MISSED APPOINTMENTS

All applicants who fail to keep a scheduled appointment in accordance with the paragraph below will be sent a notice of denial.

The MHRC will allow the family to reschedule appointments for good cause. Generally, no more than one opportunity will be given to reschedule without good cause, and no more than two opportunities for good cause. When a good cause exists, the MHRC will work closely with the family to find a more suitable time. Applicants will be offered the right to an informal review before being removed from the waiting list.

6.18 PURGING THE WAITING LIST

The MHRC will update and purge its waiting list at least every 6 months to ensure that the pool of applicants reasonably represents interested families. Purging also enables the MHRC to update the information regarding address, family composition, income category and preferences.

6.19 REMOVAL OF APPLICANTS FROM THE WAITING LIST

The MHRC will not remove an applicant's name for the waiting list unless:

- A. The applicant requests that the name be removed;
- B. The applicant fails to respond to a written request for information or a request to declare their continued interest in the program or misses scheduled appointments; or
- C. The applicant does not meet either the eligibility or screening criteria for the program.

6.20 GROUNDS FOR DENIAL

The MHRC will deny assistance to applicants who:

- A. Do not meet any one or more of the eligibility criteria;
- B. Do not supply information or documentation required by the application process;
- C. Fail to respond to a written request for information or a request to declare their continued interest in the program;
- D. Fail to complete any aspect of the application or lease-up process;
- E. Have a history of criminal activity by any household member involving crimes of physical violence against persons or property, and any other criminal activity including drug-related criminal activity that would adversely affect the health, safety, or well being of other tenants or staff, or cause damage to the property.
- F. Currently owes rent or other amounts to any housing authority in connections with the public housing or Section 8 programs.
- G. Have committed fraud, bribery, or any other corruption in connection with any Federal housing assistance programs, including the intentional misrepresentation of information related to their housing application or benefits derived there from;
- H. Have a family member who was evicted from public housing within the last three years;
- I. Have a family member who was evicted from assisted housing within the last five years of the projected date of admission because of drug-related criminal activity involving the illegal manufacture, sale, distribution, or possession with the intent to manufacture, sell, distribute a controlled substance as defined in Section 102 of the Controlled Substances Act, 21 U.S. C. 802;

- J. Have a family member who is illegally using a controlled substance or abuses alcohol in a way that may interfere with the health, safety or right to peaceful enjoyment of the premises by other residents. The MHRC may waive this requirement if:
 1. The person demonstrates to the MHRC's satisfaction that the person is no longer engaging in drug-related criminal activity or abuse of alcohol;
 2. The person has successfully completed a supervised drug or alcohol rehabilitation program;
 3. The person has otherwise been rehabilitated successfully; or
 4. The person is participating in a supervised drug or alcohol rehabilitation program.
- K. Have engaged in or threatened abusive or violent behavior towards any MHRC staff or residents;
- L. Have a family household member who has been terminated under the Certificate or Voucher program during the last three years;
- M. Have a family member who has been convicted of manufacturing or producing methamphetamine (speed) (Denied for life);
- N. Have a family member with a lifetime registration under a State sex offender registration program (Denied for Life).

6.21 NOTIFICATION OF NEGATIVE ACTIONS

Any applicant whose name is being removed from the waiting list will be notified by the MHRC, in writing, that they have ten (10) business days, from the date of the written correspondence, to present mitigating circumstances or request an informal review. The letter will also indicate that their name will be removed from the waiting list if they fail to respond within the timeframe specified. The MHRC's system of removing applicants' names from the waiting list will not violate the rights of persons with disabilities. If an applicant's failure to respond to a request for information or updates was caused by the applicant's disability, the MHRC will provide a reasonable accommodation. If the applicant indicates that they did not respond due to a disability, the MHRC will verify that there is in fact a disability and that the accommodation they are requesting is necessary based on the disability. An example of a reasonable accommodation would be to reinstate the applicant on the waiting list based on the date and time of the original application.

6.22 INFORMAL REVIEW

If the MHRC determines that an applicant does not meet the criteria for receiving Section 8 assistance, the MHRC will promptly provide the applicant with written notice of the determination. The notice must contain a brief statement of the reason(s) for the decision, and state that the applicant may request an informal review of the decision within 10 business days of the denial. The MHRC will describe how to obtain the informal review. The informal review process is described in Section 18 of this Plan.

7.0 Selecting Families from the Waiting List

7.1 WAITING LIST ADMISSIONS AND SPECIAL ADMISSIONS

The Housing Authority may admit an applicant for participation in the program either as a special admission or as a waiting list admission.

If HUD awards funding that is targeted for families with specific characteristics or families living in specific units, the MHRC will use the assistance for those families.

7.2 PREFERENCES

The MHRC will select families based on the following preferences. MHRC will select applicants for participation in the Section 8 programs in accordance with Federal, ranking and local preferences identified in this Plan. All applicants who qualify for a Federal, ranking or local preference will be offered tenant-based funding before any applicant that does not qualify for a Federal, ranking or local preference.

Elderly and/or Disabled - an applicant is considered elderly if they meet the eligibility criteria of elderly or disabled as defined in Section 5.0 of this plan.

Involuntarily Displaced – an applicant is considered involuntarily displaced if either of the following apply:

- A. Applicant has been involuntarily displaced and is not living in standard, permanent replacement housing;
- B. The applicant will be involuntarily displaced within 6 months
From the date of the preference certification by the applicant or verification by MHRC.

An applicant is or will be considered involuntarily displaced if an applicant is subject to an occupancy or lease agreement and has vacated or has to vacate the unit where the applicant lives because of the following:

- i. Disaster such as fire, or flood, that results in the applicant's unit being uninhabitable;
- ii. Activity carried on by an agency of the United States or by a State or local government body or agency in connection with code of enforcement, a public improvement or development project;
- iii. Action by a housing owner that results in an applicant having to vacate his or her unit where:
 - 1. The reason for the owner's action is beyond an applicant's ability to control or prevent; and
 - 2. The action occurs despite an applicant having met all previously imposed conditions of occupancy; and
 - 3. The action is other than a rent increase.
- iv. The applicant has vacated his or her unit as a result of actual or threatened physical violence directed against one or more members of the applicant's family. To

qualify as involuntarily displaced because of domestic violence the following must be met:

1. MHRC must determine that the domestic violence occurred recently and is of continuous nature; and
 2. The applicant must certify that the person who engaged such violence will not reside with the applicant 's family unless MHRC grants advance written approval;
 3. If the applicant allows the person who engaged in domestic violence to move in prior to receiving advance written approval from MHRC, their rental assistance may be terminated for breach of this agreement.
- v. To avoid reprisals for providing information to law enforcement agencies
1. The law enforcement agency must recommend rehousing the family to avoid or minimize the risk of violence against family members based on a threat assessment they have conducted.
- vi. One or more family members have been the victim of one or more hate crimes (defined as actual or threatened physical violence or intimidation that is directed at a person or his or her property and is based on the person's race, color, religion, sex, national origin, handicap or familial status); and
1. The applicant has vacated a housing unit because of such a crime or the fear associated with such a crime has destroyed the applicant's peaceful enjoyment of the unit; and
 2. MHRC must determine that the hate crime occurred recently or is of a continuing nature.
- vii. An applicant or member of the applicant's family has a mobility impairment that makes the person unable to use the critical elements of the unit and the owner is not legally obligated to make the changes to the unit that would make it accessible to the disabled person as a reasonable accommodation.
- viii. Displacement because of disposition of a multifamily rental housing project by HUD under Section 203 of the Housing and Community Development Amendments of 1978.

Living in Substandard Housing – a unit is considered substandard if it meets any of the following conditions:

A. Dilapidated because it does not:

- i. Provide safe and adequate shelter and its present condition endangers the health, safety or well being of a family; or
- ii. The unit has one or more critical defects or a combination of intermediate defects in sufficient number and of extent to require considerable repair or rebuilding.

B. The unit does not meet any of the following:

- i. Does not have operable indoor plumbing;
- ii. Does not have a useable bathtub or shower inside the unit for exclusive use of the family;
- iii. Does not have a useable flush toilet inside for the exclusive use of the family;
- iv. Does not have electricity or has an inadequate or unsafe electrical service;

- v. Does not have a safe or adequate source of heat;
- vi. Should, but does not have a kitchen; or
- vii. Has been declared unfit for habitation by an agency of the government;
- viii. Approved single room occupancy (SRO) is not considered substandard for this purpose.
- ix. An applicant that is a “homeless” family is considered living in substandard housing. A “homeless” family includes any of the following:
 - 1. Lacks a fixed, regular and adequate nighttime residence, and also,
 - 2. Has a primary nighttime residence that is: a supervised public or privately operated shelter designed to provide temporary living conditions;
 - 3. An institution that provides temporary residence or is institutionalized (transitional housing); or a public or private place not designed for, or ordinarily use as, a regular sleeping accommodation for human beings. A “homeless” family does not include any person imprisoned or otherwise detained pursuant to an Act of Congress or State Law.

Rent Burden- An applicant that pays more than 50% of their gross monthly income for rent and utilities for a period of at least 90 days.

- A. Definition of applicant income- for purposes of this section applicant income is monthly income as defined in 24 CFR 813.
- B. Definition of rent – for purposes of this section rent is defined as follows:
 - a. The actual monthly amount due under a lease or occupancy agreement between an applicant and an applicant’s current landlord; and
 - b. In the case of utilities purchased directly by the applicant from utility providers, the MHRC’s reasonable estimate of applicant purchased utilities and services that is used in the MHRC’s tenant-based programs; or
 - c. If the family chooses, the average monthly payments that the applicant made for those utilities and services for the most recent 12 month period, or if information is not obtainable for the entire period, for an appropriate recent period.
 - d. Amounts paid to or on behalf of an applicant under any energy assistance program, by a Social Service agency or other sources, must be subtracted from the otherwise applicable rent amount, to the extent they are not included in the applicant’s income.

7.3 PREFERNCE DISQUALIFICATION

Any applicant does not qualify for a federal preference if any of the following apply:

- 1. An applicant will not qualify for a rent burden federal preference is s/he has been paying more than 50% of their monthly income for less than 90 days; or

2. The applicant is paying more than 50% of their monthly income to rent a unit because their housing assistance, provided through one of the program's listed below, was terminated because of the applicant's refusal to comply with applicable program policies and procedures on the occupancy for under occupied or overcrowded units or because they committed fraud or failed to abide by the program requirements:
 - a. The Section 8 programs or public or Indian housing program under the U.S. Housing Act of 1937;
 - b. The rent supplement program under Section 101 of the Housing and Urban Development Act of 1965; or
 - c. Rental assistance payments under Section 236 (f)(2) of the National Housing Act.

3. An applicant will be disqualified from any preference if they have been evicted from units assisted under the U.S. Housing Act of 1937, for drug related criminal activity.
 - a. Drug related criminal activity includes the felonious manufacture, sale or distribution or possession with intent to sell, distribute or manufacture a controlled substance.

 - b. An applicant will not qualify for a preference, if they have been evicted from an assisted unit, for three years from the date of eviction.

 - c. MHRC reserves the right to grant admission preference to an applicant who was evicted from an assisted unit for drug related criminal activity in any of the following cases:
 - i) If MHRC determines that the evicted person has successfully completed a drug rehabilitation program approved by the MHRC; or
 - ii) If MNRC determines that the evicted person clearly did not participate in or know about the drug related criminal activity; or
 - iii) If MHRC determines that the evicted person no longer participates in any drug related criminal activity.

7.4 QUALIFYING FOR A PREFERENCE

An applicant qualifying for one federal preference is given the same preference for participation as applicants qualifying for more than one preference. An applicant must provide certification that they are eligible for any or all preferences at the time they complete an application for the waiting list. Acceptable forms of verification are:

1. Elderly and/or disabled: Birth certificate or driver's license for proof of age. Award letter or benefit letter from SSA or SSI for proof of disability. Written statement from doctor or other medical professional is accepted verification for a disability also.
2. Involuntarily Displaced: a copy of the written notice of request to vacate from a governmental agency; a copy of a written request to vacate from the applicant's current landlord; or a signed copy of the appropriate preference certification form.

3. Living in Substandard Housing: a copy of the written statement or notice from a unit or agency of local government stating the applicant's unit has one or more deficiencies listed in Section 14.3.
4. Rent Burden: a copy of the applicant's present lease agreement; copies of cancelled checks or rent receipts (if rent has increased over amount specified in the lease or occupancy agreement); copies of the most recent utility bills.

Preference certification forms are valid for 90 days after receipt by MHRC. If an applicant is not housed within 90 days, the certification can be updated orally for an additional 30 days. If the applicant is not housed within 120 days, eligibility for preference must be re-verified at the time assistance is offered.

All applicants must qualify for a preference at the time assistance is offered. An applicant will retain their federal preference in the following instances:

1. If applicant is receiving rental assistance under the HOME program and MHRC has determined that they qualify for a federal preference at the time that they began to receive this assistance; or
2. If an applicant currently resides in a MHRC public housing unit and were admitted to the program on or after April 26, 1993 and they were on MHRC's tenant based waiting list when admitted to the Public Housing program.

7.5 EXEMPTIONS

MHRC may offer rental assistance to applicants who do not qualify for a federal or local preference before applicants who qualify for federal preference as follows:

1. The number of applicants who initially receive assistance in any 1-year period under the Section 8 tenant-based programs cannot exceed 10% of the total number of applicants who initially receive assistance in that year. "Admission" is defined as the effective date of the first HAP contract executed by MHRC for an applicant in the tenant-based program.
2. Special admission – non waiting list (as defined in 24 CFR 982.203) will not be counted against the 10% limit.
3. The one-year period will correspond with MHRC's fiscal year.

7.6 SELECTION FROM THE WAITING LIST

Based on the above preferences, all families in preference 1 will be offered housing before any families in preference 2, and preference 2 families will be offered housing before any families in preference 3, and so forth.

The date and time of application will be utilized to determine the sequence within the above-prescribed preferences.

Notwithstanding the above, families who are elderly, disabled, or displaced will be offered housing before other single persons.

Notwithstanding the above, if necessary to meet the statutory requirement that 75% of newly admitted families in any fiscal year be families who are extremely low-income, the MHRC retains the right to skip higher income families on the waiting list to reach extremely low-income families. This measure will only be taken if it appears the goal will not otherwise be met. To ensure this goal is met, the Housing Authority will monitor incomes of newly admitted families and the income of the families on the waiting list.

If there are not enough extremely low-income families on the waiting list we will conduct outreach on a non-discriminatory basis to attract extremely low-income families to reach the statutory requirement.

8.0 Assignment of Bedroom Sizes (Subsidy Standards)

The MHRC will issue a voucher for a particular bedroom size – the bedroom size is a factor in determining the family’s level of assistance. The following guidelines will determine each family’s unit size without overcrowding or over-housing:

Voucher Size	Minimum persons	Maximum Persons
0-Bedroom	1	1
1-Bedroom	1	2
2-Bedroom	2	4
3-Bedroom	3	6
4-Bedroom	6	8
5-Bedroom	8	10

These standards are based on the assumption that each bedroom will accommodate no more than two (2) persons. Two adults will share a bedroom unless related by blood.

In determining bedroom size, the MHRC will include the presence of children to be born to a pregnant woman, children who are in the process of being adopted, children whose custody is being obtained, children who are temporarily in foster-care.

Bedroom size will also be determined using the following guidelines:

- A. Children of the same sex, regardless of age, will be required to share a bedroom.
- B. Every family member, regardless of age, will be counted as a person.
- C. Children of the opposite sex, both under the age of 5 will share a bedroom
- D. Foster-adults and children will not be required to share a bedroom with family members.
- E. Adults and children will not be required to share a bedroom.
- F. Live-in aides will get a separate bedroom.

The MHRC will grant exceptions to normal occupancy standards when a family requests a larger size than the guidelines allow and documents a medical reason why the larger size is necessary (i.e., voucher may be issued to a couple, who, due to medical reasons, must have separate bedrooms).

The family unit size will be determined by the MHRC in accordance with the above guidelines and will determine the maximum rent subsidy for the family; however the family may select a unit that may be larger or smaller than the family unit size. If the family selects a smaller unit, the payment standard for the smaller size will be used to calculate the subsidy. If the family selects a larger size, the payment standard for the family size will determine the maximum subsidy.

8.1 BRIEFING

When the MHRC selects a family from the waiting list, the family will be invited to attend a briefing explaining how the program works. In order to receive a voucher the family is required to attend the briefing. IF they cannot attend the originally scheduled briefing, they may attend a later session. If the family fails to attend two briefings without good cause, they will be denied admission.

If an applicant with a disability requires auxiliary aids to gain full benefit from the briefing, the Housing Authority will furnish such aids where doing so would not result in a fundamental alteration of the nature of the program or in an undue financial or administrative burden. In determining the most suitable auxiliary aid, the Housing Authority will give primary consideration to the request of the applicant. Families unable to attend a briefing due to a disability may request a reasonable accommodation such as having the briefing presented at an alternate location.

The briefing will cover at least the following subjects:

- A. A description of how the program works;
- B. Family and owner responsibilities;
- C. Where the family may rent a unit, including inside and outside the Housing Authority's jurisdiction;
- D. Types of eligible housing;
- E. For families qualified to lease a unit outside the Housing Authority's jurisdiction under portability, an explanation of how portability works;
- F. An explanation of the advantages of living in an area that does not have a high concentration of poor families; and
- G. An explanation that the family share of rent may not exceed 40% of the family's monthly-adjusted income.

8.2 PACKET

During the briefing, the Housing Authority will give the family a packet covering at least the following subjects:

- A. The term of the voucher and the Housing Authority's policy on extensions and suspensions of the term. The packet will include information on how to request an extension and forms for requesting extensions;
- B. How the Housing Authority determines the housing assistance payment and total tenant payment for the family;
- C. Information on the payment standard, exception payment standard rent areas, and the utility allowance schedule;
- D. How the Housing Authority determines the maximum rent for an assisted unit;

- E. Where the family may lease a unit or for families qualified to lease out the Housing Authority's jurisdiction, the packet includes an explanation of how portability works;
- F. The HUD-required tenancy addendum that provides the language that must be included in any assisted lease, and a sample contract;
- G. The request for approval of the tenancy form and an explanation of how to request Housing Authority approval of a unit;
- H. A statement of the Housing Authority's policy on providing information to prospective owners. This policy requires applicants to sign disclosure statements allowing the Housing Authority to provide prospective owners with the family's current and prior addresses and the names and addresses of the landlords for those addresses. Upon request, the Housing Authority will also supply any factual information or third party verification relating to the applicant's history as a tenant or any history of drug trafficking, drug-related criminal activity or any violent criminal activity;
- I. The Housing Authority's subsidy standards, including when the Housing Authority will consider granting exceptions to the standards;
- J. The HUD brochure on how to select a unit ("A Good Place to Live");
- K. The HUD required lead-based paint brochure;
- L. Information on Federal, State, and local equal opportunity laws; the brochure "Fair Housing: It's Your Right;" and a copy of the housing discrimination complaint form;
- M. A list of landlords or other parties known to the MHRC who may be willing to lease a unit to the family or help the family find a unit;
- N. Notice that if the family includes a person with disabilities, the family may request a current list of accessible units known to the MHRC that may be available;
- O. The family's obligations under the program;
- P. The grounds upon which the Housing Authority may terminate assistance because of the family's actions or inaction;
- Q. MHRC informal hearing procedures, including when the Housing Authority is required to provide the opportunity for an informal hearing, and information on how to request a hearing; and
- R. The MHRC owner information brochure. This brochure can be given by the applicant to a prospective owner to help explain the program.

8.3 ISSUANCE OF VOUCHER; REQUEST FOR APPROVAL OF TENANCY

Beginning August 12, 1999, the MHRC will issue only vouchers. Treatment of previously issued certificates and vouchers will be dealt with as outlined in Section 22, Transition to the New Housing Choice Voucher Program.

Once all family information has been verified, their eligibility determined, their subsidy calculated, and they have attended the family briefing, the MHRC will issue the voucher. At this point the family begins their search for a unit.

When the family finds a unit that the owner is willing to lease under the program, the family and owner will complete and sign a proposed lease, the HUD required tenancy addendum and the request for approval of the tenancy form. The family will submit the proposed lease and the request form to the Housing Authority during the term of the voucher. The Housing Authority will review the request, the lease and the HUD required tenancy addendum and make an initial determination of approval of tenancy. The Housing Authority may assist the family in negotiating changes that may be

required for the tenancy to be approved. Once it appears the tenancy may be approvable, the Housing Authority will schedule an appointment to inspect the unit within 15 days after the receipt of inspection request from the family and owner. The 15-day period is suspended during any period the unit is unavailable for inspection. The Housing Authority will promptly notify the owner and the family whether the unit and tenancy are approvable.

During the initial state of qualifying the unit, the Housing Authority will provide the prospective owner with information regarding the program. Information will include Housing Authority and owner responsibilities for screening and other essential program elements. The Housing Authority will provide the owner with the family's current and prior address as shown in the Housing Authority's records along with the name and address (if known) of the landlords for those addresses.

Additional screening is the responsibility of the owner. Upon request by a prospective owner, the Housing Authority will provide any factual information or third party written information they have relevant to a voucher holder's history of, or ability to, comply with standard material lease terms.

8.4 TERM OF THE VOUCHER

The initial term of the voucher will be 60 days and will be stated on the Housing Choice Voucher.

The Housing Authority may grant one or more extensions of the term, but the initial term plus any extensions will never exceed 120 calendar days from the initial date of issuance. To obtain an extension, the family must make a request in writing prior to the expiration date. A statement of the efforts the family has made to find a unit must accompany the request. A sample extension request form and a form for recording their search efforts will be included in the family's briefing packet. If the family documents their efforts and additional time can reasonably be expected to result in success, the Housing Authority will grant the length of request sought by the family or 60 days, whichever is less.

If the families include a person with disabilities and the family requires an extension due to the disability, the Housing Authority will grant an extension allowing the family the full 120 days search. If the Housing Authority determines that additional search time would be a reasonable accommodation, the Housing Authority will request HUD to approve an additional extension.

Upon submittal of a completed request of approval of tenancy form, the MHRC will suspend the term of the voucher. The term will be in suspension until the date the Housing Authority provides notice that the request has been approved or denied. This policy allows families the full term (60 days, or more with extensions) to find a unit, not penalizing them for the period during which the Housing Authority is taking action on their request. A family may submit a second request for approval of tenancy before the Housing Authority finalizes action on the first request. In this case the suspension will last from the date of the first submittal through the Housing Authority's action on the second submittal. No more than two requests will be concurrently considered.

8.5 APPROVAL TO LEASE A UNIT

The MHRC will approve a lease if all of the following conditions are met:

- A. The unit is eligible;

- B. The unit is inspected by the Housing Authority and passes HQs;
- C. The lease is approved and includes the language of the tenancy addendum;
- D. The rent to owner is reasonable;
- E. The family's share of rent does not exceed 40% of their monthly adjusted income;
- F. The owner has not been found to be debarred, suspended, or subject to a limited denial of participation by HUD or the Housing Authority;
- G. The family continues to meet all eligibility and screening criteria.

If tenancy approval is denied, the Housing Authority will advise the owner and the family in writing and advise them also of any actions they could take that would enable the Housing Authority to approve the tenancy.

The lease term may begin only after all of the following conditions are met:

- A. The unit passes the Housing Authority HQS inspection;
- B. The family's share of rent does not exceed 40% of their monthly adjusted income;
- C. The landlord and tenant sign the lease to include the HUD required addendum; and
- D. The Housing Authority approves the leasing of the unit.

The Housing will prepare the contract when the unit is approved for tenancy. Generally, the landlord, simultaneously with the signing of the lease and the HUD required tenancy addendum, will execute the contract. Upon receipt of the executed lease and the signed contract by the landlord, the Housing Authority will execute the contract. The Housing Authority will not pay any housing assistance to the owner until the contract is executed.

In no case will the contract be executed later than 60 days after the beginning of the lease term.

Any contract executed after the 60-day period will be void and the Housing Authority will not pay housing assistance to the owner.

8.6 MHRC DISAPPROVAL OF OWNER

The Housing Authority will deny participation by an owner at the direction of HUD. The Housing Authority will also deny the owner's participation for any of the following reasons:

- A. The owner has violated any obligations under a Section 8 Housing Assistance Payments Contract;
- B. The owner has committed fraud, bribery, or any other corrupt or criminal act in connection with any Federal housing program;
- C. The owner has engaged in drug-related criminal activity or any violent criminal activity;
- D. The owner has a history or practice of non-compliance with HQS for units leased under Section 8 or with applicable housing standards for units leased with project-based Section 8 assistance or leased under any other Federal housing programs;
- E. The owner has a history or practice of renting units that fail to meet State or local codes; or
- F. The owner has not paid State or local real estate taxes, fine or assessments.
- G. The owner refuses (or has a history of refusing) to evict families for drug-related or violent criminal activity, or for activity that threatens the health, safety or right of peaceful enjoyment of the:
 - a. Premises by tenants, MHRC employees or owner employees; or

- b. Residences by neighbors;
- H. Other conflicts of interest under Federal, State or local law.

8.7 INELIGIBLE/ELIGIBLE HOUSING

The following types of housing cannot be assisted under the Section 8 Tenant-Based program:

- A. A public housing or Indian housing unit;
- B. A unit receiving project-based assistance under a Section 8 program;
- C. Nursing homes, board and care homes, or facilities providing continual psychiatric, medical or nursing services;
- D. College or other school dormitories;
- E. Units on the grounds of penal, reformatory, medical, mental, and similar public or private institutions;
- F. A unit occupied by its owner. This restriction does not apply to cooperatives or to assistance on behalf of a manufactured home owner leasing a manufactured home space; and
- G. A unit receiving any duplicative Federal, State, or local housing subsidy. This does not prohibit renting a unit that has a reduced rent because of a tax credit.

The MHRC will not approve a lease for any of the following special housing types, except as a reasonable accommodation for a family with disabilities:

- A. Congregate housing
- B. Group homes
- C. Shared housing
- D. Cooperative housing
- E. Single room occupancy housing

The MHRC will approve leases for the following housing types:

- A. Single family dwellings
- B. Apartments
- C. Manufactured housing
- D. Manufactured home space rentals
- E. House boats

8.8 SECURITY DEPOSIT

The owner may collect a security deposit from the tenant in an amount not in excess of amounts charged in private market practice and not in excess of amounts charged by the owner to unassisted tenants.

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

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

If the security deposit is not sufficient to cover amounts the tenant owes under the lease, the owner may seek to collect the balance from the tenant.

9.0 Moves with Continued Assistance

Participating families are allowed to move to another unit after the initial 12 months has expired, if the landlord and the participant have mutually agreed to terminate the lease, or if the Housing Authority has terminated the HAP contract. The MHRC will issue the family a new voucher if the family does not owe the MHRC or any other Housing Authority money, has not violated a Family Obligation, has not moved or been issued a certificate or voucher within the last 12 months, and if the MHRC has sufficient funding for continued assistance. If the move is necessitated for a reason other than family choice, 12-month requirement is waived.

9.1 WHEN A FAMILY MAY MOVE

For families already participating in the Certificate and Voucher Program, the MHRC will allow the family to move to a new unit if:

- A. The assisted lease for the old unit has terminated;
- B. The owner has give the tenant a notice to vacate, has commenced an action to evict the tenant, or has obtained a court judgment or other process allowing the owner to evict the tenant; or
- C. The tenant has give notice of lease termination (if the tenant has a right to terminate the lease on notice to the owner).

9.2 PROCEDURES REGARDING FAMILY MOVES

Families considering transferring to a new unit will be scheduled to attend a mover's briefing. All families who are moving, including any families moving into or out of MHRC's jurisdiction, will be required to attend a mover's briefing prior to the MHRC entering a new HAP contract on their behalf.

This briefing is intended to provide the following:

- A. A refresher on program requirements and the family's responsibilities. Emphasis will be on giving proper notice and meeting all lease requirements such as leaving the unit in good condition;
- B. Information about finding suitable housing and the advantages of moving to an area that does not have a high concentration of poor families;
- C. Payment standards, exception payment standard rent areas, and the utility allowance schedule;
- D. An explanation that the family share of rent may not exceed 40% of the family's monthly adjusted income;
- E. Portability requirements and opportunities;
- F. The need to have a reexamination conducted within 120 days prior to the move;
- G. An explanation and copies of the forms required to initiate and complete the move; and
- H. All forms and brochures provided to applicants at the initial briefing.

Families are required to give proper written notice of their intent to terminate the lease. In accordance with HUD regulations, no notice requirement may exceed 60 days. During the initial term, families may not end the lease unless they and the owner mutually agree to end the lease. If the family moves from the unit before the initial term of the lease ends without the owner's and the MHRC approval, it will be considered a serious lease violation and subject the family to termination from the program.

The family is required to give the MHRC a copy of the notice to terminate the lease at the same time as it gives the notice to the landlord. A family's failure to provide a copy of the lease termination notice to the MHRC will be considered a violation of Family Obligations and may cause the family to be terminated from the program.

A family who gives notice to terminate the lease must mail the notice by certified mail or have the landlord or his agent sign a statement stating the date and time received. The family will be required to provide the certified mail receipt and a copy of the lease termination notice to the MHRC, or a copy of the lease termination notice and the signed statement stating the date and time the notice was received. If the landlord or his/her agent does not accept the certified mail receipt, the family will be required to provide the receipt and envelope showing that the attempt was made.

Failure to follow the above procedures may subject the family to termination from the program.

10 Portability

10.1 GENERAL POLICIES OF THE MHRC

A family whose head or spouse has a domicile (legal residence) or works in the jurisdiction of the MHRC at the time the family submits its application for participation in the program to the MHRC may lease a unit anywhere in the jurisdiction of the MHRC or outside the MHRC jurisdiction as long as there is another entity operating a tenant-based Section 8 program covering the location of the proposed unit.

If the head or spouse of the assisted family does not have a legal residence or work in the jurisdiction of the MHRC at the time of its application, the family will not have any right to lease a unit outside of the MHRC jurisdiction for a 12-month period beginning when the family is first admitted to the program. During this period, the family may only lease a unit located in the jurisdiction of the MHRC.

Families participating in the Voucher program will not be allowed to move more than once in any 12-month period and under no circumstances will the MHRC allow a participant to improperly break a lease. Under extraordinary circumstances the MHRC may consider allowing more than one move in a 12-month period.

Families may only move to a jurisdiction where a Section 8 Program is being administered.

If a family has moved out of their assisted unit in violation of the lease, the MHRC will not issue a voucher, and will terminate assistance in compliance with Section 19, Grounds for Termination of the Lease and Contract.

10.2 INCOME ELIGIBILITY

- A. Admission: A family must be income eligible in the area where the family first leases a unit with assistance in the Voucher Program.
- B. If a portable family is already a participant in the Initial Housing Authority's Voucher Program, income eligibility is not redetermined.

10.3 PORTABILITY: ADMINISTRATION BY RECEIVING HOUSING AUTHORITY

- A. When a family utilizes portability to move to an area outside the Initial Housing Authority jurisdiction, another Housing Authority (the receiving Housing Authority) must administer assistance for the family if that Housing Authority has a tenant-based program covering the area where the unit is located.
- B. A Housing Authority with jurisdiction in the area where the family wants to lease a unit must issue the family a voucher. If there is more than one such housing authority, the Initial Housing Authority' may choose which housing authority shall become the Receiving Housing Authority.

10.4 PORTABILITY PROCEDURES

- A. When the MHRC is the Initial Housing Authority:
 - i. The MHRC will brief the family on the process that must take place to exercise portability. The family will be required to attend an applicant or mover's briefing.
 - ii. The MHRC will determine whether the family is income eligible in the area where the family wants to lease a unit (if applicable).
 - iii. The MHRC will advise the family how to contact and request assistance from the Receiving Housing Authority.
 - iv. The MHRC will, within ten (10) calendar days, notify the Receiving Housing Authority to expect the family.
 - v. The MHRC will immediately mail to the Receiving Housing Authority the most recent HUD Form 50058 (Family Report) for the family, and related verification information.
- B. When the MHRC is the Receiving Housing Authority:
 - i. When the portable family requests assistance from the MHRC, the MHRC will within ten (10) calendar days inform the Initial Housing Authority whether it will bill the Initial Housing Authority for assistance on behalf of the portable family, or absorb the family into its own program. When the MHRC receives a portable family, the family will be absorbed if funds are available and a voucher will be issued.
 - ii. The MHRC will issue a voucher to the family. The term of the MHRC's voucher will not expire before the expiration date of the Initial Housing Authority's voucher. The MHRC will determine whether to extend the voucher term. The family must submit a request for tenancy approval to the MHRC during the term the MHRC's voucher.
 - iii. The MHRC will determine the family unit size for the portable family. The family unit size is determined in accordance with the MHRC's subsidy standards.
 - iv. The MHRC will within ten (10) calendar days notify the Initial Housing Authority if the family has leased an eligible unit under the program, or if the family fails to submit a request for tenancy approval for an eligible unit within the term of the voucher.

- v. If the MHRC opts to conduct a new reexamination, the MHRC will not delay issuing the family a voucher or otherwise delay approval of a unit unless the re-certification is necessary to determine income eligibility.
- vi. In order to provide tenant-based assistance for portable families, the MHRC will perform all Housing Authority program functions, such as reexaminations of family income and composition. At any time, either the Initial Housing Authority or the MHRC may make a determination to deny or terminate assistance to the family in accordance with 24 CFR 982.552.

C. Absorption by the MHRC

If funding is available under the consolidated ACC for the MHRC's Voucher Program when the portable family is received, the MHRC will absorb the family into its Voucher Program. After absorption, the family is assisted with funds available under the consolidated ACC for the MHRC's tenant-based program.

D. Portability Billing

- i. To cover assistance for a portable family, the Receiving Housing Authority may bill the Initial Housing Authority for housing assistance payments and administrative fees. The billing procedure will be as follows:
 - 1. As the Initial Housing Authority, the MHRC will promptly reimburse the Receiving Housing Authority for the full amount of the housing assistance payments made by the Receiving Housing Authority for the portable family. The amount of the housing assistance payment for a portable family in the Receiving Housing Authority's program is determined in the same manner as for other families in the Receiving Housing Authority's program.
 - 2. The Initial Housing Authority will promptly reimburse the Receiving Housing Authority for 80% of the Initial Housing Authority's on-going administrative fee for each unit month that the family receives assistance under the tenant-based programs and is assisted by the Receiving Housing Authority. If both Housing Authorities agree, we may negotiate a different amount of reimbursement.

E. When a Portable Family Moves

- i. When a portable family moves out of the tenant-based program of a Receiving Housing Authority that has not absorbed the family, the Housing Authority in the new jurisdiction to which the family moves becomes the Receiving Housing Authority, and the first Receiving Housing Authority is no longer required to provide assistance for the family.

11 Determination of Family Income

11.1 INCOME, EXCLUSIONS FROM INCOME, DEDUCTIONS FROM INCOME

To determine annual income, the MHRC counts the income of all family members, excluding the types and sources of income that are specifically excluded. Once the annual income is determined, the MHRC subtracts out all allowable deductions (allowances) as the next step in determining the Total Tenant Payment.

11.2 INCOME

- A. Annual income means all amounts, monetary or not, that:
- a. Go to (or on behalf of) the family head or spouse (even if temporarily absent) or to any other family member, or
 - b. Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
 - c. Are not specifically excluded from the annual income.
- B. Annual income includes, but is not limited to:
- a. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fee, tips and bonuses, and other compensation for personal services.
 - b. The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness are not used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession is included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.
 - c. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness are not used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from an investment is included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income includes the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.
 - d. The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount. (However, deferred periodic amounts from supplemental security income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts are excluded.)
 - e. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay. (However, lump sum additions such as insurance payments from worker's compensation are excluded.)
 - f. Welfare assistance.
 - i. If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the

actual cost of shelter and utilities, the amount of the welfare assistance income to be included as income consists

1. The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus
 2. The maximum amounts that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this requirement is the amount resulting from one application of the percentage.
- ii. If the amount of welfare is reduced due to an act of fraud by a family member or because of any family member's failure to comply with requirements to participate in an economic self-sufficiency program or work activity, the amount of rent required to be paid by the family will not be decreased. In such cases, the amount of income attributable to the family will include what the family would have received had they complied with the welfare requirements and/or had not committed an act of fraud.
- iii. If the amount of welfare assistance is reduced as a result of a lifetime time limit, the reduced amount is the amount that shall be counted.
- g. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from person not residing in the dwelling.
- h. All regular pay, special pay, and allowances of a member of the Armed Forces. (Special pay to a member exposed to hostile fire is excluded).

11.3 EXCLUSIONS FROM INCOME

Annual income does not include the following;

- A. Income from employment of children (including foster children) under the age of 18 years;
- B. Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);
- C. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses;
- D. Amounts received by the family that is specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- E. Income of a live-in aide;
- F. The full amount of student financial assistance paid directly to the student or to the educational institution;
- G. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- H. The amounts received from the following programs:
 - a. Amounts received under training programs funded by HUD;
 - b. Amounts received by a person with a disability that are disregarded for limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);

- c. Amounts received by a participant in other publicly assisted programs that are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and that are made solely to allow participation in a specific program;
- d. Amounts received under a resident service stipend. A resident service stipend in a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the Housing Authority or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, and resident initiative coordination. No resident may receive more than one such stipend during the same period of time;
- e. Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a family member as a resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the employment training program;
- f. Temporary, nonrecurring, or sporadic income (including gifts);
- g. 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;
- h. Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);
- i. Adoption assistance payments in excess of \$480 per adopted child;
- j. Deferred periodic amounts from Supplemental Security Income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts;
- k. Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit;
- l. Amounts paid by a State agency to a family member with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or
- m. Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits.

These exclusions include:

- d. The value of the allotment of food stamps
- e. Payments to volunteers under the Domestic Volunteer Services Act of 1973;
- f. Payments received under the Alaska Native Claims Settlement Act
- g. Income from sub marginal land of the U.S. that is held in trust for certain Indian tribes
- h. Payments made under HHS' Low Income Energy Assistance Program
- i. Payments received under the Job Training Partnership Act
- j. Income from the disposition of funds of the Grand River Band of Ottawa Indians
- k. The first \$2000 per capita received from judgment funds awarded for certain Indian claims

- l. Amount of scholarships awarded under Title IV including Work-Study
- m. Payments received under the Older Americans Act of 1965
- n. Payments from Agent Orange Settlement
- o. Payments received under the Maine Indian Claims Act
- p. The value of child care under the Child Care and Development Block Grant Act of 1990
- q. Earned income tax credit refund payments
- r. Payments for living expenses under the AmeriCorps Program

11.4 DEDUCTIONS FROM ANNUAL INCOME

The following deductions will be made from annual income:

- A. \$480 for each dependent
- B. \$400 for any elderly family or disabled family
- C. For any family that is not an elderly or disabled family but has a member (other than the head or spouse) who is a person with a disability, disability assistance expenses in excess of 3% of annual income. This allowance may not exceed the employment income received by family members who are 18 years of age or older as a result of the assistance to the person with disabilities.
- D. For any elderly or disabled family:
 - a. That has no disability assistance expenses, an allowance for medical expenses equal to the amount by which the medical expenses exceed 3% of annual income;
 - b. That has disability expenses greater than or equal to 3% of annual income, an allowance for disability assistance expenses computed in accordance with paragraph C, plus an allowance for medical expenses that equal the family's medical expenses;
 - c. That has disability assistance expenses that are less than 3% of annual income, an allowance or combined disability assistance expenses and medical expenses that are equal to the total of these expenses less than 3% of annual income.
- E. Childcare expenses.

12.0 Verification

The MHRC will verify information related to waiting list preferences, eligibility, admission and level of benefits prior to admission. Periodically during occupancy, items related to eligibility and rent determination shall also be reviewed and verified. Income, assets, and expenses will be verified, as well as disability status, need for a live-in aide and other reasonable accommodations, full time student status or family members 18 years of age and older, Social Security numbers, citizenship/eligible noncitizen status. Age and relationship will only be verified in those instances where needed to make a determination of level of assistance.

12.1 ACCEPTABLE METHODS OF VERIFICATION

Age, relationship, U.S., citizenship, and Social Security numbers will generally be verified with documentation provided by the family. For citizenship, the family's certification will be accepted. (Of for citizenship documentation such as listed

below will be required.) Verification of these items will include photocopies of the Social Security cards and other documents presented by the family, the INS SAVE approval code, and forms assigned by the family.

Other information will be verified by third party verification. This type of verification includes written documentation (with forms sent directly to and received directly from a source, not passed through the hands of the family). This verification may also be direct contact with the source, in person or by telephone. It may also be a report by a request from the MHRC or automatically by another government agency, i.e., the Social Security Administration. Verification forms and reports received will be contained in the applicant/tenant file. Oral third party documentation will include the same information, as the documentation had been written, i.e. name, date of contact, amount received, etc.

When third party verification cannot be obtained, the MHRC will accept documentation received from the applicant/participant. Hand-carried documentation will be accepted if the MHRC has been unable to obtain third party verification in a four-week period of time. Photocopies of the documents provided by the family will be maintained in the file.

When neither third party verification nor hand-carried verification can be obtained, the MHRC will accept a notarized statement signed by the head, spouse or co-head. Such documents will be maintained in the file.

12.2 TYPES OF VERIFICATION

The following chart outlines the factors that may verify and gives common examples of the verification that will be sought. To obtain written third party verification, the MHRC will send a request form to the source along with a release form signed by the applicant/participant via first class mail.

INSERT TABLE PGS E-62 THROUGH E-64

12.3 VERIFICATION OF CITIZENSHIP OR ELIGIBLE NONCITIZEN STATUS

The citizenship/eligible noncitizen status of each family member regardless of age must be determined.

Prior to being admitted, or at the first reexamination, all citizens and nationals will be required to sign a declaration under penalty of perjury. (They will be required to show proof of their status by such means as Social Security card, birth certificate, military ID or military DD 214 Form.)

Prior to being admitted or at the first reexamination, all eligible noncitizens who are age 62 years of age or older will be required to sign a declaration under penalty of perjury. They will also be required to show proof of age.

Prior to being admitted or at the first reexamination, all eligible noncitizens must sign a declaration of their status and a verification consent form and provide their original INS documentation. The MHRC will make a copy of the individual's INS documentation and place the copy in the file. The MHRC also will verify their status through the INS SAVE system. If the INS SAVE system cannot confirm eligibility, the MHRC will mail information to the INS so a manual check can be made of INS records.

Family members who do not claim to be citizens, nationals or eligible noncitizens, or whose status cannot be confirmed, must be listed on a statement of non-eligible members and the list must be signed by the head of the household.

Noncitizen students on student visas, though in the country legally, are not eligible to be admitted to the Section 8 program.

Any family member who does not choose to declare their status must be listed on the statement of non-eligible members.

If no family member is determined to be eligible under this Section, the family's admission will be denied.

The family's assistance will not be denied, delayed, reduced or terminated because of a delay in the process of determining eligible status under this Section, except to the extent that the family causes the delay.

If the MHRC determines that a family member has knowingly permitted an ineligible non citizen (other than any ineligible noncitizens listed on the lease) to permanently reside in their Section 8 unit, the family's assistance will be terminated. Such family will not be eligible to be readmitted to Section 8 for a period of 24 months from the date of termination.

12.4 VERIFICATION OF SOCIAL SECURITY NUMBERS

Prior to admission, each family member who has a Social Security Number and who is at least six years of age must provide verification of his or her Social Security Number. New family members at least six years of age must provide this verification prior to being added to the lease. Children in assisted households must provide this verification at the first regular reexamination after turning six.

The best verification of the Social Security Number is the original Social Security card. If the card is not available, the MHRC will accept letters from Social Security that establish and state the number. Documentation from other

governmental agencies will also be accepted that establish and state the number. Driver's license, military ID, passports, or other official documents that establish and state the number are also acceptable.

If an individual states that they do not have a Social Security Number they will be required to sign a statement to this effect. The MHRC will not require any individual who does not have a Social Security Number to obtain a Social Security number.

If a member of an applicant family indicates they have a Social Security Number, but cannot readily verify it, the family cannot be assisted until verification is provided.

If a member of a tenant family indicates they have a Social Security Number, but cannot readily verify it, they shall be asked to certify to this fact and shall have up to 60 days to provide the verification. If the individual is at least 62 years of age, they will be given 120 days to provide the verification. If the individual fails to provide the verification within the time allowed, the family will be denied assistance or will have their assistance terminated.

12.5 TIMING OF VERIFICATION

Verification must be dated within 90 days of certification or reexamination. If the verification is older than this, the source will be contacted and asked to provide information regarding any changes.

When an interim reexamination is conducted, the MHRC will verify and update only those elements reported to have changed.

12.6 FREQUENCY OF OBTAINING VERIFICATION

For each family member, citizenship/eligible non-citizen status will be verified only once. This verification will be obtained prior to admission. If the status of any family member was not determined prior to admission, verification of their status will be obtained at the next regular reexamination. Prior to a new member joining a family, their status will be verified.

For each family member age 6 and above, verification of Social Security Number will be obtained only once. This verification will be accomplished prior to admission. When a family member who did not have a Social Security Number at admission receives a Social Security Number, that number will be verified at the next regular reexamination. Likewise, when a child turns six, their verification will be obtained at the next regular reexamination.

13.0 Rent and Housing Assistance Payment

13.1 GENERAL

After August 12, 1999, the MHRC will issue only vouchers to applicants, movers, and families entering the jurisdiction through portability. Certificates currently held will continue to be honored until the transition of the merger of the Section 8 Certificate and Voucher programs as outlined in 24 CFR 982.502 is complete (see Section 22 for additional guidance).

13.2 RENT REASONABLENESS

The Housing Authority will not approve an initial rent or a rent increase in any of the tenant-based programs without determining that the rent amount is reasonable. Reasonableness is determined prior to the initial lease and at the following times:

- A. Before any increase in rent to owner is approved;
- B. If 60 days before the contract anniversary date there is a 5% decrease in the published FMR as compared to the previous FMR; and
- C. If the Housing Authority or HUD directs that reasonableness be redetermined.

13.3 COMPARABILITY

In making a rent reasonableness determination, the Housing Authority will compare the rent for the unit to the rent of comparable units in the same or comparable neighborhoods. The Housing Authority will consider the location, quality, size, number of bedrooms, age, amenities, housing services, maintenance and utilities of the unit and the comparable units.

The Housing Authority will maintain current survey information on rental units in the jurisdiction. The Housing Authority will also obtain from landlord associations and management firms the value of the array of amenities.

The Housing Authority will establish minimum base rent amounts for each unit type and bedroom size. To the base the Housing Authority will be able to add or subtract the dollar value for each characteristic and amenity of a proposed unit.

Owners are invited to submit information to the survey at any time. Owners may review the determination made on their unit and may submit additional information to make improvements to the unit that will enable the Housing Authority to establish a higher value.

The owner must certify the rents charged for other units. By accepting the housing assistance payment each month the owner is certifying that the rent to owner is not more than the rent charged by the owner for comparable unassisted units in the premises.

13.4 MAXIMUM SUBSIDY

The Fair Market Rent (FMR) published by HUD or the exception payment standard rent (requested by MHRC and approved by HUD) determines the maximum subsidy for a family.

For a regular tenancy under the Certificate Program, the FMR/exception rent limit is the maximum initial gross rent under the assisted lease. This only applies until the transition of the merger of the Section 8 Certificate and Voucher Programs as outlined in 24 CFR 982.502 is complete.

For the Voucher Program, the maximum payment standard will be 110% of the FMR without prior approval from HUD, or the exception payment standard approved by HUD.

For manufactured home space rental, the maximum subsidy under any form of assistance is the Fair Market Rent for the space as outlined in 24 CFR 982.888.

13.5 SETTING THE PAYMENT STANDARD

HUD requires that the payment standard be set by the Housing Authority at between 90 and 100% of the FMR. The MHRC will review its determination of the payment standard annually after publication of the FMRs. The MHRC will consider vacancy rates and rents in the market area, size and quality of units leased under the program, rents for units leased under the program, success rates of voucher holders in finding units, and the percentage of annual income families are paying for rent under the Voucher Program. If it is determined that success rates will suffer or that families are having to rent low quality units or pay over 40% of income for rent, the payment standard may be raised to the level judged necessary to alleviate these hardships.

Payment standards will not be raised solely to allow the renting of luxury quality units.

If success levels are projected to be extremely high and rents are projected to be at or below 30% of income, the Housing Authority will reduce the payment standard. Payment standards for each bedroom size are evaluated separately so that the payment standard for one bedroom size may increase or decrease while another remains unchanged. The MHRC may consider adjusting payment standards at times other than the annual review when circumstances warrant.

Before increasing any payment standard, the Housing Authority will conduct a financial feasibility test to ensure that in using the higher standard, adequate funds will continue to be available to assist families in the program.

13.6 SELECTING THE CORRECT PAYMENT STANDARD FOR A FAMILY

- A. For the voucher tenancy, the payment standard for a family is the lower of:
 - a. The payment standard for the family unit size; or
 - b. The payment standard for the unit size rented by the family.
- B. If the unit rented by a family is located in an exception rent area, the Housing Authority will use the appropriate payment standard for the exception rent area.
- C. During the HAP contract term for a unit, the amount of the payment standard for a family is the higher of:
 - a. The initial payment standard (at the beginning of the lease term) minus any amount by which the initial rent to owner exceeds the current rent to owner; or
 - b. The payment standard as determined at the most recent regular reexamination of family income and composition effective after the beginning of the HAP contract term.
- D. At the next annual reexamination following a change in family size or composition during the HAP contract term and for any reexamination thereafter, paragraph C does not apply.
- E. If there is a change in family unit size resulting from a change in family size or composition, the new family size will be considered when determining the payment standard at the next annual reexamination.

13.7 AREA EXCEPTION RENTS

In order to help families find housing outside areas of high poverty or when voucher holders are having trouble finding housing for lease under the program, the Housing Authority may request that HUD approve an exception payment standard rent for certain areas within its jurisdiction. The areas may be of any size, though generally not smaller than a census tract. The Housing Authority may request one such exception payment standard area or many. Exception payment standard rent authority may be requested for all or some units sizes, or for all or some unit types.

When an exception payment standard rent has been approved and the FMR increases, the exception rent remains unchanged until such times as the Housing Authority requests and HUD approves a higher exception payment standard rent. If the FMR decreases, the exception payment standard rent authority automatically expires.

13.8 ASSISTANCE AND RENT FORMULAS

A. Total Tenant Payment

The total tenant payment is equal to the highest of:

1. 10% of monthly income
2. 30% of adjusted monthly income
3. Minimum rent
4. The welfare rent

Plus any rent above the payment standard.

B. Minimum rent.

The MHRC has set the minimum rent as \$25. However, if the family requests a hardship exemption, the MHRC will suspend the minimum rent for the family beginning the month following the family's hardship request. The suspension will continue until the Housing Authority can determine whether hardship exists and whether the hardship is of a temporary or long-term nature. During suspension, the family will not be required to pay a minimum rent and the Housing Assistance Payment will be increased accordingly.

1. A hardship exists in the following circumstances:
 - a. When the family has lost eligibility for or is awaiting an eligibility determination for a Federal, State or local assistance program;
 - b. When the family would be evicted as a result of the imposition of the minimum rent requirement;
 - c. When the income of the family has decreased because of changed circumstances, including loss of employment;
 - d. When the family has an increase in expenses because of changed circumstances, for medical costs, childcare, transportation, education, or similar items;
 - e. When a death has occurred in the family;
2. No hardship. If the Housing Authority determines there is no qualifying hardship, the minimum rent will be reinstated, including requiring back payment of minimum rent to the Housing Authority for the time of suspension.

3. Temporary hardship. If the Housing Authority determines that there is a qualifying hardship but that it is of a temporary nature, the minimum rent will not be imposed for a period of 90 days from the date of the family's request. At the end of the 90-day period, the minimum rent will be imposed retroactively to the time of suspension. The Housing Authority will offer a reasonable repayment agreement for any minimum rent back payment paid by the Housing Authority on the family's behalf during the period of suspension.
4. Long-term hardship. If the Housing Authority determines there is a long-term hardship, the family will be exempt from the minimum rent requirement until the hardship no longer exists.
5. Appeals. The family may use the informal hearing procedure to appeal the Housing Authority's determination regarding the hardship. No escrow deposit will be required in order to access the informal hearing procedures.

C. Section 8 Merged Vouchers

1. The payment standard is set by the Housing Authority between 90% and 110% of the FMR or higher or lower with HUD approval.
1. The participant pays the greater of the Total Tenant Payment or the minimum rent, plus the amount by which the gross rent exceeds the payment standard.
2. No participant when initially receiving tenant-based assistance on a unit shall pay more than 40% of their monthly- adjusted income.

D. Manufactured Home Space Rental: Section 8 Vouchers

1. The Payment standard for a participant renting a manufactured home space is the published FMR for rental of a manufactured home space.
2. The space rent is the sum of the following as determined by the Housing Authority:
 - a. Rent to the owner of the manufactured home space;
 - b. Owner maintenance and management charges for the space; and
 - c. Utility allowance for tenant paid utilities.
3. The participant pays the rent to owner less the HAP.
4. HAP equals the lesser of:
 - a. The payment standard minus the total tenant payment; or
 - b. The rent paid for rental of the real property on which the manufactured home owned by the family is located.

E. Rent for Families under the Noncitizen Rule

A mixed family will receive full continuation of assistance if all of the following conditions are met:

1. The family was receiving assistance on June 19, 1995;
2. The family was granted continuation of assistance before November 29, 1996;
3. The family's head or spouse has eligible immigration status; and
4. The family does not include any person who does not have eligible status other than the head of household, the spouse of the head of household, any parent of the head or spouse, or any child (under age of 18) of the head or spouse.

If a mixed family qualifies for prorated assistance but decides not to accept it, or if the family has no eligible members, the family may be eligible for temporary deferral of termination of assistance to permit the family additional time for the orderly transition of some or all of its members to locate other affordable housing. Under this provision the family receives full assistance. If assistance is granted under this provision prior to November 29, 1996, it may last no longer than three years. If granted after that date, the maximum period of time for assistance under the provision is 18 months. The MHRC will grant each family a period of 6 months to find suitable affordable housing. If the family cannot find suitable affordable housing, the MHRC will provide additional search periods up to the maximum time allowable.

Suitable housing means housing that is not substandard and is of appropriate size for the family. Affordable housing means that it can be rented for an amount not exceeding the amount the family pays for rent, plus utilities, plus 25%.

The family's assistance is prorated in the following manner:

1. Find the prorated housing assistance payment (HAP) by dividing the HAP by the total number of family members, and then multiplying the result by the number of eligible family members.
2. Obtain the prorated family share by subtracting the prorated HAP from the gross rent (contract rent plus utility allowance).
3. The prorated tenant rent equals the prorated family share minus the full utility allowance.
- 4.

13.9 UTILITY ALLOWANCE

The Housing Authority maintains a utility allowance schedule for all tenant-paid utilities (except telephone and cable TV), for the cost of tenant-supplied refrigerators and ranges, and for other tenant-paid housing services (e.g., trash collection (disposal of waste and refuse)).

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, the Housing Authority uses normal patterns of consumption for the community as a whole and current utility rates.

The Housing Authority reviews the utility allowance schedule annually and revises any allowance for a utility category if there has been a change of 10% or more in the utility rate since the last time the utility allowance schedule was revised. The Housing Authority maintains information supporting the annual review of utility allowances and any revisions made in its utility allowance schedule. Participants may review this information at any time by making an appointment with the MHRC.

The Housing Authority uses the appropriate utility allowance for the size of the dwelling unit actually leased by the family (rather than the family unit size as determined under the Housing Authority subsidy standards).

At each reexamination, the Housing Authority applies the utility allowance from the most current utility allowance schedule.

The Housing Authority will approve a request for a utility allowance that is higher than the applicable amount on the utility allowance schedule if a higher utility allowance is needed as a reasonable accommodation to make the program accessible to and usable by the family member with a disability.

The utility allowance will be subtracted from the family's share to determine the amount of the Tenant Rent. The Tenant Rent is the amount the family owes each month to the owner. The amount of the utility allowance is then still available to the family to pay the cost of their utilities. Any utility cost above the allowance is the responsibility of the tenant. Any savings resulting from utility costs below the amount of the allowance belong to the tenant.

13.10 DISTRIBUTION OF HOUSING ASSISTANCE PAYMENTS

The Housing Authority pays the owner the lesser of the housing assistance payment or the rent to owner. If payments are not made when due, the owner may charge the MHRC a late payment, agreed to in the Contract and in accordance with generally accepted practices in the MHRC jurisdiction.

13.11 CHANGE OF OWNERSHIP

The MHRC requires a written request by the owner who executed the HAP contract in order to make changes regarding who is to receive the MHRC's rent payment of the address as to where the rent payment should be sent.

In addition, the MHRC requires a written request from the new owner to process a change of ownership. The following documents must accompany the written request:

- A. Deed of Trust showing the transfer of title; and
- B. Tax Identification Number or Social Security Number.

New owners will be required to execute IRS form W-9. The MHRC may withhold the rent payment until the taxpayer identification number is received.

14.0 Inspection policies, Housing Quality Standards, and Damage claims

The MHRC will inspect all units to ensure that they meet Housing Quality Standards (HQS). No unit will be initially placed on the Section 8 Existing Program unless the HQS is met. Units will be inspected at least annually, and at other times as needed, to determine if the units meet HQS.

The MHRC must be allowed to inspect the dwelling unit at reasonable times with reasonable notice. The family and owner will be notified of the inspection appointment by first class mail. If the family cannot be at home for the scheduled inspection appointment, the family must call and reschedule the inspection or make arrangements to enable the Housing Authority to enter the unit and complete the inspection.

If the family misses the scheduled inspection and fails to reschedule the inspection, the MHRC will only schedule one more inspection. If the family misses two inspections, the MHRC will consider the family to have violated a Family Obligation and their assistance will be terminated.

14.1 TYPES OF INSPECTIONS

There are seven types of inspections the MHRC will perform:

- A. Initial inspection- an inspection that must take place to insure that the unit passes HQS before assistance can begin.
- B. Annual Inspection- An inspection to determine that the unit continues to meet HQS.
- C. Complaint Inspection- An inspection caused by the Authority receiving a complaint on the unit by anyone.
- D. Special Inspection- an inspection caused by a third party, i.e. HUD, needing to view the unit.
- E. Emergency- An inspection that takes place in the event of a perceived emergency. These will take precedence over all other inspections.
- F. Move Out Inspections (if applicable)- An inspection required for units in service before October 2, 1995, and optional after that date. These inspections document the condition of the unit at the time of the move-out.
- G. Quality Control Inspection- Supervisory inspections on at least 5% of the total number of units that were under lease during the Housing Authority's previous fiscal year.

14.2 OWNER AND FAMILY RESPONSIBILITY

A. Owner Responsibility for HQS

- 1. The owner must maintain the unit in accordance with HQS.
- 2. If the owner fails to maintain the dwelling unit in accordance with HQS, the MHRC will take prompt and vigorous action to enforce the owner obligations. The MHRC's remedies for such breach of the HQS include termination, suspension or reduction of housing assistance payments and termination of the HAP contract.
- 3. The MHRC will not make any housing assistance payments for a dwelling unit that fails to meet the HQS, unless the owner corrects the defect within the period specified by the MHRC and the MHRC verifies the correction. If a defect is life threatening, the owner must correct the defect within no more than 24 hours. For other defects the owner must correct the defect within no more than 30 calendar days (or any MHRC approved extension).
- 4. The owner is not responsible for a breach of the HQS that is not caused by the owner, and for which the family is responsible. Furthermore, the MHRC may terminate assistance to a family because of the HQS breach caused by the family.

B. Family Responsibility for HQS

- 1. The family is responsible for a breach of the HQS that is caused by any of the following:
 - a. The family fails to pay for any utilities that the owner is not required to pay for, but which are to be paid by the tenant;
 - b. The family fails to provide and maintain any appliances that the owner is not required to provide, but which are to be provided by the tenant; or
 - c. Any member of the household or a guest damages the dwelling unit or premises (damage beyond ordinary wear and tear).

2. If an HQS breach caused by the family is life threatening, the family must correct the defect within no more than 24 hours. For other family-caused defects, the family must correct the defect within no more than 30 calendar days (or any MHRC approved extension).
3. If the family has caused a breach of the HQS, the MHRC will take prompt and vigorous action to enforce the family obligations. The MHRC may terminate assistance for the family in accordance with 24 CFR 982.552.

14.3 HOUSING QUALITY STANDARDS (HQS) 982.401

This section states performance and acceptability criteria for these key aspects of the following housing quality standards:

A. Sanitary Facilities

a. Performance Requirements

The dwelling unit must include sanitary facilities located in the unit. The sanitary facility must be in proper operating condition and adequate for personal cleanliness and the disposal of human waste. The sanitary facilities must be usable in privacy.

b. Acceptability Criteria

- i. The bathroom must be located in a separate private room and have a flush toilet in proper operating condition.
- ii. The dwelling unit must have a fixed basin in proper operating condition, with a sink trap and hot and cold running water.
- iii. The dwelling unit must have a shower or a tub in proper operating condition with hot and cold running water.
- iv. The facilities must utilize an approvable public or private disposal system (including a locally approvable septic system).

B. Food Preparation and Refuse Disposal

a. Performance Requirements

- i. The dwelling unit must have suitable space and equipment to store, prepare, and serve foods in a sanitary manner.
- ii. There must be adequate facilities and services for the sanitary disposal of food wastes and refuse, including facilities for temporary storage where necessary (e.g., garbage cans).

a. Acceptability Criteria

- i. The dwelling unit must have an oven, a stove or range, and a refrigerator of appropriate size for the family. All of the equipment must be in proper operating condition. Either the owner or the family may supply the equipment. A microwave oven may be substituted for a tenant-supplied oven and stove or range. A microwave oven may be substituted for an owner-supplied oven and stove or range if the tenant agrees and microwave ovens are furnished instead of an oven and stove or range to both subsidized and unsubsidized tenants in the building or premises.
- ii. The dwelling unit must have a kitchen sink in proper operating condition, with a sink trap and hot and cold running water. The sink must drain into an approvable public or private system.

- iii. The dwelling unit must have space for the storage, preparation, and serving of food.
- iv. There must be facilities and services for the sanitary disposal of food waste and refuse, including temporary storage facilities where necessary (e.g., garbage cans).

C. Space and security

a. Performance Requirements

The dwelling unit must provide adequate space and security for the family.

b. Acceptability Criteria

- i. At a minimum the dwelling unit must have a living room, kitchen area and a bathroom.
- ii. The dwelling unit must have at least one bedroom or living/sleeping room for each two person. Children of opposite sex, other than very young children, may not be required to occupy the same bedroom of living/sleeping room.
- iii. Dwelling unit windows that are accessible from the outside, such as basement, first floor, and fire escape windows, must be lockable (such as window units with sash pins or sash locks, and combination windows with latches). Windows that are nailed shut are acceptable only if these windows are not needed for ventilation or as an alternative exit in case of fire.
- iv. The exterior doors of the dwelling unit must be lockable. Exterior doors are doors by which someone can enter or exit the dwelling unit.

D. Thermal Environment

a. Performance Requirement

The dwelling unit must have and be capable of maintaining a thermal environment healthy for the human body.

b. Acceptability Criteria

- i. There must be a safe system for heating the dwelling unit (and a safe cooling system, where present). The system must be in proper operating condition. The system must be able to provide adequate heat (and cooling, if applicable), either directly or indirectly, to each room, in order to assure a healthy living environment appropriate to the climate.
- ii. The dwelling unit must not contain unvented room heaters that burn gas, oil, or kerosene. Electric heaters are acceptable.

E. Illumination and Electricity

a. Performance Requirement

- i. Each room must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of occupants. The dwelling unit must have sufficient electrical sources so occupants can use essential electrical appliances. The electrical fixtures and wiring must ensure safety from fire.

b. Acceptability Criteria

- i. There must be at least one window in the living room and in each sleeping room.
- ii. The kitchen area and bathroom must have a permanent ceiling or wall fixture in proper operating condition. The kitchen area must also have at least one electrical outlet in proper operating condition.

- iii. The living room and each bedroom must have at least two electrical outlets in proper operating condition. Permanent overhead or wall-mounted light fixtures may count as one of the required electrical outlets.

F. Structure and Materials

a. Performance Requirement

The dwelling unit must be structurally sound. The structure must not present any threat to the health and safety of the occupants and must protect the occupants from the environment.

b. Acceptability Criteria

- i. Ceilings, walls, and floors must not have any serious defects such as severe bulging or leaning, large holes, loose surface materials, severe buckling, missing parts, or other serious damage.
- ii. The roof must be structurally sound and weather tight.
- iii. The exterior wall structure and surface must not have any serious defects such as serious leaning, buckling, sagging, large holes, or defects that may result in air infiltration or vermin infestation.
- iv. The condition and equipment of interior and exterior stairs, halls, porches, walkways, etc., must not present a danger of tripping and falling. For example, broken or missing steps or loose boards are unacceptable.
- v. Elevators must be working and safe.

G. Interior Air Quality

a. Performance Requirement

- i. The dwelling unit must be free of pollutants in the air at levels that threaten the health of the occupants.

b. Acceptability Criteria

- i. The dwelling unit must be free from dangerous levels of air pollution from carbon monoxide, sewer gas, fuel gas, dust and other harmful pollutants.
- ii. There must be adequate air circulation in the dwelling unit.
- iii. Bathroom areas must have one window that can be opened or other adequate exhaust ventilation.
- iv. Any room used for sleeping must have at least one window. If the window is designed to be opened, the window must work.

H. Water Supply

a. Performance Requirements

The water supply must be free from contamination.

b. Acceptability Criteria

The dwelling unit must be served by an approvable public or private water supply that is sanitary and free from contamination.

I. Lead-Based Paint

A. Definitions

- i. Chewable surfaces: Protruding painted surfaces up to five feet from the floor or ground that are readily accessible to children under six years of age; for example, protruding corners, window sills and frames, doors and frames, and other protruding woodwork.

- ii. Component: An element of a residential structure identified by type and location, such as a bedroom wall, an exterior window sill, a baseboard in a living room, a kitchen floor, an interior window sill in a bathroom, a porch floor, stair treads in a common stairwell, or an exterior wall.
- iii. Defective paint surface: A surface on which the paint is cracking, scaling, chipping, peeling or loose.
- iv. Elevated blood level (EBL): Excessive absorption of lead. Excessive absorption is a confirmed concentration of lead in whole blood of 20 ug/dl (micrograms of lead per deciliter) for a single test or of 15-19 ug/dl in two consecutive tests 3-4 months apart.
- v. HEPA: A high efficiency particle accumulator as used in lead abatement vacuum cleaners.
- vi. Lead-based paint: A paint surface, whether or not defective, identified as having a lead content greater than or equal to 1 milligram per centimeter squared (mg/cm²), or 0.5% by weight or 5000 parts per million (PPM).

B. Performance Requirements

- i. The purpose of this paragraph of this Section is to implement Section 302 of the Lead-Based Paint Poisoning Prevention Act, 42 U.S. C. 4822, by establishing procedures to eliminate as far as practicable the hazards of lead-based paint poisoning for units assisted under this part. This paragraph is issued under 24 CFR 35.24 (b)(4) and supersedes, for all housing to which it applies, the requirements of subpart C of 24 CFR part 35.
- ii. The requirements of this paragraph of this Section do not apply to 0-bedroom units, units that are certified by a qualified inspector to be free from lead-based paint, or units designated exclusively for the elderly. The requirements of subpart A or 24 CFR part 35 apply to all units constructed prior to 1978 covered by a HAP contract under part 982.
- iii. If a dwelling unit constructed before 1978 is occupied by a family that includes a child under the age of six years, the initial and each periodic inspection (as required under this part), must include a visual inspection for defective paint surfaces. If defective paint surfaces are found, such surfaces must be treated in accordance with paragraph k of this Section.
- iv. The Housing Authority may exempt from such treatment defective paint surfaces that are found in a report by a qualified lead-based inspector not to be lead-based paint, as defined in paragraph A, vi of this Section. For purposes of this Section, a qualified lead-based paint inspector is a State or local health or housing agency, a lead-based paint inspector certified or regulated by a State or local health or housing agency, or an organization recognized by HUD.
- v. Treatment of defective paint surfaces required under this Section must be completed within 30 calendar days of Housing Authority notification to the owner. When weather conditions prevent treatment of the defective paint conditions on exterior surfaces within the 30-day period, treatment as required by paragraph xi of this section may be delayed for a reasonable time.
- vi. The requirements in this paragraph apply to:
 - 1. All painted interior surfaces within the unit (including ceilings but excluding furniture);

2. The entrance and hallway providing access to a unit in a multi-unit building; and
 3. Exterior surfaces up to five feet from the floor or ground that are readily accessible to children under six years of age (including walls, stairs, decks, porches, railings, windows and doors, but excluding outbuildings such as garages and sheds).
- vii. In addition to the requirements of paragraph iii of this section, for a dwelling unit constructed before 1978 that is occupied by a family with a child under the age of six years with an identified EBL condition, the initial and each periodic inspection (as required under this part) must include a test for lead-based paint on chewable surfaces. Testing is not required if previous testing of chewable surfaces is negative for lead-based paint or if the chewable surfaces have already been treated.
- viii. Testing must be conducted by a State or local health or housing agency, an inspector certified or regulated by a State or local health or housing agency, or an organization recognized by HUD. Lead content must be tested by using an X-ray fluorescence analyzer (XRF) or by laboratory analysis of paint samples. Where lead-based paint on chewable surfaces is identified, treatment of the paint surface in accordance with paragraph xi of this section is required, and treatment shall be completed within the time limits of paragraph iii of this section.
- ix. The requirements in paragraph vii of this Section apply to all protruding painted surfaces up to five feet from floor or ground that are readily accessible to children under six years of age:
1. Within the unit;
 2. The entrance and hallway providing access to a unit in a multi-unit building; and
 3. Exterior surfaces (including walls, stairs, decks, porches, railings, windows and doors, but excluding outbuildings such as garages and sheds).
- x. In lieu of the procedures set for in paragraph vii of this Section, the housing authority may, at its discretion, waive the testing requirement and require the owner to treat all interior and exterior chewable surfaces in accordance with the methods set out in paragraph xi of this Section.
- xi. Treatment of defective paint surfaces and chewable surfaces must consist of covering or removal of the paint in accordance with the following requirements:
1. A defective paint surface shall be treated if the total area of defective paint on a component is:
 - a. More than 10 square feet on an exterior wall
 - b. More than 2 square feet on an interior or exterior component with a large surface area, excluding exterior walls and including, but not limited to, ceilings, floors, doors, and interior walls;
 - c. More than 10% of the total surface area on an interior or exterior component with a small surface area, including, but not limited to, windowsills, baseboards and trim.
- xii. Acceptable methods of treatment are the following: removal by wet scraping, wet sanding, chemical stripping on or off site, replacing painted components, scraping with infra-red or coil type heat gun with temperatures below 110 degrees, HEPA vacuum sanding,

HEPA vacuum needle gun, contained hydro blasting or high pressure wash with HEPA vacuum, and abrasive sandblasting with HEPA vacuum. Surfaces must be covered with durable materials with joint edges sealed and caulked as needed to prevent the escape of lead contaminated dust.

- xiii. Prohibited methods of removal are the following: open flame burning or torching, machine sanding or grinding without a HEPA exhaust, uncontained hydro blasting or high pressure wash, and dry scraping except around electrical outlets or except when treating defective paint spots no more than two square feet in any one interior room or space (hallway, pantry, etc.) or totaling no more than twenty square feet on exterior surfaces.
- xiv. During exterior treatment soil and playground equipment must be protected from contamination.
- xv. All treatment procedures must be concluded with a thorough cleaning of all surfaces in the room or area of treatment to remove fine dust particles. Cleanup must be accomplished by wet washing surfaces with a lead solubilizing detergent such as trisodium phosphate or an equivalent solution.
- xvi. Waste and debris must be disposed of in accordance with all applicable Federal, State, and local laws.
- xvii. The owner must take appropriate action to protect residents and their belongings from hazards associated with treatment procedures. Residents must not enter spaces undergoing treatment until cleanup is completed. Personal belongings that are in work areas must be relocated or otherwise protected from contamination.
- xviii. Prior to execution of the HAP contract, the owner must inform the Housing Authority and the family of any knowledge of the presence of lead-based paint of surfaces of the residential unit.
- xix. The Housing Authority must attempt to obtain annually from local health agencies the names and addresses of children with identified EBLs and must annually match this information with the names and addresses of participants under this part. If a match occurs, the Housing Authority must determine whether local health officials have tested the unit for lead-based paint. If the unit has lead-based paint, the Housing Authority must require the owner to treat the lead-based paint. If the owner does not complete the corrective actions required by this Section, the family must be issued a certificate or voucher to move.
- xx. The Housing Authority must keep a copy of each inspection report for at least three years. If a dwelling unit requires testing, or if the dwelling unit requires treatment of chewable surfaces based on testing, the MHRC must keep the test results indefinitely and, if applicable, the owner certification and treatment. The records must indicate which chewable surfaces in the dwelling units have been tested and which chewable surfaces were tested and treated in accordance with the standards prescribed in this Section, such as chewable surfaces do not have to be tested or treated at any subsequent time.
- xxi. The dwelling unit must be able to be used and maintained without unauthorized use of other private properties. The building must provide an alternate means of exit in case of fire (such as fire stairs or egress through windows).

J. Site and Neighborhood

A. Performance Requirements

The site and neighborhood must be reasonable free from disturbing noise and reverberations and other dangers to the health, safety, and general welfare of the occupants.

B. Acceptability Criteria

The site and neighborhood may not be subject to serious adverse environmental conditions, Natural or manmade, such as dangerous walks or steps; instability; flooding, poor drainage, septic tank back-ups or sewage hazards; mudslides; abnormal air pollution, smoke or dust; excessive accumulations of trash; vermin or rodent infestation; or fire hazards.

K. Sanitary Condition

A. Performance Requirements

The dwelling unit and its equipment must be in sanitary condition.

B. Acceptability Criteria

The dwelling unit and its equipment must be free of vermin and rodent infestation.

L. Smoke Detectors

A. Performance Requirements

- i. Except as provided in paragraph ii below of this Section, each dwelling unit must have at least one battery-operated or hard-wired smoke detector, in proper operating condition, on each level of the dwelling unit, including basements but excepting crawl spaces and unfinished attics. Smoke detectors must be installed in accordance with and meet the requirements of the National Fire Protection Association Standard (NFPA) 74 (or its successor standards). If any hearing-impaired person occupies the dwelling unit, smoke detectors must have an alarm system, designed for hearing-impaired persons as specified in NFPA 74 (or successor standards).
- ii. For units assisted prior to April 24, 1993, owners who installed battery-operated or hard-wired smoke detectors prior to April 24, 1993, in compliance with HUD's smoke detector requirements, including the regulations published on July 30, 1992, (57 FR 33846), will not be required subsequently to comply with any additional requirements mandated by NFPA 74 (i.e., the owner would not be required to install a smoke detector in a basement not used for living purposes, nor would the owner be required to change the location of the smoke detector that have already been installed on other floors of the unit).

14.4 EXCEPTIONS TO THE HQS ACCEPTABILITY CRITERIA

The MHRC will utilize the acceptability criteria as outlined above with applicable State and local codes. Additionally, the MHRC has received HUD approval to require the following additional criteria:

- A. In each room, there will be at least one exterior window that can be opened and that contains a screen.
- B. Owners will be required to scrape peeling paint and repaint all surfaces cited for peeling paint with 2 coats of non-lead paint. An extension may be granted as a severe weather related item as defined below.
- C. Adequate heat shall be considered to be 68 degrees.

- D. In units where the tenant must pay for utilities, each unit must have separate metering device(s) for measuring utility consumption.
- E. A 3/4" overflow pipe must be present on the hot water heater safety valves and installed down to within 6 inches of the floor.

14.5 TIME FRAMES AND CORRECTIONS OF HQS FAIL ITEMS

A. Correcting Initial HQS Fail Items

The MHRC will schedule a timely inspection of the unit on the date the owner indicates that the unit will be ready for inspection, or as soon as possible thereafter (within 5 working days) upon receipt of a Request for Tenancy Approval. The owner and participant will be notified in writing of the results of the inspection. If the unit fails HQS again, the owner and the participant will be advised to notify the MHRC to reschedule a re-inspection when the repairs have been properly completed.

On an initial inspection, the owner will be given up to 30 days to correct the items noted as failed, depending on the extent of the repairs that are required to be made. No unit will be placed in the program until the unit meets the HQS requirements.

B. HQS Fail Items for Units under Contract

The owner or participant will be given time to correct the failed items cited on the inspection report for a unit already under contract. If the failed items endanger the family's health or safety (using the emergency item list below), the owner or participant will be given 24 hours to correct the violations. For less serious failures, the owner or participant will be given up to 30 days to correct the failed item(s).

If the owner fails to correct the HQS failed items after proper notification has been given, the MHRC will abate payment and terminate the contract in accordance with Sections 14.7 and 19.0(B)(3).

If the participant fails to correct the HQS failed items that are family-caused after proper notification has been given, the MHRC will terminate assistance for the family in accordance with Sections 14.2(B) and 19.0(B)(3).

C. Time Frames for Corrections

1. Emergency repair items must be abated within 24 hours.
2. Repair of refrigerators, range and oven, or a major plumbing fixture supplied by the owner must be abated within 72 hours.
3. Non-emergency items must be completed within 10 days of the initial inspection.
4. For major repairs, the owner will have up to 30 days to complete.

D. Extensions

At the sole discretion of the MHRC, extensions of up to 30 days may be granted to permit an owner to complete repairs if the owner has made a good faith effort to initiate repairs. If repairs are not completed within 60 days after the initial inspection date, the MHRC will abate the rent and cancel the HAP contract for

owner noncompliance. Appropriate extensions will be granted if a severe weather condition exists for such items as exterior painting and outside concrete work for porches, steps, and sidewalks.

14.6 EMERGENCY FAIL ITEMS

The following items are to be considered examples of emergency items that need to be abated within 24 hours:

- A. No hot or cold water
- B. No electricity
- C. Inability to maintain adequate heat
- D. Major plumbing leak
- E. Natural gas leak
- F. Broken lock(s) on first floor doors or windows
- G. Broken windows that unduly allow weather elements into the unit
- H. Electrical outlet smoking or sparking
- I. Exposed electrical wires which could result in shock or fire
- J. Unusable toilet when only one toilet is present in the unit
- K. Security risks such as broken doors or windows that would allow intrusion
- L. Other conditions which pose an immediate threat to health or safety

14.7 ABATEMENT

When a unit fails to meet HQS and the owner has been given an opportunity to correct deficiencies, but has failed to do so within the required timeframe, the rent for the dwelling unit will be abated.

The initial abatement period will not exceed 7 days. If the correction of deficiencies are not made within the 7-day timeframe, the abatement will continue until the HAP contract is terminated. When the deficiencies are corrected, the MHRC will end the abatement the day the unit passes inspection. Rent will resume the following day and be paid the first day of the next month.

For tenant caused HQS deficiencies, the owner will not be held accountable and the rent will not be abated. The tenant is held to the same standard and timeframes for correction of deficiencies as owners. If repairs are not completed by the deadline, the MHRC will send a notice of termination to both the tenant and the owner. The tenant will be given the opportunity to request an informal hearing.

15.0 Owner Claims for Damages, Unpaid Rent, and Vacancy Loss and Participants Insuing Responsibilities

This Section only applies to HAP contracts in effect before October 2, 1995. Certificates have a provision for damages, unpaid rent, and vacancy loss. Vouchers have a provision for damages and unpaid rent. No vacancy loss is paid on vouchers. No Damage Claims will be processed unless the MHRC has performed a move-out inspection. Either the tenant or the owner can request a move-out inspection. Ultimately, it is the owner's responsibility to request the move-out inspection if he/she believes there may be a claim.

Damage claims are limited in the following manner:

- A. In the Certificate program, owners are allowed to claim up to two (2) months contract rent minus the greater of the security deposit collected or the security deposit that should have been collected under the lease.
- B. In the Voucher program, owners are allowed to claim up to one (1) month contract rent minus the greater of the security deposit collected or the security deposit that should have been collected under the lease. There will be no payment for vacancy losses under the Voucher Program.
- C. No damage claims will be paid under either program effective on or after October 2, 1995.

15.1 OWNER CLAIMS FOR PRE-OCTOBER 2, 1995, UNITS

In accordance with the HAP contract, owners can make special claims for damages, unpaid rent, and vacancy loss (vacancy loss can not be claimed for vouchers) after the tenant has vacated or a proper eviction proceeding has been conducted.

Owner claims for damages, unpaid rent, and vacancy loss are reviewed for accuracy and completeness. Claims are then compared to the move-in and move-out inspections to determine if an actual claim is warranted. No claim will be paid for normal wear and tear. Unpaid utility bills are not an eligible claim item.

The MHRC will make payments to owners for approved claims. It should be noted that the tenant is ultimately responsible for any damages, unpaid rent, and vacancy loss paid to the owner and will be held responsible to repay the MHRC to remain eligible for the Section 8 program.

Actual bills and receipts for repairs, materials, and labor must support claims for damages. The MHRC will develop a list of reasonable costs and charges for items routinely included on damage claims. This list will be used as a guide.

Owners can claim unpaid rent owned by the tenant up to the date of the HAP termination.

In the Certificate Program, owners can claim for a vacancy loss as outlined in the HAP contract. IN order to claim a vacancy loss, the owner must notify the MHRC immediately upon learning of the vacancy or suspected vacancy. The owner must make a good faith effort to rent the unit as quickly as possible to another renter.

All claims and supporting documentation under this Section must be submitted to the MHRC within thirty (30) days of the move-out inspection. Any reimbursement shall be applied first towards any unpaid rent. No reimbursement may be claimed for unpaid rent for the period after the family vacates.

15.2 PARTICIPANT RESPONSIBILITIES

If a damage claim or unpaid rent claim has been paid to an owner, the participant is responsible for repaying the amount to the MHRC. This shall be done by either paying the full amount due immediately upon the MHRC requesting it or through a Repayment Agreement that is approved by the MHRC.

If the participant is not current on any Repayment Agreements or has unpaid claims on more than one unit, the participant shall be terminated from the program. The participant retains the right to request an informal hearing.

16.0 Recertification

16.1 ANNUAL REEXAMINATION

At least annually the MHRC will conduct a reexamination of family income and circumstances. The results of the reexamination determine (1) the rent the family will pay, and (2) whether the family subsidy is correct based on the family unit size.

The MHRC will send a notification letter to the family letting them know that it is time for their annual reexamination and scheduling an appointment. The letter includes forms for the family to complete in preparation for the interview. The letter includes instructions permitting the family to reschedule the interview if necessary. The letter tells families who may need to make alternative arrangement due to a disability that they may contact staff to request an accommodation of their needs.

During the interview, the family will provide all information regarding income, assets, expenses, and other information necessary to determine the family's share of rent. The family will sign the HUD consent form and other consent forms that later will be mailed to the sources that will verify the family circumstances.

Upon receipt of the verification, the MHRC will determine the family's annual income and will calculate their family share.

16.1.1 Effective Date of Rent Changes for Annual Reexaminations

The new family share will generally be effective upon the anniversary date with 30 days notice of any rent increase to the family.

If the rent determination is delayed due to a reason beyond the control of the family, then any rent increase will be effective the first of the month after the month in which the family receives a 30 day notice of the amount.

IF the new rent is a reduction and the delay is beyond the control of the family, the reduction will be effective as scheduled on the anniversary date.

If the family caused the delay, then any increase will be effective on the anniversary date. Any reduction will be effective the first of the month after the rent amount is determined.

16.1.2 Missed Appointments

If the family fails to respond to the letter and fails to attend the interview, a second letter will be mailed. The second letter will advise of a new time and date for the interview, allowing for the same considerations for rescheduling and accommodation as above. The letter will also advise that failure by the family to attend the second scheduled interview will result in the MHRC taking action to terminate the family's assistance.

16.2 INTERIM REEXAMINATIONS

During the interim reexamination only the information affected by the changes being reported will be reviewed and verified.

Families will not be required to report any increase or decreases in allowable expenses between annual reexaminations.

Families are required to report the following changes to the MHRC between regular reexaminations. These changes will trigger an interim reexamination.

- A. A member has been added to the family through birth or adoption or court-awarded custody.
- B. A household member is leaving or has left the family unit.
- C. Family break-up

In circumstances of a family break-up, the MHRC will make a determination of which family member will retain the certificate or voucher, taking into consideration the following factors:

1. To whom the certificate or voucher is issued.
2. The interest of minor children of or ill, elderly, disabled family members.
3. Whether the assistance should remain with the family members remaining in the unit.
4. Whether family members were forced to leave the unit as a result of actual threatened physical violence by a spouse or other member(s) of the household.

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

Because of the number of possible different circumstances in which a determination will have to be made, the MHRC will make determinations on a case-by-case basis.

The MHRC will issue a determination within 10 business days of the request for a determination. The family member requesting the determination may request an informal hearing in compliance with the informal hearings in Section 18.3.

In order to add a household member other than through birth or adoption (including a live-in aide) the family must request that the new member be added to the lease. Before adding the new member to the lease, the individual must complete an application form stating their income, assets, and all other information required of an applicant. The individual must provide their Social Security Number if they have one, and must verify their citizenship/eligible immigrant status (Their housing will not be delayed due to delays in verifying eligible immigrant status other than delays caused by the family). The new family members will go through the screening process similar to the process for applicants. The MHRC will determine the eligibility of the individual before allowing them to be added to the lease. If the individual is found to be ineligible or does not pass the screening criteria, they will be advised in writing and given an opportunity for an informal review. If they are found to be eligible and do pass the screening criteria, the MHRC will grant approval to add their name to the lease. At the same time, the family's income will be recalculated taking into account the income and circumstances of the new family member. The effective date of the new rent will be in accordance with paragraph below 16.2.2.

Families are not required to, but may at any time, request an interim reexamination based on a decrease in income, an increase in allowable expenses, or other changes in family circumstances. Upon such request, the MHRC will take timely action to process the interim reexamination and recalculate the family share.

16.2.1 SPECIAL REEXAMINATION

If a family's income is too unstable to project for 12 months, including families that temporarily have no income or have a temporary decrease in income, the MHRC may schedule reexaminations every 60 days until the income stabilizes and an annual income can be determined.

16.2.2 EFFECTIVE DATE OF RENT CHANGES DUE TO INTERIM OR SPECIAL REEXAMINATIONS

Unless there is a delay in reexamination processing caused by the family, any rent increase will be effective the first of the second month after the month in which family receives notice of the new rent amount. If the family causes a delay, then the rent increase will be effective on the date it would have been effective had the process not been delayed (even if this means a retroactive increase).

If the new rent is a reduction and any delay is beyond the control of the family, the reduction will be effective the first of the month after the interim reexamination should have been completed.

If the new rent is a reduction and the family caused the delay or did not report the change in a timely manner, the change will be effective the first of the month after the rent amount is determined.

17.0 TERMINATION OF ASSISTANCE TO THE FAMILY BY THE MHRC

The Housing Authority may at any time terminate program assistance for a participant, because of any of the actions or inaction by the household:

- A. If the family violates any family obligations under the program.
- B. If a family member fails to sign and submit consent form.
- C. If a family fails to establish citizenship or eligible immigrant status and is not eligible for or does not elect continuation of assistance, pro-ration of assistance, or temporary deferral of assistance. If the MHRC determine that a family member has knowingly permitted an ineligible noncitizen (other than any ineligible noncitizens listed on the lease) to permanently reside in their Section 8 unit, the family's assistance will be terminated. Such family will not be eligible to be readmitted to Section 8 for a period of 24 months from the date of termination.
- D. If any member of the family has ever been evicted from public housing.
- E. If the Housing Authority has ever terminated assistance under the Certificate or Voucher Program for any member of the family.
- F. If any member of the family commits drug-related criminal activity, or violent criminal activity.
- G. If any member of the family commits fraud, bribery, or any other corrupt or criminal act in connection with any Federal housing program.
- H. If the family currently owes rent or other amounts to the Housing Authority or another Housing Authority in connection with Section 8 or public housing assistance under the 1937 Act.

- I. If the family has not reimbursed any Housing Authority for amounts paid to an owner unless under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease.
- J. If the family breaches an agreement with the Housing Authority to pay amounts owed to a Housing Authority, or amounts paid to an owner by a Housing Authority. (The Housing Authority, at its discretion, may offer a family the opportunity to enter an agreement to pay amounts owed to a Housing Authority or amounts paid to an owner by a Housing Authority. The Housing Authority may prescribe the terms of the agreement.)
- K. If a family participating in the FSS program fails to comply, without good cause, with the family's FSS contract of participation.
- L. If the family has engaged in or threatened abusive or violent behavior toward the Housing Authority personnel.
- M. If any household member is subject to a lifetime registration requirement under a State sex offender registration program.
- N. If a household member's illegal use (or pattern of illegal use) of a controlled substance, or whose abuse (or pattern of abuse) of alcohol, is determined by the MHRC to interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents.

18.0 COMPLAINTS, INFORMAL REVIEWS FOR APPLICANTS, INFORMAL HEARINGS FOR PARTICIPANTS

18.1 COMPLAINTS

The MHRC will investigate and respond to complaints by participant families, owners, and the general public. The MHRC may require that complaints other than HQS violations be put in writing. Anonymous complaints are investigated whenever possible.

18.2 INFORMAL REVIEW FOR THE APPLICANT

A. Informal Review for the Applicant

The MHRC will give an applicant for participation in the Section 8 Existing Program prompt notice of a decision denying assistance to the applicant. The notice will contain a brief statement of the reasons for the MHRC decision. The notice will state that the applicant may request an informal review within 10 business days of the denial and will describe how to obtain the informal review.

B. When an Informal Review is Not Required

The MHRC will not provide the applicant an opportunity for an informal review for any of the following reasons:

1. A determination of the family unit size under the MHRC subsidy standards.
2. A MHRC determination not to approve an extension or suspension of a certificate or voucher term.
3. A MHRC determination not to grant approval to lease a unit under the program or to approve a proposed lease.
4. A MHRC determination that a unit selected by the applicant is not in compliance with HQS.
5. A MHRC determination that the unit is not in accordance with HQS because of family size or composition.

6. General policy issues or class grievances.
7. Discretionary administrative determinations by the MHRC.

C. Informal Review Process

The MHRC will give an applicant an opportunity for an informal review of the MHRC decision denying assistance to the applicant. The procedure is as follows:

1. The review will be conducted by any person or persons designated by the MHRC other than the person who made or approved the decision under review or a subordinate of this person.
2. The applicant will be given an opportunity to present written or oral objections to the MHRC decision.
3. The MHRC will notify the applicant of the MHRC decision after the informal review within 14 calendar days. The notification will include a brief statement of the reasons for the final decision.

D. Considering Circumstances

In deciding whether to terminate assistance because of action or inaction by members of the family, the Housing Authority may consider all of the circumstances in each case, including the seriousness of the case, the extent of participation or culpability of individual family members, and the effects of denial or termination of assistance on other family members who were not involved in the action or failure.

The Housing Authority may impose, as a condition of continued assistance for other family members, a requirement those family members who participated in or were culpable or the action or failure will not reside in the unit. The Housing Authority may permit the other members of the participant family to continue receiving assistance.

If the Housing Authority seeks to terminate assistance because of illegal use, or possession for personal use, of a controlled substance, or pattern of abuse of alcohol, such as use or possession or pattern of abuse must have occurred within one year before the date the Housing Authority provides notice to the family of the Housing Authority determination to deny or terminate assistance. In determining whether to terminate assistance for these reasons the MHRC will consider evidence of whether the household member:

1. Has successfully completed a supervised drug or alcohol rehabilitation program (if applicable) and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol;
2. Has otherwise been rehabilitated successfully and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol; or
3. Is participating in a supervised drug or alcohol rehabilitation program and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol.

E. Informal Review Procedures for Denial of Assistance on the Basis of Ineligible Immigration Status

The applicant family may request that the MHRC provide for an informal review after the family has notification of the INS decision on appeal, or in lieu of request of appeal to the INS. The applicant family

must make this request within 30 days of receipt of the *Notice of Denial or Termination of Assistance*, or within 30 days of receipt of the INS appeal decision.

For applicant families, the Informal Review Process above will be utilized with the exception that the applicant family will have up to 30 days of receipt of the *Notice of Denial or Termination of Assistance*, or of the INS appeal decision to request the review.

18.3 INFORMAL HEARINGS FOR PARTICIPANTS

A. When a Hearing is required

1. The MHRC will give a participant family an opportunity for an informal hearing to consider whether the following MHRC decisions relating to the individual circumstances of a participant family are in accordance with the law, HUD regulations, and MRHC policies:
 - a. A determination of the family's annual or adjusted income, and the use of such income to compute the housing assistance payment.
 - b. A determination of the appropriate utility allowance (if any) for tenant-paid utilities from the MHRC utility allowance schedule.
 - c. A determination of the family unit size under MHRC subsidy standards.
 - d. A determination that a Certificate Program family is residing in a unit with a larger number of bedrooms than appropriate for the family unit size under the MHRC subsidy standards, or the MHRC determination to deny the family's request for an exception from the standards.
 - e. A determination to terminate assistance for a participant family because of the family's action or failure to act.
 - f. A determination to terminate assistance because the participant family has been absent from the assisted unit for longer than the maximum period permitted under the MHRC policy and HUD rules.
2. In cases described in paragraphs 18.3(A)(1)(d), (e), and (f), of this Section the MHRC will give the opportunity for an informal hearing before the MHRC terminates housing assistance payments for the family under an outstanding HAP contract.

B. When a Hearing is Not Required

The MHRC will not provide a participant family an opportunity for an informal hearing for any of the following reasons:

1. Discretionary administrative determinations by the MHRC.
2. General policy issues or class grievances.
3. Establishment of the MHRC schedule of utility allowances for families in the program.
4. A MHRC determination not to approve an extension or suspension of a certificate or voucher term.
5. A MHRC determination not to approve a unit or lease.
6. A MHRC determination that an assisted unit is not in compliance with HQS. (However, The MHRC will provide the opportunity for an informal hearing for a decision to terminate assistance for a breach of the HQS caused by the family.)
7. A MHRC determination that the unit is not in accordance with HQS because of the family size.

8. A determination by the MHRC to exercise or not exercise any right or remedy against the owner under a HAP contract.

C. Notice to the Family

1. In the cases described in paragraphs 18.3(A)(1)(a), (b), and (c), of this Section, the MHRC will notify the family that the family may ask for an explanation of the basis of the MHRC's determination, and that if the family does not agree with the determination, the family may request an informal hearing on the decision.
2. In the cases described in paragraphs 18.3(A)(1)(d), (e), and (f), of this Section, the MHRC will give the family prompt written notice that the family may request a hearing within 10 business days of the notification. The notice will:
 - i. Contain a brief statement of the reasons for the decision; and
 - ii. State this is the family does not agree with the decision, the family may request an informal hearing on the decision within 10 business days of the notification.

D. Hearing Procedures

The MHRC and participants will adhere to the following procedures:

1. Discovery
 - i. The family will be given the opportunity to examine before the hearing any MHRC documents that are directly relevant to the hearing. The family will be allowed to copy any such document at the family's expense. If the MHRC does not make the document(s) available for examination on request of the family, the MHRC may not rely on the document at the hearing.
 - ii. The MHRC will be given the opportunity to examine, at the MHRC's offices before the hearing, any family documents that are directly relevant to the hearing. The MHRC will be allowed to copy any such documents at the MHRC's expense. IF the family does not make the document(s) available for examination on the request of the MHRC, the family may not rely on the document at the hearing.
Note: The term **document** includes records and regulations.
2. Representation of the Family
At its own expense, a lawyer or other representative may represent the family.
3. Hearing Officer
 - i. The hearing will be conducted by any person or persons designated by the MHRC, other than a person who made or approved the decision under review or a subordinate of this person.
 - ii. The person who conducts the hearing will regulate the conduct of the hearing accordance with the MHRC hearing procedures.
4. Evidence
The MHRC and the family must have the opportunity to present evidence and may question any witnesses. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.
5. Issuance of Decision
The person who conducts the hearing must issue a written decision within 14 calendar days from the date of the hearing, stating briefly the reasons for the decision. Factual determinations relating to the individual circumstances of the family shall be based on a preponderance of the evidence presented at the hearing.
6. Effect of the Decision

The MHRC is not bound by a hearing decision:

- a. Concerning a matter for which the MHRC is not required to provide an opportunity for an informal hearing under this Section, or that otherwise exceeds the authority of the person conducting the hearing under the MHRC hearing procedures.
- b. Contrary to HUD regulations or requirements, or otherwise contrary to Federal, State or local law.
- c. In the MHRC determines that it is not bound by a hearing decision, the MHRC will notify the family within 14 calendar days of the determination, and of the reasons for the determination.

E. Considering Circumstances

In deciding whether to terminate assistance because of action or inaction of members of the family, the Housing Authority may consider all of the circumstances in each case, including the seriousness of the case, the extent of participation or culpability of individual family members, and the effects of denial or termination of assistance on other family members who were not involved in the action or failure.

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

If the Housing Authority seeks to terminate assistance because of illegal use, or possession for personal use, of a controlled substance, or pattern of abuse of alcohol, such use or possession or pattern of abuse must have occurred within one year before the date that the Housing Authority provides notice to the family of the Housing Authority's determination to deny or terminate assistance. IN determining whether to terminate assistance for these reasons the MHRC will consider evidence of whether the household member:

1. Has successfully completed a supervised drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol;
2. Has otherwise been rehabilitated successfully and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol; or
3. Is participating in a supervised drug or alcohol rehabilitation program and is no longer engaging in the illegal use to a controlled substance or abuse of alcohol.

F. Informal Hearing Procedures for Denial of Assistance on the Basis of Ineligible Immigration Status

The participant family may request that the MHRC provide for an informal hearing after the family has notification of the INS decision on appeal, or in lieu of request of appeal to the INS. The participant family must make this request within 30 days of receipt of the *Notice of Denial or Termination of Assistance*, or within 30 days of receipt of the INS appeal decision.

For the participant families, the Informal Hearing Process above will be utilize with the exception that the participant family will have up to 30 days of receipt of the *Notice of Denial or Termination of Assistance*, or of the INS appeal decision.

19.0 Termination of the Lease and Contract

The term of the lease and the term of the HAP contract are the same. They begin on the same day and they end on the same date. The lease may be terminated by the owner, by the tenant, or by the mutual agreement of both. The owner may only terminate the contract by terminating the lease. The HAP contract may be terminated by the MHRC. Under some circumstances the contract automatically terminates.

A. Termination of Lease

a. By the Family

The family may terminate the lease without cause upon proper notice to the owner and the MHRC after the first year of the lease. The length of the notice that is required is stated in the lease (generally 30 days).

b. By the Owner

1. The owner may terminate the lease during its term on the following grounds:
 - a. Serious or repeated violations of the terms or conditions of the lease;
 - b. Violation of Federal, State, or local law that impose obligations on the tenant in connection with the occupancy or use of the unit and its premises;
 - c. Criminal activity by the household, a guest, or another person under the control of the household that threatens the health, safety, or right to peaceful enjoyment of the premises by other persons residing in the immediate vicinity of the premises;
 - d. Any drug-related criminal activity on or near the premises;
 - e. Other good cause. Other good cause may include, but is not limited to:
 - (1) Failure by the family to accept the offer of a new lease
 - (2) Family history of disturbances of neighbors or destruction of property, or living or housekeeping habits resulting in damage to the property or unit;
 - (3) The owner's desire to utilize the unit for personal or family use or for a purpose other than use as a residential rental unit;
 - (4) A business or economic reason such as sale of the property, renovation of the unit, desire to rent at a higher rental amount.
2. During the first year the owner may not terminate tenancy for other odd cause unless the reason is because of something the household did or failed to do.
3. The owner may only evict the tenant by instituting court action. The owner must give the MHRC a copy of any owner eviction notice to the tenant at the same time that the owner gives the notice to the tenant.
4. The owner may terminate the contract at the end of the initial lease term or any extension of the lease term without cause by providing notice to the family that the lease term will not be renewed.

c. Termination of the Lease by mutual agreement

The family and the owner may at any time mutually agree to terminate the lease.

B. Termination of the Contract

1. Automatic termination of the Contract

- a. If the MHRC terminates assistance to the family, the contract terminates automatically.
- b. If the family moves out of the unit, the contract terminates automatically.
- c. The contract terminates automatically 180 calendar days after the last housing assistance payment to the owner.

2. Termination of the contract by the owner

The owner may only terminate tenancy in accordance with lease and State and local law.

3. Termination of the HAP contract by the MHRC.

The Housing Authority may terminate HAP contract because:

- a. The Housing Authority has terminated assistance to the family.
- b. The unit does not meet HQS space standards because of an increase in family size or change in family composition.
- c. The unit is larger than appropriate for the family size or composition under the regular Certificate Program.
- d. When the family breaks up the MHRC determines that the family members who move from the unit will continue to receive the assistance.
- e. The MHRC determines that there is insufficient funding in their contract with HUD to support continued assistance for families in the program.
- f. The owner has breached the contract in any of the following ways:
 - i. If the owner has violated any obligation under the HAP contract for the dwelling unit, including the owner's obligation to maintain the unit in accordance with the HQS.
 - ii. If the owner has violated any obligation under any other housing assistance payments contract under Section 8 of the 1937.
 - iii. If the owner has committed fraud, bribery, or any other corrupt or criminal act in connection with any Federal housing program.
 - iv. For projects with mortgages insured by HUD or loans made by HUD, if the owner has failed to comply with regulations for applicable mortgage insurance or loan program, with the mortgage or mortgage note, or with the regulatory agreement;
 - v. If the owner has engaged in drug trafficking.

4. Final HAP payment to Owner

The HAP payment stops when the lease terminates. The owner may keep the payment for the month in which the family moves out. If the owner has begun eviction proceedings and family continues to occupy the unit, the Housing Authority will continue to make payments until the owner obtains a judgment or the family moves out.

20.0 Charges Against the Section 8 Administrative Fee

Occasionally, it is necessary for the MHRC to spend money of its Section 8 Administrative Fee Reserve to meet unseen or extraordinary expenditures or for its other housing related purposes consistent with State law.

The MHRC Board of Commissioners authorizes the Executive Director to expend with prior Board approval up to \$100 for authorized expenditures.

Any item(s) exceeding will require prior Board of Commissioner approval before any charge is made against the Section 8 Administrative Fee Reserve.

21.0 Intellectual Property Rights

No program receipts may be used to indemnify contractors or subcontractors of the MHRC against costs associated with any judgment of infringement of intellectual property rights.

22.0 Transition to the New Housing Choice Voucher Program

A. New HAP Contracts

On and after August 12, 1999, the MHRC will only enter into a HAP contract for a tenancy under the voucher program, and will not enter into a new HAP contract for tenancy under the certificate program.

B. Over –FMR Tenancy

If the MHRC had entered into any HAP contract for an over-FMR tenancy under the certificate program prior to the merger date of August 12, 1999, on and after August 12, 1999 such tenancy shall be considered and treated as tenancy under the voucher program, and will be subject to the voucher program requirements under 24 CFR 982.502, including calculation of the voucher housing assistance payment in accordance with 24 CFR 982.505. However, 24 CFR 982.502 (b)(2) will not be applicable for calculation of the housing assistance payment prior to the effective date of the second regular reexamination of the family income and composition on or after the merger date of August 12, 1999.

C. Voucher Tenancy

IF the MHRC had entered into any HAP contract for a voucher tenancy prior to the merger date of August 12, 1999, on and after August 12, 1999 such tenancy will continue to be considered and treated as a tenancy under the voucher program, and will be subject to the voucher program requirements under 24 CFR 982.502, including calculation of the voucher housing assistance payment in accordance with 24 CFR 982.505. However, 24 CFR 982.505(b) (2) will not be applicable for calculation of the housing assistance payment prior to the effective date of the second regular reexamination of family income and composition on or after the merger date of August 12, 1999.

D. Regular Certificate Tenancy

The MHRC will terminate program assistance under any outstanding HAP contract for a regular tenancy under the certificate program entered into prior to the merger date of August 12, 1999 at the effective date of the second regular reexamination of family income and composition on or after the merger date of August 12, 1999. Upon such termination of assistance, the HAP contract for such tenancy terminates automatically. The MHRC will give at least 120 days written notice of such termination to the family and the owner, and the MHRC will

offer the family the opportunity for continued tenant-based assistance under the voucher program. The MHRC may deny the family the opportunity for continued assistance in accordance with 24 CFR982.552 and 24 CFR 982.553.

23.0 APPENDIX TO THE SECTION 8 ADMIN PLAN

23.1 CHECK SIGNING AUTHORIZATION POLICY

The MHRC hereby establishes a policy that identifies those people who are authorized to sign and issue checks on its behalf. The purpose of this policy is to update instructions to depositories so that there is a clear understanding regarding this important matter. It also is necessary to implement appropriate internal controls over our financial matters.

The following policy for issuing and signing checks of the MHRC shall be established:

- a. All checks shall bear two signatures, one of which must be a Commissioner of the MHRC.
- b. The second signature must be that of the Executive Director or the Director of Finance.

The Executive Director shall be bonded in the amount of \$50,000.

The supporting data for each check shall be available for the signer to review at the time of the signing.

A copy of this policy shall be forwarded to all designated depositories of the MHRC.

This policy rescinds all previous authorization policies and shall become effective upon its adoption.

23.2 CRIMINAL, DRUG TREATMENT, AND REGISTERED SEX OFFENDER CLASSIFICATION RECORDS MANAGEMENT POLICY

23.2.1 PURPOSE

In the course of its regular operations, the MHRC comes into possession of criminal records as well as records of drug treatment or registered sex offender status of both residents and applicants. While necessary to accomplish the Housing Authority business, these records must be maintained securely and kept from improper use.

The MHRC may also be called upon to perform criminal record checks regarding applicants for, or tenants of, housing that receives tenant-based assistance in the jurisdiction of the Housing Authority. The authority shall maintain the records received for these residents or applicants in the manner prescribed by this policy. Such records will not be made available to the owner of the subject property, but will be

used to make recommendations to the owner based on criteria supplied by the owner.

23.2.2 ACQUISITION

All adult applicants and residents shall complete the MHRC Authorization for Release of Police Records and Authorization of Release of Medical Records when they apply for housing. Through its cooperative agreement with the Milbank Police Department, the Housing Authority will request a check of local records as well as a National Crime Information Center check for a criminal history of any applicant. This check is done for the purpose of screening applicants for housing.

All requests for criminal records or records of drug treatment or registered sex offender status will direct the records to be sent to the Executive Director of the MHRC. Only this individual shall have access to the records received. He or she shall discuss the records with the MHRC commissioners only as required to make a housing decision.

23.2.3 MAINTENANCE

The MHRC will keep all criminal records or records of drug treatment or sex offender status that are received confidential. These records will be used only to screen applicants for housing or to pursue evictions. The records will not be disclosed to any person or other entity except for official use in the application process or in court proceedings. No copies will be made of the records except as required for official or court proceedings.

Criminal records or records of drug treatment or registered sex offender status will be kept in a file separate from other application or eviction information. These files will be maintained in a different cabinet that is locked and kept in a secure location. Only specified employees shall have access to this cabinet.

23.2.4 DISPOSITION

The records shall be destroyed once action is taken on the application for housing and any grievance hearing or court proceeding has been completed and the action is finalized. A notification of destruction will be maintained.

23.3 DRUG FREE WORKPLACE POLICY

The unlawful manufacture, distribution, dispensation, possession, possession for sale or distribution, or use of a controlled substance is prohibited on the premises of the MHRC. Also, the abuse of prescription drugs is expressly

prohibited. Appropriate disciplinary actions, which may include termination, will be taken against any employee for violation of these prohibitions.

A controlled substance for purposes of this Policy means a controlled substance listed in schedules I through V of Section 202 of the Controlled Substance Act (21 U.S.C. Section 812), and as further defined by Federal Regulation (21 C.F.R. Sections 1300.11 through .15). This list includes, but is not limited to marijuana, heroin, PCP, cocaine, and amphetamines.

A condition of employment for work under funds received by the Housing Authority from any Federal Agency, is that each employee directly engaged in the performance of work funded by such a grant will:

- A. Abide by the terms of this Policy, and
- B. Notify the Housing Authority of his or her criminal drug Statute conviction for any violation occurring in the workplace of the MHC no later than five (5) days after such conviction.
 1. Conviction means a finding or guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violation of Federal or State criminal drug statutes.
 2. Criminal drug statute means a criminal statute involving manufacture, distribution, dispensation, use or possession of any controlled substance.

A sanction will be imposed on any employee so convicted. Within thirty (30) days after receiving notice of the conviction:

- A. The Housing Authority commissioners will take appropriate disciplinary action against such employee, up to and including termination; or
- B. The Housing Authority commissioners will require such employee to satisfactorily participate in drug abuse assistance or rehabilitation program approved for such purpose by a Federal, State, or local health, law enforcement, or other appropriate agency.

23.4 ETHICS POLICY

The MHRC has established standards of conduct for its employees and members of its Board of Commissioners. These standards are designed to assure the utmost in public trust and confidence in the policies and practices of the Authority. Because of its status as an independent public corporation, the Authority recognizes its responsibility to conduct all business in a manner above

reproach or censure. This Code of Ethics will describe in detail the standards by which members of the Board of Commissioners and staff are to be held accountable.

This code recognizes and incorporates those sections of federal, state, and local law which govern the conduct of public employees, and in no way supplants those provisions of law. In cases where no statutory precedent exists, the policy of the MHRC shall be applied, except that this policy shall in no way be taken to supersede the provisions of any contracts, labor agreements, or other external agreements affecting the rights and privileges of employees.

The Standard of Conduct contained within the Code of Ethics shall be generally applied so as to avoid the appearance, or actual occurrence of , any favoritism or special treatment towards any applicant, resident, vendor, or agent having business, or dealings of any kind, with the Authority. No Commissioner or employee shall use or cause or allow to be used his or her position to secure any personal privileges for himself, herself, or others, or to influence the activities, actions, or proceeds of the Authority.

The MHRC, in establishing standards of conduct for its employees and commissioners, recognizes the importance of establishing standards of conduct for external vendors and suppliers of products and/or services to the Authority. While the Authority cannot mandate the internal conduct or policies of vendors, its nevertheless requires that vendors and suppliers adhere to certain basic principles in conducting business with the Authority. Specifically, these principles include:

- A. No direct or indirect personal inducement of Authority employees. This includes the giving of gifts, money, tickets, or any other item or service having value.
- B. No direct or indirect inducement of members of the Board of Commissioners. This shall include the same provisions covering employees, except that it is recognized that in the course of business dealings, there are many times when meals and/or visits may be arranged. In such cases, such events should be reported to the Chairman of the Board, with the nature of the visit explained.

If is expected that vendors or suppliers of professional services to the Authority will be governed by the Code of Ethics to which their particular profession prescribes.

Any vendor or supplier found in violation of Authority policy shall be barred from future business dealings with the MHRC. The MHRC reserves the right

to have vendors and suppliers sign a statement of compliance with the standards of conduct of the Authority.

23.4.1 ETHICAL STANDARDS FOR EMPLOYEES

No employee of the MHRC shall have any employment, or engage in any business or commercial transaction, or engage in any professional activity, or incur any obligation in which directly or indirectly he or she would have an interest that would impair his or her independence of judgment or action in the performance of his or her official duties or that would be in conflict with the performance of his or her official duties.

No employee shall have or enter into any contract with any person who has or enters into a contract with the Authority unless:

- A. The contract between the person and the Authority is awarded pursuant to competitive bidding procedures and/or purchasing policies as outlined in regulations promulgated by the U.S. Department of Housing and Urban Development (HUD), state law, and the MHRC Procurement Policy; or
- B. The contract between the person and the Authority is one in which the Authority employee has no interest, has no duties or responsibilities, or if the contract with the person is one which the Authority employee entered into prior to becoming an employee.

There shall be no preferential treatment given by an employee of the MHRC acting in performance of his or her official duties to any person, agency or organization.

No MHRC employee shall use or permit the use of Authority-owned vehicles, equipment, materials, or property for the convenience or profit of himself, herself, or any other person. However this provision shall not apply in the case of usage for “diminutive” purposes, i.e., purposes which in and of themselves should not be construed as abuse of Authority property.

No MHRC employee shall solicit any gift or consideration of any kind, nor shall any MHRC employee accept or receive a gift have value in excess of \$25.00 regardless of the form of the gift, from any person who has an interest in any matter proposed or pending before the Authority.

No MHRC employee acting individually can bind the housing authority by and action or verbal representation.

No MHRC employee shall disclose without proper authorization non-public information or records concerning any aspects of the operation of the MHRC, no shall he or she use such information to the advantage or benefit of himself,

herself, or any other person. This shall include records maintained on enrollees of the Authority, for whom a properly executed release of information form shall be obtained and kept in the client file. The release of any information relative to enrollees of the Authority shall be done pursuant to government regulations allowing the release of information among government agencies or agencies receiving government subsidy, shall be done following prescribed methods of requesting and transmitting such information, and shall be done with full knowledge of the enrollee except in those cases where through action of law the enrollee's knowledge is not required.

No MHRC employee currently employed shall represent any person, other than himself, in business negotiations, judicial or administrative actions or procedures, to which the Authority may be a party.

No former employee of the Authority shall personally represent any person in a matter in which the former employee personally participated while employed by the MHRC for one year, if such representation would be adverse to the interests of the MHRC. This provision will not, however, bar the timely filing by a current or former employee, of any claim, account, demand, or suit arising out of personal injury, property, damage, or any benefit authorized or permitted by law.

No member of the family of any MHRC employee shall be appointed or hired to serve under the direct supervision of authority of that employee, and in no event shall any MHRC employee participate in the decision-making regarding employment or contract for services of any family member.

No MHRC employee shall have an interest in a contract between any person and the MHRC, except that this provision shall not apply if the contract was entered into prior to the employee's hire by the MHRC; the employee discloses his or her interest in the contract prior to employment; and after employment, the employee has no power to authorize or approve payment under the contract, monitor performance or compliance under the contract, or audit bills or claims under the contract and the compensation of the employee will not be affected by the contract.

No MHRC employee shall have any employment, engage in any business or commercial transaction, or engage in any professional activity in which, directly, or indirectly, he or she would have an interest that would impair his or her independence of judgment or action in the performance of his or her duties with the MHRC or that would be in conflict with his or her duties at the MHRC.

No employee of the MHRC shall discuss, vote upon, decide or take part in (formally or informally) any matter before the MHRC in which he or she has an interest. Exception shall be made in the case of an employee whose interest in the matter is minimal (e.g. an employee helping decide on a new telephone system owns 100 shares of AT&T stock), provided the employee shall fully and specifically describe his or her interest, in writing, and the underlying basis of it, whether it be ownership, investment, contract, claim, employment or family relationship, to his or her immediate supervisor prior to the employee's participation. If, in the opinion of the supervisor, there is any question as to whether the interest is minimal, the matter shall be referred to the Board of Commissioners for a binding decision on the question.

Any matter decided on, contracted, adjudicated, or in any way acted upon by an employee who does not disclose a personal interest either in the matter, or in any person or organization having an interest in the matter, may be considered null and void by the MHRC. Such a matter may be referred to the Board of Commissioners to render judgment and assess any penalties if necessary.

If the Board of Commissioners renders judgment that a matter was performed; a contract entered into; or any matter was conducted, decided or acted upon in a manner prohibited by the Code of Ethics; it may then propose, among other things, that an injunction be administered against the proscribed action.

No person employed by the MHRC shall be permitted to participate as a lessor or lessor's agent in the leasing programs. Similarly, no member of the Board of Commissioners in his or her individual capacity shall be a lessor or lessor's agent. These prohibitions, however, shall not apply where the employee or Commissioner is a principal in a not-for-profit or charitable, educational, or humanitarian agency or organization that may own or manage housing for rental purposes.

23.4.2 ETHICAL STANDARDS FOR COMMISSIONERS

The Board of Commissioners of the MHRC is the architect of policy governing the operations of the Authority and retains legal and fiscal responsibility for the MHRC. Recognizing that the commissioners are chosen from a broad range of fields and professions and community interests renders difficult the circumscription of external interests and activities of the Commissioners. It is the intent that, insofar as possible, the members of the Board of Commissioners are generally enjoined to follow the standards of conduct which are outlined in the Code of Ethics for employees. Further, it is expected that a Commissioner will voluntarily and fully outline his or her personal interests and potential conflicts of interest prior to assuming their seat on the board. Such a statement should be submitted to the Board Chairman within ninety (90) days of the

Commissioner's appointment. For Commissioners currently serving, such an updated statement shall be developed within ninety (90) days of their re-appointment for a new term. Such a statement shall disclose the following:

- A. The names of any business, organizational, or professional involvements that might reasonably be inferred as having business with the MHRC and for which at some point a Commissioner might be expected to vote, legislate, or rule on a matter involving said party.
- B. Any current or past contact in, or interest in, activities or programs of the MHRC, including, but not limited to, any contracts previously bid or let, familial relationships with any staff or other board members, or any consultative or professional contracts.
 - a. No commissioner shall vote, decide on, or discuss any matter before the Board if that Commissioner has an interest in the matter, except that:
 - i. A Commissioner having interest through a voluntary association with the person or organization may be allowed to discuss the matter.
 - ii. If the matter concerns a person or organization with which the Commissioner had former contact, and that former contact existed either prior to his or her selection, or occurred at least two years prior to the current discussion of the matter, the Commissioner may freely act.
 - b. No Commissioner may use his or her position on the Board to intimidate, coerce, persuade or otherwise influence any of the activities or employees of the MHRC.

23.4.3 BOARD OF COMMISSIONERS AS ETHICS COMMITTEE

The Board of Commissioners shall act as the Ethics Review Committee of the MHRC.

The purpose of the Committee shall be to review and render decisions on any matters involving ethical conduct, or breach of ethical conduct, by employees, vendors, or commissioners.

The Committee is empowered to:

- A. Call witnesses and receive depositions in the performance of its duties.
- B. Call for provision of appropriate records, files or tapes relative to the performance of its duties.
- C. Review any records maintained by the MHRC, except those records that are considered confidential or personal. However, confidential records may be examined upon execution of a proper release by the subject person.

In performing its duties, the Committee may:

- A. Issue rules and regulations consistent with and to clarify the Code of Ethics.
- B. Review any questions concerning alleged or suspected infractions of the Code of Ethics and make recommendations to the Executive Director for further or final actions.
- C. Require financial disclosure or disclosure of any other pertinent information by employees, vendors or commissioners.
- D. Oversee compliance by the MHRC with the Code of Ethics and any other applicable regulations involving ethics.

The Committee shall be composed of the Board of Commissioners and will be serve congruently with their current board terms. There shall be a chair of the Committee, elected by the members of the Committee. The Executive Director of the MHRC shall serve as a non-voting Secretary of the Committee.

Voting by the Committee shall be by simple majority, with the Chair voting as any other member.

The Committee shall, upon receiving a written request from any individual associated with the MHRC, respond in writing within sixty (60) days after receipt of the request, unless the Committee determines that additional time is required. If additional time is required, it shall inform the requestor of the approximate time it will be able to render a response.

The Committee shall make reports and recommendations for action and it shall be delegate the matter without further Board action.

24.5 FUNDS TRANSFER POLICY

The MHRC hereby designates the positions that have the authority to transfer funds on it's behalf. The purpose of this policy is to update instructions to depositories on who may transfer funds.

- A. People occupying the following positions are the only ones authorized to transfer funds from one MHRC bank account to another and/or wire transfer funds relating to MHRC investments and cash management:
 - a. Executive Director
 - b. Chairman of the Board of Commissioners
 - c. Director of Finance (Vice-Chair of the Commissioners)
- B. At least two signatures are required to allow the transfer of funds to or from any MHRC bank account.
- C. The Executive Director shall be individually bonded in the amount of \$ 50,000. A copy of this policy shall be forwarded to all designated depositories of the MHRC.

- D. This policy rescinds all previous transfer funds policies and shall become effective upon its adoption.

24.6 INVESTMENT POLICY

The objective of this Investment Policy is to maximize the return on all MHRC reserves by investing the maximum amount of money in prudent investment vehicles.

The Executive Director is hereby designated the administrator of the MHRC's funds and will be responsible for their timely and appropriate investment.

An investment register shall be maintained to record the purchase and sale of investment securities. A separate record shall be maintained for each fund account. At a minimum, the record shall contain the following:

- A. A complete description of the securities purchased.
- B. The date of purchase.
- C. The purchase price.
- D. The interest rate.
- E. The amount of the periodic increment of value of US Savings Bonds, if applicable.
- F. The date of sale.
- G. Source of funds invested.

Interest earned shall be credited when actually received or credited to the account.

On an annual basis, as part of the budget preparation process, the MHRC shall develop an investment strategy for all agency funds that are not needed immediately. This strategy shall be presented to the Board of Commissioners for their approval along with the budget.

In addition, the MHRC shall make periodic reviews to determine anticipated revenues (rent, non-dwelling income, requisitions of funds, grants, and other income) and anticipated expenditures to determine the amount of investment(s) to be made, if any. The investment process will be accomplished through financial representatives at designated financial institutions.

All federal funds of the MHRC will be invested solely in securities of the type approved by the US Department of Housing and Urban Development. Currently, these investments may include:

- A. US Treasury Bills
- B. US Treasury Notes and Bonds
- C. Obligations of Federal Government Agencies
- D. Securities of Government Sponsored Agencies
- E. Insured Money Market Deposit Accounts
- F. Municipal Depository Fund
- G. Super NOW Accounts
- H. Certificates of Deposit

- I. Repurchase Agreements
- J. Sweep Accounts
- K. Separate Trading of Registered Interest and Principal Securities (STRIPS)
- L. Mutual Funds that meet the HUD criteria

All investments shall be adequately collateralized. If the MHRC's funds in a bank exceed the federal insurance limits, there shall be adequate collateral of the type the MHRC can invest in placed in a set aside in an amount equal to the total of the deposits exceeding the insurable limits.

Note: This policy does not apply to the housing authority's retirement plan funds that are required to be covered by the retirement plan (if applicable).

23.7 PROCURMENT POLICY

This Procurement Policy complies with HUD's Annual Contributions Contract (ACC), HUD Handbook 7460.8, "Procurement Handbook for Public Housing Agencies," and the procurement standards of 24 CFR 85.36.

23.7.1 PURPOSE

The purpose of this Procurement Policy is to provide a procurement system of quality and integrity; to assure that the MHRC procures supplies, services and construction effectively, efficiently and at the most favorable prices; and to assure that the MHRC purchasing actions are in full compliance with applicable Federal standards, HUD regulations, and State and local law. To the extent possible and in the best interests of the MHRC, American-made equipment and products shall be purchased with HUD funds.

23.7.2 APPLICATION

This Procurement Policy applies to all contracts for the procurement of supplies, services and construction entered into by the MHRC after the effective date of this Policy. It shall apply to every expenditure of Federal funds by the MHRC for public purchasing, irrespective of the source of funds, including contracts that do not involve on obligation of funds (such as concession contracts). Nothing in this Policy, however, shall prevent the MHRC from complying with the terms and conditions of any grant, contract, gift or bequest that is otherwise consistent with law. The term "procurement", as used in this Policy includes both contracts and modifications (including change orders) of constructions or services, as well as purchases, lease, or rental of supplies and equipment.

23.7.3 PUBLIC ACCESS TO PROCUREMENT INFORMATION

Procurement information shall be a matter of public record to the extent provided by State law and shall be available to the public as provided by that law.

23.7.4 EXECUTIVE DIRECTOR'S RESPONSIBILITY

The Contracting Officer shall administer all procurement transactions. The Contracting Officer shall be the Executive Director or any other individual so designated by the Executive Director. Any delegations of the contracting authority must be documented in writing. The Contracting Officer shall ensure the following occur:

- A. Procurement requirements are subject to a planning process to assure efficient and economical purchasing;
- B. Contracts and modifications are in writing and clearly specify the desired supplies, services, or construction; are supported by sufficient documentation regarding the history of the procurement, including as a minimum the method of procurement chosen, the selection of the contract type, the rationale for selecting or rejecting offers, and the basis for the contract price; and that contracts and modifications are awarded only by the MHRC employees designated in writing as have such authority;
- C. For procurements other than small purchases, public notice is given of each upcoming procurement, an adequate time period is provided for preparation and submission of bids or proposals, and notice of contract awards is made available to the public;
- D. Solicitation procedures are conducted in full compliance with Federal standards stated in 24 CFR 85.36, or State and local laws that are more stringent, provided they are consistent with 24 CFR 85.36;
- E. An independent cost estimate is prepared before solicitation is issued and is appropriately safeguarded for each procurement above the small purchase limitation, and a cost or price analysis is conducted of the responses received for all procurements;
- F. Contract award is made to the responsive and responsible bidder offering the lowest price (for sealed bid contracts) or contract award is made to the offeror whose proposal offers the greatest value to the MHRC, considering price, technical, and other factors as specified in the solicitation (for contracts awarded based on competitive proposals); unsuccessful firms are notified within ten days (or other time period required by State or local law) after contract award;
- G. Work is inspected before payment, and payment is made promptly for contract work performed and accepted; and
- H. The MHRC complies with applicable HUD review requirements and any local procedures supplementing this Statement.

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23.7.5 CONTRACTOR RESPONSIBILITY

Procurement shall be conducted only with responsible contractors, i.e., those who have the technical and financial competence to perform and who have a satisfactory record of integrity. The MHRC shall review each proposed contractor's ability to perform the contract successfully, considering factors such as the contractor's integrity (including a review of the List of Parties Excluded from Federal Procurement and Nonprocurement

Programs published by the US General Services Administration), compliance with public policy, record of past performance (including contacting previous clients of the contractor, such as other Housing Authorities), and financial and technical resources. Contracts shall not be awarded to debarred, suspended, or ineligible contractors.

23.7.6 COMPETITIVE SPECIFICATIONS

The MHRC shall seek full and open competition in all of its procurement transactions. All specifications shall be drafted so as to promote overall economy for the purpose intended and to encourage competition in satisfying the MHRC's needs. Specifications shall be reviewed prior to solicitation to ensure that they are not unduly restrictive or represent unnecessary or duplicative items. Functional or performance specifications are preferred. Detailed product specifications shall be avoided whenever possible. Consideration shall be given to consolidating or breaking out procurements to obtain a more economical purchase. For equipment purchases, a lease versus purchase analysis should be performed to determine the most economical form of procurement.

23.7.7 LIMITATIONS ON COMPETITION

The following specification limitations shall be avoided: geographic restrictions not mandated or encouraged by applicable Federal law (except for architect-engineer contracts, which may include geographic location as a selection factor if adequate competition is available); unnecessary bonding or experience requirements; brand name specifications (unless a written determination is made that only the identified item will satisfy the Authority's needs); and brand name or equal specifications (unless they list the minimum essential characteristics and standards to which the item must conform to satisfy its intended use). Nothing in this procurement policy shall preempt any State licensing laws. Specifications shall be scrutinized to ensure that organizational conflicts of interest do not occur (for example, having a consultant perform a study of the MHRC's computer needs and then allowing that consultant to compete for the subsequent contract for the computers).

23.7.8 COOPERATIVE PURCHASING

The MHRC may enter into State and local intergovernmental agreements to purchase or use common goods and services. The decision to use an intergovernmental agreement or conduct a direct procurement shall be based on economy and efficiency. If used, the intergovernmental agreement shall stipulate who is authorized to purchase on behalf of the participating parties and shall specify inspection, acceptance, termination, payment, and other relevant terms and conditions. The MHRC shall use Federal or State excess and surplus property instead of purchasing new equipment and property whenever such use is feasible and reduces project costs.

23.7.9 SMALL PURCHASE PROCEDURES

If it has been decided that the MHRC will directly purchase the required items, one of the following procurement methods shall be chosen, based on the nature and anticipated contract value of the total requirement.

- A. General – Any contract not exceeding \$25,000 may be made in accordance with the small purchase procedures authorized in this section. Contract requirements shall not be artificially divided so as to constitute a small purchase under this section.
- B. Petty Cash Purchases – Small purchases less than Five Hundred Dollars (\$500.00) which can be satisfied by local sources may be processed through the use of a petty cash account. The Contracting Officer shall ensure that the account is established in an amount sufficient to cover small purchases made during a reasonable period (e.g., one month), security is maintained, and only authorized individuals have access to the account. The account shall be periodically reconciled and replenished by the MHRC’s administrative fees earned.
- C. Small purchases of \$1,000 or less – For small purchases below \$1,000, only one quotation need be solicited if the price received is considered reasonable. Such purchases must be distributed equitably among qualified sources. If practicable, a quotation shall be solicited from other than the previous source before placing a repeat order.
- D. Small purchases over \$1,000 – For small purchases in excess of \$1,000 but not exceeding \$25,000 no less than two offerors shall be solicited to submit price quotations. These quotes may be obtained orally, by telephone, or in writing, as allowed by State or local laws. Award shall be made to the offeror providing the lowest acceptable quotation, unless justified in writing based on price and other specified factors, such as for architect-engineer contracts. If non-price factors are used, they shall be disclosed to all those solicited. The names, addresses, and/or telephone numbers of the offerors and persons contacted, and the date and amount of each quotation shall be recorded and maintained as a public record (unless otherwise provided in State or local law).

23.7.10 SEALED BIDDING

- A. Conditions for Use – Contracts shall be awarded based on competitive sealed bidding if the following conditions are present: a complete, adequate, and realistic specification or purchase description is available; two or more responsible bidders are willing and able to compete effectively for the work; the procurement lends itself to a firm fixed price contract; and the selection of the successful bidder can be made principally on the basis of price. Sealed bidding is the preferred method for construction procurement. For modernization projects, sealed bidding shall be used for all construction and equipment contracts exceeding the small purchase limitation. For professional services contracts, sealed bidding should not be used.
- B. Solicitation and Receipt of Bids – An invitation for bids shall be issued including specifications and all contractual terms and conditions applicable to the procurement, including a statement that award will be made to the lowest responsible and responsive bidder whose bid meets the requirements of the

invitation for bids. The invitation for bids shall state the time and place for both the receipt of bids and the public bid opening. All bids received shall be time-stamped but not opened and shall be stored in a secure place until bid opening. A bidder may withdraw its bid at any time prior to bid opening.

- C. Bid Opening and Award – Bids shall be opened publicly, an abstract of bids shall be recorded, and the bids shall be available for public inspection. If equal low bids are received from responsible bidders, award shall be made by drawing lots or similar random method, unless otherwise provided by State or local law and stated in the invitation for bids. If only one responsive bid is received from a responsible bidder, award shall not be made unless a cost or price analysis verifies the reasonableness of the price.
- D. Mistakes in Bids –
 - a. Correction of withdrawal of inadvertently erroneous bids may be permitted, where appropriate, before bid opening by written or telegraphic notice received in the office designated in the invitation for bids prior to the time set for bid opening. After bid opening, corrections in bids shall be permitted only if the bidder can show by clear and convincing evidence that a mistake of a nonjudgmental character was made, the nature of the mistake, and the bid price actually intended. A low bidder alleging a nonjudgmental mistake may be permitted to withdraw its bid if the mistake is clearly evident on the face of the bid document but the intended bid is unclear or the bidder submits convincing evidence that a mistake was made.
 - b. All decisions to allow correction or withdrawal of bid mistakes shall be supported by a written determination signed by the Contracting Officer. After bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the Authority or fair competition shall be permitted.
 - c. Bonds – In addition to the other requirements of this Policy, the following requirements apply:
 - i. For construction contracts exceeding \$100,000, other than those specified in c.ii and c.iii below, contractors shall be required to submit the following, unless otherwise required by State or local laws or regulations:
 - 1. a bid guarantee from each bidder equivalent to 5% of the bid price; and
 - 2. a performance bond for 100% of the contract price; and
 - 3. a payment bond for 100% of the contract price.
 - ii. In the case of construction of conventional development projects funded pursuant to the U.S. Housing Act of 1937, the contractor shall be required to submit the following, unless otherwise required by State and local laws or regulations:
 - 1. a bid guarantee from each bidder equivalent to 5% of the bid price; and

2. one of the following:
 - a. a performance and payment bond for 100% of the contract price; or
 - b. a 20% cash escrow; or
 - c. a 25% irrevocable letter of credit.
3. In the case of construction under the Comprehensive Grant Program or the Capital Fund Program funded pursuant to the U.S. Housing Act of 1937, for any contract over \$25,000, the contractor shall be required to submit the following, unless otherwise required by State or local laws or regulations:
 - a. A bid guarantee from each bidder equivalent to 5% of the bid price; and
 - b. One of the following:
 - i. A performance and payment bond for 100% of the contract price; or
 - ii. separate performance and payment bonds, each for 50% or more of the contract price; or
 - iii. a 20% cash escrow; or
 - iv. a 25% irrevocable letter of credit.

23.7.11 COMPETITIVE PROPOSALS

- A. Conditions for Use – Competitive proposals (including turnkey proposals for development) may be used if there is an adequate method of evaluating technical proposals and where the MHRC determines that conditions are not appropriate for the use of sealed bids. An adequate number of qualified sources shall be solicited (normally, at least 3).
- B. Solicitation – The request for proposals (RFP) shall clearly identify the relative importance of price and other evaluation factors and subfactors, including the weight given to each technical factor and subfactor. A mechanism for fairly and thoroughly evaluating the technical and price proposals shall be established before the solicitation is issued. Proposals shall be handled so as to prevent disclosure of the number of offerors, identity of the offerors, and the contents of their proposals. The proposals shall be evaluated only on the criteria stated in the request for proposals.
- C. Negotiations – Unless there is no need for negotiations with any of the offerors, negotiations shall be conducted with offerors who submit proposals determined to have a reasonable chance of being selected for award, based on evaluation against the technical and price factors as specified in the RFP. Such offerors shall be accorded fair and equal treatment with respect to any opportunity for negotiation and revision of proposals. The purpose of negotiations shall be to seek clarification with regard to and advise offerors of the deficiencies in both the technical and price aspects of their proposals so as to assure full understanding of and conformance to

the solicitation requirements. No offeror shall be provided information about any other offeror's proposal, and no offeror shall be assisted in bringing its proposal up to the level of any other proposal. Offerors shall not be directed to reduce their proposed prices to a specific amount in order to be considered for award. A common deadline shall be established for receipt of proposal revisions based on negotiations.

- D. Award – After evaluation of proposal revisions, if any, the contract shall be awarded to the responsible firm whose qualifications, price and other factors considered are most advantageous to the MHRC.
- E. Architect/Engineer Services – Architect/Engineer Services in the excess of the small purchase limitation (or less if required by State or local law) may be obtained by either the competitive proposals method or qualifications-based selection procedures, competitors' qualifications are evaluated and the most qualified competitor is selected, subject to the negotiation of fair and reasonable compensation. Price is not used as a selection factor under this method. Qualifications-based selection procedures shall not be used to purchase other types of services even though architect-engineer firms are potential sources.

23.7.12 NONCOMPETITIVE PROPOSALS

- A. Conditions for Use – Procurements shall be conducted competitively to the maximum extent possible. Procurement by noncompetitive proposals may be used only when the award of a contract is not feasible using small purchase procedures, sealed bids, or competitive proposals, and one of the following applies:
 - a. The item is available only from a single source, based on a good faith review of available sources;
 - b. An emergency exists that seriously threatens the public health, welfare, or safety; endangers property; or would otherwise cause serious injury to the MHRC, as may arise by reason of a flood, earthquake, epidemic, riot, equipment failure, or similar event. In such cases, there must be an immediate and serious need for supplies, services, or construction such that the need cannot be met through any other procurement methods, and the emergency procurement shall be limited to those supplies, services or construction necessary to meet the emergency;
 - c. HUD authorizes the use of noncompetitive proposals; or
 - d. After solicitation of a number of sources, competition is determined inadequate.
- B. Justification – Each procurement based on noncompetitive proposals shall be supported by a written justification for using such procedures.
- C. Price Reasonableness – The reasonableness of the price for all procurements based on noncompetitive proposals shall be determined by performing a cost analysis, as described in section 23.7.13 below.

23.7.13 COST AND PRICE ANALYSIS

- A. General – Some form of cost or price analysis shall be performed for all procurement actions, including contract modifications, using the procedures described in HUD Handbook 2210.18. The method of analysis shall be determined as follows. The degree of analysis shall depend on the facts surrounding each procurement.
- B. Submission of Cost or Pricing Information – If procurement is based on noncompetitive proposals, or when only one offer is received, or for other procurements as deemed necessary by the MHRC (e.g., when contracting for professional, consulting, or architect/engineer services) the offeror shall be required to submit:
 - a. A cost breakdown showing projected costs and profit;
 - b. Commercial pricing and sales information, sufficient to enable the MHRC to verify the reasonableness of the proposed price as a catalog or market price of a commercial product sold in substantial quantities to the general public; or
 - c. Documentation showing that the offered price is set by law or regulation.
- C. Cost Analysis – Cost analysis shall be performed if an offeror/contractor is required to submit a cost breakdown as part of its proposal. When a cost breakdown is submitted as cost analysis shall be performed of the individual cost elements, the MHRC shall have a right to audit the contractor’s books and records pertinent to such costs, and profit shall be analyzed separately. Costs shall be allowable only to the extent that they are consistent with applicable Federal cost principles (for commercial firms, Subpart 31.2 of the Federal Acquisition Regulation, 48 CFR Chapter 1). In establishing profit, the MHRC shall consider factors such as the complexity and risk of the work involved, the contractor’s investment and productivity, the amount of subcontracting, the quality of past performance, and industry profit rates in the area of similar work.
- D. Price Analysis – For competitive procurements in which cost or pricing information is not required of contractors, the MHRC shall perform a comparison of prices received in relation to the independent cost estimate, to ensure that the price being paid is reasonable.

23.7.14 CANCELLATION OF SOLICITATIONS

An invitation for bids, request for proposals, or other solicitation may be cancelled before offers are due if the MHRC no longer requires the supplies, services or construction; the MHRC can no longer reasonably expect to fund the procurement; proposed amendments to the solicitation would be of such magnitude that a new solicitation would be desirable; or similar reasons. The reasons for cancellation shall be documented in the procurement file and the reasons for cancellation and/or rejection shall be provided upon request to any offeror solicited.

23.7.15 TYPES OF CONTRACTS, CLAUSES, AND CONTRACT ADMINISTRATION

A. CONTRACT TYPES

Any type of contract which is appropriate to the procurement and which will promote the best interests of the MHRC may be used, provided that the cost plus a percentage of cost and percentage of construction cost methods are prohibited. All procurements shall include the clauses and provisions necessary to define the rights and responsibilities of the parties. A cost reimbursement contract shall not be used unless it is likely to be less costly or it is impracticable to satisfy the MHRC's needs otherwise; the proposed contractor's accounting system is adequate to allocate costs in accordance with applicable cost principles (for commercial firms, see HUD Handbook 2210.18); and the contractor is paid only allowable costs. A time and material contract may be used only if a written determination is made that no other contract type is suitable, and the contract includes a ceiling price that the contractor exceeds at its own risk.

B. OPTIONS

Options for additional quantities or performance periods may be included in contracts, provided that (1) the option is contained in the solicitation; (ii) the option is a unilateral right of the MHRC; (iii) the contract states a limit on the additional quantities and the overall term of the contract; (iv) the options are evaluated as part of the initial competition; (v) the contract states the period within which the options may be exercised; (vi) the options may be exercised only at the price specified in or reasonable determinable from the contract; (vii) the options may be exercised only if determined to be more advantageous to the MHRC than conducting a new procurement.

C. CONTRACT CLAUSES

In addition to containing a clause identifying the contract type, all contracts shall include any clauses required by Federal statutes, executive orders, and their implementing regulations, as provided in 24 CFR 85.36(i), such as the following:

- a. Termination for convenience
- b. Termination for default
- c. Equal Employment Opportunity\
- d. Anti-Kickback Act
- e. Davis-Bacon Act
- f. Contract Work Hours and Safety Standards Act
- g. Reporting requirements
- h. Patent Rights
- i. Rights in data
- j. Examination of records by Comptroller General, and retention of records for three years after closeout
- k. Clean air and water
- l. Energy efficient standards
- m. Bid protests and contract claims

- n. Value engineering
- o. Payment of funds to influence certain Federal transactions.

E. CONTRACT ADMINISTRATION

A contract administration system designed to ensure that contractors perform in accordance with their contracts shall be maintained. The system shall include procedures for inspection of supplies, services or construction, as well as monitoring contractor performance, status reporting on construction contracts, and similar matters.

23.7.16 APPEALS AND REMEDIES

A. GENERAL

It is the MHRC's policy to resolve all contractual issues informally at the Authority level, without litigation. Disputes shall not be referred to HUD until all administrative remedies have been exhausted at the Authority level. When appropriate, the MHRC may consider the use of informal discussions between the parties by individuals who did not participate substantially in the matter in dispute to help resolve the differences. HUD will only review protests in cases of violations of Federal law or regulations and failure of the MHRC to review a complaint or protest.

B. BID PROTESTS

Any actual or prospective contractor may protest the solicitation or award of a contract for serious violations of the principles of this Policy. Any protest against a solicitation must be received before the due date for receipt of bids or proposals, and any protest against the award of a contract must be received within ten (10) calendar days after contract award, or the protest will not be considered. All bid protests shall be in writing and submitted to the Contracting Officer or designee, who shall issue a written decision on the matter. The Contracting Officer may, at his or her discretion, suspend the procurement pending resolution of the protest, if warranted by the facts presented.

C. CONTRACT CLAIMS

All claims by a contractor relating to performance of a contract shall be submitted in writing to the Contracting Officer, or designee, for a written decision. The contractor may request a conference on the claim. The Contracting Officer's decision shall inform the contractor of its appeal rights to the Executive Director.

23.7.17 ASSISTANCE TO SMALL AND OTHER BUSINESSES

A. REQUIRED EFFORTS

Consistent with Presidential Executive Orders 11625, 12138, 12432, and Section 3 of the HUD Act of 1968, the MHRC shall make efforts to ensure that small and minority-owned businesses, women's business enterprises, and individuals or firms located in or owned in substantial part by persons residing in the area of the MHRC

development are used when possible. Such efforts shall include, but shall not be limited to the following:

- a. Including such firms, when qualified, on solicitation mailing lists;
- b. Encouraging their participation through direct solicitation of bids or proposals whenever they are potential sources;
- c. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by such firms;
- d. Establishing delivery schedules, where the requirement permits, which encourage participation by such firms;
- e. Using the services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce;
- f. Including in contracts a clause requiring contractors, to the greatest extent feasible, to provide opportunities for training and employment for lower income residents of the development area and to award subcontracts for work in connection with the project to business concerns which are located in, or owned in substantial part by persons residing in the area of the development, as described in 24 CFR 135; and
- g. Requiring prime contractors, when subcontracting is anticipated, to take the positive steps listed in a through f above.

B. DEFINITIONS

A small business is defined as a business that is independently owned, not dominant in its field of operation, and not an affiliate or subsidiary of a business dominant in its field of operation. The size standards in 13 CFR 121 shall be used, unless the MHRC determines that their use is inappropriate.

A minority-owned business is defined as a business which is at least 51% owned by one or more minority group members; or, in the case of a publicly-owned business, one in which at least 51% of its voting stock is owned by one or more minority group members, whose management and daily business operations are controlled by one or more such individuals. Minority group members include, but are not limited to, Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans, and Asian Indian Americans, and Hasidic Jewish Americans.

A women's business enterprise is defined as a business that is at least 51% owned by a woman or women who are U.S. citizens and who also control or operate the business.

A business concern located in the area of the development is defined as an individual or firm located within the relevant Section 3 covered development area, as determined pursuant to 24 CFR 135.15; listed on HUD's registry of eligible business concerns; and meeting the definition of small business above. A business

concern owned in substantial part by persons residing in the area of the development is defined as a business concern with is 51% or more owned by persons residing within the Section 3 covered project, owned by persons considered by the U.S. Small Business Administration to be socially or economically disadvantaged, listed on HUD's registry of eligible business concerns, and meeting the definition of small business above.

23.7.18 ETHICS IN PUBLIC CONTRACTING

A. GENERAL

The MHRC shall adhere to the following code of conduct and shall establish a system of sanctions for violations consistent with applicable State or local law.

B. CONFLICT OF INTEREST

No employee, officer or agent of the MHRC shall participate directly or indirectly in the selection of in the award or administration of any contract if a conflict, real or apparent, would be involved. Such conflict would arise when a financial or other interest in a firm selected for award is held by:

- a. An employee, officer or agent involved in making the award;
- b. His/her relative (including father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister);
- c. His/her partner; or,
- d. An organization which employs, is negotiating to employ, or has an arrangement concerning prospective employment of any of the above.

C. GRATUITIES, KICKBACKS, AND USE OF CONFIDENTIAL INFORMATION

Authority officers, employees, or agents shall not solicit or accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to subcontracts and shall not knowingly use confidential information for actual or anticipated personal gain.

D. PROHIBITION AGAINST CONTINGENT FEES

Contractors shall not retain a person to solicit or secure a MHRC contract for a commission, percentage, brokerage, or contingent fee, except for bona fide employees or bona fide established commercial selling agencies.