

# PHA Plans

## Streamlined 5-Year/Annual Version

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

OMB No. 2577-0226  
(exp 05/31/2006)

---

This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937 that introduced 5-year and annual PHA Plans. The full PHA plan provides a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA's mission and strategies for serving the needs of low-income and very low-income families. This form allows eligible PHAs to make a streamlined annual Plan submission to HUD consistent with HUD's efforts to provide regulatory relief to certain PHAs. Public reporting burden for this information collection is estimated to average 11.7 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

**Privacy Act Notice.** The United States Department of Housing and Urban Development, Federal Housing Administration, is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Information in PHA plans is publicly available.

---

# Streamlined 5-Year Plan for Fiscal Years 2005 - 2009

## Streamlined Annual Plan for Fiscal Year 2005

**NOTE:** This PHA Plan template (HUD-50075-SA) is to be completed in accordance with instructions contained in previous Notices PIH 99-33 (HA), 99-51 (HA), 2000-22 (HA), 2000-36 (HA), 2000-43 (HA), 2001-4 (HA), 2001-26 (HA), 2003-7 (HA), and any related notices HUD may subsequently issue. Full reporting for each component listed in the streamlined Annual Plan submitted with the 5-year plan is required.

## Streamlined Five-Year PHA Plan Agency Identification

**PHA Name:** MESA HOUSING SERVICES

**PHA Number:** AZ005

**PHA Fiscal Year Beginning:** 07/2005

**PHA Programs Administered:**

- Public Housing and Section 8**    
  **Section 8 Only**    
  **Public Housing Only**  
 Number of public housing units:    
 Number of S8 units: **1522**    
 Number of public housing units:  
 Number of S8 units:    
 (**1422 Regular, 100 Mainstream**)

**PHA Consortia: (check box if submitting a joint PHA Plan and complete table)**

Participating PHAs	PHA Code	Program(s) Included in the Consortium	Programs Not in the Consortium	# of Units Each Program
Participating PHA 1:				
Participating PHA 2:				
Participating PHA 3:				

**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 and attachments (if any) 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): **PHA website (www.cityofmesa.org/housing)**

## Streamlined Five-Year PHA Plan

### PHA FISCAL YEARS 2005 - 2009

[24 CFR Part 903.12]

#### 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)

#### 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: **MHSD will review the 2005 NOFA and determine the viability of seeking additional vouchers. With regard to Mainstream Vouchers, MHSD will look at requirements and feasibility of obtaining appropriate resources to implement this program.**
  - Reduce public housing vacancies:
  - Leverage private or other public funds to create additional housing opportunities:
  - Acquire or build units or developments
  - Other (list below)
- PHA Goal: Improve the quality of assisted housing  
Objectives:
- Improve public housing management: (PHAS score)
  - Improve voucher management: (SEMAP score) from 86% to 105% (incl Bonus)
  - Increase customer satisfaction: **Staff will attend training classes to improve efficiency and customer satisfaction as time and resources are available.**
  - Concentrate on efforts to improve specific management functions:  
(list; e.g., public housing finance; voucher unit inspections)  
**Continue to focus on Quality Control procedures and regular staff training.**
  - Renovate or modernize public housing units:
  - Demolish or dispose of obsolete public housing:

- Provide replacement public housing:
- Provide replacement vouchers:
- PHA Goal: Increase assisted housing choices  
Objectives:
  - Provide voucher mobility counseling: **Participants are provided with portability and moving policies and procedures, as well as lists of potential landlords in deconcentrated areas and contact information for other PHAs.**
  - Conduct outreach efforts to potential voucher landlords: **Interest forms and Section 8 information will be mailed to property management companies and individual owners. MHSD will actively seek new owners and new properties in deconcentrated areas.**
  - Increase voucher payment standards
  - Implement voucher homeownership program: **Homeownership Program was implemented 11/2002. MHSD is actively guiding potential homeownership applicants through the 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)  
**MHSD has implemented measures to deconcentrate poverty by making information available to participants regarding available units in low-poverty areas. MHSD actively seeks landlords with properties outside low-poverty areas.**

**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: **The Family Self-Sufficiency (FSS) Program has agreements**

with various training organizations and colleges (i.e., Work Force Development; Arizona Women's Education and Employment, Inc.; Maricopa Community Colleges; Arizona State University) and utilizes available community supportive services for both FSS participants as well as homeownership participants/applicants. Information is also available in the office lobby for all Section 8 participants regarding childcare services, medical services, job listings, and other training programs.

Provide or attract supportive services to increase independence for the elderly or families with disabilities: **MHSD will provide referrals to Area Agency on Aging and Jewish Family & Children's Service Elderly Care Programs to provide supportive services for elderly households.**

Other: (list below)  
**MHSD has an on-site Clothing Closet Program that makes available appropriate clothing for Section 8 family members attending job interviews.**

#### **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: **Fair housing information is provided in the briefing packet, in the office lobby, and on the website.**

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: **Fair housing information is provided in the briefing packet, in the office lobby, and on the website.**

Undertake affirmative measures to ensure accessible housing to persons with all varieties of disabilities regardless of unit size required: **Approval for an increase of bedroom size to accommodate special needs, or an exception rent may be granted when necessary.**

Other: (list below)  
**MHSD has provided training on fair housing during staff meetings.**

#### **Other PHA Goals and Objectives: (list below)**

PHA Goal: Work with HUD to reform regulations while increasing local PHA flexibility. **The City of Mesa Governing Board and MHSD will support changes to the HUD regulations that will further promote self-sufficiency in accordance with local area needs.**

PHA Goal: Work with HUD to reform regulations that would give PHAs flexibility to adapt programs to local conditions. **The City of Mesa Governing Board and MHSD will support changes to HUD regulations that would allow PHA's flexibility to customize program regulations to be more reflective of the local community's needs.**

# Streamlined Annual PHA Plan

## PHA Fiscal Year 2005

[24 CFR Part 903.12(b)]

### Table of Contents

Provide the following table of contents for the streamlined Annual Plan submitted with the Five-Year Plan, including all streamlined plan components, and additional requirements, together with the list of supporting documents available for public inspection.

#### A. ANNUAL STREAMLINED PHA PLAN COMPONENTS

<input checked="" type="checkbox"/>	1. Housing Needs .....	8
<input checked="" type="checkbox"/>	2. Financial Resources .....	13
<input checked="" type="checkbox"/>	3. Policies on Eligibility, Selection and Admissions .....	18
<input checked="" type="checkbox"/>	4. Rent Determination Policies .....	24
<input type="checkbox"/>	5. Capital Improvements Needs	
<input type="checkbox"/>	6. Demolition and Disposition	
<input checked="" type="checkbox"/>	7. Homeownership .....	29
<input checked="" type="checkbox"/>	8. Civil Rights Certifications (included with PHA Certifications of Compliance) .....	32
<input checked="" type="checkbox"/>	9. Additional Information .....	32
	a. PHA Progress on Meeting 5-Year Mission and Goals .....	32
	b. Criteria for Substantial Deviations and Significant Amendments .....	34
	c. Other Information Requested by HUD .....	34
	i. Resident Advisory Board Membership and Consultation Process .....	35
	ii. Resident Membership on the PHA Governing Board .....	35
	iii. PHA Statement of Consistency with Consolidated Plan .....	37
	iv. (Reserved)	
<input checked="" type="checkbox"/>	10. Project-Based Voucher Program .....	38
<input checked="" type="checkbox"/>	11. Supporting Documents Available for Review .....	38
<input type="checkbox"/>	12. FY 20__ Capital Fund Program and Capital Fund Program Replacement Housing Factor, Annual Statement/Performance and Evaluation Report	
<input type="checkbox"/>	13. Capital Fund Program 5-Year Action Plan	
<input checked="" type="checkbox"/>	14. Other (List below, providing name for each item)	

- Attachment A:**        **MHSD Administrative Policy (Attachment B through D listed below are Exhibits of the Administrative Policy)**
- Attachment B:**        **Family Self-Sufficiency Action Plan**
- Attachment C:**        **Home Ownership Under Section Eight Program (HOUSE)**
- Attachment D:**        **Section 8 Project-Based Voucher Policy**
- Attachment E:**        **Governing Board Resolutions: Annual Plan & Five-Year Plan**
- Attachment F:**        **PHA Certifications of Compliance**
- Attachment G:**        **Certification by State or Local Office of PHA Plans Consistency with Consolidated Plan**
- Attachment H:**        **Organizational Chart**

**B. SEPARATE HARD COPY SUBMISSIONS TO LOCAL HUD FIELD OFFICE**

**Form HUD-50077, PHA Certifications of Compliance with the PHA Plans and Related Regulations: Board Resolution to Accompany the Standard Annual, Standard Five-Year, and Streamlined Five-Year/Annual Plans;**

**Certification by State or Local Official of PHA Plan Consistency with Consolidated Plan.**

For PHAs APPLYING FOR CAPITAL FUND PROGRAM (CFP) GRANTS:

**Form HUD-50070, Certification for a Drug-Free Workplace;**

**Form HUD-50071, Certification of Payments to Influence Federal Transactions;**

**Form SF-LLL & SF-LLLa, Disclosure of Lobbying Activities.**

**Executive Summary (optional)**

[903.7(r)]. If desired, provide a brief overview of the contents of the streamlined 5-Year/Annual Plan.

The City of Mesa Housing Services Division (MHSD) has prepared this Agency Plan in compliance with Section 511 of the Quality Housing and Work Responsibility Act (QHWRA) of 1998 and the ensuing HUD requirements.

**1. Statement of Housing Needs** [24 CFR Part 903.12 (b), 903.7(a)]

**A. 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.

<b>Housing Needs of Families on the PHA’s Waiting Lists</b>			
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	<b>1273</b>	<b>100%</b>	20%
Extremely low income <=30% AMI	1013	80%	
Very low income (>30% but <=50% AMI)	232	18%	
Low income (>50% but <80% AMI)	28	2%	
Families with children	577	45%	
Elderly families	131	10%	
Families with Disabilities	430	34%	
Race/ethnicity: White/Non-Hispanic	546	43%	

<b>Housing Needs of Families on the PHA's Waiting Lists</b>			
Race/ethnicity: Black/Non-Hispanic	354	28%	
Race/ethnicity: American Indian/Non-Hispanic	37	3%	
Race/ethnicity: Asian/Non-Hispanic	11	1%	
Race/ethnicity: Native Hawaiian-Other Pacific/Non-Hispanic	0	0%	
Race/ethnicity: White/Hispanic	304	24%	
Race/ethnicity: Black/Hispanic	14	1%	
Race/ethnicity: American Indian/Hispanic	6	>1%	
Race/ethnicity: Asian/Hispanic	1	>1%	
Race/ethnicity: Native Hawaiian-Other Pacific/Hispanic	0	0%	
<b>Characteristics by Bedroom Size (Public Housing Only)</b>			
1BR	N/A	N/A	N/A
2 BR	N/A	N/A	N/A
3 BR	N/A	N/A	N/A
4 BR	N/A	N/A	N/A
5 BR	N/A	N/A	N/A
5+ BR	N/A	N/A	N/A
Is the waiting list closed (select one)? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes			
If yes:			
How long has it been closed (# of months)? 10 months as of 4/2005			
Does the PHA expect to reopen the list in the PHA Plan year? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes			
Does the PHA permit specific categories of families onto the waiting list, even if generally closed?			
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes			

## B. Strategy for Addressing Needs

Provide a brief description of the PHA's strategy for addressing the housing needs of families on the PHA's public housing and Section 8 waiting lists **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 **MHSD will review the 2005 NOFA and determine the viability of seeking additional vouchers. With regard to Mainstream Vouchers, MHSD will look at requirements and feasibility of obtaining appropriate resources to implement this program.**
- 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)
  - **Adopt policies to support and encourage working families, such as delaying rent increases due to increased wages until Annual Reexamination.**
  - **Provide information on community resources, such as job listings, training, and childcare.**
  - **Actively promote the Family Self-Sufficiency and Homeownership Programs.**

**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)

- **Adopt policies to support and encourage working families, such as delaying rent increases due to increased wages until Annual Reexamination.**
- **Provide information on community resources, such as job listings, training, and child care.**
- **Actively promote the Family Self-Sufficiency and Homeownership Programs.**

**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)
  - **Affirmatively market to landlords who have units with available services (i.e., van service, meals, housekeeping) and handicapped accessible facilities.**
  - **Actively promote any other applicable MHSD programs.**

**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)
  - **Affirmatively market to landlords who have units with available services (i.e., van service, meals, housekeeping) and handicapped accessible facilities.**
  - **Actively promote any other applicable MHSD programs.**

**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 903.12 (b), 903.7 (c)]

List on the following table 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.

<b>Financial Resources: Planned Sources and Uses</b>		
<b>Sources</b>	<b>Planned \$</b>	<b>Planned Uses</b>
<b>1. Federal Grants (FY 2005 grants)</b>	<b>N/A</b>	<b>N/A</b>
a) Public Housing Operating Fund	N/A	N/A
b) Public Housing Capital Fund	N/A	N/A
c) HOPE VI Revitalization	N/A	N/A
d) HOPE VI Demolition	N/A	N/A
e) Annual Contributions for Section 8 Tenant-Based Assistance	<b>\$8,627,046</b> <b>\$720,035</b>	Housing Assistance Payments:  Housing Choice Vouchers HAPs Administrative Fees
	<b>\$536,120</b> <b>\$46,990</b>	Mainstream (5-Year) Vouchers HAPs Administrative Fees
f) Resident Opportunity and Self-Sufficiency Grants	<b>\$44,478</b> <b>\$48,100</b>	Salaries/Benefits:  FSS Coordinator Position Homeownership Coordinator Position
g) Community Development Block Grant	<b>\$1,220,000</b>	Homeowners Rehabilitation - Citywide
	<b>\$180,000</b>	Homeowners Rehabilitation – Nuestro
	<b>\$210,000</b>	Rental Rehabilitation
	<b>\$35,000</b>	Lead-Based Paint Inspection/Abatement
	<b>\$66,150</b>	Administrative – Project Related
	<b>\$358,292</b>	Project Delivery
	<b>\$21,250</b>	Roofing Pilot Program
h) HOME	<b>\$180,000</b>	Major Rehabilitation/Reconstruction
Other Federal Grants (list below)		
<b>2. Prior Year Federal Grants (unobligated funds only) (list below)</b>	<b>N/A</b>	<b>N/A</b>
<b>3. Public Housing Dwelling Rental Income</b>	<b>N/A</b>	<b>N/A</b>
<b>4. Other income (list below)</b>	<b>N/A</b>	<b>N/A</b>
<b>4. Non-federal sources (list below)</b>	<b>N/A</b>	<b>N/A</b>
<b>Total resources</b>	<b>\$12,293,461</b>	

### **3. PHA Policies Governing Eligibility, Selection, and Admissions**

[24 CFR Part 903.12 (b), 903.7 (b)]

#### **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)

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)

c. Site-Based Waiting Lists-Previous Year

1. Has the PHA operated one or more site-based waiting lists in the previous year? If yes,

complete the following table; if not skip to d.

Site-Based Waiting Lists				
Development Information: (Name, number, location)	Date Initiated	Initial mix of Racial, Ethnic or Disability Demographics	Current mix of Racial, Ethnic or Disability Demographics since Initiation of SBWL	Percent change between initial and current mix of Racial, Ethnic, or Disability demographics

2. What is the number of site based waiting list developments to which families may apply at one time? \_\_\_

3. How many unit offers may an applicant turn down before being removed from the site-based waiting list? \_\_\_

4.  Yes  No: Is the PHA the subject of any pending fair housing complaint by HUD or any court order or settlement agreement? If yes, describe the order, agreement or complaint and describe how use of a site-based waiting list will not violate or be inconsistent with the order, agreement or complaint below:

d. Site-Based Waiting Lists – Coming Year

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
- Over-housed
- Under-housed
- 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: Does the PHA have any general occupancy (family) public housing developments covered by the deconcentration rule? If no, this section is complete. If yes, continue to the next question.

b.  Yes  No: Do any of these covered developments have average incomes above or below 85% to 115% of the average incomes of all such developments? If no, this section is complete. If yes, list these developments on the following table:

<b>Deconcentration Policy for Covered Developments</b>			
<b>Development Name</b>	<b>Number of Units</b>	<b>Explanation (if any) [see step 4 at §903.2(c)(1)(iv)]</b>	<b>Deconcentration policy (if no explanation) [see step 5 at §903.2(c)(1)(v)]</b>

**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):
  - 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)
- Names and phone numbers of last two (2) known landlords, if available.**

**(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)
- When the waiting list is open, reasonable accommodation is provided for the elderly and disabled applicants. For this population, a pre-application will be mailed and will not require the applicant to complete the pre-application at the PHA office.**

**(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:

**Upon request, elderly and disabled households are automatically given extensions to a maximum of 120 days search time. Other household types are given extensions in 30-day increments upon approval, based on a Search Log provided to the tenant by the agency, if requested.**

**(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)

**Residents who live in Mesa**

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
- 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 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)

**1 Residents who live in Mesa**

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)
  - **MHSD Website ([www.CityofMesa.org/Housing](http://www.CityofMesa.org/Housing))**

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

- Through published notices
- Other (list below)
  - **MHSD Website ([www.CityofMesa.org/Housing](http://www.CityofMesa.org/Housing))**
  - **Written notification to community agencies, senior centers, senior apartment complexes, hospitals, faith-based organizations, and other human service agencies**

#### **4. PHA Rent Determination Policies**

[24 CFR Part 903.12(b), 903.7(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 of the following two)

- 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))
- 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% of 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)
- 95<sup>th</sup> 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**

a. 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)
  - **Budgetary restraints**
  - **Available housing in low-poverty areas**
  - **Quality of available housing**

## **(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)

## **City of Mesa Administrative Policy**

### **13.9 FINANCIAL HARDSHIP EXEMPTION FROM MINIMUM RENT**

A. MHSD has set the Minimum Rent as \$ 50.00. However, if the family requests a Financial Hardship Exemption from Minimum Rent, MHSD will suspend the Minimum Rent for the family beginning the month following the family's hardship request. The suspension will continue until MHSD can determine whether a hardship exists and whether the hardship is of a temporary or long-term nature. During suspension, the Minimum Rent will not be included in the family's Total Tenant Payment (TTP) and the Housing Assistance Payment will be increased accordingly.

#### **B. Minimum Rent Terminology**

1. **Hardship:** An unexpected, or unprecedented, economic burden on the family. The voluntary loss of income, or voluntary continued loss of income, does not necessarily qualify a family for the Financial Hardship Exemption from Minimum Rent. Only the following situations shall qualify a family for the exemption:
  - a. When the family has lost eligibility—or is awaiting an eligibility determination—for a Federal, State or local assistance program. Included in this exemption are households with a family member who is a non-citizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits for title IV of the Personal Responsibility and Work Opportunity Act of 1996.
  - b. When the family would be evicted as a result of the imposition of the Minimum Rent requirement.
  - c. When the family income has decreased because of changed circumstances, including involuntary loss of employment.
  - d. When the family has an increase of expenses because of changed circumstances, such as for medical costs, childcare, transportation, education, or similar items.
  - e. When a death or severe illness has occurred in the family.
  - f. Other qualifying circumstances that would require approval by MHSD or HUD.
2. **No Hardship:** If either the family has failed to provide documentation proving the hardship has occurred due to the circumstances listed in Section 13.9(1) of the *City of Mesa Administrative Plan*, or MHSD had determined there is no qualifying hardship, the Minimum Rent will be reinstated. A repayment agreement shall be executed for any money owed to MHSD during the time of the suspension.
3. **Temporary Hardship:** A temporary hardship due to circumstances listed in Section 13.9(1) of the *City of Mesa Administrative Plan* that does not extend beyond a 90-day period. A Minimum Rent will not be imposed for a period of 90-days from the date of the family's request. Documentation substantiating the claim for a "Temporary Hardship" is required.

At the end of the 90-day period, the Minimum Rent will be imposed retroactively to the time of suspension. MHSD will offer a reasonable repayment agreement for any minimum rent back payment paid by MHSD on the family's behalf during the period of suspension.

4. **Long-term Hardship:** A long-term hardship due to circumstances listed in Section 13.9(1) of the *City of Mesa Administrative Plan* that extends beyond a 90-day period. A statement is required from either a medical provider or other documentation MHSD considers sufficient to substantiate the family's claim for the "Long-Term Hardship". If MHSD 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 informal hearing process in which the family requests the hardship determination made by MHSD will be reviewed.

C. **Family Requests Financial Hardship Exemption from Minimum Rent**

1. Family puts request in writing, including reasons for request (i.e., laid-off from job).
2. Based on information/documentation provided by the family, MHSD shall determine if a hardship exists with ten (10) working days.
  - a. If a hardship exists, MHSD shall determine if the hardship is of temporary (less than 90-days) or of long-term (greater than 90-days) nature. If applicable, MHSD shall make appropriate changes to the computer system so that the family will receive the full benefit of a \$0 Minimum Rent for the time period in which the family qualifies. The case files shall be reviewed at least every 90-days from the month of the removal of the Minimum Rent to determine the family's eligibility for the exception.
  - b. If MHSD determines hardship doesn't exist, the family has the right to request an informal hearing on the decision.
3. **Time Limits for Financial Hardship Exemption from Minimum Rent**
  - a. **Temporary Hardships:** At the end of 90-days, the \$50 minimum rent shall be used in the calculation to determine what the family would have paid if they had not received the Financial Hardship Exemption from Minimum Rent. The amount of overpaid assistance (based on the \$50 minimum rent) shall be reimbursed by the family—repayment agreements are acceptable.
  - b. **Long-Term Hardships:** The family shall be exempt from the Minimum Rent requirements as long as such hardship continues. Such exemptions shall apply from the beginning of the month following the family's request until the end of the qualifying financial hardship. Repayment of the Minimum Rent is not required as long as the family has complied with the Family Obligations of reporting information in the prescribed timeframe and manner. (*Housing Choice Voucher Guidebook*, Section 6.4) At each Annual Reexamination, the family's eligibility for the Financial Hardship Exemption from Minimum Rent shall be reviewed.
  - c. **Change Reports:** The family is still required to abide by all other requirements of the Family Obligations, including, but not limited to, reporting all changes of household composition and income within ten (10) working days of the occurrence. Failure to do so is grounds for termination of the voucher.

## **5. Capital Improvement Needs**

[24 CFR Part 903.12(b), 903.7 (g)]

Exemptions from Component 5: Section 8 only PHAs are not required to complete this component and may skip to Component 6.

## A. Capital Fund Activities

Exemptions from sub-component 5A: PHAs that will not participate in the Capital Fund Program may skip to component 5B. All other PHAs must complete 5A as instructed.

### (1) Capital Fund Program

- a.  Yes  No Does the PHA plan to participate in the Capital Fund Program in the upcoming year? If yes, complete items 12 and 13 of this template (Capital Fund Program tables). If no, skip to B.
- b.  Yes  No: Does the PHA propose to use any portion of its CFP funds to repay debt incurred to finance capital improvements? If so, the PHA must identify in its annual and 5-year capital plans the development(s) where such improvements will be made and show both how the proceeds of the financing will be used and the amount of the annual payments required to service the debt. (Note that separate HUD approval is required for such financing activities.).

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

Applicability of sub-component 5B: 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.

### (1) Hope VI Revitalization

- a.  Yes  No: Has the PHA received a HOPE VI revitalization grant? (if no, skip to next component; if yes, provide responses to questions on chart below 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)  
Development name:  
Development (project) number:  
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
- c.  Yes  No: Does the PHA plan to apply for a HOPE VI Revitalization grant in the

Plan year? If yes, list development name/s below:

d.  Yes  No: 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:

e.  Yes  No: 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:

**6. Demolition and Disposition**

[24 CFR Part 903.12(b), 903.7 (h)]

Applicability of component 6: Section 8 only PHAs are not required to complete this section.

a.  Yes  No: Does the PHA plan to conduct any demolition or disposition activities (pursuant to section 18 or 24 (Hope VI) of the U.S. Housing Act of 1937 (42 U.S.C. 1437p) or Section 202/Section 33 (Mandatory Conversion) in the plan Fiscal Year? (If “No”, skip to component 7; if “yes”, complete one activity description for each development on the following chart.)

<b>Demolition/Disposition Activity Description</b>
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: (DD/MM/YY)
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:

**7. Section 8 Tenant Based Assistance--Section 8(y) Homeownership Program**

[24 CFR Part 903.12(b), 903.7(k)(1)(i)]

(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 the next component; if “yes”, complete

each program description below (copy and complete questions for each program identified.)

**(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, what is the maximum number of participants this fiscal year? **15**

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:

**City of Mesa Administrative Policy**

**Section 8 Home Ownership Description (Home Ownership Under Section Eight Program)**

**GENERAL PROVISIONS:** The Section 8 Home Ownership Program of Mesa Housing Services ("MHS") permits eligible participants in the Section 8 Housing Choice Voucher program, including participants with portable vouchers, the option of purchasing a home with their Section 8 assistance rather than renting. MHS's HOUSE Program provides one of two types of homeownership assistance for a family: monthly homeownership assistance payments or a single down payment assistance grant.

**Eligible applicants for the Section 8 Home Ownership Program must have completed an initial Section 8 lease term in Mesa, may not owe MHS or any other Housing Agency an outstanding debt, and must meet the eligibility criteria set forth herein.**

**Section 8 Home Ownership assistance may be used to purchase the following type of homes within the City of Mesa: new or existing single-family, condominium, planned use developments, or manufactured homes. MHS also will permit portability of Section 8 Home Ownership assistance to another jurisdiction, provided the receiving jurisdiction operates a Section 8 Home Ownership Program for which the Section 8 Home Ownership applicant qualifies.**

***Eligibility Requirements:***

- **First-time homeowner**
- **Minimum income requirements**
- **Employment history (for disabled or elderly, proof of recurring income only)**
- **Completion of initial lease term**

- **No outstanding debt owed to any housing agency**
- **No current homeownership**
- **No prior mortgage defaults (pertaining to previous Section 8 Homeownership)**

*Participation Requirements:*

- **Attendance of a Homeownership Counseling Program approved by MHSD**
- **Must have been issued a homeownership voucher**
- **Unit must pass all applicable inspections**
- **Must comply with requirements set forth by partnering agency (Housing for Mesa)**
- **Compliance with Family Obligations**
- **Notification to MHSD of: Any mortgage default notices or other pertinent information as to the viability of the family's continued residence in the home.**

c. What actions will the PHA undertake to implement the program this year (list)?

- **HOUSE Program implemented November 2002**
- **Full-time staff person designated as Homeownership Coordinator**
- **Expanded program to allow more families to participate**
- **Continue to mentor and guide potential Section 8 homeownership voucher holders through the pre-purchase process**
- **Continued coordination of the Homebuyer's Club (4+ years)**
- **Implemented the Pre-Application Workshop**
- **Implemented literacy classes**

**(3) Capacity of the PHA to Administer a Section 8 Homeownership Program**

The PHA has demonstrated its capacity to administer the program by (select all that apply):

- a.  Establishing a minimum homeowner downpayment requirement of at least 3 percent of purchase price and requiring that at least 1 percent of the purchase price comes from the family's resources.
- b.  Requiring that financing for purchase of a home under its Section 8 homeownership will be provided, insured or guaranteed by the state or Federal government; comply with secondary mortgage market underwriting requirements; or comply with generally accepted private sector underwriting standards.

c.  Partnering with a qualified agency or agencies to administer the program (list name(s) and years of experience below).

- **Housing for Mesa (HFM) is a private, non-profit community-based housing organization that provides comprehensive supportive services for low-income families interested in pursuing homeownership. Services include homebuyer education/counseling, new homeowner training, housing assistance outreach, financial packaging, and identification and acquisition of property. HFM was incorporated in 1988.**
- **First homebuyer's program in January 1990.**
- **HFM provides education to 600 households and counsels approximately 100 families per year.**
- **HFM budget \$4 million, utilizing 7 different lending institutions.**
- **Staff: John Smith, President (17+ years exp.); Teresa Brice-Heams, Vice-President (17+ years exp.); Edna McLaughlin, Director of Education & Counseling (14+ years exp.); Cruz Lopez, Housing Counselor (10+ years exp.); Stacy Smith, Program Specialist II (10+ years exp.).**

d.  Demonstrating that it has other relevant experience (list experience below).

- **MHSD has a full-time Homeownership Coordinator devoted to the HOUSE Program.**
- **First homebuyer in 2002 (single mom with a son); second successful homebuyer in 2004 (disabled household); three more families are going through the process and nearing the completion of their counseling and requirements; anticipate nine families targeted within 2005.**
- **Coordination of Homebuyer's Club (4+ years exp.)**
- **Staff: Homeownership Coordinator Connie Alvarado, BA Management, MA Organization Management; Certified FDIC Money Smart Trainer (2003); Pre-Application Workshop Trainer; Attendance of Annual Tax Law Training for Volunteer Income tax Assistance Program (3 years exp.); Section 8-related casework (12+ years exp.).**

## **8. Civil Rights Certifications**

[24 CFR Part 903.12 (b), 903.7 (o)]

Civil rights certifications are included in the *PHA Plan Certifications of Compliance with the PHA Plans and Related Regulations: Board Resolution to Accompany the Standard Annual, Standard Five-Year, and Streamlined Five-Year/Annual Plans*, which is submitted to the Field Office in hard copy—see Table of Contents.

## **9. Additional Information**

[24 CFR Part 903.12 (b), 903.7 (r)]

### **A. PHA Progress in Meeting the Mission and Goals Described in the 5-**

## **Year Plan**

*(Provide a statement of the PHA's progress against the goals and objectives established in the previous 5-Year Plan for the period FY 2000 - 2004.)*

The City of Mesa Housing Services Division (MHSD) has made a noted effort achieving the 5-year goals of the agency created for the period between 2000 and 2004. Although some of the goals are ongoing, MHSD has devised and implemented strategies to achieve the objectives. MHSD has always been a high-performing agency with a strong need to make a difference in the community by providing quality rental assistance in a high-customer satisfactory environment. MHSD has taken an active role in implementing HUD policies, procedures, and requirements within required timeframes.

**HUD Strategic Goals** (1) Increase the availability of decent, safe, and affordable housing. (2) Improve community quality of life and economic vitality. (3) Promote self-sufficiency and asset development of families and individuals. (4) Ensure equal opportunity in housing for all Americans.

MHSD has expanded the supply of assisted housing by applying for additional rental vouchers. (1) MHSD has consistently applied for the Family Self-Sufficiency Coordinator grant since 2000 and expanded the grant award to include a Homeownership Coordinator position in 2002. (2) MHSD applied for the following grants: (a) 150 vouchers for FY2001 Fair Share Allocation of Incremental Voucher Funding; (b) 200 Vouchers for FY2002 Fair Share Allocation of Incremental Funding; (c) 75 vouchers for Mainstream Housing Opportunities for Persons with Disabilities; (d) 125 vouchers for FY2000 Fair Share Allocation of Incremental Funding; (e) 75 vouchers for Mainstream Housing Opportunities for Persons with Disabilities; (f) 60 Reallocation Vouchers. (3) The MHSD Rental Rehabilitation Program works with community partners in creating additional housing opportunities, such as handicapped modifications to unit. A lead-based paint program was also implemented in 2003. (4) As a standard policy, MHSD will actively pursue funding for additional vouchers, when available.

The quality of assisted housing has improved in Mesa. The PHA SEMAP Score increased from 96% to 100% (w/ Bonus) for the FYE2003; the SEMAP Score for 2004 is currently under evaluation. Management focused on increasing customer satisfaction improving management functions by providing regular staff training classes and a new Quality Control policy. Assisted housing choices have increased in Mesa through portability counseling in briefing packets, promotion of the program to potential landlords owning units in low-poverty areas, and implementation of the homeownership program. MHSD has made strides in improving the living environment for residents through rental rehabilitation programs and providing Section 8 participants with information on units in low-poverty areas.

MHSD has implemented strong self-sufficiency programs through the FSS and HOUSE Programs with the goal of self-sufficiency for families by connecting families and individuals with supportive services, training programs, and job listings. MHSD affirmatively furthers fair housing by providing information in both the briefing packets

and in the PHA lobby, through staff training, and with the approval for a change of bedroom size or an exception rent where there is an accessibility issue.

**Other PHA Goals:** (1) Manage the existing affordable housing program in an efficient and effective manner. (2) Provide a safe and secure environment in the affordable housing site. (3) Expand the tenant-based program to include homeownership.

The affordable housing units owned by the City of Mesa fall under the direction of the Mesa Housing Services Division. The division has made improvements to the interior and exterior of the units over the years in an effort to make the units more marketable. Safety and fiscal responsibility has also increased through aggressive screening procedures.

## **B. Criteria for Substantial Deviations and Significant Amendments**

### **(1) Amendment and Deviation Definitions**

24 CFR Part 903.7(r)

PHAs are required to define and adopt their own standards of substantial deviation from the 5-year Plan and Significant Amendment to the Annual Plan. The definition of significant amendment is important because it defines when the PHA will subject a change to the policies or activities described in the Annual Plan to full public hearing and HUD review before implementation.

a. Substantial Deviation from the 5-Year Plan: **Substantial Deviation from the 5-Year Plan shall include a major modification to the PHA goals and practices. General agency policies are not included; however, if there is a significant amendment or modification to the 5-Year Plan, an updated copy of the Administrative Plan shall be posted on the website at [www.cityofmesa.org/housing](http://www.cityofmesa.org/housing) within a 90 day period.**

b. Significant Amendment or Modification to the Annual Plan: **Significant Amendment or Modification to the Annual Plan shall include a major modification to the PHA goals and practices. General agency policies are not included; however, if there is a significant amendment or modification to the Annual Plan, an updated copy of the Administrative Plan shall be posted on the website at [www.cityofmesa.org/housing](http://www.cityofmesa.org/housing) within a 90 day period.**

## **C. Other Information**

[24 CFR Part 903.13, 903.15]

### **(1) Resident Advisory Board Recommendations**

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

If yes, provide the comments below:

**The Resident Advisory Board (RAB) members agreed the goals and objectives of the annual and 5-Year Plan:**

- **Are sufficient considering the housing needs of families and individuals residing in Mesa.**
- **Targets “at risk” families and individuals residing in Mesa.**
- **Provides solutions to Section 8 participants living I high poverty areas.**
- **Promotes self-sufficiency and homeownership.**

**Individual comments included:**

- **More funding (for housing) is needed from the federal government.**
- **Emergency funding for those in need of housing.**

b. 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)

## **(2) Resident Membership on PHA Governing Board**

The governing board of each PHA is required to have at least one member who is directly assisted by the PHA, unless the PHA meets certain exemption criteria. Regulations governing the resident board member are found at 24 CFR Part 964, Subpart E.

a. Does the PHA governing board include at least one member who is directly assisted by the PHA this year?

Yes  No:

If yes, complete the following:

Name of Resident Member of the PHA Governing Board:

**William Egan**  
**108 N Greenfield Rd Apt. 1180**  
**Mesa AZ 85205**

2005-2006 Resident Advisory Board (RAB) Members:

**Robert Archie**  
**Roselea Bobo**  
**Janet Brandon**  
**William Egan**

2005-2006 Governing Board:

**Keno Hawker, Chair**  
**Claudia Walters, Vice Chair**  
**Mike Whalen**

**Tom Rawles**  
**Kyle Jones**  
**Rex Griswold**  
**Janie Thom**  
**William Egan, RAB**

Method of Selection:

- Appointment  
**The term of appointment is (include the date term expires): 2005-2006**
- Election by Residents (if checked, complete next section--Description of Resident Election Process)

**Description of Resident Election Process**

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)

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)

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)

**Chair of the Governing Board Keno Hawker (City of Mesa Mayor)**

b. If the PHA governing board does not have at least one member who is directly assisted by the PHA, why not?

- The PHA is located in a State that requires the members of a governing board to be salaried and serve on a full time basis
- The PHA has less than 300 public housing units, has provided reasonable notice to the resident advisory board of the opportunity to serve on the governing board, and has not been notified by any resident of their interest to participate in the Board.
- Other (explain):

Date of next term expiration of a governing board member: **2006**

Name and title of appointing official(s) for governing board (indicate appointing official for the next available position): **Chair of the Governing Board Keno Hawker (City of Mesa Mayor)**

**(3) PHA Statement of Consistency with the Consolidated Plan**

[24 CFR Part 903.15]

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

**Consolidated Plan jurisdiction: Mesa, Arizona, Maricopa County**

a. 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 on its waiting list 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)

**PHA activities include:**

- **Providing referrals to supportive services for the disabled and elderly.**
- **Reviewing 2005 NOFA and applying for eligible funding.**
- **Administering Family Self-Sufficiency and Homeownership Programs and applicable services.**
- **Providing resources and referrals to promote and encourage employability.**
- **Providing basic financial planning and budgeting for participants.**
- **Mentoring potential Section 8 homeownership voucher holders through the pre-purchase process.**
- **Coordinating the Homebuyer's Club for potential homeowners.**
- **Enhancing landlord outreach for units in low-poverty areas.**

Other: (list below)

b. The Consolidated Plan of the jurisdiction supports the PHA Plan with the following actions and commitments: (describe below)

**The Consolidated Plan addresses:**

- **Focusing on priority needs within the jurisdiction.**

- Pursuing homeownership assistance programs, rental assistance programs, and needed supportive services for special populations.
- Eliminating barriers to affordable housing.

(4) (Reserved)

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

**10. Project-Based Voucher Program**

- a.  Yes  No: Does the PHA plan to “project-base” any tenant-based Section 8 vouchers in the coming year? If yes, answer the following questions.
- b.  Yes  No: Are there circumstances indicating that the project basing of the units, rather than tenant-basing of the same amount of assistance is an appropriate option?

If yes, check which circumstances apply:

- Low utilization rate for vouchers due to lack of suitable rental units
- Access to neighborhoods outside of high poverty areas
- Other (describe below:)

**MHSD intends to implement a project based assistance program to increase affordable housing opportunities for low-income families by focusing on quality units within services areas, such as near public transportation, schools, churches, human service agencies, shopping malls, banks, grocery stores, restaurants, and jobs.**

- c. Indicate the number of units and general location of units (e.g. eligible census tracts or smaller areas within eligible census tracts): **40 total units within a maximum of two project-sites**

**11. List of Supporting Documents Available for Review for Streamlined Five-Year/ Annual PHA Plans**

PHAs are to 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	Related Plan Component
✓	<i>PHA Certifications of Compliance with the PHA Plans and Related Regulations and Board Resolution to Accompany the Standard Annual, Standard Five-Year, and Streamlined Five-Year/Annual Plans.</i>	Standard 5 Year and Annual Plans; streamlined 5 Year Plans
✓	State/Local Government Certification of Consistency with the Consolidated Plan.	5 Year Plans

List of Supporting Documents Available for Review		
Applicable & On Display	Supporting Document	Related Plan Component
✓	Fair Housing Documentation Supporting Fair Housing Certifications: 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
✓	Housing Needs Statement of the Consolidated Plan for the jurisdiction(s) in which the PHA is located and any additional backup data to support statement of housing needs for families on the PHA's public housing and Section 8 tenant-based waiting lists.	Annual Plan: Housing Needs
	Most recent board-approved operating budget for the public housing program	Annual Plan: Financial Resources
	Public Housing Admissions and (Continued) Occupancy Policy (A&O/ACOP), which includes the Tenant Selection and Assignment Plan [TSAP] and the Site-Based Waiting List Procedure.	Annual Plan: Eligibility, Selection, and Admissions Policies
	Any policy governing occupancy of Police Officers and Over-Income Tenants in Public Housing. <input type="checkbox"/> Check here if included in the public housing A&O Policy.	Annual Plan: Eligibility, Selection, and Admissions Policies
✓	Section 8 Administrative Plan	Annual Plan: Eligibility, Selection, and Admissions Policies
	Public housing rent determination policies, including the method for setting public housing flat rents. <input type="checkbox"/> Check here if included in the public housing A & O Policy.	Annual Plan: Rent Determination
	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
✓	Section 8 rent determination (payment standard) policies (if included in plan, not necessary as a supporting document) and written analysis of Section 8 payment standard policies. <input checked="" type="checkbox"/> Check here if included in Section 8 Administrative Plan.	Annual Plan: Rent Determination
	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
	Results of latest Public Housing Assessment System (PHAS) Assessment (or other applicable assessment).	Annual Plan: Management and Operations
	Follow-up Plan to Results of the PHAS Resident Satisfaction Survey (if necessary)	Annual Plan: Operations and Maintenance and Community Service & Self-Sufficiency
✓	Results of latest Section 8 Management Assessment System (SEMAP)	Annual Plan: Management and Operations
	Any policies governing any Section 8 special housing types <input type="checkbox"/> check here if included in Section 8 Administrative Plan	Annual Plan: Operations and Maintenance
	Consortium agreement(s).	Annual Plan: Agency Identification and Operations/ Management
	Public housing grievance procedures <input type="checkbox"/> Check here if included in the public housing A & O Policy.	Annual Plan: Grievance Procedures
✓	Section 8 informal review and hearing procedures. <input checked="" type="checkbox"/> Check here if included in Section 8 Administrative Plan.	Annual Plan: Grievance Procedures
	The Capital Fund/Comprehensive Grant Program Annual Statement /Performance and Evaluation Report for any active grant year.	Annual Plan: Capital Needs
	Most recent CIAP Budget/Progress Report (HUD 52825) for any active CIAP grants.	Annual Plan: Capital Needs

<b>List of Supporting Documents Available for Review</b>		
<b>Applicable &amp; On Display</b>	<b>Supporting Document</b>	<b>Related Plan Component</b>
	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
	Self-evaluation, Needs Assessment and Transition Plan required by regulations implementing Section 504 of the Rehabilitation Act and the Americans with Disabilities Act. See PIH Notice 99-52 (HA).	Annual Plan: Capital Needs
	Approved or submitted applications for demolition and/or disposition of public housing.	Annual Plan: Demolition and Disposition
	Approved or submitted applications for designation of public housing (Designated Housing Plans).	Annual Plan: Designation of Public Housing
	Approved or submitted assessments of reasonable revitalization of public housing and approved or submitted conversion plans prepared pursuant to section 202 of the 1996 HUD Appropriations Act, Section 22 of the US Housing Act of 1937, or Section 33 of the US Housing Act of 1937.	Annual Plan: Conversion of Public Housing
	Documentation for required Initial Assessment and any additional information required by HUD for Voluntary Conversion.	Annual Plan: Voluntary Conversion of Public Housing
	Approved or submitted public housing homeownership programs/plans.	Annual Plan: Homeownership
✓	Policies governing any Section 8 Homeownership program (Section 23.0 of the Section 8 Administrative Plan)	Annual Plan: Homeownership
	Public Housing Community Service Policy/Programs <input type="checkbox"/> Check here if included in Public Housing A & O Policy	Annual Plan: Community Service & Self-Sufficiency
✓	Cooperative agreement between the PHA and the TANF agency and between the PHA and local employment and training service agencies.	Annual Plan: Community Service & Self-Sufficiency
✓	FSS Action Plan(s) for public housing and/or Section 8.	Annual Plan: Community Service & Self-Sufficiency
	Section 3 documentation required by 24 CFR Part 135, Subpart E for public housing.	Annual Plan: Community Service & Self-Sufficiency
	Most recent self-sufficiency (ED/SS, TOP or ROSS or other resident services grant) grant program reports for public housing.	Annual Plan: Community Service & Self-Sufficiency
	Policy on Ownership of Pets in Public Housing Family Developments (as required by regulation at 24 CFR Part 960, Subpart G). <input type="checkbox"/> Check here if included in the public housing A & O Policy.	Pet Policy
	The results of the most recent fiscal year audit of the PHA conducted under the Single Audit Act as implemented by OMB Circular A-133, the results of that audit and the PHA's response to any findings.	Annual Plan: Annual Audit
	Consortium agreement(s), if a consortium administers PHA programs.	Joint PHA Plan for Consortia
	Consortia Joint PHA Plans ONLY: Certification that consortium agreement is in compliance with 24 CFR Part 943 pursuant to an opinion of counsel on file and available for inspection	Joint PHA Plan for Consortia
	Other supporting documents (optional). List individually.	(Specify as needed)

**12. Capital Fund Program and Capital Fund Program Replacement Housing Factor Annual Statement/Performance and Evaluation Report**

<b>Annual Statement/Performance and Evaluation Report</b>					
<b>Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part I: Summary</b>					
<b>PHA Name:</b>		<b>Grant Type and Number</b> Capital Fund Program Grant No: Replacement Housing Factor Grant No:			<b>Federal FY of Grant:</b>
<input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/ Emergencies <input type="checkbox"/> Revised Annual Statement (revision no: ) <input type="checkbox"/> Performance and Evaluation Report for Period Ending: <input type="checkbox"/> Final Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost	
		Original	Revised	Obligated	Expended
1	Total non-CFP 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	1499 Development Activities				
19	1501 Collateralization or Debt Service				
20	1502 Contingency				
21	Amount of Annual Grant: (sum of lines 2 – 20)				
22	Amount of line 21 Related to LBP Activities				
23	Amount of line 21 Related to Section 504 compliance				
24	Amount of line 21 Related to Security – Soft Costs				
25	Amount of Line 21 Related to Security – Hard Costs				
26	Amount of line 21 Related to Energy Conservation Measures				





### 13. Capital Fund Program Five-Year Action Plan

<b>Capital Fund Program Five-Year Action Plan</b>					
<b>Part I: Summary</b>					
PHA Name				<input type="checkbox"/> <b>Original 5-Year Plan</b> <input type="checkbox"/> <b>Revision No:</b>	
Development Number/Name/HA-Wide	Year 1	Work Statement for Year 2 FFY Grant: PHA FY:	Work Statement for Year 3 FFY Grant: PHA FY:	Work Statement for Year 4 FFY Grant: PHA FY:	Work Statement for Year 5 FFY Grant: PHA FY:
	Annual Statement				
CFP Funds Listed for 5-year planning					
Replacement Housing Factor Funds					

**13. Capital Fund Program Five-Year Action Plan**

<b>Capital Fund Program Five-Year Action Plan</b>						
<b>Part II: Supporting Pages—Work Activities</b>						
Activities for Year 1	Activities for Year : ____ FFY Grant: PHA FY:			Activities for Year: ____ FFY Grant: PHA FY:		
	<b>Development Name/Number</b>	<b>Major Work Categories</b>	<b>Estimated Cost</b>	<b>Development Name/Number</b>	<b>Major Work Categories</b>	<b>Estimated Cost</b>
<b>See</b>						
<b>Annual</b>						
<b>Statement</b>						
<b>Total CFP Estimated Cost</b>			\$			\$





**CITY OF MESA  
HOUSING SERVICES DIVISION**

**SECTION 8  
HOUSING CHOICE VOUCHER PROGRAM**

**ADMINISTRATIVE PLAN**



**Equal Housing Opportunity**

**SECTION 8 ADMINISTRATIVE POLICY  
TABLE OF CONTENTS**

<b>1.0</b>	<b>EQUAL OPPORTUNITY.....</b>	<b>6</b>
1.1	FAIR HOUSING .....	6
1.2	REASONABLE ACCOMODATION.....	6
1.3	INCREASED BEDROOM SIZE PROCESS.....	7
1.4	QUESTIONS TO ASK.....	7
1.5	EXAMPLES .....	8
1.6	LIVE-IN AIDE REQUIREMENTS/RESTRICTIONS .....	9
1.7	NON-ENGLISH SPEAKING CLIENTS.....	9
<b>2.0</b>	<b>FAMILY/OWNER OUTREACH.....</b>	<b>10</b>
2.1	RIGHT TO PRIVACY .....	10
2.2	REQUIRED POSTINGS.....	11
<b>3.0</b>	<b>MHSD/OWNER RESPONSIBILITY/ OBLIGATION OF THE FAMILY .....</b>	<b>12</b>
3.1	MHSD RESPONSIBILITIES.....	12
3.2	OWNER RESPONSIBILITY.....	13
3.3	OBLIGATIONS OF THE PARTICIPANT .....	14
<b>4.0</b>	<b>ELIGIBILITY REQUIREMENTS FOR ADMISSION .....</b>	<b>18</b>
4.1	INTRODUCTION .....	18
4.2	ELIGIBILITY CRITERIA .....	18
4.3	SUITABILITY FOR TENANCY .....	21
<b>5.0</b>	<b>CRIMINAL ACTIVITY SCREENING.....</b>	<b>23</b>
5.1	BACKGROUND .....	23
5.2	PROCESS GUIDELINES .....	23
5.3	RECORD MAINTENANCE.....	24
5.4	DENIAL OF ASSISTANCE .....	24
5.5	APPROVAL OF ASSISTANCE.....	25
5.6	TERMINOLOGY .....	26
<b>6.0</b>	<b>WAITING LIST MANAGEMENT &amp; SELECTION.....</b>	<b>27</b>
6.1	OPENING AND CLOSING THE WAITING LIST.....	27
6.2	TAKING APPLICATIONS .....	27
6.3	ORGANIZATION OF THE WAITING LIST.....	28
6.4	FAMILIES NEARING THE TOP OF THE WAITING LIST .....	28
6.5	MISSED APPOINTMENTS .....	29
6.6	PURGING THE WAITING LIST.....	29
6.7	REMOVAL OF APPLICANTS FROM THE WAITING LIST .....	29
6.8	GROUND FOR DENIAL.....	29
6.9	NOTIFICATION OF NEGATIVE ACTIONS .....	31
6.10	INFORMAL REVIEW .....	31
6.11	WAITING LIST ADMISSIONS AND SPECIAL ADMISSIONS.....	32

---

6.12	WAITING LIST PREFERENCES .....	32
6.13	SELECTION FROM THE WAITING LIST .....	32
<b>7.0</b>	<b>SUBSIDY/OCCUPANCY STANDARDS.....</b>	<b>33</b>
7.1	VOUCHER BEDROOM SIZE – INITIAL & CONTINUED ASSISTANCE .....	33
7.2	CHANGING ISSUED VOUCHER BEDROOM SIZE .....	35
7.3	OVERCROWDED – INITIAL & CONTINUED ASSISTANCE.....	35
7.4	SELECTING SMALLER BEDROOM SIZE UNIT – INITIAL & CONTINUED.....	36
7.5	SELECTING LARGER BEDROOM SIZE UNIT – INITIAL & CONTINUED.....	36
7.6	HOUSEHOLD COMPOSITION CHANGES – ADDITIONS/REMOVALS .....	36
<b>8.0</b>	<b>INITIAL ASSISTANCE.....</b>	<b>37</b>
8.1	PARTICIPANT INITIAL LEASE-UP PROCESS.....	37
8.2	DISAPPROVAL OF REQUEST FOR TENANCY APPROVAL.....	38
8.3	BRIEFING PROCESS .....	38
8.4	PACKET.....	39
8.5	VERIFICATION OF INCOME, EXPENSES, ASSETS & CITIZENSHIP .....	40
8.6	ISSUANCE OF VOUCHER .....	41
8.7	TERM OF THE VOUCHER.....	41
8.8	REQUEST FOR TENANCY APPROVAL – TOLLING/SUSPENSION.....	41
8.9	REQUEST FOR TENANCY APPROVAL.....	42
8.10	APPROVAL TO LEASE A UNIT .....	42
8.11	MHSD DISAPPROVAL OF OWNER.....	44
8.12	ELIGIBLE HOUSING.....	45
8.13	INELIGIBLE HOUSING.....	45
8.13	SECURITY DEPOSIT.....	46
<b>9.0</b>	<b>MOVES WITH CONTINUED ASSISTANCE.....</b>	<b>47</b>
9.1	FAMILY MOVE PROCEDURES – END OF LEASE & MUTUAL RECISION.....	48
9.2	FAMILY MOVE PROCEDURES – END OF LEASE.....	48
9.3	FAMILY MOVE PROCEDURES – MUTUAL RECISION.....	49
<b>10.0</b>	<b>PORTABILITY.....</b>	<b>52</b>
10.1	PORTABILITY MOVE-OUT .....	52
10.2	PORTABILITY MOVE-IN – MHSD RECEIVING HA .....	54
10.3	ABSORPTION BY MHSD .....	57
10.4	PORTABILITY BILLING .....	57
<b>11.0</b>	<b>DETERMINING FAMILY INCOME.....</b>	<b>59</b>
11.1	CALCULATING INCOME .....	59
11.2	TYPES OF ANNUAL INCOME.....	59
11.3	SOURCES OF ANNUAL INCOME.....	60
11.4	AVERAGING ANNUAL INCOME .....	61
11.5	DEDUCTIONS FROM ANNUAL INCOME.....	62
11.6	MEDICAL PRESCRIPTION DRUG CARDS & TRANSITIONAL .....	64
11.7	REGULAR EXCLUSIONS FROM ANNUAL INCOME.....	66
11.8	EARNED INCOME DISALLOWANCE (EID) .....	69

---

<b>12.0</b>	<b>VERIFICATION.....</b>	<b>72</b>
12.1	ACCEPTABLE METHODS OF VERIFICATION .....	72
12.2	CHARTS: LEVELS OF VERIFICATION.....	73
12.4	VERIFICATION OF CITIZENSHIP OR ELIGIBLE NON-CITIZEN STATUS.....	78
12.5	VERIFICATION OF SOCIAL SECURITY NUMBERS.....	79
12.6	TIMING OF VERIFICATION .....	80
12.7	FREQUENCY OF OBTAINING VERIFICATION.....	80
<b>13.0</b>	<b>RENT AND HOUSING ASSISTANCE PAYMENT .....</b>	<b>81</b>
13.1	GENERAL .....	81
13.2	RENT REASONABLENESS.....	81
13.3	COMPARABILITY .....	82
13.4	MAXIMUM SUBSIDY .....	82
13.6	SELECTING THE CORRECT PAYMENT STANDARD .....	83
13.7	AREA EXCEPTION RENTS.....	83
13.8	ASSISTANCE AND RENT FORMULAS .....	84
13.9	FINANCIAL HARDSHIP EXEMPTION FROM MINIMUM RENT .....	84
13.10	HOUSING CHOICE VOUCHERS .....	86
13.11	PRORATED ASSISTANCE – MIXED FAMILIES – NONCITIZEN RULE.....	88
13.12	UTILITY ALLOWANCE.....	89
13.13	RENT TO OWNER .....	91
13.14	DISTRIBUTION OF HOUSING ASSISTANCE PAYMENT.....	92
13.15	OWNERSHIP CHANGES .....	92
<b>14.0</b>	<b>HOUSING QUALITY STANDARDS (HQS) INSPECTION.....</b>	<b>93</b>
14.1	TYPES OF INSPECTIONS .....	93
14.2	OWNER AND FAMILY RESPONSIBILITY.....	93
14.3	HQS ACCEPTABILITY CRITERIA.....	95
14.4	EXCEPTIONS TO THE HQS ACCEPTABILITY CRITERIA.....	105
14.5	TIME FRAMES AND CORRECTIONS OF HQS FAIL ITEMS.....	105
14.6	EMERGENCY FAIL ITEMS .....	107
14.7	ABATEMENT .....	107
<b>15.0</b>	<b>DAMAGES, UNPAID RENT, AND VACANCY LOSS .....</b>	<b>109</b>
<b>16.0</b>	<b>REEXAMINATIONS.....</b>	<b>110</b>
16.1	ANNUAL REEXAMINATION.....	110
16.2	ANNUAL RECERTIFICATION PACKET .....	110
16.3	EFFECTIVE DATE OF RENT CHANGES FOR ANNUAL REEXAMINATIONS .....	110
16.4	FAILURE TO RETURN PAPERWORK.....	111
16.5	INTERIM REEXAMINATIONS .....	111
16.6	SPECIAL REEXAMINATIONS.....	112
16.7	EFFECTIVE DATE OF RENT CHANGES DUE TO INTERIM OR SPECIAL .....	112
<b>17.0</b>	<b>TERMINATION OF FAMILY ASSISTANCE BY MHSD .....</b>	<b>113</b>

<b>18.0</b>	<b>COMPLAINTS, INFORMAL REVIEWS .....</b>	<b>115</b>
18.1	COMPLAINTS.....	115
18.2	INFORMAL REVIEW FOR THE APPLICANT .....	115
18.3	INFORMAL HEARINGS FOR PARTICIPANTS.....	117
<b>19.0</b>	<b>TERMINATION OF THE LEASE AND CONTRACT .....</b>	<b>122</b>
19.1	TERM OF LEASE AND HAP CONTRACT .....	122
19.2	TERMINATION OF LEASE AGREEMENT .....	122
19.3	TERMINATION OF HAP CONTRACT .....	123
<b>20.0</b>	<b>FAMILY SELF-SUFFICIENCY PROGRAM.....</b>	<b>124</b>
<b>21.0</b>	<b>ADMINISTRATIVE FEE RESERVE.....</b>	<b>125</b>
<b>22.0</b>	<b>INTELLECTUAL PROPERTY RIGHTS .....</b>	<b>126</b>
<b>23.0</b>	<b>HOME OWNERSHIP UNDER SECTION EIGHT.....</b>	<b>127</b>
<b>24.0</b>	<b>QUALITY ASSURANCE CONTROLS .....</b>	<b>128</b>
24.1	QUALITY ASSURANCE CONTROLS – SEMAP OBJECTIVES .....	128
24.2	QUALITY ASSURANCE CONTROLS – MANAGEMENT OBJECTIVES .....	129
24.3	SEMAP POLICY & SELF-ASSESSMENT FORM .....	130
<b>25.0</b>	<b>OVERPAYMENT &amp; UNDERPAYMENT OF ASSISTANCE .....</b>	<b>132</b>
25.1	OVERPAYMENT OF ASSISTANCE - FRAUD .....	132
25.2	OVERPAYMENT OF ASSISTANCE – PHA ERROR.....	132
25.3	UNDERPAYMENT OF ASSISTANCE – PHA ERROR.....	132
25.4	RIM REVIEW – PHA ERROR .....	132
<b>26.0</b>	<b>RESIDENT ADVISORY BOARD (RAB) .....</b>	<b>133</b>
26.1	ELIGIBILITY FOR RESIDENT ADVISORY BOARD .....	133
26.2	TERM OF OFFICE FOR RESIDENT ADVISORY BOARD MEMBER .....	133
26.3	REMOVAL FROM OFFICE.....	133
26.4	NOTIFICATION .....	133
26.5	PHA PROCESS .....	134
26.6	LACK OF INTEREST.....	134
<b>27.0</b>	<b>GOVERNING BOARD .....</b>	<b>135</b>
27.1	ELIGIBILITY FOR THE GOVERNING BOARD.....	135
27.2	TERM OF OFFICE FOR RAB GOVERNING BOARD MEMBER .....	136
27.3	REMOVAL FROM OFFICE.....	136
27.4	NOTIFICATION .....	136
27.5	PHA PROCESS .....	136
27.6	NO QUALIFIED APPLICANTS .....	137

**GLOSSARY/ACKRONYMS..... 138**

**EXHIBITS**

- EXHIBIT A FAMILY SELF-SUFFICIENCY ACTION PLAN – Rev. Dec 2003
- EXHIBIT B *Home Ownership Under Section Eight Program Description* – Rev. Nov 2003
- EXHIBIT C PROJECT-BASED SECTION 8 ASSISTANCE PROGRAM – Created Dec 2004

Prior Exhibits incorporated into Administrative Plan include: Screening of Criminal Background, Reasonable Accommodation Forms, Resident Advisory Board, and Governing Board policies.

## **SECTION 8 ADMINISTRATIVE PLAN**

---

### **1.0 EQUAL OPPORTUNITY**

#### **1.1 FAIR HOUSING**

It is the policy of the City of Mesa Housing Services Division (MHSD) 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 the grounds of race, color, sexual orientation, gender, 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 MHSD's housing programs.

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

MHSD will assist any family that believes they have suffered illegal discrimination by providing them copies of the housing discrimination form. MHSD 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.

#### **1.2 REASONABLE ACCOMODATION**

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

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.

### ***1.3 INCREASED BEDROOM SIZE PROCESS***

- A. All applicants/participants will receive the following forms to request a reasonable accommodation for an increased voucher bedroom size:
  - 1. Notice of Right to Reasonable Accommodation
  - 2. Reasonable Accommodation Request-Questionnaire
  - 3. Reasonable Accommodation Request
- B. Once the housing agency receives the Reasonable Accommodation Request and Questionnaire from the applicant/participant, the Medical Verification will be mailed to the appropriate medical doctor for verification of the medical necessity for the reasonable accommodation. A Decision letter will be mailed to the applicant/participant with the decision.
- C. If a larger bedroom size is approved for a live-in aide, the family will be issued an increased bedroom size when applicable (i.e., at the next move, at the next annual reexamination, or immediately, depending upon whether or not the family is currently residing in a unit with a larger bedroom size than previously issued).

### ***1.4 QUESTIONS TO ASK***

- 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 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).

MHSD will obtain verification that the person is a person with a disability requiring a reasonable accommodation.

- B. Is the requested accommodation related to the disability? MHSD will obtain documentation that the requested accommodation is needed due to the disability. MHSD 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 in the business conducted by MHSD? For instance, MHSD would deny a request to have MHSD do grocery shopping for the person with disabilities because such duty is not within the scope of the Section 8 program.
  2. Would the requested accommodation create an undue financial hardship or administrative burden? If the cost would be an undue burden, MHSD may request a meeting with the individual to investigate and consider equally effective alternatives.

### ***1.5 EXAMPLES***

- A. MHSD retains the right to be shown how the requested accommodation enables the individual to access or use MHSD's programs or services. If more than one accommodation is equally effective in providing access to MHSD's programs and services, MHSD retains the right to select the most efficient or economic choice based on available funding.
- B. Examples of reasonable accommodations that may be requested and approved include, but are not limited to:
1. Arranging home visits for disabled persons unable to come into the office.
  2. Furnishing a list of accessible units for rent.
  3. Rescheduling an interview appointment due to disability-related issues.
  4. Issuing an additional bedroom size to accommodate special disability-related needs, such as a live-in aide or bulky medical equipment as long as the Reasonable Accommodation procedure has been followed.
  5. Extending a voucher term if the participant has difficulty locating a unit due to a documented disability and the participant family can provide a log of viewed units.
  6. Allowing a reasonable extension of time so that a person with disabilities can complete program requirements.
  7. Making an exception to the "renting to relatives" rule (except where prohibited by Federal law).

- C. A rental unit may be physically modified at the participant's expense. The owner may ask for verification that the requested modifications are necessary for a disabled family member to live in the unit. The owner may also require the renter to restore the premises to its original condition (reasonable wear and tear excepted) when the participant moves from the unit and the owner may collect a deposit to ensure that the restoration can be made.
- D. An applicant or participant family with a disabled member must be able to meet the essential obligations of both the Section 8 tenant-based program and the lease agreement with the owner. An applicant or participant may meet their obligations independently or with assistance from another person or agency. Any request for an accommodation that would enable a participant to materially violate family obligations will not be approved.

### **1.6 LIVE-IN AIDE REQUIREMENTS/RESTRICTIONS**

MHSD provides for the inclusion of a live-in aide where deemed necessary by a medical professional. It is the family's responsibility to request the reasonable accommodation.

- A. MHSD shall approve a live-in aide for a family as a reasonable accommodation as long as the family can prove, through the reasonable accommodation process, the necessity for the live-in aide. (Such reasonable accommodation requirements include, but are not limited to, those detailed in *Sections 1.3, 1.4, and 1.5.*) MHSD shall approve a live-in aide for a participant requiring full-time assistance only.
- B. Restrictions
  - 1. Family members related by blood or marriage shall not be considered as a live-in aide and their income and assets shall be included in the household income calculation.
  - 2. A live-in aide shall not be approved if there is an adult member residing in the household who is able to provide care.
  - 3. A live-in aide shall not be approved for less than full-time care.
  - 4. A live-in aide shall be given his or her own bedroom.

### **1.7 NON-ENGLISH SPEAKING CLIENTS**

MHSD will endeavor to have bilingual staff or access to people who speak languages other than English to assist non-English speaking families.

## **2.0 FAMILY/OWNER OUTREACH**

MHSD 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 by other suitable means.

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

MHSD 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.

MHSD will hold individual or group briefings for owners who participate in, or who are seeking information about, the Section 8 program. Written materials will also be provided to prospective and current owners. 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 MHSD responsibility in the screening process.
- D. Provide an opportunity for owners to ask questions, obtain written materials, and meet MHSD staff.

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

### **2.1 RIGHT TO PRIVACY**

All applicant/participant household members, age 18 and older, are required to sign an *Authorization for Release of Information Form*. The *Authorization for Release of Information Form* states how family information will be released and includes the *Federal Privacy Act Statement*.

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

**2.2 REQUIRED POSTINGS**

MHSD 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 City of Mesa Housing Services Division Administrative Plan
- B. Notice of the status of the waiting list (opened or closed)
- C. Address of all MHSD offices, office hours, telephone numbers, TDD numbers, and hours of operation
- D. Income Limits for Admission
- E. Informal Review and Informal Hearing Procedures
- F. Fair Housing Poster
- G. Equal Opportunity in Employment Poster

### **3.0 MHSD/OWNER RESPONSIBILITY/ OBLIGATION OF THE FAMILY**

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

#### **3.1 MHSD RESPONSIBILITIES**

- A. MHSD will comply with the consolidated ACC, the application, HUD regulations and other requirements, and City of Mesa Housing Services Division Administrative Plan.
- B. In administering the program, MHSD must:
  - 1. Publish and disseminate information about the availability and nature of housing assistance under the program.
  - 2. Explain the program to owners and families.
  - 3. Seek expanded opportunities for assisted families to locate housing outside areas of poverty or 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 the 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 MHSD utility allowance.
17. Administer and enforce the housing assistance payments contract with an owner, including taking appropriate action as determined by MHSD, 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 MHSD decisions concerning applicants for participation in the program.
20. Conduct informal hearings on certain MHSD decisions concerning participant families.
21. Provide sound financial management of the program, including engaging an independent public accountant to conduct audits.
22. Administer an FSS program.

### **3.2 *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 MHSD 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 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.

### **3.3 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 MHSD 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 MHSD 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

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

C. Allowing MHSD Inspection

The family must allow MHSD to inspect the unit at reasonable times and after at least 2 days notice.

D. Violation of Lease

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

E. Family Notice of Move or Lease Termination

F. The family must notify MHSD and the owner in writing before the family moves out of the unit or terminates the lease.

G. Owner Eviction Notice

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

H. Utilities and Appliances

1. The family must pay utility bills they are responsible for.
2. The family must provide and maintain any appliances the landlord does not provide.

I. 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. MHSD must approve the composition of the assisted family residing in the unit. The family must promptly inform MHSD of the birth, adoption or court-awarded custody of a child. The family must request approval from MHSD 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 MHSD if any family member no longer resides in the unit.
4. If MHSD has given approval, a foster child/foster adult or a live-in aide may reside in the unit. MHSD has the discretion to adopt reasonable

policies concerning residence by a foster child/foster adult or a live-in aide and defining when MHSD consent may be given or denied.

5. Members of the household may engage in legal profit making activities in the unit, but only if such activities are incidental to primary use of the unit for residence by members of the family. Any business uses of the unit must comply with zoning requirements and the affected household member must obtain all appropriate licenses.
6. The family must not sublease or let the unit.
7. The family must not assign the lease or transfer the unit.
8. The family must not damage the unit or premises or allow any guest to damage the unit or premises.

J. Absence from the Unit

1. The family must supply any information or certification requested by MHSD to verify that the family is living in the unit, or relating to family absence from the unit, including any MHSD requested information or certification on the purposes of family absences. The family must cooperate with MHSD for this purpose. The family must promptly notify MHSD of its absence from the unit.
2. 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 submit a written request to MHSD for absences exceeding 30 days. MHSD will make a determination within 5 business days of receipt of the written 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.
3. Written requests shall include: date of request, family member name, unit address, mailing address, contact telephone number and address, departure date, return date, reason for request, and the signature of the person submitting the request.
4. Authorized absences may include, but are not limited to:
  - a. Prolonged hospitalization
  - b. Absences beyond the control of the family (i.e., death in the family, other family member illness)
  - c. Other absences that are deemed necessary by MHSD

K. Interest in the Unit

The family may not own or have any interest in the unit. The exception to this rule would be if MHSD elected to subsidize manufactured home space rent; in that situation, this limitation would not apply. As provided in 24 CFR 982.620(a)(3), MHSD has elected not to subsidize space rent.

L. 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.

M. Crime by Family Members

The members of the family must not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity.

N. Other Housing Assistance

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

O. Leasing from Relatives

1. The family may not rent a unit owned by a parent, child, grandparent, grandchild, sister or brother of any member of the family.
2. If the participant family has a family member who is a person with disabilities or elderly, they may request reasonable accommodation to rent such a unit.

## **4.0 ELIGIBILITY REQUIREMENTS FOR ADMISSION**

### **4.1 INTRODUCTION**

There are six eligibility requirements for admission to the rental assistance program: (1) Qualifies as a family as defined in *Section 4.2*, (2) Has income within the required limits (3) Meets citizenship/eligible immigrant criteria, (4) Provides documentation of Social Security Numbers and other required information, (5) Signs consent authorization documents, and (6) Meets the criminal background screening criteria.

### **4.2 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.
2. *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
3. *A near-elderly family, which is:*
  - a. A family whose head, spouse, or sole member is a person who is at least 50 years of age but below 62 years of age;
  - b. Two or more persons who are at least 50 years of age but below the age of 62 and living together; or

- c. One or more persons who are at least 50 years of age but below the age of 62 and living with one or more live-in aides.
  4. *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.
  5. *A displaced family* is a family in which each member, or whose sole member, has been displaced by government 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.
  6. *A remaining member of a tenant family*.
  7. *A single person* who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family.
  8. A live-in aide is only considered part of the household when determining voucher bedroom size. A live-in aide does not have the right to assume the voucher.
- 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:
    - a. A very low-income family;
    - b. A low-income family continuously assisted under the 1937 Housing Act,
    - c. A low-income family that meets additional eligibility criteria specified by MHSD,
    - d. A low-income family that is a non-purchasing tenant in a HOPE 1 or HOPE 2 project or a property subject to a resident homeownership program under 24 CFR 248.173;
    - e. 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 on eligible low-income housing.

- f. 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 MHSD'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 MHSD's jurisdiction under portability and have the status of applicant rather than of participant at their initial housing agency, must meet the income limit for the area where they were initially assisted under the program.
5. Families who are moving into MHSD's jurisdiction under portability and are already program participants at their initial housing agency do not have to meet the income eligibility requirement for MHSD program.
6. Income limit restrictions do not apply to families transferring units within MHSD Section 8 Program.
7. A live-in aide's income is not at any time counted in the calculation of income.

C. Citizenship/Eligible Immigrant status

To be eligible each member of the family must be a citizen, national, or a non-citizen who 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 11.0*) 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 of 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 one was not assigned.

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, shall sign one or more consent forms.
2. The consent form must contain, at a minimum, the following:
  - a. A provision authorizing HUD and MHSD 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 MHSD 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 or level of benefits; and
  - 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.

**4.3 SUITABILITY FOR TENANCY**

MHSD determines eligibility for participation to include criminal background checks (refer to *Section 5*) on all adult household members, including live-in aides, 18 years of age or older. MHSD will deny assistance to a family because of drug-related criminal activity or violent criminal activity by family members.

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

Screening for tenant suitability, including criminal background and credit checks, is primarily the responsibility of the owner/landlord. Upon the request of a prospective owner/landlord, MHSD will provide the family's current and prior address (as shown in the MHSD records); and the name and address (if known to the MHSD) of the landlord at the family's current and prior address.

## **5.0 CRIMINAL ACTIVITY SCREENING**

*(Formerly Exhibit B of the City of Mesa Housing Services Division Administrative Plan)*

### **5.1 BACKGROUND**

Effective July 1, 2003, MHSD implemented background screening of applicant families with a household member 18 years of age or older. This entire policy shall also apply to participant families who add household members age 18 years of age or older.

Federal HUD regulations (Federal Register “Screening and Eviction for Drug Abuse and Other Criminal Activity; Final Rule, May 24, 2001) require that a Housing Agency establish standards for Section 8 programs that prohibit and deny admission to, and termination of assistance for, any person because of drug-related criminal activity, alcohol-related or violent criminal activity. HUD regulations also prohibit admission to Section 8 programs if a person has been evicted from public housing, Indian housing, Section 23, or any Section 8 program because of criminal activity including drug or alcohol-related criminal activity. Any individual who is registered as a lifetime sex offender will be banned for life.

### **5.2 PROCESS GUIDELINES**

- A. All Section 8 program applicants and additions to current participant households 18 years of age and older, including live-in aides, will be screened for criminal history/background before they receive program assistance or are added to the household composition of a subsidized household. The criminal background screening report will be requested from the Mesa Police Department.
- B. If the screening report returns without matching information, the applicant or participant head of household will be notified that there is no confirmation on the record. Processing of the application or request to add the new household member will proceed.
- C. If the screening report returns with a confirmation of possible matching information, the applicant or participant head of household will be notified, in writing, that a fingerprint card is required to verify the existence or nonexistence of a criminal record.
- D. The applicant or addition to the current participant household will provide picture identification while attending a fingerprinting appointment at the Mesa Housing Services office.
- E. All criminal reports and fingerprint cards received by the HA will be kept confidential and will be maintained in a separate and secure locked file.

- F. If an applicant or addition to the current participant household is denied assistance due to criminal activity, they will have an opportunity to dispute the accuracy and relevance of the criminal record prior to the denial of admission.

### **5.3 RECORD MAINTENANCE**

The following guidelines shall be followed for maintaining criminal background screening records:

- A. All criminal history/background information and completed fingerprint cards will be kept in a separate file other than the applicants working file. All fingerprint cards will be kept locked and secured in the office of the Mesa Housing Services supervisor in charge of the screening process.
- B. Staff authorized to access these locked files are limited to the assigned Housing Specialist, the assigned Senior Housing Specialist, the Housing Supervisor, and the Housing Services Director or their designee.
- C. All criminal history/background information and completed fingerprint cards will be destroyed once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the MHSD action without institution of a challenge or final determination of any such litigation.
- D. If an applicant or addition to the current participant household is determined to be ineligible, the criminal history/background information and completed fingerprint cards will be destroyed. A notation will then be made in the appropriate file that this person may not be considered for housing assistance for five years.
- E. If an applicant or addition to the current participant household is approved for housing, the criminal history/background information and fingerprint cards will be destroyed.

### **5.4 DENIAL OF ASSISTANCE**

Denial of eligibility shall be based on one or more of the following:

- A. On all arrests including and involving drug related criminal activity of controlled substances, five (5) years from the date of sentencing or end of prison term, whichever is later.
- B. Violent criminal activity, five (5) years from the date of sentencing or end of prison term, whichever is later.
- C. Denial of admission of applicant for (5) five years if any household member was evicted from federally assisted housing for drug-related criminal activity. The five

years begins on the date of eviction.

- D. Currently engaged in criminal activity, which may threaten the health, safety or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity.
- E. Lifetime on all members who are subject to lifetime registration as a sex offender under s State registration program.

## **5.5 APPROVAL OF ASSISTANCE**

Approval of eligibility shall be based on one or more of the following:

- A. Those applicants or additions to a current participant household who have been convicted for controlled substances and have served their time and/or are satisfactorily participating in probation must demonstrate a five year period from the date of sentencing or end of prison term, whichever is later, without any felony convictions.
- B. MHSD may waive this requirement if:
  - 1. The person demonstrates to MHSD 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 rehabilitation program.
  - 3. The person has otherwise been rehabilitated successfully.
  - 4. The person is participating in a supervised drug or alcohol rehabilitation program.
- C. An applicant or addition to a current participant household with a conviction for violent criminal activity must demonstrate a five year period from the date of sentencing or end of prison term, whichever is later, without any felony convictions.
- D. An applicant or addition to a current participant household with a sex crime conviction must demonstrate a five-year period without any felony convictions.
- E. An applicant or addition to a current participant household with violent criminal activity or controlled substance/drug charge arrest and research indicates no charge was filed, will be considered eligible.
- F. An applicant or addition to a current participant household with violent criminal activity or controlled drug substance charge arrest and their court date is pending, will be denied.
- G. An applicant or addition to a current participant household who has been convicted of drug and/or violent criminal activity in the last five years and has served their time, and/or successfully completed an approved supervised rehabilitation program and paid any applicable fine may be considered eligible.

**5.6 TERMINOLOGY**

Applicant (applicant family): A family that has applied for admission to a program but is not yet a participant in the program. Applicants include families on MHSD's Wait List and portability move-ins who are new to the Section 8 program.

Additions to current participant households: Person(s) to be added to the household composition of a current participant family.

Currently engaged in: (For purposes of criminal activity) if the person has engaged in the behavior recently enough to justify reasonable belief that the behavior is current.

Violent Criminal Activity: any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.

## **6.0 WAITING LIST MANAGEMENT & SELECTION**

### **6.1 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.

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 of general circulation, and also by any available minority media.

### **6.2 TAKING APPLICATIONS**

- A. MHSD shall accept applications for the rental assistance program during the time period the Waiting List is open for applications. All applicants are required to complete an application. MHSD will later verify the information in the applications relevant to the applicant's eligibility, admission, and level of benefit. Applications will be made in person at MHSD office located at 415 N. Pasadena, Mesa, AZ 85201, or other location as designated by MHSD and identified in the public notices. The days and hours will be specified in the notice, which opens the waiting list for applications.

The completed application will be dated and time stamped upon receipt by MHSD. Persons with disabilities or the elderly who require a reasonable accommodation in completing an application may call MHSD to make special arrangements to complete their application. Telecommunication for the hearing or speech impaired is available through Arizona Relay Service. They can be reached through TTY/ASCII at 1-800-367-8939. E-mail is another option for contacting the housing division. Each employee has his or her own e-mail address, which may be obtained by contacting the receptionist.

- B. The application process will involve the initial application and eligibility phases. The initial application for housing assistance or 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. This first phase results in the family's placement on the waiting list.

Upon receipt of the families pre-application, MHSD will make a preliminary determination of eligibility. MHSD will notify the family in writing of the date and time of placement on the waiting list and the approximate amount of time before housing assistance may be offered. If MHSD 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. MHSD will annotate the applicant's file and will update their place on the waiting list. It is the responsibility of the family to report in writing any changes of mailing address since this is the primary method of contacting the applicant.

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. MHSD will ensure that verification of all preferences, eligibility, and suitability selection factors are current in order to determine the family's final eligibility for admission into the Section 8 Program.

### **6.3 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(s) and then in order of date and time of application,
- C. Any contact between MHSD and the applicant will be documented in the applicant file.
- D. The waiting list cannot be maintained by bedroom size under current HUD regulations.

### **6.4 FAMILIES NEARING THE TOP OF THE WAITING LIST**

When a family appears to be within two 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. MHSD 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 Number information, citizenship/eligible immigrant information, and sign the Consent for Release of Information forms.

**6.5 MISSED APPOINTMENTS**

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

MHSD 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, MHSD 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.

**6.6 PURGING THE WAITING LIST**

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

**6.7 REMOVAL OF APPLICANTS FROM THE WAITING LIST**

MHSD will remove an applicant from the Waiting List for the following reasons:

- A. The applicant requests to be removed from the Waiting List.
- B. The applicant fails to cooperate by not responding to a written request for information, a request to declare their continued interest in the program or by missing scheduled appointments.
- C. The applicant does not meet either the eligibility or screening criteria for the program.
- D. The applicant owes money to a public housing agency.
- E. Other reasons as outlined in *Section 6.8*.

**6.8 GROUNDS FOR DENIAL**

- A. MHSD will deny assistance to applicants who:
  - 1. Do not meet any one or more of the eligibility criteria.

2. Do not supply information or documentation required by the application process.
3. Fail to respond to a written request for information or a request to declare their continued interest in the program.
4. Fail to complete any aspect of the application or lease-up process.
5. 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.
6. Owes rent or other amounts to any MHSD in connection with any Section 8 or other rental subsidy Programs.
7. Have committed fraud, bribery, or any other corruption in connection with any Federal housing assistance program, including the intentional misrepresentation of information related to their housing application or benefits derived there from;
8. Have a family member who was evicted from public housing within the last three years,
9. Have a family member who was evicted from assisted housing within 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;
10. 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. Details of the policy relating to illegal use of a controlled substance can be found in *Section 5*.

MHSD may waive this requirement if:

- a. The person demonstrates to MHSD's satisfaction that the person is no longer engaging in drug-related criminal activity or abuse of alcohol.
- b. The person has successfully completed a supervised drug or alcohol rehabilitation program.

- c. The person has otherwise been rehabilitated successfully.
  - d. The person is participating in a supervised drug or alcohol rehabilitation program.
- 11. Have engaged in or threatened abusive or violent behavior towards any City of Mesa Housing staff or residents.
  - 12. Have a family household member who has been terminated under the Section 8 Voucher Program during the last three years.
  - 13. Have a family member who has been convicted of manufacturing, producing, or selling methamphetamine (speed) (Denied for life).
  - 14. Have a family member with a lifetime registration under a State sex offender registration program (Denied for life).

#### **6.9 NOTIFICATION OF NEGATIVE ACTIONS**

MHSD will notify any applicant who is being removed from the waiting list 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. MHSD'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, MHSD will provide a reasonable accommodation. If the applicant indicates that they did not respond due to a disability, MHSD 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.

#### **6.10 INFORMAL REVIEW**

If MHSD determines that an applicant does not meet the criteria for receiving Section 8 assistance, MHSD 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. MHSD will describe how to obtain the informal review. The informal review process is described in *Section 18* of this plan.

**6.11 WAITING LIST ADMISSIONS AND SPECIAL ADMISSIONS**

MHSD 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, MHSD will use the assistance for those families.

**6.12 WAITING LIST PREFERENCES**

MHSD will select families based on the following preferences:

- A. Current resident of Mesa
- B. Involuntarily Displaced

**6.13 SELECTION FROM THE WAITING LIST**

Based on the above preferences, families with a combination of two or more preferences will be offered housing assistance before families with fewer preferences. The date and time the pre-application was received by MHSD will be the determining factor.

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, MHSD retains the right to skip higher income families on the waiting 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, MHSD 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.

## 7.0 SUBSIDY/OCCUPANCY STANDARDS

### 7.1 VOUCHER BEDROOM SIZE – INITIAL & CONTINUED ASSISTANCE

The voucher bedroom size is determined by the number of persons in the unit based on the established occupancy standards. MHSD shall issue a voucher for a bedroom size consistent with subsidy standards that will be a factor in determining the family’s level of assistance. The subsidy standards must provide for the smallest number of bedrooms needed to house a family without overcrowding or over-housing. The following occupancy standards will determine each family’s Voucher bedroom size:

#### SUBSIDY STANDARDS

Number of Persons	Voucher Issued Bedroom Size
1 Person	1
2 Persons	1
3 Persons	2
4 Persons	2
5 Persons	3
6 Persons	3
7 Persons	4
8 Persons	4
9 Persons	5
Live-In Aide	Separate Bedroom

*The living room, family room, or den may be used as a separate “sleeping area”, but these rooms shall not be used in determining the bedroom size within a specific unit (982.401[2][ii]).*

*Occupancy Standard:* MHSD’s occupancy standards are based on the assumption that each bedroom will reasonably accommodate no more than two persons regardless of gender, age, or familial status. An approved live-in aide shall be allowed a separate bedroom. In some cases, the bedroom size may be increased to accommodate medical apparatus or equipment. The appropriate Reasonable Accommodation procedure shall be adhered to in granting these requests.

- A. If a family consists of a pregnant woman, with no other persons in the household, the family is treated as a two-person family (982.402[b][5]) and would be eligible for a one bedroom unit. Foster adults, foster children, children who are in the process of being adopted, children whose custody is being obtained, children who reside with the family more than six months out of the year (not necessarily

consecutively), and children who are temporarily away at school or in foster care shall be counted when determining voucher bedroom size, but shall also be subject to the two persons per bedroom standard regardless of gender, age, **or** familial status.

- B.** Live-in Aide Occupancy: A live-in aide approved by MHSD to reside in the unit (who may care for a family member either disabled or at least 50 years of age) must be counted in determining the voucher bedroom size (982.402[b][6]). (See *Sections 1.2 Reasonable Accommodation* and *1.6 Live-In Aide Requirements* for additional information.)
1. A live-in aide must reside with the family on a full-time basis in order to be counted in the voucher bedroom size determination (982.402[b][7]).
  2. A live-in aide shall not be a family member by marriage or blood.
  3. A live-in aide shall be assigned his or her own bedroom outside of the two persons per bedroom occupancy standard.
  4. A live-in aide shall be subject to the same requirement of any adult person (age 18 and older) added to a household. Requirements shall include passing the criminal background check; completing requested paperwork; providing income and asset information (excluded from income calculation); and providing identification such as a photo identification, Social Security Card, and alien residency information, if applicable.
- C.** Exceptions to Occupancy Standard: MHSD may grant exceptions to the established occupancy standards if MHSD determines the exception is justified by special circumstances and is considered a reasonable accommodation, but any exception shall not override the limitation of *B.1.* of this section (982.402[7][8]).
1. MHSD may grant an exception for a Reasonable Accommodation to ensure the family has access to services and benefits of the housing agency. The family must meet the Reasonable Accommodation requirements before the Reasonable Accommodation shall be granted. (Refer to Reasonable Accommodation for specific information.)

The family unit size will be determined by MHSD 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 on the family's voucher will determine the maximum subsidy. The unit must meet the rent comparable/rent reasonableness test for the specific area.

**7.2 CHANGING ISSUED VOUCHER BEDROOM SIZE**

The voucher bedroom size may only be changed at the next annual reexamination or at the next change of unit, and may only be changed for the following reasons:

- A. Decrease in family size to prevent the family from being over-housed based on occupancy standards.
- B. Increase in family size to prevent overcrowding based on occupancy standards.
- C. Approval of a full-time Live-in Aide or required medical equipment or apparatus requiring an additional bedroom to prevent overcrowding based on occupancy standards.
- D. Approval of Other Reasonable Accommodation.

**7.3 OVERCROWDED – INITIAL & CONTINUED ASSISTANCE**

A family shall be considered overcrowded if there are more than two persons—regardless of age, gender, or familial status per bedroom, with a Live-In Aide remaining eligible for his or her own bedroom. A family shall not select a unit with a smaller bedroom size that will result in overcrowding. Exception: Upon approval from MHSD, the family may also utilize the living room, family room, or den as a “sleeping area” (982.401[d][2][ii]).

OCCUPANCY STANDARDS

Number of Persons	Bedroom Size Occupancy	
	Minimum	Maximum
1 Person	0	1
2 Persons	1	2
3 Persons	1	2
4 Persons	2	3
5 Persons	3	3
6 Persons	3	4
7 Persons	3	4
Live-In Aide	Separate Bedroom	

*Note: Chart above does not include the exception for utilizing the living room.*

**7.4 SELECTING SMALLER BEDROOM SIZE UNIT – INITIAL & CONTINUED**

A family may select a unit with a *smaller* bedroom size than issued on the voucher, but the Utility Allowance of the *actual* bedroom size shall be used in the calculation to determine the Gross Rent and eligibility for the unit. The lesser of the Posted Payment Standard for the *smaller* bedroom size or the Gross Rent shall be used as the Payment Standard in the calculation of unit eligibility (40% Rule) and in the rental portion breakdown.

**7.5 SELECTING LARGER BEDROOM SIZE UNIT – INITIAL & CONTINUED**

A family may select a unit with a *larger* bedroom size than issued on the voucher, but the Utility Allowance of the *actual* bedroom size shall be used in the calculation to determine the Gross Rent and unit eligibility. The lesser of the Payment Standard for the *issued* voucher bedroom size or the Gross Rent will be used as the Payment Standard in the calculation of unit eligibility (40% Rule) and in the rental portion breakdown.

**7.6 HOUSEHOLD COMPOSITION CHANGES – ADDITIONS/REMOVALS**

A. Additions to household composition:

1. A family may receive approval to add a separate family (two or more persons) to the household in situations of marriage, cohabitation, adoption, and custody arrangements only. Proper documentation (marriage certificate, adoption paperwork, and custody agreement) may be requested.
2. A family may receive approval to add a live-in aide as long as the Reasonable Accommodation requirements are met.
3. The family must submit a request before adding persons to the household. Requests may not be approved if the person has a criminal record, owes any housing agency, or has a history of criminal activity or abuse while on the property of the subsidized unit.
4. MHSD reserves the right to disapprove an addition to the household for reasonable cause.

## **8.0 INITIAL ASSISTANCE**

- A. Effective March 1, 2005, all Lease Effective Dates and HAP Contract Effective Dates shall fall on the first day of the month. Before a Lease Agreement shall be approved or HAP Contract executed, all applicable HQS inspections shall have a “pass” rating.
- B. Only Mutual Recisions with an effective date of the last day of the month shall be accepted.
- C. A family may move into a new unit before the lease date; however, the family shall be responsible for any rent payable to the new landlord before the Effective Date of the Lease. An early move-in must not exceed fifteen (15) calendar days, the new unit must have passed the HQS inspection before move-in, and MHSD must have approved the unit. MHSD shall not pay more than one landlord for the same time period due to the family’s decision to move mid-month.
- D. Portability move-in families are also subject to the requirements of *Section 8.0[A]-[C]*, and mid-month move-ins shall not be approved by MHSD.
- E. Only the Housing Supervisor, or designee, may approve a mid-month that conflicts with the provisions of *Section 8.0[A]-[D]*.

## **8.1 PARTICIPANT INITIAL LEASE-UP PROCESS**

- A. Final verification of income, expenses, assets, and citizenship status (Section 214)
- B. Attend briefing
  - 1. Family/owner/MHSD obligations/information packet discussed
  - 2. Voucher Issued
  - 3. Maximum Amount Allowable (40% Rule)
- C. Search for unit
- D. Request for Tenancy Approval (RFTA) given to landlord to complete
- E. RFTA returned to MHSD for approval
- F. RFTA approved
- G. Inspection Request submitted

- H. Passed Inspection Report returned to caseworker
- I. Owner notified of the inspection results and move-in date determined
- J. HAP Contract and Lease Agreement executed

## **8.2 DISAPPROVAL OF REQUEST FOR TENANCY APPROVAL**

A Request for Tenancy Approval (RFTA) may be disapproved for the following reasons:

1. The unit is not affordable (didn't meet the 40% Rule) for the family.
2. The unit did not pass the rent reasonableness test or MHSD deems the unit or area unacceptable.
3. The history of the unit is such that MHSD perceives there to be a potential health and/or safety threat that is outside the realm of the Housing Quality Standards.
4. The owner has been disbarred from programs administered by MHSD or any other HUD program.
5. The owner has a history of poor property management practices or abuse against MHSD officials and/or tenants.

## **8.3 BRIEFING PROCESS**

Families selected from the waiting list must attend a briefing to explain how the program works. If the family, or family's representative, do not attend the originally scheduled briefing and have not rescheduled prior to that briefing, they family will be denied admission to the program.

If an applicant with a disability requires auxiliary aids to gain full benefit from the briefing, MHSD 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, MHSD will give primary consideration to the requests 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 such as the applicant's home.

The briefing will cover at least the following subjects:

- A. A program description
- B. Family and owner responsibilities

- C. Where the family may rent a unit, including inside and outside MHSD's jurisdiction
- D. Types of eligible housing
- E. Explanation of portability
- F. An explanation of the advantages of living in an area that does not have a high concentration of poor families
- D. An explanation that the family's share of rent may not exceed 40% of the family's monthly-adjusted income.

#### **8.4 PACKET**

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

- A. The term of the voucher and MHSD's policy on extensions and suspensions of the term. The packet will include information on how to request an extension.
- B. How MHSD determines the housing assistance payment and total tenant payment for the family.
- C. Information on the payment standard, and the utility allowance schedule.
- D. How MHSD determines the maximum rent for an assisted unit.
- E. Where the family may lease a unit. For families qualified to lease outside MHSD'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.
- G. The Request for Approval of Tenancy form and an explanation of how to request MHSD approval of a unit.
- H. A statement of MHSD's policy on providing information to prospective owners. This policy requires applicants to sign disclosure statements allowing MHSD 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, MHSD will also supply any factual information or third party verification relating to the applicant's history as a tenant or their ability to comply with material standard lease terms or any history of drug trafficking, drug-related criminal activity or any violent criminal activity.

- I. MHSD's subsidy standards, including when MHSD 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;"
- M. Notice that if the family includes a person with disabilities, the family may request a current list of accessible units known to MHSD that may be available;
- N. The family's obligations under the program;
- O. The grounds upon which MHSD may terminate assistance because of the family's action or inaction;
- P. MHSD informal hearing procedures, including when MHSD is required to provide the opportunity for an informal hearing, and information on how to request a hearing; and
- Q. MHSD's Owner Manual. This manual can be given by the applicant to a prospective owner to help explain the program.
- R. Information on the Family Self-Sufficiency (FSS) Program.
- S. Information on the Home Ownership Under Section Eight (H.O.U.S.E.) Program.

**8.5 VERIFICATION OF INCOME, EXPENSES, ASSETS & CITIZENSHIP STATUS**

- A. Before a family may be issued a voucher, the family must provide up-to-date and accurate information relating to all household income, expenses, assets, and citizenship status of all members of the household. This information shall include names, addresses, and telephone numbers, where applicable. Citizenship status shall also include the completion of the *Section 214* form, submission of identification, and Social Security Cards for all household members at least six years of age and older. For household members under six years—who have not been issued a Social Security number—an exemption for this criterion will be granted until such time a Social Security number has been issued, or the family member reaches six years of age. **MHSD** shall require the family obtain a Social Security number for all family members—who have legal status—at least six years of age and older. In addition, all household members 18 years of age or older are required to sign all applicable documents, including, but not limited to: *Initial Certification Application, Authorization for Release of Information, and Authorization for Use And/Or Disclosure of Protected Health Information.*

- B. Current, third-party verifications of income, expenses, assets, and citizenship status shall be obtained by **MHSD** from information provided by the family (see *Verifications*). At this time, it is the responsibility of the family to provide any requests for reasonable accommodation that would result in a larger bedroom size. The family may be asked to obtain other documents required by the program. All requests shall be made in writing by **MHSD** to the family with the due date clearly visible.
- C. Failure to cooperate and/or provide such information and/or documentation by a specified due date may result in the family's removal from the waiting list, denial of assistance, or a delay in processing the family's paperwork.

#### **8.6 ISSUANCE OF VOUCHER**

Once the family has met the documentation requirements (*Section 8.5 Verification of Income, Expenses, Assets & Citizenship Status*), a Housing Choice Voucher will be issued to the family for a bedroom size based on the eligibility requirements for that bedroom size (*7.1 Voucher Bedroom Size – Initial & Continued Assistance*) and any reasonable accommodation requirements.

#### **8.7 TERM OF THE VOUCHER**

- A. *Voucher Term:* The initial term of the Housing Choice Voucher shall be 60 days and will be stated on the Housing Choice Voucher. Effective May 1, 2004 MHSD will no longer approve extensions on a standard basis.
- B. *Exception to Extension Policy:* MHSD reserves the right to grant or deny any extension request with supervisory approval. Extension requests must be made in writing and are allowed only for disabled families and the elderly who have difficulty locating a unit because of a disability or health issue. MHSD may grant one or more extensions of the term, but the initial term plus any extensions shall not exceed 120 calendar days from the initial date of issuance. Approved extension shall be granted in 30-day increments. The appropriate MHSD staff shall initial all extension approvals and a copy shall be retained in the case file and another copy or original shall be provided to the family.

#### **8.8 REQUEST FOR TENANCY APPROVAL – TOLLING/SUSPENSION**

- A. Upon submittal of a completed Request for Inspection Packet (to include the *Request for Tenancy Approval [RFTA]* form), MHSD shall suspend (or begin tolling) the term of the voucher based on the date the RFTA was received by MHSD noted by a date stamp and initials. The expiration of the voucher will be in suspension until the date MHSD provides notice that the RFTA has been approved or denied. This policy allows families the full term (60 days, or more

with approved extensions) to find a unit without being penalized for the period during which MHSD is taking action on their request.

- B. A family may submit a second *Request for Tenancy Approval* form before MHSD finalizes action on the first request. In this case the suspension will last from the date of the first submittal through MHSD's action on the second submittal. No more than two requests will be concurrently considered.

### **8.9 REQUEST FOR TENANCY APPROVAL**

- A. Once a family locates a unit that meets the maximum amount allowable (40% Rule) and the owner is willing to lease under the program, the family shall provide the owner with the *Request for Inspection* packet (includes *Request for Tenancy Approval* form, *W-9*, and *Disclosure of Information on Lead-Based Paint Hazards*) to be completed and signed. The family will submit the required HUD forms to MHSD during the term of the voucher. MHSD will review the request, and the HUD required forms and make an initial determination of approval of tenancy. MHSD may assist the family in negotiating changes that may be required for the tenancy to be approvable.
- B. Once the fully completed *Request for Inspection* [packet] paperwork has been approved, the housing specialist shall forward the Inspection Report to the inspection department, who will then initiate contact with the landlord within 72 hours after the receipt of the request. Pending cooperation with the landlord and unit availability, the inspection shall be scheduled within a 5 to 7 day period from the date on the *Request for Tenancy Approval*. This 5 to 7 day period is suspended during any period the landlord unreachable, or the unit is unavailable for inspection. MHSD will promptly notify the owner and the family whether the unit and tenancy are approvable.
- C. During the initial stage of qualifying the unit, MHSD will make available to prospective owners information regarding the program, to include MHSD and owner responsibilities for screening and other essential program elements. MHSD will also provide the owner with the family's current and prior address as shown in MHSD records, along with the name and address (if known) of the landlords for those addresses.
- D. Screening for tenant suitability is the responsibility of the owner. All owners are urged to run credit and criminal background checks on prospective residents 18 years of age or older. Upon request by a prospective owner, MHSD shall provide any factual information or third party written information relevant to a voucher holder's history of, or ability to, comply with standard material lease terms.

### **8.10 APPROVAL TO LEASE A UNIT**

- A. MHSD will approve a lease if all of the following conditions are met:

1. The unit is eligible.
  2. The unit is inspected by MHSD and passed HQS.
  3. The lease is approvable and includes the language of the tenancy addendum.
  4. The Effective Date of the Lease Agreement falls on the first day of the month following the date in which HQS inspection was performed and received a determination of "pass". Approval shall not be made for a unit receiving other than a "pass" determination on an HQS inspection.
  5. The rent to owner is reasonable based on initial lease up criteria.
  6. The family's share of rent does not exceed 40% of their monthly-adjusted income.
  7. The owner has not been found to be debarred, suspended, or subject to a limited denial of participation by HUD or MHSD.
  8. The family continues to meet all eligibility and screening criteria.
- B. If tenancy approval is denied, MHSD will advise the owner and the family and advise them of any actions they could take that would enable MHSD to approve the tenancy.
- C. The lease term may begin only after all of the following conditions are met:
1. The unit passes MHSD HQS inspection.
  2. The family's share of rent does not exceed 40% of their monthly-adjusted income.
  3. The landlord and tenant sign the lease to include the HUD required addendum.
  4. MHSD approves the leasing of the unit.
  5. The Effective Date of the Lease Agreement falls on the first day of the month or the first day of the month following the date in which HQS inspection was performed and received a determination of "pass." Approval shall not be made for an inspection with other than a "pass" determination.

- D. MHSD will prepare the contract when the unit is approved for tenancy. Generally, the landlord, simultaneously with the signing of the lease agreement with the HUD required tenancy addendum, will execute the contract. Upon receipt of the executed lease and the contract signed by the landlord, MHSD will execute the contract. MHSD will not pay any housing assistance to the owner until the contract is executed.
- E. The HAP Contract must be executed (signed by both parties) no later than 60 days from the Effective Date of the contract. Housing assistance payments will not be made to the owner without a valid HAP Contract and lease agreement (§982.305).
- F. The initial term of the lease agreement and HAP Contract shall be for no more than 12 months (§985.309). The Effective Date of the Lease Agreement and HAP Contract must coincide and must be effective on the first day of the month following an HQS inspection receiving a determination of “pass.”

### **8.11 MHSD DISAPPROVAL OF OWNER**

MHSD will deny participation by an owner at the direction of HUD. MHSD 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 program.
- 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, fines, 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:
  - 1. Premises by tenants, MHSD employees or owner employees.
  - 2. Residences by neighbors.

3. Other conflicts of interest under Federal, State, or local law.

### **8.12 ELIGIBLE HOUSING**

MHSD will approve leases for the following housing types:

- A. Single family dwellings (houses)
- B. Apartments
- C. Townhouses
- D. Condominiums
- E. Row Houses/Duplexes/Tri-Plexes
- F. Manufactured housing

### **8.13 INELIGIBLE HOUSING**

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

- A. A public housing or Indian housing unit. (Escobedo Affordable Housing units are wholly owned by the City of Mesa and *not* considered Public Housing.)
- 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. MHSD has elected not to subsidize manufactured home space rental (24 CFR 982.620(a)(3)), which would be the exception to this restriction.
- 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.

- H. MHSD will not approve a lease for any of the following special housing types:
  - 1. Congregate housing
  - 2. Group homes
  - 3. Shared housing
  - 4. Cooperative housing
  - 5. Single room occupancy housing

### **8.13 SECURITY DEPOSIT**

- A. Per the State of Arizona Landlord Tenant Act, an owner may collect a security deposit from the tenant in an amount not to exceed a month and one-half of total rent. Further HUD requirements prohibit landlords from charging security deposits in excess of amounts charged in private market practice and in excess of amounts charged by the owner to unassisted tenants.
- B. 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.
- C. 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.
- D. If the security deposit is insufficient to pay for the damages owed by the tenant under the lease, the owner may seek to collect the balance from the tenant.
- E. MHSD shall not reimburse the landlord for any damages incurred by the tenant. The landlord shall provide documentation to MHSD regarding the damage as soon as reasonably possible.
- F. Damages of the unit incurred by the tenant may be grounds for termination of Section 8 rental assistance. At the discretion of supervisory staff, a tenant may be allowed to make restitution to the previous landlord for any damages/vacancy loss owed before a Housing Assistance Payment (HAP) Contract may be signed for a different unit. The tenant shall be required to provide written proof to MHSD of such restitution made to the landlord.

## 9.0 MOVES WITH CONTINUED ASSISTANCE

- A. The family must have completed an initial 12-month lease agreement within MHSD's jurisdiction. (If a move is necessitated for a reason other than family choice, the 12-month requirement may be waived.)
- B. The family must provide at least a full 30-day *Notice to Vacate* to the landlord, as long as the current lease agreement will expire on the same date as the move-out date, *or* if the family is on a month-to-month lease. (The exception to this requirement is a *Mutual Recision* signed by both the landlord and tenant.)
- C. MHSD may issue the family a new voucher if the family does not owe MHSD or any other housing agency money, has not violated any Family Obligations, and the landlord and participant have mutually agreed in writing to terminate the lease, **OR** MHSD has terminated the HAP contract while the participant is in good standing.
- D. MHSD shall take into consideration budgeting limitations when approving moves to new units and moves to other jurisdictions (portability). All new units must pass a rent reasonableness test for the market area, and current units may be subject to the rent reasonableness test as well.
- E. All new leases will only be approved with an Effective Lease Date of the first day of the month following an HQS inspection receiving a "pass" rating. All moves must have an effective date of the last day of the move month. If a family wishes to move into a new unit mid-month, it is the family's responsibility to make sure the new unit has passed inspection before move-in **AND** the family will be responsible for any additional rent due to the new landlord prior to the Lease date.
  - 1. Effective March 1, 2005, all lease agreement Effective Dates and HAP Contract Effective Dates shall fall on the first day of the month. Before a lease agreement shall be approved or HAP Contract executed, all applicable HQS inspections shall have a "pass" rating.
  - 2. Only Mutual Recisions with an effective date of the last day of the month shall be accepted.
  - 3. A family may move into a new unit before the lease date; however, the family shall be responsibility for any rent payable to the new landlord before the Effective Date of the Lease. An early move-in must not exceed fifteen (15) calendar days, the new unit must have passed the HQS inspection before move-in, and MHSD must have approved the unit. MHSD shall not pay more than one landlord for the same time period due to the family's decision to move mid-month

4. Portability move-in families are also subject to the requirements of *Section 8.0* of this plan, and mid-month move-ins shall not be approved by MHSD.
5. Only the Housing Supervisor, or designee, may approve a mid-month that conflicts with the provisions set forth in *Section 8.0* of this plan.

**9.1 FAMILY MOVE PROCEDURES – END OF LEASE & MUTUAL RECISION**

Families considering transferring to a new unit shall be scheduled to attend a mover's briefing. All families who are moving, including any families moving into or out of MHSD's jurisdiction, will be required to attend a mover's briefing prior to MHSD entering a new HAP contract on their behalf. A family's failure to abide by provide a copy of the lease termination notice to MHSD will be considered a violation of Family Obligations and may cause the family to be terminated from the program.

Families are also subject to the provisions of *Section 8.0* of this plan.

**9.2 FAMILY MOVE PROCEDURES – END OF LEASE**

- A. In accordance with HUD regulations, a participant family must provide a written *Notice of Intent to Vacate* to the landlord, with a copy to MHSD. The notice shall be provided to the landlord by the family at least 30-days in advance of the move-out date, but shall not exceed 60-days.
- B. Families are also subject to the provision of *Section 8.0* of this plan.
- C. The family must attend a briefing to include:
  1. 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.
  2. Information about finding suitable housing and the advantages of moving to an area that does not have a high concentration of poor families.
  3. Payment standards and the utility allowance schedules.
  4. An explanation that the family's share of rent may not exceed 40% of the family's monthly-adjusted income.
  5. Portability opportunities and requirements: Portability move-out information shall be provided. MHSD portability move-out approval shall be based on budgetary constraints.

6. The need to have on file current *Annual Recertification Application* paperwork with verifications. Verifications shall not be older than 60 days (refer to the Verification Document PIH Notice).
  7. An explanation and copies of the forms required to initiate and complete the move, including the *Housing Choice Voucher*, the *Receipt of Lead-Based Hazards Booklet* form and booklet, the *Request for Tenancy Approval*, *W-9*, *Disclosure of Information on Lead-Based Pain Hazards*, and *Annual Recertification Application* forms.
  8. All forms and brochures provided to applicants at the initial briefing. (Briefing packet)
- D. Based on the Maximum Amount Allowable (40% Rule) for the family, the family will submit a *Request for Tenancy Approval* for approval by the housing specialist.
- E. Within 72 hours from the date stamped on the *Request for Tenancy Approval*, an *HQS Inspection Request* will be forwarded to the inspector.
- F. The inspector shall initiate contact with the landlord and/or management representative to schedule an appointment. This contact shall be initiated within 5 to 7 days of the date stamped on the *Request for Tenancy Approval*.
- G. The owner and participant family shall be notified of the HQS decision.
1. If the unit has a “Pass” rating, the housing specialist shall contact both parties to determine the move-in date and the rent portion breakdown.
  2. If the unit has a “Fail” rating, the family shall not be allowed to lease the unit unless the unit is reinspected at a later date with a “Pass” decision. It is at the discretion of the inspector as to whether or not the leasing of the unit would constitute a safety and/or health hazard to any member of the participant family. Such issues or concerns, if any, shall be forwarded to the housing supervisor and the landlord and/or management representative, if applicable.

### **9.3 FAMILY MOVE PROCEDURES – MUTUAL RECISION**

- A. The participant family and landlord may agree to sign a *Mutual Agreement* form to rescind the current lease agreement. Both parties must be in agreement and must provide to MHSD such agreement in writing on the prescribed MHSD *Mutual Agreement* form.

- B. All leases shall be effective the first day of the month following a passed HQS inspection. All Mutual Recision, or ending of leases, shall be effective the last day of the month. Mid-month leases and move-outs are not permitted.
- C. If the family moves from the unit before the initial term of the lease ends without the owner's and MHSD's approval, it will be considered a serious lease violation and subject the family to termination from the program.
- D. A 30-day notice is not required, unless it is the stipulation of the landlord and/or management representative that such notice shall be given *before a Mutual Recision* shall be signed by the landlord and/or management representative. If the family is currently under a lease agreement, the landlord and/or management representative shall not be bound to sign the *Mutual Recision*.
- D. The family must attend a briefing to include:
1. 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.
  2. Information about finding suitable housing and the advantages of moving to an area that does not have a high concentration of poor families.
  3. Payment standards and the utility allowance schedules.
  4. An explanation that the family's share of rent may not exceed 40% of the family's monthly-adjusted income.
  5. Portability opportunities and requirements: Portability move-out information shall be provided. MHSD portability move-out approval shall be based on budgetary constraints.
  6. An explanation of the requirement to have on file current *Annual Recertification Application* paperwork with verifications, and that verifications shall not be older than 60 days from the new lease effective date.
  7. An explanation and copies of the forms required to initiate and complete the move, including the *Housing Choice Voucher*, the *Receipt of Lead-Based Hazards Booklet* form and booklet, the *Request for Tenancy Approval, W-9, Disclosure of Information on Lead-Based Pain Hazards*, and *Annual Recertification Application* forms.
  8. All forms and brochures provided to applicants at the initial briefing. (Briefing packet)

- E. Based on the Maximum Amount Allowable (40% Rule) for the family, the family will submit a *Request for Tenancy Approval* for approval by the housing specialist.
- F. Within 72 hours from the date stamped on the *Request for Tenancy Approval*, an *HQS Inspection Request* will be forwarded to the inspector, providing all criteria have been met.
- G. The inspector shall initiate contact with the landlord and/or management representative to schedule an appointment. This contact shall be initiated within 5 to 7 days of the date stamped on the *Request for Tenancy Approval*.
- H. The owner and participant family shall be notified of the HQS decision. If the unit has a “Pass” rating, the housing specialist shall contact both parties to determine the move-in date and the rent portion breakdown.
- I. The owner and participant family shall be notified of the HQS decision.
  - 1. If the unit has a “Pass” rating, the housing specialist shall contact both parties to determine the move-in date and the rent portion breakdown.
  - 2. If the unit has a “Fail” rating, the family shall not be allowed to lease the unit unless the unit is reinspected at a later date with a “Pass” decision. It is at the discretion of the inspector as to whether or not the leasing of the unit would constitute a safety and/or health hazard to any member of the participant family. Such issues or concerns, if any, shall be forwarded to the housing supervisor and the landlord and/or management representative, if applicable.

## 10.0 PORTABILITY

Portability refers to the ability of Section 8 Housing Choice Voucher holders to move to different PHA jurisdictions.

### 10.1 PORTABILITY MOVE-OUT

- A. Portability move-out information shall be provided in the applicant briefing documents for those who have been issued a voucher, at the beginning of the annual reexamination, and each time a participant expresses interest in moving to a different unit. MHSD portability move-out approval shall be based on budgetary constraints.
- B. As long as all requirements are met, families may only move to a jurisdiction where a Section 8 Program is being administered. If there is more than one such housing agency, MHSD shall choose which housing agency shall become the receiving housing agency.
- C. If the head or spouse of the assisted family *has* legal residence or works in the jurisdiction of MHSD at the time of its application, the family may lease a unit outside of MHSD's jurisdiction.
- D. If the head or spouse of the assisted family *does not* have legal residence or *does not* work in the jurisdiction of MHSD at the time of its application, the family shall *not* lease a unit outside of MHSD's jurisdiction for a 12-month period beginning when the family is first admitted into the program. During this period, the family may only lease a unit with MHSD's jurisdiction. The exception to allowing immediate portability shall be approved by the housing supervisor or designee for good cause only, such as medical reasons.
- E. If a family has moved out of the assisted unit in violation of the lease or without notifying MHSD beforehand, MHSD shall not issue a voucher, and may terminate assistance in compliance with *Section 19, Termination of the Lease and Contract*.
- F. A family shall not move to another jurisdiction while owing money to any housing agency.
- G. Families participating in the Family Self-Sufficiency Program (FSS) or in the homeownership program, may move to a jurisdiction outside of MHSD's jurisdiction as long as the receiving housing agency agrees to absorb the family into their program. Only under approved circumstances may the voucher be administered by the receiving housing agency while escrow management remains with MHSD.

H. Portability Procedure

1. Appropriate procedures shall be followed for lease termination/expiration.
  - a. If a lease agreement is set to expire and the family wishes to move at that time, the family must submit a written *Notice to Vacate* to the landlord at least 30-days, but not to exceed 60-days, before the expiration date.
  - b. If the family wishes to move before the lease expiration date, the family must provide a *Mutual Recision* form signed by the family and landlord or landlord's management representative. Mid-month moves are not permitted.
  - c. The family must notify MHSD by utilizing options listed in *Section 10.1[H][1][a]* or *[b]* above. MHSD shall contact the receiving housing agency and determine if the guidelines for portability approval are met.
2. The head of household shall contact MHSD to schedule a briefing appointment. The briefing appointment shall include:
  - a. MHSD 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.
  - b. The family will be issued a new Housing Choice Voucher based on applicable issuance and expiration dates of the voucher
  - c. The head of household will sign a *Portability Request* form and any other related documents.
  - d. MHSD will advise the family how to contact and request assistance from the Receiving Housing Agency.
3. Within ten working days, MHSD will notify the Receiving Housing Agency to expect the family.
4. MHSD will immediately mail or fax to the Receiving Housing Agency the HUD-52665 Form, the most recent HUD Form 50058 (Family Report) for the family; birth certificates/identification documents; social security cards; 214 citizenship declarations; income, asset, expense verifications; and any other related information including FSS documentation.

5. *Administering:* Once the Receiving HA has notified MHSD of the decision to Administer the incoming voucher, MHSD shall update the computer system to reflect the Action Taken and process a Portability Move-Out 50058. (The Portability Move-Out 50058 must be processed before the Receiving HA can process a Portability Move-In 50058—PIC issue.) When billing information is received, the MHSD Housing Supervisor and Housing Finance staff shall set up appropriate records so that payment shall be made in a timely manner. The Housing Supervisor shall maintain family records, including 50058s and other documents. Finance staff shall maintain billing and payment records.
6. *Absorbing:* Once the Receiving HA has notified MHSD of the decision to Absorb the incoming voucher, MHSD shall update the computer system to reflect the Action Taken by releasing the voucher, process a Portability Move-Out 50058, and make the family Inactive. MHSD's voucher shall then be reissued to another family.

## **10.2 PORTABILITY MOVE-IN – MHSD RECEIVING HA**

- A. MHSD may deny portability move-in vouchers from another jurisdiction if it is to be expected that the initial housing agency may not have the funding to allow MHSD to administer the voucher for the length of the contract. MHSD also reserves the right to deny portability move-in vouchers if agency funding would not be able to support the voucher in case the initial housing agency were not financially able to reimburse MHSD for expenses incurred on behalf of the family.
- B. All portability move-in families are subject to the same provisions set forth in *Section 8.0 [A]-[E]*. Mid-month move-ins shall not be permitted.
- B. If funding is available, MHSD may absorb all portability move-in families from another jurisdiction participating in the Family Self-Sufficiency Program (FSS) or in the Housing Choice Voucher homeownership program. Based on funding constraints, MHSD reserves the right to deny portability move-in from another jurisdiction or to require the Initial Housing Agency to maintain management the FSS escrow.
- C. Income Eligibility
  1. *Initial Assistance:* If a family has never been leased in a Section 8 unit, the family must meet MHSD's income eligibility.
  2. *Continued Assistance:* If a family has been leased in a Section 8 unit in a different jurisdiction, income eligibility for MHSD's jurisdiction is not re-determined.

- D. If a family has moved out of the assisted unit in violation of the lease, MHSD shall not issue a voucher, and may terminate assistance in compliance with *Section 19, Termination of the Lease and Contract*.
- E. Portability Procedure
1. Once MHSD receives the family documentation from the Initial HA, the family shall be required to attend a briefing appointment. The pre-briefing and briefing appointment shall include the following:
    - a. MHSD shall provide a briefing packet to the family, which explains the program and the lease-up process and a *Request for Tenancy Approval* form and other required forms for signature.
    - b. The family must complete a current *Initial Application (Personal Declaration)* packet and applicable forms, provide household composition, income, asset, and expense information; and all household members 18 years of age or older must sign all documents. MHSD may issue the family a voucher and related paperwork at this point, but shall not execute a HAP Contract until household composition, income, asset, and expense verification requirements are met.
    - c. The family shall be informed of the Maximum Amount Allowable (40% Rule) based on the family's income and deductions. Units with proposed rental amounts exceeding the Maximum Amount Allowable shall not be approved and the family will be given another blank Request for Tenancy Approval to find a different unit.
    - d. The family will be issued a new Housing Choice Voucher based on applicable issuance and expiration dates of the voucher issued by the initial housing agency. If the term of the voucher is such that it would not allow the family to find a unit within a reasonable time period, MHSD may grant an extension to the voucher as long as the entire term of the voucher does not exceed 120 days.
    - e. MHSD will determine the family unit size for the portable family in accordance with MHSD's subsidy standards.
  2. The family shall submit the required *Request for Inspection* packet (to include the *Request for Tenancy Approval*, the landlord's W-9, and the *Disclosure of Information on Lead-Based Paint Hazards*) to the housing specialist for approval.

3. Once the *Request for Tenancy Approval* has been approved, the *Inspection Request* will be forwarded to the inspector.
  - a. If the unit receives a “Pass” decision, the family and landlord and/or management representative shall be notified by the housing specialist of the decision. A move-in date shall also be determined at that time.
  - b. If the unit receives a “Fail” decision, it is at the inspector’s discretion as to the viability of the landlord and/or management representative making the appropriate repairs/replacements to bring the unit up to HQS. Based on prior history of the unit and the working relationship with the landlord and/or management representative, it may be necessary for the future safety and health of the family to deny the unit.
4. The tenant and landlord and/or management representative shall be notified in writing of the rental portion breakdown.
5. The Housing Assistance Payments (HAP) Contract shall be executed between the landlord and MHSD no later than 60 days after the Effective Date of the HAP Contract. The signed document shall be maintained in the family’s case file.
6. The landlord and/or management representative shall provide to MHSD a signed copy of the executed lease agreement to be maintained in the family’s case file.
7. The Effective Date of the Lease and the HAP Contract dates shall be the same. In cases where the documents differ, the HAP Contract shall supersede. Both dates shall be effective the first day of the month following an HQS inspection with a “pass” rating. Any rating other than “pass” shall not qualify for the execution of the HAP Contract.
8. MHSD will immediately mail to the initial housing agency the HUD-52665 Form and the most recent HUD Form 50058 (Family Report).
9. In order to provide tenant-based assistance for portable families, MHSD will perform all Housing Agency program functions, such as reexaminations of family income and composition. At any time, either the Initial HA or MHSD may make a determination to deny or terminate assistance to the family in accordance with 24 CFR Part 982.552.

### **10.3 ABSORPTION BY MHSD**

- A. If funding is available, MHSD may absorb portability move-in families from another jurisdiction participating in the Family Self-Sufficiency Program (FSS) or in the homeownership program. Based on funding constraints, MHSD reserves the right to deny portability move-in from another jurisdiction.
- B. If funding is available under MHSD's consolidated ACC when the portable family is received, MHSD may absorb the family into its Housing Choice Voucher Program. After absorption, the family is assisted with funds available under MHSD's consolidated ACC tenant-based program.

### **10.4 PORTABILITY BILLING**

- A. MHSD – Initial Housing Agency

As the Initial Housing Agency of a portability move-out voucher being administered by a Receiving Housing Agency, MHSD shall comply with the requirements set forth by HUD regarding documentation, billing, and payments. Budgetary constraints may result in the negotiation of payments, but shall be done with notification to the local HUD Field Office.

- 1. MHSD shall reimburse payments made on behalf of MHSD vouchers in another jurisdiction as long as the required documentation is provided within the prescribed time frame set forth by HUD. Required documentation includes the most current HUD 50058 Family Report and accompanying HUD 52665 Portability form as required by HUD. Other documentation may also include a billing statement from the Receiving HA.
- 2. *HAP & URP:* MHSD will promptly reimburse the receiving housing agency for the full amount of the payments made on behalf of an MHSD participant voucher being administered in the receiving housing agency jurisdiction. The amount of the housing assistance payment and utility reimbursement payments for a portable family in the Receiving Housing Agency's program is determined in the same manner as for other families in the Receiving Housing Agency's program.
- 3. *Administrative Fees:* MHSD shall promptly reimburse the Receiving housing agency for 80% of the 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 Agency. The Administrative Fee reimbursement may be negotiable between housing agencies if both are in agreement.

4. *Hard-To-House Fees:* MHSD shall pay to the receiving housing agency the Hard-to-House Fee of \$75 per unit for vouchers qualifying for the Hard-to-House Fee.

B. MHSD – Receiving Housing Agency

1. MHSD shall promptly notify the Initial HA within the required time frame of any changes in rental portion and reexaminations. All notifications of these changes shall include the most current HUD 50058 Family Report and accompanying HUD 52665 Portability form as required by HUD. Monthly billings shall also be provided to the Receiving HA.
2. *HAP & URP:* The amount of the housing assistance payment and utility reimbursement payments for a portable family is determined in the same manner as for other families in MHSD’s program. The full HAP and URP paid by MHSD, including prorated amounts, shall be billed to the Initial HA.
3. *Administrative Fees:* The fee is based on 80% of the Initial HA’s on-going administrative fee for each unit month that the family receives assistance under the tenant-based programs and is assisted by MHSD. The Administrative Fee reimbursement may be negotiable between housing agencies if both are in agreement.
4. *Hard-To-House Fees:* MHSD shall bill the Initial HA the Hard-to-House Fee of \$75 per unit for qualified families.

C. When a Portability Move-In Family Moves to a Different Jurisdiction

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

## 11.0 DETERMINING FAMILY INCOME

### 11.1 CALCULATING INCOME

The income and Total Tenant Payment (TTP) are calculated in accordance with 24 CFR Part 5, Subparts E and F and the Housing Choice Voucher Guidebook. The formula of calculation is specific and not subject to interpretation. *Gross Annual Income* is the total of all household income—monetary or not—before deductions. *Adjusted Annual Income* is the total of all household income—monetary or not—after deductions. *Adjusted Monthly Income* is the total of all household income—monetary or not—after deductions, then divided by 12 months. *Excluded Income* is household income—monetary or not—that is exempted from being included in the calculation of income. TTP is based on 30% of the Adjusted Monthly Income.

#### INCOME CALCULATION

All Income Sources (monetary or not) – Exclusions = Gross Annual Income  
 Gross Annual Income – Allowable Deductions = Adjusted Annual Income  
 Adjusted Annual Income ÷ 12 months = Adjusted Monthly Income

### 11.2 TYPES OF ANNUAL INCOME

- A. All income paid to—or on behalf of—the head or spouse (even if temporarily absent) or to any other family member.
- B. All income paid to—or on behalf of—a family member even if the income is paid to a non-custodial parent or relative not living with the family member.
- C. All regular payments (i.e., utility payments) made on behalf of the family by a person residing outside the household.
- D. All income *anticipated* to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date.
- E. All income not specifically excluded from annual income.
- F. Public school system employees will be given the option at annual reexamination of:
  - 1. Annualizing their income for 12 months and reporting income changes at the end and beginning of each summer, or
  - 2. Calculating the income for 39 weeks and not having their rent reduced

during the summer months.

### **11.3 SOURCES OF ANNUAL INCOME**

- A. *Gross Income:* The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services.
- B. *Business Income:* 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. *Assets:* 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. *Retirement/Annuities:* 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 a 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. *Pre-Paid Compensation:* 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.*
  - 1. 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 welfare assistance income to be included as income consists of:

- a. The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus
  - b. The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this requirement is the amount resulting from one application of the percentage.
2. 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.
  3. 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. *Other Payments:* Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling.
- H. *Military Pay:* 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.)

#### **11.4 AVERAGING ANNUAL INCOME**

When annual income cannot be clearly anticipated for a full 12-months, MHSD may:

- A. Average known sources of income that vary by annualizing income reported on verifications (i.e., child support history report, employment verification, state wages, etc.). In such cases it is preferable to have at least a 4-month period or a 12-month period of income to average.
- B. Use the previous year's income received for overtime and bonuses, or have the participant make a Self-Declaration based on a year-round average.

- C. Analyze income reported to the Internal Revenue Service from the previous year to determine the amount to anticipate when third-party or check-stub verification is not available.

### 11.5 DEDUCTIONS FROM ANNUAL INCOME

The following deductions will be made from annual income:

- A. *Dependent Allowance:* \$480 for *each* family member (other than head of spouse) who meets the following criteria:
  - 1. Under 18 years of age.
  - 2. Full-Time Student (must be verified) 18 years of age or older.
  - 3. Disabled adult household member (not head or spouse).
- B. *Elderly/Disabled Allowance:* \$400 *per* family for families whose head or spouse is: 62 years of age or older, or disabled.
- C. *Disability Assistance for Wage Earners:* 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, are allowed 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. *Medical Deductions:* Households that are considered either an *Elderly Household* or a *Disabled Household*, where either the head of household or spouse is considered disabled or elderly, are eligible to count certain out-of-pocket medical expenses as a deduction. For households that meet this criterion, all of the eligible medical expenses are counted, including medical expenses of others in the household who are not elderly or disabled. For households that have an elderly or disabled member, but who is *not* the head of household or spouse, the family *is not* eligible to receive medical deductions.

<h4>MEDICAL DEDUCTION CALCULATION</h4>
<p>All Income Sources (monetary or not) – Exclusions = Gross Annual Income Gross Annual Income X 3% = Medical Expense Threshold Total Medical Expenses – Medical Expense Threshold = Eligible Medical Deductions Gross Annual Income – Eligible Medical Deductions = Adjusted Annual Income</p>

1. When it is unclear in the HUD rules as to whether or not to allow an item as a medical expense, IRS Publication 502 will be used as a *guide*. (Per HUD representatives, not all of the allowable deductions listed in the publication are to be used. Each situation needs to be evaluated separately.)
2. Ordinary medical expenses are copayments made by the participant to a doctor and prescriptions obtained in a pharmacy are acceptable deductions.
3. Nonprescription medicines or apparatus items must be doctor-recommended in order to be considered a medical expense. Documentation must include a written recommendation from the doctor and a legible register receipt.
4. Other expenses for seeing-eye dogs and care animals shall be reviewed on a case-by case basis, with the understanding that HUD has previously ruled the inclusion of certain expenses. A written request from the participant and legible receipts must be submitted.

E. *Disability Assistance:*

For a family that:

1. Has no disability assistance expenses, an allowance for medical expenses equal to the amount by which the medical expenses exceed 3% of annual income.
2. 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.
3. Has disability assistance expenses that are less than 3% of annual income, an allowance for combined disability assistance expenses and medical expenses that is equal to the total of these expenses less 3% of annual income.

F. *Child Care Deduction:* Allowable expenses anticipated to be incurred for the care of children under 13 years of age when child care is necessary to allow an adult member to work, attend school, or actively seek employment. MHSD does not have the authority to designate the caregiver, not even if there is an available adult household member who is not working or attending school.

Allowable deductions should be considered "reasonable," especially when provided by a private caregiver. MHSD reserves the right to disallow any

amounts considered “unreasonable” based on surveys taken in the area. The family has the right to request an informal hearing to contest the decision.

Allowable childcare expenses include transportation fees, registration fees, and childcare tuition fees. Disallowed childcare expenses include private school tuition, kindergarten tuition, special event fees, and time appointed as “other than” childcare.

**11.6 MEDICAL PRESCRIPTION DRUG CARDS & TRANSITIONAL ASSISTANCE**  
(PIH Notice 2004-24, dated November 10, 2004)

The adjusted income calculation and medical deduction verification guidance regarding Medicare Prescription Drugs Cards and Transitional Assistance was provided in PIH Notice 2004-24 (November 10, 2004). (Note: For Medicare-Approved Prescription Drug Cards the family receives the full prescription expense as a deduction regardless of the discount. For non-approved cards, the family receives only the discounted medical expense as a deduction.)

A. Verification of Medical Expense or Income Disregard

1. Initial Verification of Eligibility for Income Exclusion of Discount Amount:

- (i) The applicant/tenant must provide verification of the Medicare-approved drug discount card. All discount cards approved by Medicare will have a seal with the words “Medicare Approved”. The Medicare Approved seal can be viewed at [www.medicare.gov](http://www.medicare.gov) at publication 11060. MHSD must maintain a copy of the discount card on file with each Annual Reexamination, or the card may be maintained in the “Family Documents” envelope.
- (ii) Other medical/prescription discount cards are not eligible for the exclusion and the discounted amount of the prescription is used in the calculation.

2. Third-Party Verification of Prescription Expense to include:

- (i) The actual amount the individual would have had to pay for each prescription in absence of the negotiated discount provided by the Medicare-approved drug discount card.
- (ii) The actual amount of any payments made by the \$600 transitional assistance credit.

- (iii) Verification by the applicant/participant that specific prescription drugs purchased by the household are eligible for the discount.  
NOT ALL PRESCRIPTION DRUGS ARE ELIGIBLE!
- (iv) If third-party verification is not available, the file must be documented as to why the third-party verification is not available and should include copies of all verifications mailed in an attempt to obtain such documentation.
- (v) The following verification methods have been approved by HUD (per PIH Notice 2004-24):
  - (a) Information on the receipt the individual receives when paying for a prescription if the pre-discount cost of the drug is included.
  - (b) If information for the pre-discount price of the prescription cannot be determined with current information, use receipts showing the amount paid for the prescription prior to the individual enrolling in the Medicare-approved drug discount card program.
  - (c) If the beneficiary cannot obtain a receipt with the pre-discount cost of the drug, MHSD may call the pharmacy to obtain the pre-discount cost. Information on the Medicare website at [www.medicare.gov](http://www.medicare.gov) may also be used to determine the pre-discount cost of the prescription.
  - (d) When the pre-discount price of the prescription cannot be determined, use an imputed value of \$48.17 per prescription as a substitute for the actual pre-discount price. (The imputed value of \$18.17 represents the national average cost per prescription for the cash-paying customer in 2003 based on Centers for Medicare and Medicaid Services' Office of the Actuary analysis of data from IMS Health, National Prescription Audit for 2003). In all instances if an applicant/participant can provide satisfactory evidence that a prescription cost more than \$48.17, the higher amount is paid.

EXAMPLE OF IMPUTED AMOUNT: Eligible applicant/participant provides documentation of the monthly purchase of a drug, but the pre-discount cost of the drug cannot be obtained. The applicant/participant shall receive credit for a medical expense of \$48.17 X 12 or \$578.04 annually. The imputed amount of \$48.17 is used

for each eligible prescription that cannot be verified through one of the other methods.

- B. MHSD Staff Processing Procedure for Medicare-Approved Discount Cards & Transitional Assistance
1. Obtain copy of “Medicare-Approved” Medical Discount Card.
  2. Request verification of patient-paid expenses from pharmacy. Use revised MHSD form “Authorization for Use/Disclosure of Protected Health Information” approved by various pharmacies as an acceptable release of information.
  3. When returned, review the form completed by the pharmacy. If information is missing or the form is incomplete, contact the pharmacy or resend the form. All attempts at verification of medical expenses shall be documented in the participant file.
  4. If the pharmacy has completed the form correctly, the following information should be included in the case file for the 50058:
    - (i) *Transitional Assistance* is treated as Income: Source Code = E-Medical Reimbursement; Annual Amount = \$600; Annual Exclusion Amount = \$600
    - (ii) *Pre-Discount Prescription Cost* is treated as an Expense: Type = Medical Expense; Description = Prescriptions; Annual Amount = Total annual costs for prescriptions before discount (as verified by pharmacy)

### **11.7 REGULAR EXCLUSIONS FROM ANNUAL INCOME**

Income that is verified, excluded, and recorded on the 50058 includes 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:
  - 1. Amounts received under training programs funded by HUD.
  - 2. Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS).
  - 3. 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.
  - 4. Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for MHSD 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.
  - 5. Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the employment training program.
  - 6. Temporary, nonrecurring, or sporadic income (including gifts). Situations where there is an established pattern of temporary or sporadic income, the income may be annualized.

7. 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.
8. Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse). (The earnings must be verified, entered into the computer system, and then excluded.)
9. Adoption assistance payments in excess of \$480 per adopted child.
10. Deferred periodic amounts from Supplemental Security Income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts.
11. 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.
12. Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home.
13. Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits.

These exclusions include:

- a. The value of the allotment of food stamps
- b. Payments to volunteers under the Domestic Volunteer Services Act of 1973
- c. Payments received under the Alaska Native Claims Settlement Act
- d. Income from sub-marginal land of the U.S. that is held in trust for certain Indian tribes
- e. Payments made under HHS's Low-Income Energy Assistance Program
- f. Payments received under the Job Training Partnership Act
- g. Income from the disposition of funds of the Grand River Band of Ottawa Indians

- h. The first \$2000 per capita received from judgment funds awarded for certain Indian claims
- i. Amount of scholarships awarded under Title IV including Work-Study
- j. Payments received under the Older Americans Act of 1965
- k. Payments from Agent Orange Settlement
- l. Payments received under the Maine Indian Claims Act
- m. The value of childcare under the Child Care and Development Block Grant Act of 1990
- n. Earned income tax credit refund payments
- o. Payments for living expenses under the AmeriCorps Program

**11.8 EARNED INCOME DISALLOWANCE (EID)**

(24 CFR Parts 5.617 and 982.201[b][3]) (Federal Registers: Jan. 19, 2001; Feb. 13, 2002)

- A. *Applicability:* The Earned Income Disallowance provides for a disregard of wage income earned by each disabled family member for a maximum of 24-months of assistance. Once the disregard is implemented for the family, each disabled family member shall have a lifetime maximum of 48-months, or 4 years, to take advantage of the disregard. The disregard is broken down by an initial 12-month increment at 100% disregard and a second 12-month increment at 50% disregard. The time period of the disallowance is cumulative and may be established over the lifetime maximum of a consecutive 4 years, but shall not extend beyond the 4 year period regardless if the entire 24-months of disregard has been used. No earned income disallowance will be applied after the 48-month period following the initial date the exclusion was applied.

Families must report the increase of income or new employment of the disabled family member within 10 working days of the occurrence. For families who *do* report the change within the prescribed timeframe, the clock shall begin on the first day of the month in which the change would ordinarily be effective. For families who *do not* report the change within the prescribed timeframe, the clock shall begin on the date of employment or the date of increase. Failure to report changes of income is grounds for termination of rental assistance regardless if the income is included or excluded.

- B. *Eligibility:* Participants must meet the following eligibility requirements to receive the Earned Income Disallowance:

1. *Disabled Wage Earner:* Earned Income Disallowance allows for certain increases in earned income of a disabled wage earner to be disregarded. A “Qualified Family” is not limited to a family whose head of household or spouse is classified as disabled (24 CFR 5.403). The disregard may apply to any disabled wage earner residing in the household, including one or more disabled persons.
  2. *Continually Assisted:* Only families continually assisted are eligible for the Earned Income Disallowance. Applicant families who have a disabled wage earner are not eligible for the Earned Income Disallowance at the time of admission (§ 982.201[b][3]).
  3. *Previously Unemployed:* The disabled family member must have been unemployed for at least the previous 12 months.
    - a. Employment refers to earned wages only.
    - b. For purposes of some part-time employment, “Previously Unemployed” includes a person who has earned, in the 12 months previous to employment, no more than would be received for 10 hours of work per week for 50 weeks at the established State or locality minimum wage (§ 5.617 of this rule, and § 960.255 of the public housing regulations).
  4. *Additional Qualifications:* Families may qualify with the following additional qualifications:
    - a. Families whose annual income increases as a result of earnings by a disabled family member during participation in any economic self-sufficiency or other job training program; or
    - b. Families whose annual income increases as a result of new employment or increased earnings of a disabled family member during, or within, a 6-month time period of receiving at least \$500 of TANF benefits.
- C. *Timeframe:* Timeframe for disallowance of increase in annual income:
1. *Initial 12-Months Earned Income Disallowance Exclusion:* The full amount (100%) of wage income earned by a disabled family member shall be disregarded during the initial 12-months of the Earned Income Disallowance period. There may be breaks between periods of employment, and the months in which income was earned shall be counted cumulatively.

2. *Second 12-Months Earned Income Disallowance Exclusion:* During the second 12-months of the Earned Income Disallowance period, 50% of the income earned by a disabled family member shall be excluded. There may be breaks between periods of employment, and the months in which income was earned shall be counted cumulatively.
- D. *Child Care:* The amount deducted for childcare necessary to permit employment shall not exceed the amount of employment income that is included in annual income. Therefore, for families entitled to the earned income disallowance, the excluded amounts shall not be used to determine the cap for childcare deductions.
- E. *New Admissions:* The Earned Income Disallowance is only applied to determine the annual income of families who are current participants in the Housing Choice Voucher Program, and therefore does not apply for purposes of admission to the program (including the determination of income eligibility or any income targeting that may apply).
- F. *Tracking Documentation:* The Earned Income Exclusion shall be reported on the HUD 50058 form. Documentation will be included in the family's file to show the reason for the reduced increase in rent. Documentation shall include:
1. Date the increase of earned income was reported by the family
  2. Name of the family member whose earned income increased
  3. Reason (i.e., new employment) for the increase of earned income
  4. Amount to be excluded
  5. Date(s) earned income ended and resumed during each stage of the exclusion period.
  6. Ending date of the maximum 48-month (4 year) disallowance period (48 months from the date of the initial earned income disallowance).
- G. As explained in the final rule, "HUD proposed these benefit extensions to persons with disabilities because HUD believes that these deductions and the disregard of earned income constitute an important step in helping persons with disabilities find employment and retain employment. HUD's definition of economic self-sufficiency is any program designed to encourage, assist, train or facilitate economic independence of assisted families or to provide work for such families. Such programs may include job training, employment counseling, work placement, basic skills training, education, English proficiency, workfare, financial or household management, apprenticeship, or any other program necessary to ready a participant to work (such as substance abuse or mental health treatment)."

## **12.0 VERIFICATION**

MHSD 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 of family members 18 years of age and older, Social Security Numbers, citizenship/eligible non-citizen status. Age and relationship will only be verified in those instances where needed to make a determination of level of assistance. (Refer to Notice PIH 2004-01 Verification Guidance attachment; regulations found at 24 CFR Parts 5, 903, 960, and 982; and the Housing Choice Voucher Guidebook for further clarification.)

### **12.1 ACCEPTABLE METHODS OF VERIFICATION**

Age, relationship, U.S. citizenship, and Social Security Numbers will generally be verified through Document View with documentation provided by the family. For citizenship, the family's certification will be accepted. (Or 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 signed by the family.

Other information will be verified through the Levels of Verification Methods (in the following order: Upfront Income Verification [UIV], Third Party, Oral Third Party, Document Review, and Tenant Declaration). The third party 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 generated by a request from MHSD 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 if the documentation had been written, i.e. name, date of contact, amount received, etc.

When third party verification cannot be obtained, MHSD will accept documentation received from the applicant/participant. Hand-carried documentation will be accepted if MHSD 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, MHSD will accept a notarized statement signed by the head, spouse or co-head. Such documents will be maintained in the file.

**12.2 CHARTS: LEVELS OF VERIFICATION**

**A. INCOME VERIFICATIONS**

Income Type	Upfront (LEVEL 5)	Written Third Party (LEVEL 4)	Oral Third Party (LEVEL 3)	Document Review (LEVEL 2)	Tenant Declaration (LEVEL 1)
Wages/Salaries	Use of computer matching agreements with a State Wage Information Collection Agency to obtain wage information electronically, by mail or fax or in person.	The PHA mails, faxes, or e-mails a verification form directly to the independent sources to obtain wage information.	In the event the independent source does not respond to the PHA's written request for information, the PHA may contact the independent source by phone or make an in person visit to obtain the requested information.	When neither form of third party verification can be obtained, the PHA may accept original documents such as consecutive pay stubs (HUD recommends the PHA review at least three month of pay stubs, if employed by the same employer for three months or more), two months of pay stubs is also acceptable, W-2 forms, etc. from the tenant. <b>Note:</b> The PHA must document in the tenant file, the reason third party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares the family's total annual income from earnings. <b>Note:</b> The PHA must document in the tenant file, the reason third party verification was not available.
	Agreements with private vendor agencies, such as The Work Number to obtain wage and salary information.	The PHA may have the tenant sign a Request for Earnings Statement from the SSA to confirm past earnings. The PHA mails the form to SSA and the statement will be sent to the address the PHA specifies on the form.			
	Use of HUD systems, when available.				
<b>Verification of Employment Income:</b> Obtain as much information as possible such as start date (new employment), termination date (previous employment), pay frequency, pay rate, anticipated pay increases in the next twelve months, year-to-date earnings, bonuses, overtime, company name, address and telephone number, name and position of the person completing the employment verification form.					
Self-Employment	Not Available	The PHA mails or faxes a verification form directly to sources identified by the family to obtain income information.	The PHA may call the source to obtain income information.	The PHA may accept any documents (i.e., tax returns, invoices and letters from customers provided by the tenant to verify self-employment income. <b>Note:</b> The PHA must document in the tenant file, the reason third party verification was	The PHA may accept a notarized statement or affidavit from the tenant that declares the family's total annual income from self-employment. <b>Note:</b> The PHA must document in the tenant file, the reason third party verification was not available.

Income Type	Upfront	Written Third Party	Oral Third Party	Document Review	Tenant Declaration
	(LEVEL 5)	(LEVEL 4)	(LEVEL 3)	(LEVEL 2)	(LEVEL 1)
				not obtained.	
Social Security Benefits	Use of HUD Tenant Assessment System (TASS) to obtain current benefit history and discrepancy reports.	The PHA mails or faxes a verification form directly to the local SSA office to obtain social security benefit information. <b>(Not Available in some areas because SSA makes this data available through TASS. SSA encourages PHAs to use TASS.)</b>	The PHA may call SSA, with the tenant on the line, to obtain current benefit amount. <b>(Not Available in some area because SSA makes this data available through TASS. SSA encourages PHAs to use TASS.)</b>	The PHA may accept an original SSA Notice from the tenant. <b>Note:</b> The PHA must document in the tenant file, the reason third party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares monthly social security benefits. <b>Note:</b> The PHA must document in the tenant file, the reason third party verification was not available.
Welfare Benefits	Use of computer matching agreements with the local Social Services Agency to obtain current benefit amount electronically, by mail or fax or in person.	The PHA mails, faxes, or e-mails a verification form directly to the local Social Services Agency to obtain welfare benefit information.	The PHA may call the local Social Services Agency to obtain current benefit amount.	The PHA may review an original award notice or printout from the local Social Services Agency provided by the tenant. <b>Note:</b> The PHA must document in the tenant file, the reason third party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares monthly welfare benefits. <b>Note:</b> The PHA must document in the tenant file, the reason third party verification was not available.

Income Type	Upfront	Written Third Party	Oral Third Party	Document Review	Tenant Declaration
	(LEVEL 5)	(LEVEL 4)	(LEVEL 3)	(LEVEL 2)	(LEVEL 1)
Child Support	Use of agreement with the local Child Support Enforcement Agency to obtain current child support amount and payment status electronically, by mail or fax or in person.	The PHA mails, faxes, or e-mails a verification form directly to the Child Support Enforcement Agency or child support payer to obtain current child support amount and payment status.	The PHA may call the local Child Support Enforcement Agency or child support payer to obtain current child support amount and payment status.	The PHA may review an original court order, notice or printout from the local Child Support Enforcement Agency provided by the tenant to verify current child support amount and payment status. <b>Note:</b> The PHA must document in the tenant file, the reason third party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares current child support amount and payment status. <b>Note:</b> The PHA must document in the tenant file, the reason third party verification was not available.
Unemployment Benefits	Use of computer matching agreements with a State Wage Information Collection Agency to obtain unemployment compensation electronically, by mail or fax or in person.	The PHA mails, faxes, or e-mails a verification form directly to the State Wage Information Collection Agency to obtain unemployment compensation information.	The PHA may call the State Wage Information Collection Agency to obtain current benefit amount.	The PHA may review an original benefit notice or unemployment check stub, or printout from the local State Wage Information Collection Agency provided by the tenant. <b>Note:</b> The PHA must document in the tenant file, the reason third party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares unemployment benefits. <b>Note:</b> The PHA must document in the tenant file, the reason third party verification was not available.
	Use of HUD systems, when available.				
Pensions	Use of computer matching agreements with a Federal, State, or Local Government Agency to obtain pension information electronically, by mail or fax or in person.	The PHA mails, faxes, or e-mails a verification form directly to the pension provider to obtain pension information.	The PHA may call the pension provider to obtain current benefit amount.	The PHA may review an original benefit notice from the pension provider provided by the tenant. <b>Note:</b> The PHA must document in the tenant file, the reason third party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares monthly pension amounts. <b>Note:</b> The PHA must document in the tenant file, the reason third party verification was not available.

Income Type	Upfront  (LEVEL 5)	Written Third Party  (LEVEL 4)	Oral Third Party  (LEVEL 3)	Document Review  (LEVEL 2)	Tenant Declaration  (LEVEL 1)
Assets	Use of cooperative agreements with sources to obtain asset and asset income information electronically, by mail or fax or in person.	The PHA mails, faxes, or emails a verification form directly to the source to obtain asset and asset income information.	The PHA may call the source to obtain asset and asset income information.	The PHA may review original documents provided by the tenant. <b>Note: The PHA must document in the tenant file, the reason third party verification was not available.</b>	The PHA may accept a notarized statement or affidavit from the tenant that declares assets and asset income. <b>Note: The PHA must document in the tenant file, the reason third party verification was not available.</b>
COMMENTS	Whenever HUD makes available wage, unemployment, and SSA information, the PHA should use the information as part of the reexamination process. Failure to do so may result in disallowed costs during a RIM review.	<b>Note:</b> The independent source completes the form and returns the form directly to the PHA. Agency. The tenant should not hand carry documents to or from the independent source.	The PHA should document in the tenant file, the date and time of the telephone call or in person visit, along with the name and title of the person that verified the current income amount.		The PHA should use this verification method as a last resort, when all other verification methods are not possible or have been unsuccessful. <b>Notarized statement should include a perjury penalty statement.</b>
<p><b>Note:</b> In cases where MHSD cannot reliably project annual income, the MHSD may elect to complete regular interim reexaminations for the family.</p>					

**B. ELIGIBILITY VERIFICATIONS**

<b>Eligibility Verifications</b>		
<b>ITEM TO BE VERIFIED</b>	<b>Second Level</b>	<b>First Level/ Document View</b>
Social Security Number	Social Security card	Letter from Social Security, electronic reports
Citizenship	Signed certification, voter's registration card, birth certificate, etc.	N/A
Eligible immigration status	INS card/INS Save confirmation Number	N/A
Disability Status	Proof of SSI or Social Security disability payments	Letter from medical professional, SSI, etc
Full time student status (if >18)	3 <sup>rd</sup> Party verification from school evidencing enrollment (full-time enrollment for other than high school)	Letter from school
Reasonable Accommodation (live-in aide)	Reasonable accommodation documentation completed by medical professional.	N/A
Child care costs	3 <sup>rd</sup> Party verification from care provider	Bills and receipts
Medical expenses	3 <sup>rd</sup> Party verification from providers, prescription record from pharmacy, medical professional's letter stating assistance or a companion animal is needed.	Bills, receipts, records of payment, dates of trips, mileage log, receipts for fares and tolls

C. ASSET VERIFICATIONS

<b>Value of, and Income from, Assets</b>		
<b>ITEM TO BE VERIFIED</b>	<b>Second Level</b>	<b>First Level/Document View</b>
Savings, checking accounts	3 <sup>rd</sup> Party verification from institution	Most current statements
CDs, bonds, etc	3 <sup>rd</sup> Party verification from institution	Most current statement, 1099, tax return
Cash value of life insurance policies	3 <sup>rd</sup> Party verification from insurance company	Current statement
Assets disposed of for less than fair market value	N/A	Original receipt and receipt at disposition, other evidence of worth
Stocks	3 <sup>rd</sup> Party verification from broker or holding company	Most current statement
Real property	3 <sup>rd</sup> Party verification from tax office, assessment, etc.	Property tax statement (for current value), assessment, records or income and expenses, tax return
Personal property	Assessment, bluebook, etc	Receipt for purchase, other evidence of worth

Verification of interest rates may be obtained from financial institution's website (per HUD).

**12.4 VERIFICATION OF CITIZENSHIP OR ELIGIBLE NON-CITIZEN STATUS**

The citizenship/eligible non-citizen 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, military DD 214 Form, or valid passport.)

Prior to being admitted or at the first reexamination, all eligible non-citizens who are 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 non-citizens must sign a

declaration of their status and a verification consent form and provide their original INS documentation. MHSD will make a copy of the individual's INS documentation and place the copy in the file. MHSD also will verify their status through the INS SAVE system. If the INS SAVE system cannot confirm eligibility, MHSD 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 non-citizens, or whose status cannot be confirmed, must be listed on a statement of non-eligible members and the head of the household must sign the list.

Non-citizen 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 MHSD determines that a family member has knowingly permitted an ineligible non-citizen (other than any ineligible non-citizens 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.

## **12.5 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. The head of household must provide this verification no later than 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, MHSD 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, Medicare card, 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. MHSD 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 be given 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.

## **12.6 TIMING OF VERIFICATION**

Verifications should be as timely and accurate as possible. The highest level of verifications, such as the Upfront Income Verification (UIV) and Third Party Verification, are the preferred, but have a different timeframe for validity than Document Viewed Verifications.

- A. *Upfront Income Verifications (UIV) and Third Party Verifications:* Must be dated within 90 days of the effective date of the reexamination, taking into consideration the 30 lapse for notification of change. (Example: Reexamination is August 1<sup>st</sup>, then verification documents must not be dated prior to May 1<sup>st</sup>.)
- B. *Document Review Verifications:* Document Review verifications are based on the date the Personal Declaration is signed (or the date of the interview)—not the reexamination date or date of input. (Example: Personal Declaration paperwork signed May 5<sup>th</sup>, the verification should not be older than March 5<sup>th</sup>.)

## **12.7 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 the family, their status will be verified.

For each family member age six 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.

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

## **13.0 RENT AND HOUSING ASSISTANCE PAYMENT**

### **13.1 GENERAL**

After October 1, 1999, MHSD will issue only Housing Choice Vouchers to applicants, movers, and families entering the jurisdiction through portability.

### **13.2 RENT REASONABLENESS**

#### **A. Continually Assisted Units**

1. Effective July 1, 2004, MHSD will no longer approve rent increases for continually assisted units, except where the unit is below the reasonable market rent. It is the landlord's responsibility to submit at least a 60-day written request to MHSD for a rent increase and to provide verifiable documentation of comparables or other documentation necessary to justify the approval of an increase in the Rent to Owner. A supervisor must approve requests for rent increases.
2. MHSD may at any time conduct a rent reasonableness test on individual units where the rental amount is considered excessive, and MHSD reserves the rights to offer the landlord a reduced rental amount. The reduced rent to owner may be offered at any time during the term of the contract with a proper 30-day notice (24 CFR 982.507[a][3] and 982.509).

#### **B. Initial Lease-Up**

1. MHSD shall conduct a rent reasonableness test to determine if the rental amount is comparable to other like units in the same area. If the rental amount is excessive or leading the market for that same area, MHSD may offer a lower amount to the landlord, to be supported by rent comparable documentation. It is the landlord's choice to accept the lower amount or to not rent the unit through Section 8.
2. MHSD reserves the right to disapprove a *Request for Tenancy Approval* for any reason, including, but not limited to, MHSD's determination that the unit is unacceptable.

#### **C. Reasonableness is determined prior to the initial lease and at the following times:**

1. Before any increase in rent to owner is approved.
2. If 60 days before the contract anniversary date there is a 5% decrease in the published FMR as compared to the previous FMR.
3. If MHSD or HUD directs that reasonableness be re-determined.

### **13.3 COMPARABILITY**

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

MHSD will maintain current survey information on rental units in the jurisdiction and will also obtain from landlord associations and management firms the value of the array of amenities. 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 or make improvements to the unit that will enable MHSD 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 MHSD and approved by HUD) determines the maximum subsidy for a family.

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 a voucher tenancy in an insured or noninsured 236 project, a 515 project of the Rural Development Administration, or a Section 221(d)(3) below market interest rate project the payment standard may not exceed the basic rent charged including the cost of tenant-paid utilities.

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. As provided in 982.620(a)(3), MHSD has elected not to subsidize space rent.

### **13.5 SETTING THE PAYMENT STANDARD**

HUD requires that the payment standard be set by MHSD at between 90 and 110% of the FMR. MHSD will review its determination of the payment standard annually after publication of the FMRs. MHSD 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, the percentage of annual income families are paying for rent under the Voucher Program, and budgetary constraints. If it is determined that success rates will suffer or that families have 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, MHSD 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. MHSD may consider adjusting payment standards at times other than the annual review when circumstances warrant.

Before increasing any payment standard, MHSD 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**

- A. For the voucher tenancy, the payment standard for a family is the lower of:
  - 1. The payment standard for the family unit size; or
  - 2. 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; MHSD 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:
  - 1. 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
  - 2. 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 above does not apply.
- E. Changes in household composition which affect the voucher size (*Section 7* of this plan) shall 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, MHSD 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. MHSD may request one such exception payment standard area or many. Exception payment standard rent authority may be requested for all or some unit 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 time as MHSD 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**

The total tenant payment is equal to any rent above the payment standard, plus the highest of 10% of monthly income, 30% of adjusted monthly income, the minimum rent, or the welfare rent

### **13.9 FINANCIAL HARDSHIP EXEMPTION FROM MINIMUM RENT**

A. MHSD has set the Minimum Rent as \$ 50.00. However, if the family requests a Financial Hardship Exemption from Minimum Rent, MHSD will suspend the Minimum Rent for the family beginning the month following the family's hardship request. The suspension will continue until MHSD can determine whether a hardship exists and whether the hardship is of a temporary or long-term nature. During suspension, the Minimum Rent will not be included in the family's Total Tenant Payment (TTP) and the Housing Assistance Payment will be increased accordingly.

#### **B. Minimum Rent Terminology**

1. *Hardship*: An unexpected, or unprecedented, economic burden on the family. The voluntary loss of income, or voluntary continued loss of income, does not necessarily qualify a family for the Financial Hardship Exemption from Minimum Rent. Only the following situations shall qualify a family for the exemption:
  - a. When the family has lost eligibility—or is awaiting an eligibility determination—for a Federal, State or local assistance program. Included in this exemption are households with a family member who is a non-citizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits for title IV of the Personal Responsibility and Work Opportunity Act of 1996.
  - b. When the family would be evicted as a result of the imposition of the Minimum Rent requirement.
  - c. When the family income has decreased because of changed circumstances, including involuntary loss of employment.

- d. When the family has an increase of expenses because of changed circumstances, such as for medical costs, childcare, transportation, education, or similar items.
  - e. When a death or severe illness has occurred in the family.
  - f. Other qualifying circumstances that would require approval by MHSD or HUD.
2. *No Hardship:* If either the family has failed to provide documentation proving the hardship has occurred due to the circumstances listed in *Section 13.9[B][1]* of the City of Mesa Administrative Plan, or MHSD had determined there is no qualifying hardship, the Minimum Rent will be reinstated. A repayment agreement shall be executed for any money owed to MHSD during the time of the suspension.
  3. *Temporary Hardship:* A temporary hardship due to circumstances listed in *Section 13.9[B][1]* of the City of Mesa Administrative Plan that does not extend beyond a 90-day period. A Minimum Rent will not be imposed for a period of 90-days from the date of the family's request. Documentation substantiating the claim for a "Temporary Hardship" is required. At the end of the 90-day period, the Minimum Rent will be imposed *retroactively* to the time of suspension. MHSD will offer a reasonable repayment agreement for any minimum rent back payment paid by MHSD on the family's behalf during the period of suspension.
  4. *Long-term Hardship:* A long-term hardship due to circumstances listed in *Section 13.9[B][1]* of the City of Mesa Administrative Plan that extends beyond a 90-day period. A statement is required from either a medical provider or other documentation MHSD considers sufficient to substantiate the family's claim for the "Long-Term Hardship". If MHSD 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 informal hearing process in which the family requests the hardship determination made by MHSD will be reviewed.
- C. Family Requests Financial Hardship Exemption from Minimum Rent
1. Family puts request in writing, including reasons for request (i.e., laid-off from job).
  2. Based on information/documentation provided by the family, MHSD shall determine if a hardship exists with ten (10) working days.

- a. If a hardship exists, MHSD shall determine if the hardship is of temporary (less than 90-days) or of long-term (greater than 90-days) nature. If applicable, MHSD shall make appropriate changes to the computer system so that the family will receive the full benefit of a \$0 Minimum Rent for the time period in which the family qualifies. The case files shall be reviewed at least every 90-days from the month of the removal of the Minimum Rent to determine the family's eligibility for the exception.
  - b. If MHSD determines hardship doesn't exist, the family has the right to request an informal hearing on the decision.
3. Time Limits for Financial Hardship Exemption from Minimum Rent
- a. *Temporary Hardships:* At the end of 90-days, the \$50 minimum rent shall be used in the calculation to determine what the family would have paid if they had not received the Financial Hardship Exemption from Minimum Rent. The amount of overpaid assistance (based on the \$50 minimum rent) shall be reimbursed by the family—repayment agreements are acceptable.
  - b. *Long-Term Hardships:* The family shall be exempt from the Minimum Rent requirements as long as such hardship continues. Such exemptions shall apply from the beginning of the month following the family's request until the end of the qualifying financial hardship. Repayment of the Minimum Rent is not required as long as the family has complied with the Family Obligations of reporting information in the prescribed timeframe and manner. (Housing Choice Voucher Guidebook, Section 6.4) At each Annual Reexamination, the family's eligibility for the Financial Hardship Exemption from Minimum Rent shall be reviewed.
  - c. *Change Reports:* The family is still required to abide by all other requirements of the Family Obligations, including, but not limited to, reporting all changes of household composition and income within ten (10) working days of the occurrence. Failure to do so is grounds for termination of the voucher.

### **13.10 HOUSING CHOICE VOUCHERS**

The payment standard used in rent calculation is determined by the issued voucher bedroom size. The bedroom size must be within the occupancy standard (refer to *Section 7*).

- A. The payment standard is set by MHSD 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.

B. Section 8 Preservation Vouchers

1. Payment Standard

- a. The payment standard is the lower of:
  - i. The payment standard amount for the appropriate family unit size; or
  - ii. The payment standard amount for the size of the dwelling unit actually rented by the family.
- b. If the dwelling unit is located in an exception area, MHSD will use the appropriate payment standard for the exception area.
- c. During the HAP contract term, the payment standard for the family is the higher of:
  - i. The initial payment standard (at the beginning of the HAP contract term), as determined in accordance with paragraph (1)(a) or (1)(b) of this section, minus any amount by which the initial rent to the owner exceeds the current rent to the owner; or
  - ii. The payment standard as determined in accordance with paragraph (1)(a) or (1)(b) of this section, 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 regular reexamination following a change in family composition that causes a change in family unit size during the HAP contract term, and for any examination thereafter during the term:
  - i. Paragraph (c)(i) of this section does not apply; and
  - ii. The new family unit size must be used to determine the payment standard.

2. MHSD will pay a monthly housing assistance payment on behalf of the family that equals the lesser of:
  - a. The payment standard minus the total tenant payment; or
  - b. The gross rent minus the total tenant payment.

E. Manufactured Home Space Rental: Section 8 Vouchers

As provided in 24 CFR 982.620(a)(3), MHSD has elected not to subsidize space rent. If, however, this policy were to change, calculation of the HAP would be as follows:

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 MHSD:
  - a. Rent to the owner for 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.

**13.11 PRORATED ASSISTANCE – MIXED FAMILIES – NONCITIZEN RULE**

- A. *Eligibility:* Prorated assistance under the Noncitizen Rule applies to households with one or more persons who have not declared legal status and, as such, those persons are not eligible to receive assistance under the Section 8 programs. At least one person residing in the household must have legal status (see *Section 214* of the HUD requirements) in order to maintain assistance for the household.
- B. *Full Continued Assistance:* A mixed family will receive full continuation of assistance if all of the following conditions are met:
  1. The family was granted continuation of assistance before November 29,

1996;

2. The family's head or spouse has eligible immigration status; and
3. The only family members who may have ineligible status include the head of household, the spouse of the head of household, any parent of the head or spouse, or any child (under the age of 18) of the head or spouse.

C. *Temporary Deferral or Termination of Assistance:* 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 after November 29, 1996, the maximum period of time for assistance under the provision is 18 months. MHSD will grant each family a period of 6 months to find suitable affordable housing. If the family cannot find suitable affordable housing, MHSD 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%.

D. For qualifying families, assistance is calculated in the following manner:

Proration of Assistance Calculation:

$$\begin{aligned} &\text{Gross Annual Income} - \text{exclusions} = \text{Non-Excluded Annual Income} \\ &\text{Non-Excluded Annual Income} - \text{deductions} = \text{Adjusted Annual Income} \div 12 = \text{Adjusted Monthly Income} \\ &\text{Adjusted Monthly Income} \times 30\% = \text{TTP} \\ &\text{Greater of Eligible Payment Standard or Gross Rent} - \text{TTP} = \text{HAP} \\ &\text{HAP} \div \text{Total Number of Persons in the Household} = \text{HAP Per Household Member} \\ &\text{HAP Per Household Member} \times \text{Eligible Persons in the Household} = \text{Prorated HAP} \end{aligned}$$

### 13.12 UTILITY ALLOWANCE

- A. MHSD maintains a utility allowance schedule per unit type, per bedroom size for all tenant-paid utilities—including electric, water, sewer, trash, gas, refrigerator or range ownership.
- B. 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, MHSD uses normal patterns of consumption for the community as a whole and current utility rates.

- C. MHSD 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. MHSD maintains information supporting the annual review of utility allowances and any revisions made in its utility allowance schedule.
- D. MHSD uses the appropriate utility allowance for the size of dwelling unit actually leased by the family (rather than the family unit size as determined under MHSD subsidy standards).
- E. At each reexamination, MHSD applies the utility allowance from the most current utility allowance schedule.
- F. MHSD 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.
- G. 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.
- H. Utility Charges – “Utilities Included” vs. “Utilities Not Included”

“Utilities Included” means the utility amount is included in the Total Rent to Owner and the tenant **is not** eligible to receive a Utility Allowance. “Utilities Not Included” means the utility amount is not included in the Total Rent to Owner and the tenant **is** eligible to receive a Utility Allowance. The landlord may not change the Total Rent to Owner or the utility responsibility during the term of the lease agreement regardless of household composition changes or increase/decrease of utility costs.

  1. *Utility bill in tenant's name (considered “Utilities Not Included”)*: Where the utility bill is in the tenant's name, the tenant shall be eligible to receive the assigned utility allowance per the schedule based on the utilities for which they are responsible. The landlord shall not change the Total Rent to Owner or the utility responsibility during the term of the lease agreement.
  2. *Utility bill in owner's name and tenant charged per person (considered “Utilities Included”)*: Where the family is charged per person, the utility amount charged by the landlord shall be included in the Total Rent to Owner and shall not change for the entire term of the lease, regardless if

the household composition changes where household members are added or deleted from the household composition.

3. *Utility bill in owner's name and charges divided among the number of units in the complex (considered "Utilities Not Included")*: Where the amount of the utility bill varies each month and is divided among the number of units in the complex, the utility amount charged by the landlord shall not be included in the Total Rent to Owner. The tenant shall be eligible to receive the assigned utility allowance per the schedule based on the utilities for which they are responsible.

	UTILITY ALLOWANCE		RENT TO OWNER	
	Tenant Eligible for Utility Allowance	Tenant Not Eligible for Utility Allowance	Utilities Not Included	Utilities Included
Utility bill in tenant's name	<b>X</b>		<b>X</b>	
Utilities charged to tenant flat rate or per person		<b>X</b>		<b>X</b>
Utility costs vary and divided among number of units in complex	<b>X</b>		<b>X</b>	

**13.13 RENT TO OWNER**

- A. Effective July 1, 2004, MHSD will no longer approve rent increases for continually assisted units, except where the unit is below the reasonable market rent. It is the landlord's responsibility to submit at least a 60-day written request to MHSD for a rent increase and to provide verifiable documentation of comparables or other documentation necessary to justify the approval of an increase in the Rent to Owner. A supervisor must approve requests for rent increases.
- B. The approved rent to owner is based on the unit passing the rent reasonableness test, rent comparables in the market area in which Section 8 is not leading the market, and meeting the 40 percent rule where the family is paying 40 percent or less of their adjusted income for rent and utilities. MHSD reserves the right to disapprove a rental amount or unit based on budget constraints.
- C. MHSD may at any time conduct a rent reasonableness test on individual units where the rental to owner is considered excessive and reserves the right to offer the landlord a reduced rental amount. The reduced rent to owner may be offered at any time during the term of the contract with at least a 30-day notice (24 CFR 982.507[a][3] and 982.509).
- D. If the rent to owner is excessive or leading the market for that same area, MHSD may offer a lower amount to the landlord, to be supported by rent comparable

documentation (24 CFR 982.507[a][3] and 982.509). It is the landlord's choice to accept the lower amount or to not rent the unit through Section 8.

- E. MHSD reserves the right to disapprove a Request for Tenancy Approval for any reason, including, but not limited to, for areas in the jurisdiction where MHSD determines unacceptable.
- F. Rent to owner is reviewed at the following times:
  - 1. Before any increase in rent to owner is approved;
  - 2. If 60 days before the contract anniversary date there is a 5% decrease in the published FMR as compared to the previous FMR; and
  - 3. If MHSD or HUD directs that reasonableness be re-determined.

#### ***13.14 DISTRIBUTION OF HOUSING ASSISTANCE PAYMENT***

MHSD 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 MHSD a late payment, agreed to in the Contract and in accordance with generally accepted practices in the City of Mesa jurisdiction, pending budgeting constraints. MHSD reserves the right to determine the date/day of the month of which the checks are released.

#### ***13.15 OWNERSHIP CHANGES***

MHSD requires a written request by the owner who executed the current HAP contract—or the current owner on file—in order to make changes to ownership files. It is the responsibility of the owner to also provide a list of units affected by the ownership change. New owners shall provide documentation proving ownership, such as a Deed of Trust showing the transfer of title or other sufficient proof, and an IRS W-9 form with 1099 information to include name and/or company name, mailing address, and Tax Identification Number or Social Security Number. It is also the responsibility of the new owner to provide the name and mailing address for housing payments and other required documentation.

## **14.0 HOUSING QUALITY STANDARDS (HQS) INSPECTION**

MHSD will inspect all units to ensure that they meet Housing Quality Standards (HQS). No unit will be initially placed on the Section 8 tenant-based program unless HQS requirements are met. Units will be inspected at least annually, and at other times as needed, to determine if the units meet HQS.

MHSD 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 MHSD to enter the unit and complete the inspection.

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

### **14.1 TYPES OF INSPECTIONS**

MHSD shall perform the following required and optional types of inspections:

- A. *Initial Inspection.* An Initial Inspection of a unit must take place to insure that the unit passes HQS before assistance can begin (24 CFR 982.305).
- B. *Annual Inspection.* An Annual Inspection is conducted within a timeframe prescribed by HUD to determine that the unit continues to meet HQS (24 CFR 982.405(a)).
- C. *Special Inspection.* Any party to the lease agreement, HAP Contract, or a HUD representative for any reason may request a Special Inspection. The inspection may focus on a specific area of HQS or the entire unit.
- D. *Quality Control Inspection.* A Quality Control Inspection shall be conducted by supervisory staff on at least 5% of the total number of units that were under lease during MHSD's previous fiscal year (24 CFR 982.405(b)).
- E. *Move Out Inspection.* A Move-Out Inspection is conducted immediately after a participant has vacated a unit to determine if the family has damaged the unit. MHSD is not required to perform a Move-Out Inspection on any unit. Staff, the participant, or landlord may request a Move-Out Inspection.

### **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, MHSD will take prompt and vigorous action to enforce the owner obligations. MHSD's remedies for such breach of the HQS include termination, suspension or reduction of housing assistance payments and termination of the HAP contract.
3. MHSD 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 MHSD and MHSD 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 MHSD 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, MHSD 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 MHSD approved extension).
3. If the family has caused a breach of the HQS, MHSD will take prompt and vigorous action to enforce the family obligations. MHSD may terminate assistance for the family in accordance with 24 CFR 982.552.

**14.3 HQS ACCEPTABILITY CRITERIA**  
24 CFR 982.401

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

A. Sanitary Facilities

1. Performance Requirements

The dwelling unit must include sanitary facilities located in the unit. The sanitary facilities 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.

2. Acceptability Criteria

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

B. Food Preparation and Refuse Disposal

1. Performance Requirements

- a. The dwelling unit must have suitable space and equipment to store, prepare, and serve foods in a sanitary manner.
- b. 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).

2. Acceptability Criteria

- a. 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.

- b. 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.
- c. The dwelling unit must have space for the storage, preparation, and serving of food.
- d. 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

1. Performance Requirement

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

2. Acceptability Criteria

- a. At a minimum, the dwelling unit must have a living room, a kitchen area, and a bathroom.
- b. The dwelling unit must have at least one bedroom or living/sleeping room for each two persons. Children of opposite sex, other than very young children, may not be required to occupy the same bedroom or living/sleeping room.
- c. 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 alternate exit in case of fire.
- d. 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

1. Performance Requirement

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

2. Acceptability Criteria

a. 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.

b. The dwelling unit must not contain un-vented room heaters that burn gas, oil, or kerosene. Electric heaters are acceptable.

E. Illumination and Electricity

1. Performance Requirement

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.

2. Acceptability Criteria

a. There must be at least one window in the living room and in each sleeping room.

b. The kitchen area and the bathroom must have a permanent ceiling or wall light fixture in proper operating condition. The kitchen area must also have at least one electrical outlet in proper operating condition.

c. 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

1. 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.

2. Acceptability Criteria

- a. 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.
- b. The roof must be structurally sound and weather tight.
- c. 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.
- d. 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.
- e. Elevators must be working and safe.

G. Interior Air Quality

1. Performance Requirement

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

2. Acceptability Criteria

- a. The dwelling unit must be free from dangerous levels of air pollution from carbon monoxide, sewer gas, fuel gas, dust, and other harmful pollutants.
- b. There must be adequate air circulation in the dwelling unit.
- c. Bathroom areas must have one window that can be opened or other adequate exhaust ventilation.
- d. 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

1. Performance Requirements

The water supply must be free from contamination.

2. 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

1. Definitions

- a. Chewable surface: 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.
- b. 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.
- c. Defective paint surface: A surface on which the paint is cracking, scaling, chipping, peeling, or loose.
- d. 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.
- e. HEPA: A high efficiency particle accumulator as used in lead abatement vacuum cleaners.
- f. 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 ( $\text{mg}/\text{cm}^2$ ), or 0.5 % by weight or 5000 parts per million (PPM).

2. Performance Requirements

- a. 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.

- b. 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 of lead-based paint, or units designated exclusively for the elderly. The requirements of subpart A of 24 CFR part 35 apply to all units constructed prior to 1978 covered by a HAP contract under part 982.
- c. 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.
- d. MHSD may exempt from such treatment defective paint surfaces that are found in a report by a qualified lead-based paint inspector not to be lead-based paint, as defined in paragraph 1(f) 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.
- e. Treatment of defective paint surfaces required under this Section must be completed within 30 calendar days of MHSD 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 k of this Section may be delayed for a reasonable time.
- f. The requirements in this paragraph apply to:
  - i. All painted interior surfaces within the unit (including ceilings but excluding furniture);
  - ii. The entrance and hallway providing access to a unit in a multi-unit building; and
  - iii. 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).

- g. In addition to the requirements of paragraph c 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.
- h. 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 k of this Section is required, and treatment shall be completed within the time limits in paragraph c of this Section.
- i. The requirements in paragraph g of this Section apply to all protruding painted surfaces up to five feet from the floor or ground that are readily accessible to children under six years of age:
  - i. Within the unit;
  - ii. The entrance and hallway providing access to a unit in a multi-unit building; and
  - iii. Exterior surfaces (including walls, stairs, decks, porches, railings, windows and doors, but excluding outbuildings such as garages and sheds).
- j. In lieu of the procedures set forth in paragraph g of this Section, MHSD 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 k of this Section.
- k. Treatment of defective paint surfaces and chewable surfaces must consist of covering or removal of the paint in accordance with the following requirements:
  - i. A defective paint surface shall be treated if the total area of defective paint on a component is:

- (1) More than 10 square feet on an exterior wall;
  - (2) 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;
  - (3) 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.
- ii. 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 1100 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.
  - iii. 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.
  - iv. During exterior treatment soil and playground equipment must be protected from contamination.
  - v. 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.
  - vi. Waste and debris must be disposed of in accordance with all applicable Federal, State, and local laws.

- l. 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.
- m. Prior to execution of the HAP contract, the owner must inform MHSD and the family of any knowledge of the presence of lead-based paint on the surfaces of the residential unit.
- n. MHSD 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, MHSD must determine whether local health officials have tested the unit for lead-based paint. If the unit has lead-based paint, MHSD 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 voucher to move. (Currently there is no process to perform this item of the Administrative Plan.)
- o. MHSD 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 the testing, MHSD 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 or tested and treated in accordance with the standards prescribed in this Section, such chewable surfaces do not have to be tested or treated at any subsequent time.
- p. 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. Access

1. Performance Requirements

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).

K. Site and Neighborhood

1. Performance Requirements

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

2. 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 noise, vibration or vehicular traffic; excessive accumulations of trash; vermin or rodent infestation; or fire hazards.

L. Sanitary Condition

1. Performance Requirements

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

2. Acceptability Criteria

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

M. Smoke Detectors

1. Performance Requirements

a. Except as provided in paragraph b 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).

b. 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 detectors that have already been installed on the other floors of the unit).

N. Swimming Pools

With the exception of apartment complexes, all households must have interior and exterior self-locking gates and suitable fencing that meets City of Mesa Code requirements. MHSD reserves the right to deny approval of units with swimming pools based on good cause.

**14.4 EXCEPTIONS TO THE HQS ACCEPTABILITY CRITERIA**

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

- A. If the unit is cooled exclusively by evaporative cooling method: 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 ¾" overflow pipe must be present on the hot water heater safety valves and installed down to within 6 inches of the floor.
- F. In homes where a swimming pool is present, the City of Mesa's Swimming Pool/Spa Interior Barrier Ordinance shall be followed. This includes a perimeter fence (5' high minimum) around the pool and gates that access the back yard need to be self-closing and have a self-latching device located at least 54" above grade.

**14.5 TIME FRAMES AND CORRECTIONS OF HQS FAIL ITEMS**

- A. Correcting Initial HQS Fail Items

MHSD 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 MHSD 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, MHSD will abate payment and terminate the contract in accordance with *Sections 14.7 and 19.3*.

If the participant fails to correct the HQS failed items that are family-caused after proper notification has been given, MHSD will terminate assistance for the family in accordance with *Sections 17 and 18.3*.

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 MHSD, 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, MHSD 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 or cooling
- 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 the deficiencies, but has failed to do so within in the required timeframe, the rent for the dwelling unit will be abated.

The initial abatement period will not exceed 7 days. If the corrections 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, MHSD 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, MHSD 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 DAMAGES, UNPAID RENT, AND VACANCY LOSS**

Under the Housing Choice Voucher Program landlords are not entitled to make any claims for damages, unpaid rent, or vacancy loss against the Housing Agency. The landlord may seek whatever legal means at their disposal to get these claims from the tenant. Move-out inspections by MHSD staff are conducted at the discretion of supervisory or specialist staff.

## **16.0 REEXAMINATIONS**

### **16.1 ANNUAL REEXAMINATION**

At least annually MHSD will conduct a reexamination of family income and circumstances. The results of the reexamination determine the household composition; the family's household income, assets, expenses; the rental portion to be paid by MHSD and the tenant; the current family voucher size based on occupancy standards; the utility breakdown; and the family's continued eligibility for the Section 8 program.

### **16.2 ANNUAL RECERTIFICATION PACKET**

MHSD shall send a letter and *Annual Recertification Packet* by mail to the family notifying them that it is time for the reexamination of their housing assistance. The family may have the option of requesting an in person interview or completing the paperwork and returning it to MHSD by mail. Families who may need to make alternative arrangements may contact staff to request an accommodation of their needs due to disability or physical limitations other than lack of transportation.

For the Annual Reexamination the family will provide all information regarding income, assets, expenses, and other information necessary to determine the family's share of rent, including excluded items such as food stamps, higher education financial aid assistance, work study grants, and other public assistance received by the household. All household members 18 years of age and older must sign the *Annual Recertification Packet* documents, which include, but are not limited to, the *Authorization for Release of Information*.

MHSD shall utilize HUD verification guidelines to obtain verifications for determining the family's annual income, expenses, and assets in order to calculate the family share of the rent.

### **16.3 EFFECTIVE DATE OF RENT CHANGES FOR ANNUAL REEXAMINATIONS**

The new family rent 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.

#### **16.4 FAILURE TO RETURN PAPERWORK**

MHSD may propose termination of assistance based on a family's failure to cooperate if the family fails to return the *Annual Recertification Packet* by the deadline date written on the letter. MHSD may propose termination of assistance based on the family's failure to respond to MHSD inquiries, or the family's failure to return any documentation requested by MHSD.

#### **16.5 INTERIM REEXAMINATIONS**

- A. The family is responsible for reporting household composition, income, and expense changes within ten (10) working days of the change on the required *Change Report* form. The *Change Report* form shall also include an *Interim Recertification* form (or Personal Declaration form), and *Authorization for Release of Information*. The family shall complete and sign the *Interim Recertification* form to provide complete information regarding the family's household composition, income, expenses, and assets.
- B. Changes in household information requiring an Interim Reexamination may include:
1. A decrease or increase of income or allowable expenses.
  2. A change of employer or child care provider, regardless if there is an increase or decrease of income or expense.
  3. A member has been added to the family through marriage, birth, adoption, court-awarded custody, or as a live-in aide (reasonable accommodation requirements apply).
  4. A household member is leaving or has left the family unit.
  5. In circumstances of a family break-up, MHSD will make a determination of which family member will retain the voucher, taking into consideration the following factors:
    - a. To whom the voucher was issued.
    - b. The interest of minor children or of ill, elderly, or disabled family members.
    - c. Whether the assistance should remain with the family members remaining in the unit.
    - d. Whether family members were forced to leave the unit as a result of actual or threatened physical violence by a spouse or other member(s) of the household.

- e. 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, MHSD will be bound by the court's determination of which family members continue to receive assistance in the program.
- C. Before adding a new member to the household composition, 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 member will go through the screening process similar to the process for applicants. MHSD 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 the opportunity for an informal review. If they are found to be eligible and do pass the screening criteria, MHSD will grant approval to add their name to the lease. At the same time, the family's annual 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 *Section 16.7*.

#### **16.6 SPECIAL REEXAMINATIONS**

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, MHSD may schedule special reexaminations every 60 days until the income stabilizes and an annual income can be determined.

#### **16.7 EFFECTIVE DATE OF RENT CHANGES DUE TO INTERIM OR SPECIAL REEXAMINATIONS**

- A. 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 the 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).
- B. 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.
- C. 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 FAMILY ASSISTANCE BY MHSD**

MHSD may at any time terminate program assistance for a participant because of any action or inaction by the household as listed below:

- A. If the family violates any family obligations under the program.
- B. If a family member fails to sign and submit consent forms.
- 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 MHSD determines that a family member has knowingly permitted an ineligible non-citizen (other than any ineligible non-citizens 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 MHSD has ever terminated assistance under the federal rental assistance 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 any housing agency in connection with Section 8 or public housing assistance under the 1937 Act.
- I. If the family has not reimbursed any housing agency for amounts paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease.
- J. If the family breaches an agreement with any housing agency to pay amounts owed to any housing agency, or amounts paid to an owner by a housing agency. (MHSD, at its discretion, may offer a family the opportunity to enter an agreement to pay amounts owed to any housing agency or amounts paid to an owner by a housing agency. MHSD 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 MHSD 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 MHSD 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**

MHSD will investigate and respond to complaints by participant families, owners, and the general public. MHSD 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**

MHSD will give an applicant for participation in the Section 8 tenant-based program prompt notice of a decision denying assistance to the applicant. The notice will contain a brief statement of the reasons for MHSD 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**

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

#### **C. Informal Review Process**

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

1. The review will be conducted by any person or persons designated by MHSD 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 MHSD decision.
3. MHSD will notify the applicant of MHSD 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, MHSD 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.

MHSD 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 will not reside in the unit. MHSD may permit the other members of a participant family to continue receiving assistance.

If MHSD 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 MHSD provides notice to the family of MHSD determination to deny or terminate assistance. In determining whether to terminate assistance for these reasons MHSD 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 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 MHSD 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. MHSD will give a participant family an opportunity for an informal hearing to consider whether the following MHSD decisions relating to the individual circumstances of a participant family are in accordance with the law, HUD regulations, and MHSD 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 MHSD utility allowance schedule.
  - c. A determination of the family unit size under MHSD subsidy standards.
  - d. A determination that a family is residing in a unit with a larger number of bedrooms than appropriate for the family unit size under MHSD subsidy standards, or MHSD 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 MHSD policy and HUD rules.

2. MHSD reserves the right to provide an opportunity for an informal hearing to any participant family for reasons other than noted in *Section 18.3(a)(1)*.

B. When a Hearing is Not Required

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

1. Discretionary administrative determinations by MHSD.
2. General policy issues or class grievances.
3. Establishment of MHSD schedule of utility allowances for families in the program.
4. A MHSD determination not to approve an extension or suspension of a voucher term.
5. A MHSD determination not to approve a unit or lease.
6. A MHSD determination that an assisted unit is not in compliance with HQS. (However, MHSD 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 MHSD determination that the unit is not in accordance with HQS because of the family size.
8. A determination by MHSD 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 *Section 17.3(a)(1)(a), (b), and (c)*, of this Section, MHSD will notify the family that the family may ask for an explanation of the basis of MHSD'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 *Section 17.3(a)(1)(d), (e), and (f)*, of this Section, MHSD will give the family prompt written notice that the family may request a hearing within 10 business days of the notification. The notice will:

- a. Contain a brief statement of the reasons for the decision; and
- b. State this if 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

MHSD and participants will adhere to the following procedures:

1. Discovery

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

- a. The hearing will be conducted by any person or persons designated by MHSD, other than a person who made or approved the decision under review or a subordinate of this person.
- b. The person who conducts the hearing will regulate the conduct of the hearing in accordance with MHSD hearing procedures.

4. Evidence

MHSD 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

MHSD is not bound by a hearing decision:

- a. Concerning a matter for which MHSD 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 MHSD hearing procedures.
- b. Contrary to HUD regulations or requirements, or otherwise contrary to Federal, State, or local law.
- c. If MHSD determines that it is not bound by a hearing decision, MHSD 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 by members of the family, MHSD 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.

MHSD 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 will not reside in the unit. MHSD may permit the other members of a participant family to continue receiving assistance.

If MHSD 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 MHSD provides notice to the family of MHSD determination to deny or terminate assistance. In determining whether to terminate assistance for these reasons MHSD 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 of 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 MHSD 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 utilized 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**

### **19.1 TERM OF LEASE AND HAP CONTRACT**

The term of the lease agreement and the term of the HAP contract are the same. They begin on the same date and they end on the same date. If the lease agreement is terminated so is the HAP; likewise, if the HAP is terminated the lease agreement terminates on the same date.

### **19.2 TERMINATION OF LEASE AGREEMENT**

- A. The tenant and owner may sign a Mutual Recision to terminate the lease agreement at any time; however, the Mutual Recision should be effective on the last day of the month and the family cannot lease-up against on any date other than the first day of the month.
- B. Without cause, the family may terminate the lease after fulfillment of the initial twelve (12) months of the lease agreement with a proper thirty (30) day notice to the landlord and to MHSD. The family may also provide a thirty (30) day notice to vacate the unit if the lease is on a month-to-month basis.
- C. Without cause, the owner may terminate the lease agreement after fulfillment of the initial twelve (12) months of the lease agreement with a proper sixty (60) day notice to the tenant. The owner may also provide a sixty (60) day notice to vacate the unit if the lease agreement is on a month-to-month basis.
- D. The owner may terminate the lease agreement at any time during the term due to serious or repeated violations of the terms or conditions of the lease; 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; 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; and any drug-related criminal activity on or near the premises; or other good cause including, but not limited to, failure by the family to accept the offer of a new lease; family history of disturbances of neighbors or destruction of property, or living or housekeeping habits resulting in damage to the property or unit; 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; a business or economic reason such as sale of the property, renovation of the unit, desire to rent at a higher rental amount.
- E. During the first year the owner may not terminate tenancy for other good cause unless the reason is because of something the household did or failed to do. The owner may only evict the tenant by instituting court action. The owner must give MHSD a copy of any owner eviction notice to the tenant at the same time that the

owner gives the notice to the tenant. 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.

### **19.3 TERMINATION OF HAP CONTRACT**

- A. The HAP Contract shall automatically terminate when the family's rental assistance is terminated, the family moves out of the unit, or after 180 calendar days after the last housing assistance payment to the owner. The owner may only terminate tenancy in accordance with lease agreement and State and local law.
- B. MHSD may terminate the HAP contract when: The family's assistance is terminated, the unit does not meet HQS space standards because of an increase in family size or change in family composition, the unit is larger than appropriate for the family size or composition under based on MHSD's occupancy standards, and the family breaks up and MHSD determines that the family members who move from the unit will continue to receive the assistance.
- C. MHSD may terminate the HAP contract when it is determined there is insufficient funding to support continued assistance for families in the program.
- D. MHSD may terminate the HAP Contract when the owner has breached the contract in any of the following ways:
  - 1. 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.
  - 2. If the owner has violated any obligation under any other housing assistance payments contract under Section 8 of the 1937.
  - 3. If the owner has committed fraud, bribery, or any other corrupt or criminal act in connection with any Federal housing program.
  - 4. For projects with mortgages insured by HUD or loans made by HUD, if the owner has failed to comply with the regulations for the applicable mortgage insurance or loan program, with the mortgage or mortgage note, or with the regulatory agreement;
  - 5. If the owner has engaged in drug trafficking.
- E. 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 the family continues to occupy the unit, MHSD will continue to make payments until the owner obtains a judgment or the family moves out.

## **20.0 FAMILY SELF-SUFFICIENCY PROGRAM**

In accordance with Section 23 of the U.S. Housing Act of 1937 and amended by Section 106 of the Housing and Community Development Act of 1992, MHSD has established a Family Self-Sufficiency Program as a result of receiving Section 8 funding in fiscal year 1992.

The goal of MHSD Family Self-Sufficiency (FSS) Program is to assist very low-income families in becoming economically and socially self-sufficient. Housing and Urban Development will determine the minimum FSS Program size. A service plan and FSS contract will be developed and maintained for each qualified participating family member.

This revised and updated FSS Action Plan is hereby made a part of the City of Mesa Housing Services Administrative Plan (Exhibit A). The Action Plan describes how the FSS Program shall be administered.

## **21.0 ADMINISTRATIVE FEE RESERVE**

Charges against the Section 8 Administrative Fee Reserve: Occasionally, it is necessary for MHSD 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.

MHSA of Commissioners authorizes the Housing Services Director to expend without prior Board approval up to \$5,000 for authorized expenditures.

Any item(s) exceeding \$5,000 will require prior Board of Commissioner approval before any charge is made against the Section 8 Administrative Fee Reserve.

## **22.0 INTELLECTUAL PROPERTY RIGHTS**

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

## **23.0 HOME OWNERSHIP UNDER SECTION EIGHT (H.O.U.S.E. PROGRAM)**

MHSD elected to administer the Section 8 homeownership option through HUD. MHSD's Home Ownership Under Section Eight (H.O.U.S.E) Program permits eligible participants in the Section 8 Housing Choice Voucher Program, including participants with portable vouchers, the option of purchasing a home with their Section 8 assistance rather than renting. MHSD's HOUSE Program provides one of two types of homeownership assistance for a family: monthly homeownership assistance payments *or* a single down payment assistance grant.

Eligible applicants for the Section 8 Home Ownership Program must have completed an initial Section 8 lease term in Mesa, may not owe MHSD or any other Housing Agency an outstanding debt, and must meet the eligibility criteria set forth herein.

Section 8 Home Ownership assistance may be used to purchase the following type of homes within the City of Mesa: new or existing single-family, condominium, planned use developments, or manufactured homes. MHS also will permit portability of Section 8 Home Ownership assistance to another jurisdiction, provided the receiving jurisdiction operates a Section 8 Home Ownership Program for which the Section 8 Home Ownership applicant qualifies.

The HOUSE Program description is hereby made a part of the City of Mesa Housing Services Division Administrative Plan (Exhibit B), which describes how the program shall be administered.

## 24.0 QUALITY ASSURANCE CONTROLS

MHSD shall operate the Housing Choice Voucher Program in a manner reflecting a strong commitment to quality, efficiency, and service. Quality Assurance Controls shall be an integral part of MHSD program by providing a clear audit trail of random file sampling drawn in an unbiased manner (refer to 24 CFR 985.3.[a]-[f]). The Quality Assurance Control objectives are: SEMAP Objectives (established by HUD) and Management Assessment Objectives (established by MHSD).

As necessary, MHSD shall incorporate additional Quality Control mechanisms to include forms, tracking procedures, reports, etc., to improve the accuracy of the data both within the PIC System and in the client case file. (Additional documentation, procedures, and reports available at the Mesa Housing Services Division’s Administrative Office.)

### 24.1 QUALITY ASSURANCE CONTROLS – SEMAPOBJECTIVES

- A. MHSD policies and practices shall be consistent with the areas of measurement for the following HUD SEMAP indicators: Selection from the Waiting List, Reasonable Rent, Determination of Adjusted Income, Utility Allowance Schedule, HQS Quality Control Inspections, HQS Enforcement, Expanding Housing Opportunities, Payment Standards, Annual Reexaminations, Correct Tenant Rent Calculations, Pre-Contract HQS Inspections, Annual HQS Inspections, Lease-Up, Family Self-Sufficiency Enrollment and Escrow Account Balances, and Bonus Indicator – Deconcentration.
- B. Quality Control Reviews shall be performed as scheduled by MHSD supervisors or qualified persons, as required by HUD. The number of files reviewed shall at minimum reflect the sample size stated in the regulation (24 CFR 985.2) and in the Housing Choice Voucher Program Guidebook (Chapter 22, Page 22-7). Sample of files and records shall be drawn in an unbiased manner based on the number of qualifying 50058s, completed inspections, and waiting list selections processed. The File Review Schedule may be divided between qualified staff, with an equal percentage of worker files reviewed each month or on a quarterly basis.

NUMBER OF FILES/RECORDS TO BE SAMPLED	
UNIVERSE	NUMBER OF FILES/RECORDS TO BE SAMPLED
50 or fewer	5
51-600	5 plus 1 for each increment of 50 (or part of 50) over 50
601-200	16 plus 1 for each increment of 100 (or part of 100)
Over 2000	30 plus 1 for each increment of 200 (or part of 200) over 2000
$1600 - 601 = 999 \div 100 = 9.99 = 10 + 16 = 26$	

- C. The file review may consist of the following types of 50058s: Annual Reexaminations, Interim Reexaminations, New Admissions, Portability Move-Ins, and Other Changes of Unit. Additional sample files and records to be reviewed shall be drawn from the following: HQS Inspections, HQS Enforcement, Pre-Contract HQS Inspections, and New Applications.
- D. SEMAP reviews shall include the items listed above, as well as the following: Family Self-Sufficiency, Deconcentration, and Expansion of Housing Opportunities.
- E. All portions of the 50058 shall be compared to the Personal Declaration forms (family's declaration of household composition, income, assets, deductions, etc.) and applicable documentation verifying the 50058 information. Personal Family Documents (to include birth certificate/I.D., Social Security card/number, Citizenship Declaration 214s, and any other documents HUD or MHSD deems necessary) shall become part of the most *current* file. MHSD procedures shall require all Personal Family Documents be maintained in one envelope.

#### **24.2 QUALITY ASSURANCE CONTROLS – MANAGEMENT OBJECTIVES**

File reviews shall continually provide management with the information necessary to assess staff knowledge, skill, and efficiency. To further promote professional development, MHSD shall implement a comprehensive in-house training program to include the following:

- A. Each worker shall maintain and update a MSHD Standard Operating Procedures Manual to include standard procedures other than those addressed in MHSD Administrative Policy, or requiring further clarification; housing computer program procedures, and general policies and information.
- B. Staff may attend frequent training, to include policies, procedures, and general information.
- C. Other training and seminars shall be made available to staff, when possible and/or necessary.
- D. Quizzes may be given to staff to test their knowledge base and determine areas where additional training may be necessary.
- E. Additional management objectives to promote efficiency:
  - 1. Caseload assignment changes shall reduce the possibility of recurring errors.

2. File reviews shall be processed, corrected, and feedback provided to the worker in a timely manner.
3. A current copy of MHSD Administrative Policy shall be made available to each staff member, both electronically and in hard copy.
4. Other reference documentation, such as the Housing Choice Voucher Guidebook, the Verification Guidance, Federal Registers, PIH Notices, etc., shall be provided for each worker, as necessary.

**24.3 SEMAP POLICY & SELF-ASSESSMENT FORM**

A. Compliance with polices and requirements

MHSD shall comply with all policies and requirements of the Section Eight Management Assessment Program (SEMAP) instituted by HUD in which all PHAs shall submit a self-assessment of the PHA's compliance with required HUD indicators as issued in 24 CFR Part 985 of the HUD regulations, as well as Quality Control policies and procedures instituted by MHSD through Section 24.0 and all other sections of this document.

B. Schedule for finalizing SEMAP submission form

SEMAP file reviews and Quality Control Assessments are an ongoing, year round process. MHSD has implemented a tentative schedule for finalizing the self-certification form before submission to HUD (approximate dates):

<b>DUE DATE</b> <i>(approximate date)</i>	<b>TYPE OF ACTION</b>
<b>June 1 - 30</b>	Review SEMAP self-certification form and requirements; begin summarizing data from required MHSD Quality Control Assessments and file reviews conducted during the fiscal year; and obtain deconcentration data as of June 30 <sup>th</sup> .
<b>July 1</b>	Perform any required assessments not already conducted, including deconcentration, and begin entering data on self-certification form.
<b>July 15</b>	Distribute self-certification form and accompanying data to Verification Team (Housing Services Director, Section 8 Housing Supervisor, Section 8 Senior Housing Specialist, other staff as necessary) for proofreading and review.
<b>August 1</b>	Submit SEMAP self-certification form through PIC.

C. Documents provided to the SEMAP Verification Team before submission include the current Federal Register documentation from which the Fair Market Rents (FMRs) for the applicable year were obtained, the current Posted Payment Standards Chart reflective of the applicable year, and the calculation formula for determining the Posted Payment Standards, if less than 100 percent of the FMR.

D. Formula for calculating Posted Payment Standard

Beginning January 1, 2005, MHSD has chosen 90 percent of the FMR to use for the jurisdiction's Posted Payment Standard. Following is the calculation used to obtain the Posted Payment Standard for each bedroom size:

$\begin{aligned} & \text{FMR (from the Federal Register)} \\ & \text{per Bedroom Size X } 90\% = \text{New Posted Payment Standard} \\ & \text{per Bedroom Size (rounded up to the nearest dollar)} \end{aligned}$
--

E. Documentation

Documentation shall be obtained in the form of individual file review forms, logs, and other assessment and Quality Control tools utilized to perform the self-certification required for SEMAP. Monthly, quarterly, yearly, and periodic reports shall also be retained for the specific fiscal year on the submission. Quality Control Assessments and other self-assessments shall be conducted by one or more staff, including, but not limited to, the Section 8 Housing Supervisor, Senior Housing Specialists, and other management staff.

## **25.0 OVERPAYMENT & UNDERPAYMENT OF ASSISTANCE**

When assistance is overpaid or underpaid, MHSD shall comply with HUD Notice PIH 2003-34 issued December 19, 2003, which stipulates the process of dealing with overpayment and underpayment of assistance due to tenant fraud and PHA error. Overpayment and underpayment of assistance shall be corrected as is reasonable within the computer system.

### **25.1 OVERPAYMENT OF ASSISTANCE - FRAUD**

As part of the Tenant Integrity Program (TIP), MHSD shall investigate allegations of fraud committed by participant families. MHSD shall retain 50 percent of the HCV funds collected, as specified at 24 CFR 792.202 and 982.163. Repayment agreements may be executed between MHSD and the family head of household. Regular payments shall be made by the family until the balance is paid in full. If the family fails to comply with the agreement, MHSD may propose termination for "Failure to cooperate." Likewise, if the family fails to complete a repayment agreement, MHSD may also propose termination for the same reason.

The change to the rental portion shall be effective on the 1<sup>st</sup> day of the month following the notification to the family of the rental portion change.

### **25.2 OVERPAYMENT OF ASSISTANCE - PHA ERROR**

MHSD shall make corrections to all known calculation errors (including those revealed in the RIM Review) regardless if the calculation will result in a change of rental portions. Because overpaid assistance must be collected from the family, the original 50058 shall be corrected with the new information. Ample notice shall be given to the family and landlord of any increase in rent. Adjustments to future housing payments or repayment agreements are acceptable means of recovering overpaid assistance.

### **25.3 UNDERPAYMENT OF ASSISTANCE - PHA ERROR**

MHSD shall make corrections to all known calculation errors (including those revealed in the RIM Review) regardless if the calculation will result in a change of rental portions. The original 50058 shall be corrected with the new information. Notice shall be given to the family and landlord of any change in rental portion. Adjustments to future housing payments or a single payment to either the landlord on behalf of the family, or directly to the family, are acceptable means of correcting the underpayment of assistance error.

### **25.4 RIM REVIEW - PHA ERROR**

In correcting overpayment and underpayment of assistance errors made by MHSD, the corrections shall follow the guidelines set forth in *Notice PIH 2003-34*; *CFR 792.202* and *982.163*; and in *MHSD Section 25.0* of this plan.

## **26.0 RESIDENT ADVISORY BOARD (RAB)**

*(Formerly Exhibit E of the City of Mesa Housing Services Division Administrative Plan)*

MHSD shall comply with the Housing & Urban Development (HUD) regulation 24 CFR 903.13, which provides for the establishment of one or more Resident Advisory Boards (RAB) as needed to represent the interests of residents assisted in the Section 8 program. The RAB shall consist of one or more persons currently receiving Section 8 rental assistance in the Housing Choice Voucher Program. MHSD shall choose a self-nomination format for election of members to the RAB.

### **26.1 ELIGIBILITY FOR RESIDENT ADVISORY BOARD**

- A. Resident must be directly assisted under the Section 8 Program within MHSD jurisdiction.
- B. Resident must be at least 18 years of age.
- C. Resident must be a Section 8 participant in good standing (ex: Complying with all family obligations).
- D. Resident's name must be listed on the lease.
- E. Resident must be a current resident of the City of Mesa and must have been a resident of the City or an annexed area for at least two (2) years immediately preceding the appointment to the Board.
- F. Resident must comply with all rules inherent to the City Council meetings.

### **26.2 TERM OF OFFICE FOR RESIDENT ADVISORY BOARD MEMBER**

Appointment term will encompass one (1) calendar year and multiple appointment terms may be allowed upon approval by the PHA.

### **26.3 REMOVAL FROM OFFICE**

RAB members may be removed from office if resident is no longer residing within MHSD's jurisdiction, if resident is no longer a resident in good standing (violation of Section 8 family obligations), if a resident has resigned, or upon the death of the resident (appointment is not transferable to others in the household).

### **26.4 NOTIFICATION**

MHSD shall notify all active Section 8 participants who meet the above requirements via

mail, so that all residents shall have the opportunity to request to become a member of the RAB. Residents will be notified by mail of the dates and times for the RAB Meetings. If no residents express interest in serving, the PHA may appoint all of MHSD's assisted residents as members of the RAB and will notify them of their role and responsibilities regarding the development of the agency plan.

**26.5 PHA PROCESS**

Annually, MHSD shall send an invitation to all active, Section 8 participants with information regarding the RAB. Residents shall be allowed appropriate time to respond, if interested. Demographic information shall be maintained on each interested resident. At MHSD's discretion the number of families serving on the RAB may be predetermined. MHSD shall review the demographics for each interested resident and shall appoint residents to the RAB who best represent a wide variety of Section 8 participants. Selected participants shall be mailed a meeting schedule. RAB Meetings shall consist of discussion regarding the Annual PHA Plan, the 5-Year Plan, and the Administrative Plan, if applicable. Each RAB participant shall be given the opportunity to make comments. MHSD shall review the RAB comments and determine if the plan shall be changed accordingly. An interested resident will be appointed by the Housing and Human Services Advisory Board to sit on the Governing Board. The PHA Plan will be forwarded to the Housing and Human Services Advisory Board for approval. The PHA Plan will then be forwarded to the MHSD Governing Board for approval.

**26.6 LACK OF INTEREST**

If there is no interest among the active, Section 8 residents, or if MHSD has not been contacted within in a timely manner, MHSD shall be determined to be in compliance with HUD regulation CFR regulation § 903.13 requirements for an exception to the RAB and the Resident on the Board rule. No further action will be necessary for the calendar year.

## **27.0 GOVERNING BOARD**

*(Formerly Exhibit E of the City of Mesa Housing Services Division Administrative Plan)*

MHSD shall comply with the Housing & Urban Development (HUD) regulation §964.400, Subpart E – Resident Advisory Board (RAB) Members. As a member of the Governing Board, a Section 8 RAB member must take part in decisions related to the administration, operation, and management of the Section 8 tenant-based assistance program when these items are brought before the City of Mesa City Council, acting as the Section 8 Governing Board. The RAB member shall be allowed to join in any discussion and will be allowed to cast a vote on the Section 8 items only at regularly scheduled Governing Board meetings.

The RAB member shall not serve with the City Council in any other capacity and shall not be allowed to vote on, or take part in, Council discussions on any matters not related to the Section 8 tenant-based program. RAB members shall have the same rights as any other citizen to comment on items brought before the Council as a public hearing item or as a scheduled or non-scheduled speaker before the Council.

### **27.1 ELIGIBILITY FOR THE GOVERNING BOARD**

#### *Eligibility for Governing Board*

- A. Resident must be a current member of the Section 8 Resident Advisory Board
- B. Resident must be directly assisted under the Section 8 Program within MHSD jurisdiction.
- C. Resident must be at least 18 years of age.
- D. Resident must be a Section 8 participant in good standing (ex: Complying with all family obligations)
- E. Resident's name must be listed on the lease.
- F. Resident must be a current resident of the City of Mesa and must have been a resident of the City or an annexed area for at least two (2) years immediately preceding the appointment to the Board.

- G. Resident must agree that personal information such as home address, phone number and income information becomes public information (any information required to be released by a member of the City Council will apply to the Resident on the Governing Board).

**27.2 TERM OF OFFICE FOR RAB GOVERNING BOARD MEMBER**

Appointment term will encompass one (1) calendar year. Multiple appointment terms may be allowed if the member is recommended by the Housing and Human Services Advisory Board. Selection to the Governing Board shall be limited to one (1) resident.

**27.3 REMOVAL FROM OFFICE**

The Governing Board resident may be removed from the Governing Board if the resident is no longer a member of the current RAB, if the resident is no longer residing within MHSD's jurisdiction, if the resident is no longer in good standing (violation of Section 8 family obligations), if the resident has resigned from the Governing Board, upon the death of the resident (appointment not transferable to others in household), if the resident fails to comply with all rules inherent to the City Council meetings, or for other reasons as determined by the PHA. A resident board member may be removed from the MHSD Governing Board pursuant to the provision of Section 1-5-9 of the Mesa City Code. A Resident Board Member, who ceases to be directly assisted by MHSD, may be removed by a vote of five (5) members of the City Council. A Council decision to remove the Resident Board Member shall be effective in accordance with its terms, and shall be final and nonappealable.

**27.4 NOTIFICATION**

MHSD shall notify all current RAB members who meet the above requirements via mail of the opportunity to serve on the Governing Board and of the duties and responsibilities of such an appointment. All current RAB members shall have the opportunity to request to become a member of the Governing Board. The RAB member who has been approved to serve on the Governing Board shall be notified by mail of meetings and any requirements.

**27.5 PHA PROCESS**

MHSD shall provide an annual notice to the MHSD Resident Advisory Board (RAB) of the opportunity for a resident to serve on the MHSD Governing Board. This notice shall be provided not more than 120 days, and not less than 30 days, before the January 1<sup>st</sup> beginning of the term. All members of the RAB will be given an opportunity to self-nominate for the Resident Governing Board. The Housing and Human Services Advisory Board (HHSAB) shall review the eligibility of those who have applied for the Resident Advisory Board Member position. The HHSAB will forward to the Mayor the name of the applicant they recommend for appointment to serve as the resident member

of the MHSD Governing Board. MHSD shall notify the nominees and appointee of the decision.

**27.6 NO QUALIFIED APPLICANTS**

In the event that no applications are received within thirty (30) days after the notification has been made, the City shall be determined to be in compliance with HUD requirements for an exception to the Resident on the Board Rule §964.425 for the noticed term. In such an event, the Mayor may, but shall not be required to, appoint a resident member in accordance with Mesa City Code 2-23-3. No further action will be necessary for the calendar year.

## **GLOSSARY**

**1937 Housing Act:** The United States Housing Act of 1937 [42 U.S.C. 1437 et seq.)

**40% Rule:** HUD requirement that families moving to a new unit shall not pay more than 40 percent of their adjusted monthly income.

40% Rule Calculation:

Gross Annual Income - deductions = Adjusted Annual Income ÷ 12 = Adjusted Monthly Income

Posted Payment Standard + 10% of Adjusted Monthly Income = Gross Maximum Allowable

Gross Maximum Allowable - Utility Allowance = Maximum Allowable Rent

**Absorb/Absorption:** In portability, the point at which the Receiving HA stops billing the Initial HA for assistance on behalf of a portable family. [24 CFR 982.4]

**Actual Bedroom Size:** The total number of bedrooms in the unit. Often referred to when a family chooses a bedroom size that is different from the bedroom size issued.

**Adjusted Annual Income:** The amount of household income, after deductions for specified allowances, on which tenant rent is based.

**Administer:** In portability, the Receiving HA managing the Initial HA's voucher, while not absorbing the participant into the Receiving HA's program.

**Administrative fee:** Fee paid by HUD to MHSD for the administration of the program.

**Administrative Plan:** The plan that describes MHSD policies for the administration of the tenant-based programs.

**Admission:** The point when the family becomes a participant in the program. In a tenant-based program, the date used for this purpose is the effective date of the first HAP Contract for a family (first day of initial lease term).

**Adult:** A household member who is 18 years or older or who is the head of the household, or spouse, or co-head.

**Adjusted Income:** Annual income of the members of the family residing or intending to reside in the dwelling, after making the "Mandatory Deductions."

**Allowances:** Amounts deducted from the household's annual income in determining adjusted annual income (the income amount used in the rent calculation). Allowances are given for elderly families, dependents, medical expenses for elderly families, disability expenses, and childcare expenses for children less than 13 years of age. Other allowance can be given at the discretion of MHSD.

**Amortization Payment:** In a manufactured home space rental: The monthly debt service payment by the family to amortize the purchase price of the manufactured home.

**Annual Contributions Contract (ACC):** The written contract between HUD and a MHSD under which HUD agrees to provide funding for a program under the 1937 Act, and MHSD agrees to comply with HUD requirements for the program.

**Annual Income:** 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 Annual Income.

- d. Annual Income also includes amounts derived (during the 12-month period) from assets to which any member of the family has access.

**Applicant (applicant family):** A family that has applied for admission to a program but is not yet a participant in the program.

**Assets:** See net family assets.

**Asset Income:** Income received from assets held by household members. If assets total more than \$5,000, income from the assets is “imputed” and the greater of actual asset income and imputed asset income is counted in annual income.

**Assisted lease (Lease Agreement):** A written agreement between an owner and a family for the leasing of a dwelling unit to the family. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP contract between the owner and MHSD.

**Budget Utilization:** The dollar amount of the total allocated ACCs to the PHA to use for housing assistance and utility reimbursement payments.

**Budget Utilization Rate:** The percentage of the total dollar amount of the allocated ACCs used by the PHA within a given time period.

**Certification:** The examination of a household’s income, expenses, and family composition to determine the household’s eligibility for program participation and to calculate the household’s rent for the following 12 months.

**Certificate:** All Certificates were replaced by Housing Choice Vouchers in 2000.

**Child:** For purposes of citizenship regulations, a member of the family other than the family head or spouse who is under 18 years of age.

**Child care expenses:** Amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for childcare. In the case of childcare necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.

**Citizen:** A citizen or national of the United States.

**Common space:** In shared housing: Space available for use by the assisted family and other occupants of the unit.

**Congregate housing:** Housing for elderly or persons with disabilities that meets the HQS for congregate housing.

**Consent form:** Any consent form approved by HUD to be signed by assistance applicants and participants for the purpose of obtaining income information from employers and SWICAs, return information from the Social Security Administration, and return information for unearned income from the Internal Revenue Service. The consent forms may authorize the collection of other information from assistance applicants or participant to determine eligibility or level of benefits.

**Contiguous MSA:** In portability, an MSA that shares a common boundary with the MSA in which the jurisdiction of the initial MHSD is located.

**Continuously assisted:** An applicant is continuously assisted under the 1937 Housing Act if the family is already receiving assistance under any 1937 Housing Act program when the family is admitted to the Voucher Program.

**Cooperative:** Housing owned by a non-profit corporation or association, and where a member of the corporation or association has the right to reside in a particular apartment, and to participate in management of the housing.

**Currently engaged in:** (For purposes of criminal activity) If the person has engaged in the behavior recently enough to justify reasonable belief that the behavior is current.

**Domicile:** The legal residence of the household head or spouse as determined in accordance with State and local law.

**Decent, safe, and sanitary:** Housing is decent, safe, and sanitary if it satisfies the applicable housing quality standards.

**Department:** The Department of Housing and Urban Development.

**Dependent:** A member of the family (except foster children and foster adults) other than the family head or spouse, who is under 18 years of age, or is a person with a disability, or is a full-time student.

**Disability assistance expenses:** Reasonable expenses that are anticipated, during the period for which annual income is computed, for attendant care and auxiliary apparatus for a disabled family member and that are necessary to enable a family member (including the disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source.

**Disabled family:** A family whose head, spouse, or sole member is a person with disabilities; or two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides.

**Disabled person:** See “person with disabilities.”

**Disallowance:** Exclusion from annual income.

**Displaced family:** A family in which each member, or whose sole member, is a person displaced by governmental action (such as urban renewal), or a person 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.

**Displaced person:** A person displaced by governmental action (such as urban renewal), or a person 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.

**Drug:** A controlled substance as defined in section 102 of the Controlled Substance Act (21 U.S.C. 802)

**Drug related criminal activity:** Illegal use or personal use of a controlled substance, and the illegal manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute or use, of a controlled substance.

**Drug trafficking:** The illegal manufacture, sale, or distribution, or the possession with intent to manufacture, sell, or distribute, of a controlled substance.

**Earned Income Disallowance (EID):** A portion of earned income excluded for a specific period of time for a disabled family member receiving Social Security benefits.

**Elderly family:** A family whose head, spouse, or sole member is a person who is at least 62 years of age; or two or more persons who are at least 62 years of age living together; or one or more persons who are at least 62 years of age living with one or more live-in aides.

**Elderly person:** A person who is at least 62 years of age.

**Evidence of citizenship or eligible status:** The documents that must be submitted to evidence citizenship or eligible immigration status.

**Exception rent:** An amount that exceeds the published fair market rent.

**Executed:** The date the HAP Contract or lease agreement has been made legal or valid by the signature of both parties. HAP Contracts are not valid if signed more than 60 days after the Effective Date of the contract.

**Extremely low-income families:** Those families whose incomes do not exceed 30% of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families.

**Fair Housing Act:** Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988 (42 U.S.C. 3601 et seq.).

**Fair market rent (FMR):** The rent, including the cost of utilities (except telephone), as established by HUD for units of varying sizes (by number of bedrooms), that must be paid in the housing market area to rent privately owned, existing, decent, safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities. FMRs are published periodically in the Federal Register.

**Family** includes but is not limited to:

- a. A family with or without children (the temporary absence of a child from the home due to placement in foster care shall not be considered in determining family composition and family size);
- b. An elderly family;
- c. A near-elderly family;
- d. A disabled family;
- e. A displaced family;
- f. The remaining member of a tenant family; and
- g. A single person who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family.

**Family members:** include all household members except live-in aides, foster children and foster adults. All family members permanently reside in the unit, though they may be temporarily absent. All family members are listed on the HUD-50058.

**Family self-sufficiency program (FSS program):** The program established by a MHSD to promote self-sufficiency of assisted families, including the coordination of supportive services (42 U.S.C. 1437u).

**Family share:** The portion of rent and utilities paid by the family.

**Family unit size:** The appropriate number of bedrooms for a family as determined by MHSD under MHSD's subsidy standards.

**50058 Form:** The HUD form that MHSD's are required to complete for each assisted household in public housing to record information used in the certification and re-certification process, and, at the option of MHSD, for interim reexaminations.

**Financial Hardship Exemption from Minimum Rent:** An unexpected, or unprecedented, economic burden on the family due to circumstances beyond their control where it would be a severe burden on the family to pay the minimum rent of \$50.

**FMR/exception rent limit:** The Housing Choice Voucher (or Section tenant-based) housing fair market rent published by HUD headquarters, or any exception rent. For a tenancy in the Voucher Program, MHSD may adopt a payment standard up to the FMR/exception rent limit.

**Full-time student:** A person who is carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended. An educational institution includes a vocational school with a diploma or Certificate Program, as well as an institution offering a college degree.

## **Governing Board**

**Gross rent:** The sum of the rent to the owner plus any utilities.

**Hardship:** An unexpected, or unprecedented, economic burden on the family due to circumstances beyond their control where it would be a severe burden on the family to pay the minimum rent of \$50.

**Head of household:** The adult member of the family who is the head of the household for purposes of determining income eligibility and rent.

**Household members:** include all individuals who reside or will reside in the unit and who are listed on the lease, including live-in aides, foster children and foster adults.

**Housing Assistance Payment (HAP):** The monthly assistance by a MHSD, which includes (1) a payment to the owner for rent to the owner under the family's lease, and (2) an additional payment to the family if the total assistance payment exceeds the rent to owner.

**Housing Choice Voucher Program:** (For MHSD purposes) Section 8 tenant-based program; replaced the Section 8 Existing Program in 2000.

**Housing quality standards (HQS):** The HUD minimum quality standards for housing assisted under the Section 8 program.

**Housing voucher:** A document issued by a MHSD to a family selected for admission to the Voucher Program. This document describes the program and the procedures for MHSD approval of a unit selected by the family. The voucher also states the obligations of the family under the program.

**Housing voucher holder:** A family that has an un-expired housing voucher.

**Imputed income:** For households with net family assets of more than \$5,000, the amount calculated by multiplying net family assets by a HUD-specified percentage. If imputed income is more than actual income from assets, the imputed amount is used in determining annual income.

**Income category:** Designates a family's income range. There are three categories: low income, very low income and extremely low-income.

**Incremental income:** The increased portion of income between the total amount of welfare and earnings of a family member prior to enrollment in a training program and welfare and earnings of the family member after enrollment in the training program. All other amounts, increases and decreases, are treated in the usual manner in determining annual income.

**Initial MHSD:** In portability, both: (1) a MHSD that originally selected a family that later decides to move out of the jurisdiction of the selecting MHSD; and (2) a MHSD that absorbed a family that later decides to move out of the jurisdiction of the absorbing MHSD.

**Initial payment standard:** The payment standard at the beginning of the HAP contract term.

**Initial rent to owner:** The rent to owner at the beginning of the initial lease term.

**Interim (examination):** A reexamination of a household's income, expenses, and household status conducted between the annual recertifications when a change in a household's circumstances warrants such a reexamination.

**Issued Voucher Bedroom Size:** The bedroom size for which the family qualifies.

**Jurisdiction:** The area in which MHSD has authority under State and local law to administer the program.

**Lease Agreement:** A written agreement between an owner and tenant for the leasing of a dwelling unit to the tenant. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP Contract between the owner and MHSD.

**Lease-Up Rate:** The percentage of Housing Choice Vouchers leased within a given period.

**Live-in aide:** A full-time caregiver who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities as a reasonable accommodation.

**Long-term Hardship:** A long-term hardship due to circumstances listed in Section 13.9(1) of the City of Mesa Administrative Plan that extends beyond a 90-day period.

**Low-income families:** Those families whose incomes do not exceed 80% of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families. [1937Act)

**Mandatory Deductions:** In determining adjusted income, the responsible entity must deduct the following amounts: (1) \$480 for each dependent; (2) \$400 for a family considered either an Elderly Family or a Disabled Family; (3) The sum of the following to the extent 3% of annual income: (i) Unreimbursed medical expenses for a family considered either an Elderly Family or a Disabled Family, (ii) Unreimbursed reasonable attendant care and auxiliary expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed. This deduction may not exceed the earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus; (4) Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education.

**Maximum Allowable Rent:** (See 40% Rule)

**Medical expenses:** Medical expenses, including medical insurance premiums that are anticipated during the period for which annual income is computed, and that are not covered by insurance.

**Metered Utilities:** Only the utility charges for a specific unit are billed to one name (either the landlord or tenant). *Utilities Not Metered:* Generally refers to the utility bill in the landlord's name. The landlord may elect to have the tenant pay a portion of the utility bill based on usage, a flat fee, or the number of persons residing in the unit.

**Minimum Rent:** The Public Housing Reform Act of 1998 requires PHAs to adopt a minimum rent requirement of between \$0 and \$50. The family TTP shall be the greater of 30% of the adjusted monthly income or \$50.

**Mixed family:** A family whose members include those with citizenship or eligible immigration status, and those without citizenship or eligible immigration status.

**Moderate rehabilitation:** Rehabilitation involving a minimum expenditure of \$1000 for a unit, including its prorated share of work to be accomplished on common areas or systems, to:

- a. Upgrade to decent, safe and sanitary condition to comply with the Housing Quality Standards or other standards approved by HUD, from a condition below these standards (improvements being of a modest nature and other than routine maintenance; or
- b. Repair or replace major building systems or components in danger of failure.

**Monthly-adjusted income:** One twelfth of adjusted income.

**Monthly income:** One twelfth of annual income.

**Mutual housing** is included in the definition of "cooperative".

**National:** A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.

**Near-elderly family:** A family whose head, spouse, or sole member is a person who is at least 50 years of age but below the age of 62; or two or more persons, who are at least 50 years of age but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age of 62 living with one or more live-in aides.

**Net family assets:**

- a. Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.
- b. In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income.
- c. In determining net family assets, housing authorities or owners, as applicable, shall include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefore. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

**No Hardship Decision:** If either the family has failed to provide documentation proving a hardship has occurred due to the circumstances listed in Section 13.9(1) of the City of Mesa Administrative Plan, or MHSD had determined there is no qualifying hardship, the minimum rent will be reinstated.

**Non-citizen:** A person who is neither a citizen nor national of the United States.

**Notice Of Funding Availability (NOFA):** For budget authority that HUD distributes by competitive process, the Federal Register document that invites applications for funding. This document explains how to apply for assistance, and the criteria for awarding the funding.

**Occupancy standards:** The standards that MHSD establishes for determining the appropriate number of bedrooms needed to house families of different sizes or composition.

**Owner:** Any person or entity, including a cooperative, having the legal right to lease or sublease existing housing.

**Participant (participant family):** A family that has been admitted to MHSD's program and is currently assisted in the program. The family becomes a participant on the effective date of the first HAP contract executed by MHSD for the family (first day of initial lease).

**Payment standard:** In a voucher tenancy, the maximum monthly assistance payment for a family (before deducting the total tenant payment by family contribution). For a voucher tenancy, MHSD sets a payment standard in the range from 90% to 110% of the current FMR.

**Person with disabilities:** A person who:

- a. Has a disability as defined in Section 223 of the Social Security Act,  
"Inability to engage in any substantial, gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than 12 months, or  
In the case of an individual who attained the age of 55 and is blind and unable by reason of such blindness to engage in substantial, gainful activity requiring skills or ability comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time."

- b. Is determined, pursuant to regulations issued by the Secretary, to have a physical, mental, or emotional impairment that:
  - (i) is expected to be of long-continued and indefinite duration,
  - (ii) substantially impedes his or her ability to live independently, and
  - (iii) is of such a nature that such ability could be improved by more suitable housing conditions, or
- c. Has a developmental disability as defined in Section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act.
 

“Severe chronic disability that:

  - (i) is attributable to a mental or physical impairment or combination of mental and physical impairments;
  - (ii) is manifested before the person attains age 22;
  - (iii) is likely to continue indefinitely;
  - (iv) results in substantial functional limitation in three or more of the following areas of major life activity: (1) self care, (2) receptive and responsive language, (3) learning, (4) mobility, (e) self-direction, (6) capacity for independent living, and (7) economic self-sufficiency; and
  - (v) reflects the person’s need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services that are of lifelong or extended duration and are individually planned and coordinated.”

This definition does not exclude persons who have the disease of acquired immune-deficiency syndrome or any conditions arising from the etiologic agent for acquired immune-deficiency syndrome.

No individual shall be considered to be a person with disabilities for purposes of eligibility solely based on any drug or alcohol dependence.

**Portability:** Renting a dwelling unit with Section 8 tenant-based assistance outside the jurisdiction of the initial MHSD.

**Premises:** The building, complex, or property on which the dwelling unit is located, including common areas and grounds.

**Preservation:** This program encourages owners of eligible multifamily housing projects to preserve low-income housing affordability and availability while reducing the long-term cost of providing rental assistance. The program offers several approaches to restructuring the debt of properties developed with project-based Section 8 assistance whose HAP contracts are about to expire.

**Previously Unemployed (Earned Income Disallowance):** (§5.617) A person with disabilities who has earned, in the 12 months previous to employment, no more than would be received for 10 hours of work per week for 50 weeks at the established minimum wage.

**Proration of assistance:** The reduction in a family’s housing assistance payment to reflect the proportion of family members in a mixed family who are eligible for assistance.

Proration of Assistance Calculation:

$$\text{Gross Annual Income} - \text{deductions} = \text{Adjusted Annual Income} \div 12 = \text{Adjusted Monthly Income}$$

$$\text{Adjusted Monthly Income} \times 30\% = \text{TTP}$$

$$\text{Greater of Eligible Payment Standard or Gross Rent} - \text{TTP} = \text{HAP}$$

$$\text{HAP} \div \text{Total Number of Persons in the Household} = \text{HAP Per Household Member}$$

$$\text{HAP Per Household Member} \times \text{Eligible Persons in the Household} = \text{Prorated HAP}$$

**Public Housing Agency:** A State, county, municipality or other governmental entity or public body (or agency or instrumentality thereof) authorized to engage in or assist in the development or operation of low-income housing.

**Qualified Family (Earned Income Disallowance):** (§960.255) Any family residing in housing whose annual income increases as a result of employment of a family member who is a person with disabilities eligible for the disallowance. (Not limited to a family whose head of household or spouse is disabled.)

**Reasonable accommodation:** Refer to Section 1.2 for description and definition.

**Reasonable rent:** A rent to owner that is not more than charged: (a) for comparable units in the private unassisted market; and (b) for a comparable unassisted unit in the premises.

**Receiving MHSD:** In portability, MHSD receives a family selected for participation in the tenant-based program of another MHSD. The receiving MHSD issues a voucher, and provides program assistance to the family.

**Recertification/Reexamination:** A reexamination of a household's income, expenses, and family composition to determine the household's rental portion.

**Remaining (residual) member of a tenant family:** A member of the family listed on the lease who continues to live in an assisted household after all other family members have left.

**Rent to owner:** The monthly rent payable to the owner under the lease. Rent to owner covers payment for any housing services, maintenance, and utilities that the owner is required to provide and pay for.

**Resident Advisory Board (RAB):** Represents the interest of residents assisted in the Section 8 program to comment upon the Annual and 5-Year Plans.

**Resident Governing Board:** The City Council, plus one RAB member appointed by the HHSAB, makes decisions related to the administration, operation, and management of the Section 8 tenant-based assistance program.

**Section 8 Existing Program:** Replaced by the Housing Choice Voucher Program in 2000.

**SEMAP (Section Eight Management Assessment Program):** Yearly submission to HUD of agency self-assessment of fourteen key indicators, including a bonus on deconcentration.

**Shelter Allowance:** That portion of a welfare benefit (e.g., TANF) that the welfare agency designates to be used for rent and utilities.

**Single-family dwelling:** A unit that is not connected to any other dwelling unit by any means. It is separately metered for all utilities. Also known as a "house".

**Single person:** Someone living alone or intending to live alone who does not qualify as an elderly person, a person with disabilities, a displaced person, or the remaining member of a tenant family.

**Special admission:** Admission of an applicant that is not on MHSD waiting list, or without considering the applicant's waiting list position.

**Special housing types:** Special housing types include: SRO housing, congregate housing, group homes, shared housing, cooperatives (including mutual housing), and manufactured homes (including manufactured home space rental).

**State Wage Information Collection Agency (SWICA):** The State agency receiving quarterly wage reports from employers in the State, or an alternative system that has been determined by the Secretary of Labor to be as effective and timely in providing employment-related income and eligibility information.

**Statement of family responsibility:** An agreement in the form prescribed by HUD, between MHSD and a Family to be assisted under the Moderate Rehabilitation Program, stating the obligations and responsibilities of the family.

**Subsidy standards:** Standards established by a MHSD to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions.

**Suspension of Voucher:** Stopping the clock on the term of a family's voucher, for such period as determined by MHSD, from the time when the family submits a request for MHSD approval to lease a unit, until the time when MHSD approves or denies the request. Also referred to as tolling.

**Suspension of Minimum Rent:** Family qualifies for Minimum Rent Hardship and the Minimum Rent of \$50 (MHSD) is suspended for up to 90-days (Temporary Hardship) or beyond a 90-day period (Long-Term Hardship).

**Tenant Assessment Sub-System (TASS):** Upfront Income Verification (UIV) level through REAC to obtain Social Security and SSI benefit information.

**Temporary Hardship:** A temporary hardship due to circumstances listed in Section 13.9(1) of the City of Mesa Administrative Plan that does not extend beyond a 90-day period. A minimum rent will not be imposed for a period of 90-days from the date of the family's request.

**Tenant:** The person or persons (other than a live-in aide) who executes the lease as lessee of the dwelling unit.

**Tenant rent:** The amount payable monthly by the family as rent to the owner minus any utility allowance.

Tenant Rent Calculation:

Gross Annual Income - deductions = Adjusted Annual Income ÷ 12 = Adjusted Monthly Income  
 Adjusted Monthly Income X 30% = TTP  
 Greater of Eligible Payment Standard or Gross Rent – TTP = HAP  
 Rent to Owner – HAP = Tenant Rent

Tenant Rent Calculation – Prorated Assistance:

Gross Annual Income - deductions = Adjusted Annual Income ÷ 12 = Adjusted Monthly Income  
 Adjusted Monthly Income X 30% = TTP  
 Greater of Eligible Payment Standard or Gross Rent – TTP = HAP  
 HAP ÷ Total Number of Persons in the Household = HAP Per household member  
 HAP Per Household Member X Eligible Persons in the Household = Prorated HAP  
 Rent to Owner – Prorated HAP = Tenant Rent

**Third-party (verification):** Oral or written confirmation of a household's income, expenses, or household composition provided by a source outside the household, such as an employer, doctor, school official, etc.

**Tolling:** see suspension.

**Total tenant payment (TTP):**

Total tenant payment is the amount calculated under Section 3(a)(1) of the 1937 Act, which is the higher of:

- a. 30% of the family's monthly-adjusted income;
- b. 10% of the family's monthly income;
- c. Minimum rent; or

- d. If the family is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the family's actual housing costs, is specifically designated by such agency to meet the family's housing costs, the portion of such payments which is so designated.

If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under Section 3(a)(1) shall be the amount resulting from one application of the percentage.

**Upfront Income Verification (UIV):** Highest level of verification through electronic systems, such as a Department of Economic Security, The Work Number, or State wage information.

**Utilities Included:** Utilities included in the Total Rent to Owner, or Contract Rent, amount. Tenant is not eligible to receive Utility Allowance and the utility responsibility shall not change during the term of the lease agreement. May refer to all or specific utilities (water, sewer, trash paid by landlord).

**Utilities Not Included:** Utilities not included in the Total Rent to Owner, or Contract Rent, amount. Tenant eligible to receive Utility Allowance and the utility responsibility shall not change during the term of the lease agreement. May refer to all or specific utilities (i.e., tenant responsible for water, sewer, trash only).

**Utility allowance:** If the cost of utilities (except telephone) and other housing services for an assisted unit is not included in the tenant rent but is the responsibility of the family occupying the unit, an amount equal to the estimate made or approved by a MHSD or HUD of the monthly cost of a reasonable consumption of such utilities and other services for the unit by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful living environment.

**Utility hook-up charge:** In a manufactured home space rental, costs payable by a family for connecting the manufactured home to utilities such as water, gas, electrical and sewer lines.

**Utility reimbursement:** The amount, if any, by which the utility allowance for the unit, if applicable, exceeds the total tenant payment for the family occupying the unit.

**Verification:** The process of obtaining statements or document review from individuals whom can attest to the accuracy of the amounts of income, expenses, or household member status (e.g., employers, public assistance agency staff, doctors).

**Verification Tiers:** Levels of verification through Upfront Income Verifications, third party, document review, etc.

**Very low-income families:** Low-income families whose incomes do not exceed 50% of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families. *[1937 Act]*

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

**Voucher (rental voucher):** Applies to the Housing Choice Voucher Program only. A document issued by a MHSD to a family selected for admission to the Housing Choice Voucher Program. This document describes the program and the procedure for MHSD approval of a unit selected by the family and states the obligations of the family under the program.

**Voucher bedroom size:** The bedroom size for which the family qualifies.

**Voucher holder:** A family holding a voucher with un-expired search time.

**Waiting list admission:** An admission from MHSD waiting list. *[24 CFR 982.4]*

**Welfare assistance.** Welfare (TANF or cash assistance) or other payments to families or individuals, based on need, that are made under programs funded by Federal, State or local governments. [24 CFR 5.603(d)]

## **ACRONYMS**

ACC	Annual Contributions Contract
CACC	Consolidated Annual Contributions Contract
CFR	Code of Federal Regulations
FMR	Fair Market Rent
FSS	Family Self Sufficiency (program)
HA	Housing Authority (Mesa Housing Services Division)
HAP	Housing Assistance Payment
HCDA	Housing and Community Development Act
HQS	Housing Quality Standards
H.O.U.S.E.	Home Ownership Under Section Eight
HUD	Department of Housing and Urban Development
INS	(U.S.) Immigration and Naturalization Service
MHSD	Mesa Housing Services Division
NAHA	(Cranston-Gonzalez) National Affordable Housing Act
NOFA	Notice of Funding Availability
OMB	(U.S.) Office of Management and Budget
PHA	Public Housing Agency
PHA Plan	Public Housing Agency Plan (Annual/5-Year)
PIC	Public and Indian Housing Information Center
PIH	Public and Indian Housing
QHWRA	Quality Housing and Work Responsibility Act of 1998
RAB	Resident Advisory Board
REAC	Real Estate Assessment Center
RHIIP	Rental Housing Integrity Improvement Project
RIM Review	Rental Integrity Monitoring Review
SEMAP	Section 8 Management Assessment Program
TANF	Temporary Assistance to Needy Families
TASS	Tenant Assessment Sub-System
TTP	Total Tenant Payment
UA	Utility Allowance
UIV	Upfront Income Verification
URP	Utility Reimbursement Payment

# **Family Self-Sufficiency Program ACTION PLAN**

---

CITY OF MESA  
HOUSING SERVICES DIVISION

REVISED AND UPDATED

**December 2003**

---

## *TABLE OF CONTENTS*

<i>I.</i>	<i>FAMILY PROFILE .....</i>	<i>4</i>
<i>II.</i>	<i>ESTIMATE OF PARTICIPATING FAMILIES.....</i>	<i>5</i>
<i>III.</i>	<i>FSS FAMILY SELECTION PROCEDURES .....</i>	<i>5</i>
<i>IV.</i>	<i>FSS PARTICIPANT INCENTIVE PLAN .....</i>	<i>6</i>
<i>V.</i>	<i>FSS ACTIVITIES AND SUPPORTIVE SERVICES .....</i>	<i>8</i>
<i>VI.</i>	<i>METHOD FOR IDENTIFICATION OF FAMILY SUPPORT NEEDS .....</i>	<i>11</i>
<i>VII.</i>	<i>FSS PROGRAM TERMINATION.....</i>	<i>11</i>
<i>VIII</i>	<i>ASSURANCE OF NON-INTERFERENCE .....</i>	<i>12</i>
<i>IX.</i>	<i>TIMETABLE FOR PROGRAM IMPLEMENTATION.....</i>	<i>13</i>
<i>X.</i>	<i>CERTIFICATION OF COORDINATION .....</i>	<i>13</i>

## *INTRODUCTION*

In accordance with Section 23 of the U.S. Housing Act of 1937 and amended by Section 106 of the Housing and Community Development Act of 1992, the City of Mesa Housing Services Division has established a Family Self-Sufficiency Program as a result of receiving Section 8 funding in fiscal year 1992.

The goal of the City of Mesa's Family Self-Sufficiency (FSS) Program is to assist very low income families in becoming economically and socially self-sufficient. The minimum FSS Program size will be determined by Housing and Urban Development. A service plan and FSS contract will be developed and maintained for each qualified participating family member.

This revised and updated FSS Action Plan is hereby made a part of the Mesa Housing Services Section 8 Housing Programs Administrative Plan. The Action Plan describes how Mesa Housing Services (MHS) will administer the FSS Program.

*I. FAMILY PROFILE*

---

NUMBER OF FSS PROGRAM PARTICIPANTS

The City of Mesa’s FSS Program will consist of the minimum number of Section 8 families as required by HUD. The initial mandatory program size was established to be 134 families. Ongoing mandatory program size shall be reduced by one slot for each program graduate completed after October 21, 1998. (24 CFR 984.105(b)(3)). All FSS slots will be filled with current Section 8 participants who have volunteered for the program.

DEMOGRAPHIC CHARACTERISTICS OF SECTION 8 PARTICIPANTS

The City of Mesa’s Housing Services Division Section 8 Program includes the administration of 1585 vouchers. Of these families, 63% of Head of Household are age 49 or under; 86% Head of Household are female. Average annual earned income is under \$14,000. (Exhibit A.)

SUPPORTIVE SERVICES NEEDS OF FAMILY

It is anticipated that in order to reach the goals of the FSS Program, participants will continue to need the following supportive services:

- |                             |   |
|-----------------------------|---|
| Child care                  | Job search assistance                     |
| Remedial education          | Resume/job interview skills               |
| Vocational assessment       | Job retention training                    |
| Career development          | Secondary education                       |
| Household management skills | Parenting skills                          |
| Financial/money management  | Homeownership counseling                  |
| Family counseling           | Transportation                            |
| Case management             | Rehabilitation/substance abuse counseling |
| Job training/placement      |   |

The above supportive services are available in the Mesa community. FSS participants will be referred to the applicable community service provider as stipulated in their individual service plan.

---

*II. ESTIMATE OF PARTICIPATING FAMILIES*

Families are recruited to fill all FSS Federally mandated slots. It is anticipated that 100% of the FSS participants will be recipients of various types of supportive services. The type of supportive services received will depend on the family's individual goals and objectives listed in their service plan. The quantity and quality of supportive services received will depend on the resources available in the community and the availability of federal and private funding.

---

*III. FSS FAMILY SELECTION PROCEDURES*

#### OUTREACH AND RECRUITMENT

Current Section 8 participants will be informed of the FSS program during briefings, by mail, brochures/ announcements provided in the office lobby, and referral by Section 8 workers.. Families will be notified that the FSS program is a volunteer program and that their Section 8 housing assistance will not be withheld for non-participation or non-completion of program requirements.

Families will be asked to submit an FSS Application. Both minority and non-minority groups currently receiving Section 8 assistance will be targeted for participation in the FSS program.

Outreach and administration of the program will be done in accordance with Mesa Housing Service's Equal Opportunity Plan and Administrative Plan.

## SELECTION OF FSS PARTICIPANTS

Families who meet FSS program eligibility requirements will be selected to participate in the FSS program. Families will be selected without regard to race, color, religion, sex, handicap, familial status, or national origin.

When all FSS slots are filled, the remaining eligible FSS applicants and subsequent new applicants will be placed on an FSS waiting list. Families will be placed on the FSS waiting list according to the date and time in which their FSS interest form was received. The FSS selection committee will choose those individuals who are appropriate for the program. Port-in FSS participants will be given preference. The selection committee may consist of the FSS Coordinator and two other MHS staff serving as FSS Selection Committee Members.

FSS program eligibility requirements include, but are not limited to, the following:

1. Family must be currently participating in Section 8 housing
2. Family must attend a mandatory FSS orientation/briefing session
3. Family must have an overall goal to obtain self-sufficiency and be off public assistance as required by the FSS contract.
4. Head of household must be willing to seek and maintain employment during the FSS contract period.
5. Families must be willing to receive case management as part of their supportive services.

### *IV. FSS PARTICIPANT INCENTIVE PLAN*

As required by HUD, MHS will provide incentives for families who participate in the FSS program. The two main incentives that will be provided are the FSS escrow account, and for those who qualify, home ownership opportunities.

## FSS ESCROW ACCOUNT

Each FSS participant will have their own Escrow Account established in accordance with HUD Regulations. A spreadsheet will be maintained to record escrow deposits for each family. FSS escrow funds held by MHS will be invested in HUD-approved investments in accordance with HUD Handbook 7475.1, revised Section 4-8. Investment income (interest) will be credited at least annually to each participating family's FSS escrow account. A statement of escrow balance, credits, interest, and payments will be mailed to each family annually. Forfeited FSS escrow funds will revert to MHS and will be used for program expenses.

### Disbursement of FSS escrow funds

Escrow funds will be disbursed when the following occurs:

1. The FSS family completes the requirements of the contract of participation on or before the expiration of the contract. Also, the family must not receive public assistance for a one-year period prior to the expiration of the FSS Contract; OR
2. When 30% of family's monthly adjusted income equals or is greater than the Fair Market Rent amount for the unit size for which the family qualifies. Family must provide written certification that no member of the family is receiving welfare assistance.

The accrued escrow funds, minus any debts owed to MHS, will be disbursed to the designated head of household.

MHS may consider requests for an interim disbursement of a portion of the FSS escrow:

1. The request must be submitted in writing and meet requirements for interim disbursement as stated in the FSS contract. The family will show that the purpose is goal-related and the family has attempted other resources.
2. The FSS Coordinator will make a determination on a case-by-case basis for the early escrow release and the interim goals that must be completed prior to an early escrow disbursement. Disbursement must also be approved by the Housing Director.
3. Only one interim withdrawal from escrow may be approved per family
4. Amount of interim withdrawal from escrow may not exceed 50% of participant's current escrow balance.
5. Any interim disbursement will be deducted from the escrow balance.

### Forfeiture of FSS Escrow

The FSS families will automatically forfeit their FSS escrow when any of the following conditions apply:

1. The family fails to complete the goals listed on their contract of participation.
2. The family voluntarily withdraws from the program.
3. The family moves to a new Housing Authority's jurisdiction which does not have an FSS program.
4. The family is removed from the Section 8 program for non-compliance of lease agreement and/or Section 8 policy and rules.
5. The family continues to receive public assistance (welfare) at the end of the FSS contract term. (This does not include Medicaid, child care assistance, food stamps or housing subsidies.)

### HOMEOWNERSHIP

The FSS program coordinates homeownership workshops and seeks additional homeownership assistance, such as IDEA awards (funds matching escrow amount for downpayment) and other opportunities. Attention is focused on long-term and short-term homeownership preparation and readiness. Through the East Valley Alliance FSS, an FSS Homebuyers Club has been established for additional support and education to reach homeownership goals. MHS utilizes an FSS Homeownership Coordinator for ongoing participant assessment and guidance as well as developing program enhancements to transition more families into homeownership.

FSS participants may apply to use MHS's Section 8 homeownership option (for which FSS participants are given selection preference) or consider other first-time homebuyer options. FSS participants will be referred to Housing for Mesa, Inc. (HFM), a local non-profit low-income homeownership agency, for education, counseling, and possible downpayment assistance opportunities.

---

### *V FSS ACTIVITIES AND SUPPORTIVE SERVICES*

The activities and supportive services which will be provided by both private and public resources to FSS families include, but are not limited to, the following: child care,

remedial/secondary education, career development, job development and placement, parenting skills, household management skills, homeownership counseling, money management, transportation, family counseling, and case management.

MHS has formed partnerships with community social service agencies, many of whom are on the FSS Program Coordinating Committee (see Exhibit B). The FSS program has partnered with the neighboring cities of Chandler, Scottsdale, and Tempe to establish the East Valley Alliance FSS. This collaborative effort shares resources and an FSS Program Coordinating Committee advisory board, which meets quarterly. Participants benefit from planned activities, seminars, and workshops.

FSS participants will be referred to the agencies listed below for activities and supportive services. Additional services not listed, will be developed for families as stipulated in the Individual Training and Service Plan.

Housing/Homeownership and Case Management:

City of Mesa Housing Services	Mesa Community Action Network
Housing for Mesa, Inc	Habitat for Humanity
Neighborhood Housing Services of Phoenix	

Child Care:

DES/MAXIMUS	Childcare Resource and Referral
Headstart	Mesa Family YMCA

Remedial Education:

Frank X. Gordon Center	Rio Salado Community College
Maricopa Skills Center	Mesa Public Schools,
Mesa Community College	Community Education

Secondary Education:

Gateway Community College	Rio Salado College
Mesa Community College (MCC)	East Valley Institute of Technology
Arizona State University	

Career Development:

MCC Career/Re-entry Center	Maricopa Workforce Development
----------------------------	--------------------------------

Financial/Money Management

Consumer Credit Counseling	Mesa Community Action Network
Women's Resource Center	

Transportation:

Valley Metro	Worklinks/Maricopa county
Phoenix Transit	Mesa Community Action Network

Family Counseling/Rehabilitation:

Catholic Social Services	PREHAB of Arizona
East Valley Family Resource Center	Arizona Bridge to Independent Living
Value Options	

Legal and Domestic Issues

Womens' Resource Center	Community Legal Services
-------------------------	--------------------------

---

*VI. METHOD FOR IDENTIFICATION OF FAMILY SUPPORT NEEDS*

---

All families participating in the FSS program will be interviewed by a case manager who will assess their individual family needs. From the information gathered from the family, the case manager will develop a service plan for all family participants. The service plan will contain the family's goals, objectives, tasks, and resources which enable them to accomplish their goal of becoming economically self-sufficient. The case manager and the family will together determine the supportive services that the family will need to accomplish their goals. The FSS participant has the ultimate responsibility of pursuing all community resources listed in their service plan.

---

*VII. FSS PROGRAM TERMINATION*

---

The FSS family will be terminated from the FSS Program if the family does not fulfill the requirements of the Contract of Participation and/or violates the Section 8 Program regulations. FSS families will be thoroughly briefed prior to signing the Contract of Participation, of the conditions under which the family will be terminated from the FSS Program.

MHS may terminate participants from the FSS Program for the following reasons:

1. Mutual consent of both MHS and the family.
2. Failure of the FSS family to meet its obligation under the contract of Participation without good cause. This includes failure of the head of household to seek and maintain suitable employment during the contract period or failure of the household members to become independent of welfare assistance for a period of one year prior to termination of the FSS contract.
3. Termination or violation of the Section 8 Housing program regulations.
4. Failure to comply with FSS Contract of Participation due to relocation to a new HA jurisdiction.

5. The family's withdrawal from the FSS program.
6. By such other act as is deemed inconsistent with the FSS Program.
7. By operation of the law.

The family will not be allowed to participate in the FSS Program once terminated by MHS. However, the family's Section 8 housing will not terminate for non-compliance with the requirements of the FSS Contract of Participation. Failure of the family to comply with the FSS Contract of Participation or Section 8 Program regulations will lead to forfeiture of any FSS escrow money earned.

#### GRIEVANCE AND REVIEW PROCEDURES

For action of FSS denial or termination not involving termination of Section 8 assistance, MHS will give FSS applicants and participants an opportunity for an informal review by the Housing Supervisor.

#### *VIII. ASSURANCE OF NON-INTERFERENCE*

---

MHS assures the Section 8 housing participant during the briefing session that a family's election not to participate in the FSS Program will not affect the family's admission to the Section 8 Program or the family's right to occupy in accordance with its lease.

All FSS families volunteer to participate in the program. Families must be current Section 8 recipients and submit an FSS Application to MHS to be selected for the program. MHS will select participants who voluntarily commit to the program.

*IX. TIMETABLE FOR PROGRAM IMPLEMENTATION*

The City of Mesa Housing Authority implemented the FSS Program within 12 months of the 1992 Section 8 Housing Certificate Award as required by HUD FSS Regulation 984.301. By 1994, all FSS families signed contracts of participation and received supportive services as stipulated in their service agreement. This occurred within the two-year time frame set by HUD and operation of the program continues, following the requirements of HUD regulations, and an ongoing program continues.

*X. CERTIFICATION OF COORDINATION*

The City of Mesa Housing Services Division certifies that the services and activities have been coordinated with HUD and Arizona Department of Economic Security and that implementation will continue to be coordinated, in order to avoid duplication of services and activities with the stated agency (Exhibit C.) The City is committed to providing quality supportive services to FSS participants.

**EXHIBIT A**

Section 8: Summary Head of Household Based on Age Group

Under 30	30-39	40-49	50-59	60-69	70-79	80+	Total
273	392	339	162	142	165	112	1585

Section 8: Summary Head of Household Based on Gender

Female	Male	Total
1355	230	1585

Section 8: Summary Totals of Income Source

	Number	Average Amt
B - Own Business	16	\$3,216
C – Child Support	207	\$3,620
E – Medical Reimbursement	274	\$705
G – General Assistance	4	\$3,777
HA – HA Wage	4	\$11,494
I – Indian Trust / per capita	12	\$1,295
IW – Annual Imputed Welfare Income	2	\$1,888
N – Other Non-wage Sources	826	\$2,779
P – Pension	279	\$2,830
S - SSI	584	\$4,527
SS – Social Security	1575	\$8,369
T- TANF	295	\$3,546
U – Unemployment Benefits	17	\$8,596
W – Other Wage	572	\$13,876
<b>TOTAL</b>	<b>4667</b>	<b>\$6,238</b>

EXHIBIT B

**FSS PROGRAM COORDINATING COMMITTEE MEMBERS**

**East Valley Alliance Family Self-Sufficiency**

- ❖ Housing for Mesa, Inc
- ❖ Mesa Community College, Career Re-Entry Center
- ❖ Arizona State University, Child & Family Services
- ❖ MAXIMUS
- ❖ Southeast Valley Regional Association of Realtors
- ❖ Salt River Project
- ❖ East Valley Family Resource Center
- ❖ National Bank of Arizona
- ❖ Maricopa Workforce Development Center and Worklinks program
- ❖ Arizona Bridge to Independent Living
- ❖ Tempe Community Council
- ❖ BANKFIRST
- ❖ Maricopa County Headstart
- ❖ Community Legal Services
- ❖ WYSR Academy
- ❖ Arizona Women's Education and Employment
- ❖ FSS Participant Representatives (2)
- ❖ FSS Coordinators of Mesa, Chandler, Scottsdale, and Tempe

## EXHIBIT C

**Memorandum of Agreement  
between  
The U.S. Department of Housing and Urban Development  
The Arizona Department of Economic Security  
Maximus-Arizona Works  
and The City of Mesa Housing Services Division**

**SUBJECT:**

Memorandum of Agreement between the U.S. Department of Housing and Urban Development, the Arizona Department of Economic Security, Maximus-Arizona Works and the City of Mesa Housing Services Division to improve, through collaboration and partnership, services administered by each of the partners which impact the self-sufficiency of concurrently enrolled low-income clients.

**I. Purpose and Background:**

The U. S. Department of Housing and Urban Development (HUD), the Arizona Department of Economic Security (DES), Maximus-Arizona Works and the City of Mesa Housing Services Division enter into this Memorandum of Agreement to ensure that linkages are strengthened and/or developed to provide opportunities of self-sufficiency for low-income residents who reside in federally assisted housing (Section 8) and are enrolled in the state's public assistance programs. The efforts to move low-income residents off welfare and out of federally assisted housing can occur when the agencies responsible for operating these programs work together.

In cases where HUD and DES have the primary responsibility for administering funding, oversight and enforcement directly to city departments or their designee divisions, this agreement is made and follows the guidelines of the related Acts and regulations as set forth by law(s).

The expressed purpose of this Memorandum of Agreement is expressed to focus resources and foster resident self-sufficiency.

**I. Goals and Objectives:**

- To participate on joint task teams to ensure technical competence, expertise and consistency in delivering related program services.
- To develop improved coordination and communication mechanisms between the partners resulting in effective use of public resources and greater success of program participation.
- To improve data sharing and problem solving in areas where mutual clients are represented.
- To identify and resolve in a timely manner policy and program issues which are crosscutting and have significant impact on mutual clients.

**III. Implementation Plan:**

HUD, DES, Maximus-Arizona Works and the City of Mesa (designated department or division) will establish a formal cross-agency team to develop action plans and appropriate measures directed toward the desired goals and objectives.

**IV. Cancellation**

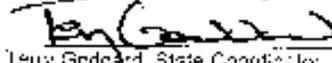
This Memorandum of Agreement may be cancelled pursuant to ARS 38-511 in the event there is a conflict of interest or for cause or convenience upon notice to the other parties.

**V. Approvals:**

This Memorandum of Agreement shall be deemed effective on the date of the last signature below:

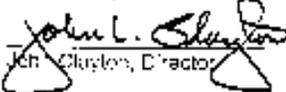
**Approved and Accepted for the U.S. Department of Housing and Urban Development:**

U.S. Department of Housing and Urban Development

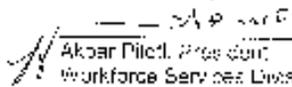
 11/02/01  
Terry Goddard, State Coordinator Date  
Arizona State Office HUD

**Approved and Accepted for the Arizona Department of Economic Security:**

Arizona Department of Economic Security

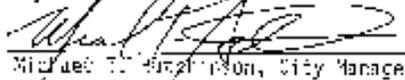
 NOV 6 2001  
John Clayton, Director Date

**Approved and Accepted for Maximus-Arizona Works:**

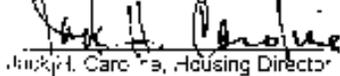
 10/22/01  
Akbar Pineda, President Date  
Workforce Services Division

**Approved and Accepted for the City of Mesa:**

City of Mesa

 9/24/01  
Michael T. Stephenson, City Manager Date

City of Mesa Housing Services Division

 9.18.01  
Nikki Carrozza, Housing Director Date



**Housing Services Division**  
415 North Pasadena • Mesa, Arizona 85201  
Tel: 480-644-3536 • Fax: 480-644-2923  
[www.CityofMesa.org/housing](http://www.CityofMesa.org/housing)

## **MESA HOUSING SERVICES DIVISION**

### **SECTION 8 HOME OWNERSHIP PROGRAM DESCRIPTION**

#### **“HomeOwnershipUnderSectionEight Program”**

#### **1. GENERAL PROVISIONS**

The Section 8 Home Ownership Program of Mesa Housing Services ("MHS") permits eligible participants in the Section 8 Housing Choice Voucher program, including participants with portable vouchers, the option of purchasing a home with their Section 8 assistance rather than renting. MHS's HOUSE Program provides one of two types of home ownership assistance for a family: monthly home ownership assistance payments or a single downpayment assistance grant.

Eligible applicants for the Section 8 Home Ownership Program must have completed an initial Section 8 lease term in Mesa, may not owe MHS or any other Housing Agency an outstanding debt, and must meet the eligibility criteria set forth herein.

In accordance with State and Federal Fair Housing laws, Mesa Housing Services ("MHS") does not discriminate against any person due to disability. Upon request, MHS provides reasonable accommodations that allow people with disabilities an equal opportunity to participate in and benefit from MHS's housing programs.

Section 8 Home Ownership assistance may be used to purchase the following type of homes within the City of Mesa: new or existing single-family, condominium, planned use developments, or manufactured homes with a permanent foundation. MHS also will permit portability of Section 8 Home Ownership assistance to another jurisdiction, provided the receiving jurisdiction operates a Section 8 Home Ownership Program for which the Section 8 Home Ownership applicant qualifies.

Currently MHS may utilize up to 15 of it's HCV Vouchers for the home ownership option.

#### **2. FAMILY ELIGIBILITY REQUIREMENTS**

Participation in the Section 8 Home Ownership Program is voluntary. The eligibility requirements for participation in MHS's Section 8 Home Ownership Program include:

## ATTACHMENT C

### A. First-Time Homeowner

Each Section 8 family must be a first-time homeowner. A "first-time homeowner" means that no member of the household has had an ownership interest in any residence during the three years preceding commencement of home ownership assistance. However, a single parent or displaced homemaker who, while married, owned a home with a spouse (or resided in a home owned by a spouse) is considered a "first-time homeowner" for purposes of the Section 8 home ownership option; and the right to purchase title to a residence under a lease-purchase agreement is not considered an "ownership interest."

### B. Minimum Income Requirement

#### (1) Amount of Income – Disabled families

Minimum income shall be equal to the monthly Federal Supplemental Security Income (SSI) benefit for an individual living alone multiplied by twelve.

#### (2) Amount of Income – Non-disabled families

At the time the family begins receiving home ownership assistance, the head of household, spouse, and/or other adult household members who will own the home, must have a gross annual income at least 30% of median income for family size (at or above the "extremely low" income level.)

In determining whether an elderly or disabled family meets the minimum income requirement, welfare assistance shall be included only for those adult elderly or disabled family members who will own the home.

### C. Employment History

#### (1) FSS Families

With the exception of disabled and elderly households, the families participating in the FSS Program must demonstrate that one or more adult members of the family who will own the home at commencement of home ownership assistance is employed full-time (an average of 30 hours per week) and has been so continuously employed for one year prior to being considered for participation in the home ownership option.

#### (2) Non-FSS Families

With the exception of disabled and elderly households, the families NOT participating in the FSS Program must demonstrate that one or more adult

## ATTACHMENT C

members of the family who will own the home at commencement of home ownership assistance is employed full-time (an average of 30 hours per week) and has been so continuously employed for two years prior to being considered for participation in the home ownership option.

### D. Completion of Initial Lease Term

Applicants for and new participants in the Section 8 Housing Choice Voucher program shall be ineligible for participation in the Section 8 Home Ownership Program until completion of an initial Section 8 lease term of one year in Mesa and the participant's first annual recertification in the Section 8 Housing Choice Voucher program.

### E. No Outstanding Debts to Any Housing Agency

Participants in the Section 8 Housing Choice Voucher program shall be ineligible for the home ownership program in the event any debt or portion of debt remains owed to MHS or any other Housing Agency.

### F. No current ownership

No family member may have present ownership interest in a residence.

### G. Prior Mortgage Defaults

If a head of household, spouse, or other adult household member who will execute the contract of sale, mortgage and loan documents have previously defaulted on a mortgage obtained through the Section 8 Home Ownership Program, the family will be ineligible to participate in the Home Ownership Program.

### H. Other HOUSE Requirements

#### (1) FSS Participation

Families that participate in MHS's Family Self Sufficiency ("FSS") program will be given preference for the HOUSE Program. The FSS Program is geared for families who are able to work to increase their earned income. FSS offers specific strategies and support for home ownership preparation in addition to the financial advantage of FSS escrow.

#### (2) Non-FSS Participation

For consideration in the HOUSE Program, families that do not participate in MHS's FSS Program, must complete the following Pre-Application workshop sessions:

## ATTACHMENT C

- i. Homeownership: Pros & Cons
- ii. Financial Literacy
- iii. IDA's & Savings
- iv. Basic Understanding of Your Credit

### 3. FAMILY PARTICIPATION REQUIREMENTS

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

#### A. Home Ownership Counseling Program

A family's participation in the Home Ownership Program is contingent on the family attending and successfully completing a home ownership counseling program provided by Housing For Mesa, Inc ("HFM, Inc") or approved by MHS prior to commencement of home ownership assistance. The home ownership counseling program will include home maintenance; budgeting and money management; credit counseling; negotiating purchase price; securing mortgage financing; finding a home; the advantages of purchasing and locating homes in areas that do not have a high concentration of low-income families, information on Fair Housing, Real Estate Settlement Procedures Act, truth-in-lending, and how to identify and avoid predatory lending practices.

The counseling agency providing the counseling program shall be approved by Housing and Urban Development. MHS may require any or all participating family members to attend additional housing counseling classes as a condition of continued assistance.

#### B. Locating and Purchasing a Home

##### (1) Locating A Home

Upon issuance of the Home Ownership Voucher, a family shall have one hundred eighty (180) days to locate a home to purchase. A home shall be considered located if the family submits a proposed sales agreement with the requisite components to MHS/HFM, Inc. For good cause, MHS may extend a Section 8 family's time to locate the home for additional thirty (30) day increments (may require re-verification of eligibility). During a Section 8 participant's search for a home to purchase, their Section 8 rental assistance shall continue pursuant to the Administrative Plan. If a Section 8 participant family is unable to locate a home within the time approved by MHS, their Section 8 rental assistance through the Section 8 Housing Choice Voucher program shall continue. Participant must regularly provide evidence of active search during the 180-day search period; MHS reserves the right to withdraw the home ownership voucher if participant: 1) does not pursue a sales agreement, 2) is found in violation of program rules, 3) no longer meets eligibility.

*Revised Feb 2005*

## ATTACHMENT C

### (2) Type of Home

A family approved for Section 8 home ownership assistance may purchase the following type of homes within the City of Mesa: a new or existing home, a single-family home, a condominium, a home in a planned use development, or a manufactured home with a permanent foundation to be situated on a privately owned lot. The home must be existing or under construction at the time the family enters into the contract of sale. The family also may purchase a home in a jurisdiction other than the City of Mesa, provided the Housing Authority in the receiving jurisdiction operates a Section 8 Home Ownership Program for which the Section 8 Home Ownership applicant qualifies. A family's participation in the Section 8 Home Ownership Program will be subject to the Section 8 Home Ownership Program and policies of the receiving jurisdiction.

### (3) Purchasing a Home

Once a home is located and a sales agreement approved by HFM, Inc is signed by the family, the family shall have up to three (3) months, or such other time as is approved by MHS's Director to purchase the home.

### (4) Failure to Complete Purchase

If a Section 8 participant is unable to purchase the home within the maximum time permitted by MHS, MHS shall continue the family's participation in the Section 8 Housing Choice Voucher program. The family may not re-apply for the Section 8 Home Ownership Program until they have completed an additional year of participation in the Section 8 Housing Choice Voucher program following the expiration of their search period.

## C. Sales Agreement

The sales agreement must provide for inspection by MHS and the independent inspection referred to in Section 3(D) and must state that the purchaser is not obligated to purchase unless such inspections are satisfactory to MHS. The contract also must provide that the purchaser is not obligated to pay for any necessary repairs without approval by MHS. The sales agreement must provide that the purchaser is not obligated to purchase if the mortgage financing terms are not approved by MHS/HFM, Inc.

## D. Independent Initial Inspection Conducted

To assure the home complies with the housing quality standards of the Section 8 program, home ownership assistance payments may not commence until MHS first inspects the home. An independent inspection of existing homes covering major building systems must be completed by a professional selected and hired by the family. MHS will not pay for the independent inspection. The independent inspection report must be provided to MHS. MHS may disapprove the unit due to

*Revised Feb 2005*

## ATTACHMENT C

information contained in the report or for failure to meet federal housing quality standards.

### E. Financing Requirements

The proposed financing terms must be submitted to and approved by MHS/HFM, Inc prior to close of escrow. MHS shall determine the affordability of the family's proposed financing. In making such determination, MHS may take into account other family expenses, including but not limited to child care, unreimbursed medical expenses, education and training expenses and the like. Certain types of financing, including but not limited to balloon payment mortgages, are prohibited and will not be approved by MHS. Seller-financing mortgages shall be considered by MHS on a case-by-case basis. If a mortgage is not FHA-insured, MHS will require the lender to comply with generally accepted mortgage underwriting standards.

### F. Compliance With Family Obligations

A family must agree, in writing, to comply with all family obligations under the Section 8 program and MHS's Home Ownership policies. These obligations are stated in the Family Obligations document, as shown here:

1. **Family Obligations:** You must comply with all Family Obligations of the Section 8 Housing Choice Voucher Program (24 CFR 982), excepting only the prohibition against owning or having an interest in the unit.
2. **Initial and Continued Eligibility:** You must provide all information as required to verify ALL sources of family income and household composition. Any changes must be reported to MHS in writing within 10 days. Violation or failure to report may result in termination of assistance.
3. **Housing Counseling:** All participating family members (i.e. those signing the purchase offer and loan documents) must satisfactorily complete a MHS provided or approved counseling program prior to commencement of home ownership assistance. MHS may require any or all participating family members to attend additional housing counseling classes as a condition of continued assistance.
4. **Purchase Contract:** You must include contract conditions in any Offer to Purchase that give MHS a reasonable time (a) to inspect the home for compliance with HUD's Housing Quality Standards (HQS); (b) to review and **approve** a professional home **inspection report** by a licensed home inspector hired by you; and (c) **approve the terms of your proposed financing**. You must advise your Realtor of these requirements.
5. **Mortgage Obligations:** You must comply with the terms of any mortgage incurred in the purchase of the property and must notify MHS's HOUSE Program Coordinator **within five (5) days of receipt** of any late payment or default notice. You also agree that MHS will be automatically notified by the lender (or lender's agent) of any late payment/default.
6. **Occupancy:** You must occupy the unit as your principal residence. You may not transfer, sell, or assign any interest in the property without MHS's prior written consent. You may not rent or lease any part of the premises without MHS's prior written consent. You must notify MHS in writing **at least 30 days prior to moving out of the house for a period of 30 days or longer or prior to any sale, transfer, assignment, lease** or other form of alienation of the assisted property.
7. **Maintenance:** You must maintain the property in a decent, safe and sanitary manner. MHS may conduct an annual HQS inspection. If you fail to adequately maintain the property, MHS will take measures with local code compliance or any other appropriate course of action.
8. **Annual Re-examination:** You must annually provide MHS with current information regarding family income and composition in a format required by MHS.

## ATTACHMENT C

9. **Refinancing:** You must notify MHS in writing of any proposal to refinance the original purchase mortgage or of any proposal to encumber the property with secondary financing and obtain MHS's written approval of such financing prior to executing any loan documents.

10. **Default: In the event of a default on your mortgage obligation, you must cooperate with MHS and the lender to minimize any loss to the lender in order to maintain your eligibility to continue as a participant in the Section 8 Housing Choice Voucher Program.**

11. During the time the family receives home ownership assistance, no family member may have any ownership interest in any other residential property."

### G. Compliance Lien

- (1) Upon purchase of a home, the family must execute documentation as required by HUD and MHS, consistent with State and local law.
- (2) Recorded document shall include refinancing limitations and similar agreements listed in Family Obligations document.

## 4. AMOUNT OF ASSISTANCE

### A. Monthly Assistance Payment

The amount of the monthly assistance grant will be based on three factors: the Voucher payment standard for which the family is eligible; the monthly home ownership expense; and the family's household income. MHS will pay the lower of either the payment standard minus the Total Tenant Payment ("TTP" is 30% of family's adjusted monthly income) or the family's monthly home ownership expenses minus the TTP. The Section 8 family will pay the difference.

NOTE: For initial eligibility, if the calculation results in no subsidy, Zero HAP, homeownership assistance may not commence and the family is considered ineligible for the program.

#### (1) Determining the Payment Standard for monthly assistance

The HOUSE voucher payment standard is the HCV Rental payment standard MHS establishes for a unit of a particular size located within the MHS jurisdiction. In the Home Ownership Program, the initial payment standard will be the lower of either the payment standard for which the family is eligible based on family composition, or the payment standard which is applicable to the size of the home the family purchases.

The payment standard for subsequent years will be based on the higher of the payment standard in effect at commencement of the home ownership assistance, or the payment standard in effect at the most recent regular reexamination of the family's income and composition.

The initial payment standard, for purposes of this comparison, shall not be adjusted even if there is a subsequent decrease in family size. MHS may request HUD approval of a higher payment standard, up to 120% of the

## ATTACHMENT C

published Fair Market Rent limit, where warranted as a reasonable accommodation for a family.

### (2) Determining the Monthly Home Ownership Expense

Monthly home ownership expense includes all of the following: principal and interest on the initial mortgage and any mortgage insurance premium (MIP) incurred to finance the purchase and any refinancing of such debt; real estate taxes and public assessments; homeowner's insurance; maintenance expenses and costs of major repairs and replacements per MHS allowance; utility allowance per MHS's schedule of utility allowances; homeowner association dues, fees or regular charges assessed; and principal and interest on mortgage debt incurred to finance changes needed to make the home accessible.

### (3) Determining the Total Family Contribution

The TFC is that portion of the home ownership expense that the family must pay. It is generally 30% percent of the family's monthly adjusted income, plus any gap between the payment standard and the actual housing cost. All family income (including public assistance) will be counted to determine the family's adjusted monthly income for purposes of determining the amount of assistance. TFC may not exceed 50% of adjusted monthly income.

### (4) Housing Assistance Payment

MHS will pay the HAP and the family will be responsible to submit their portion of the mortgage payment directly to the lender (or lender's agent) unless otherwise required by the lender.

### (5) Down Payment Requirement

MHS has established that the minimum down payment for purchase of a home will be 3% of sale price. Family's contribution toward down payment: at least 1% of sale price comes from family's personal resources, not including gifts.

## B. Downpayment Assistance Grant\*

The amount of the downpayment assistance grant will be based on two factors: the Voucher payment standard for which the family is eligible and family's household income. A one time grant will be paid at closing equal to 12 times the difference between the payment standard and total tenant payment (TTP.) Home ownership expenses are not considered in the calculation.

(1) Parts "F" & "G" of the "Family Participant Requirements" section do not apply to the Downpayment Assistance Grant (DAG) option

(2) The downpayment assistance grant amount is paid at the time of closing to the closing agent.

## ATTACHMENT C

- (3) Down payment assistance grant amount is not to be applied toward closing costs

Returning to rental assistance: A family who has received a DAG may apply for, and receive, tenant-based rental assistance in accordance with program requirements and PHA policies. However, the PHA may not commence tenant-based rental assistance for occupancy of the new unit so long as any family member owns any title or other interest in the home purchased with home ownership assistance. Further, 18 months must have past since receipt of the DAG.

*\*The DAG provision is subject to publication of HUD Notice in Federal Register that appropriated funds are available for this use.*

## 5. TERMINATION OF SECTION 8 HOME OWNERSHIP ASSISTANCE

### A. Grounds for Termination of Home Ownership Assistance

- (1) Failure to Comply with Family Obligations Under Section 8 Program or MHS's Home Ownership Policies

A family's home ownership assistance may be terminated if the family fails to comply with its obligations under the Section 8 program, MHS home ownership policies, or if the family defaults on the mortgage. The family must comply with the terms of any mortgage incurred to purchase and/or refinance the home. The family must provide MHS with written notice of any sale or transfer of any interest in the home; any plan to move out of the home prior to the move; the family's household income and home ownership expenses on an annual basis; any notice of mortgage default received by the family; and any other notices which may be required according to MHS home ownership policies. The family may not convey or transfer the home to any entity or person other than a member of the assisted family while receiving home ownership assistance.

- (2) Occupancy of Home

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

- (3) Changes in Income Eligibility

A family's home ownership assistance may be changed at annual or interim recertification of the household income, but participation in the Section 8 Home Ownership Program shall continue until such time as the

## ATTACHMENT C

assistance payment amounts to \$0 for a period of six (6) consecutive months.

### (4) Maximum Term of Home Ownership Assistance

A family may receive Section 8 home ownership assistance for not longer than ten (10) years from the date of close of escrow unless the initial mortgage incurred to finance purchase of the home has a term that is 20 years or longer, in which case the maximum term is 15 years. Families that qualify as elderly at the commencement of home ownership assistance are not subject to a maximum term limitation. Families that qualify as disabled families at the commencement of home ownership assistance or at any time during the provision of home ownership assistance are not subject to a maximum term limitation. If a disabled family or elderly family ceases to qualify as disabled or elderly, the appropriate maximum term becomes applicable from the date home ownership assistance commenced; provided, however, that such family shall be eligible for at least six additional months of home ownership assistance after the maximum term becomes applicable. The time limit applies to any member of the household who has an ownership interest in the unit during any time that home ownership payments are made, or is a spouse of any member of the household who has an ownership interest.

### B. Procedure for Termination of Home Ownership Assistance

A participant in the Section 8 Home Ownership Program shall be entitled to the same termination notice and informal hearing procedures as set forth in the Administrative Plan of the MHS for the Section 8 Housing Choice Voucher program.

## 6. CONTINUED PARTICIPATION IN SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

### A. Default on FHA-Insured Mortgage

If the family defaults on an FHA-insured mortgage, MHS may permit the family to move with continued Section 8 housing choice rental assistance if the family demonstrates that it has (1) conveyed title to the home to HUD or its designee, as required by HUD; and (2) moved from the home within the period established or approved by HUD.

### B. Default on non-FHA-Insured Mortgage

If the family defaults on a mortgage that is not FHA-insured, MHS may permit the family to move with continued Section 8 Housing Choice Voucher rental assistance if the family demonstrates that it has (1) conveyed title to the home to the lender or to its designee and (2) moved from the home within the period established or approved by the lender and/or MHS.

*Revised Feb 2005*

## ATTACHMENT C

### 7. MHS ADMINISTRATIVE FEE

#### A. Monthly assistance payments

For each month that home ownership assistance is paid by MHS on behalf of the family, MHS shall be paid the ongoing administrative fee described in 24 C.F.R. §982.152(b).

#### B. Downpayment assistance grant

The single, one time administrative fee will be equal to six months of MHS's ongoing regular administrative fee.

### 8. WAIVER OR MODIFICATION OF HOME OWNERSHIP POLICIES

The Housing Director of MHS shall have the discretion to waive or modify any provision of the Section 8 Home Ownership Program or policies not governed by statute or regulation for good cause or to comply with changes in HUD regulations or directives.

**PROJECT-BASED SECTION 8 ASSISTANCE PROGRAM*****I. General***

Mesa Housing Services Division (MHSD) shall project-base a maximum of two (2) project sites. Project sites may be existing, under construction, or already constructed, but in need of rehabilitation, as MHSD determines acceptable. MHSD may project-base no more than 20 percent of the total number of vouchers funding through HUD. MHSD shall utilize current HUD Annual Contributions Contract (ACC) and other grant awards to fund these projects.

***II. Program Size***

- A. MHSD shall designate no more than a total of forty (40) units total from a maximum of two (2) project sites.
- B. The number of project-based vouchers at any selected site may not exceed 25 percent of the total number of units per building. If the result is a fraction, MHSD shall round down to the nearest whole number.
- C. MHSD has elected not to request additional project-based vouchers for elderly or disabled units above the 25 percent cap; however, MHSD may elect to seek additional funding for project-based vouchers beyond the current ACC subsidy.

***III. Acceptable Project Sites***

- A. MHSD has elected to project-base only existing units within the City of Mesa.
- B. Acceptable units may include existing units that do not need rehabilitation, as well as newly constructed or rehabilitated units. Acceptable units must be consistent with: MHSD's Administrative Policy relating to Waiting List Selection, Housing Quality Standard (HQS) criteria, and policies and procedures for calculation of rental portion breakdown; MHSD's Public Housing Agency Plan; and HUD's Statutory Goals of Deconcentration and Expanding Economic Opportunities.
- C. Acceptable units must meet or exceed Housing Quality Standards (HQS) prior to entering into a project-based HAP Contract. Units cannot require more than \$1,000 of rehabilitation per unit, including a pro-ration for repairs to common areas or systems.
- D. Project-based sites must have a current Crime-Free Multihousing Designation.

#### ***IV. Term of Participant's Project-Based Voucher***

- A. Families who have been offered and accepted a Project-Based Voucher are limited to residing in the specified unit for a minimum of twelve (12) months—or one (1) Annual Reexamination cycle. Within the twelve (12) month period—or one (1) Annual Reexamination cycle—the family shall comply with the Annual Reexamination policies and procedures. The family may not move from the unit within the twelve (12) month period—or one (1) Annual Reexamination cycle—and maintain rental assistance.
- B. After the initial twelve (12) months—or one (1) Annual Reexamination cycle—the family's Project-Based voucher may convert to a tenant-based voucher if funding is available, and the family may have the option of moving to a different unit or staying in the same unit. The family will then fall under the guidelines of the tenant-based Housing Choice Voucher Program if they wish to accept the tenant-based voucher. MHSD shall evaluate each family upon renewal—or at each Annual Reexamination cycle—to determine if funding is available to convert the family's voucher, while maintaining the required project-based voucher count.
- C. If a family is not offered a tenant-based voucher after the initial twelve (12) months—or Annual Reexamination cycle—the family may remain in the project-based unit, while maintaining the Family Obligations under the Project-Based Voucher until such time a tenant-based voucher is offered and accepted.

#### ***V. Term of HAP Contract Between Project Site and MHSD***

- A. The initial term of the Housing Assistance Payments (HAP) Contract between the Project Site Owner(s) and MHSD shall not exceed ten (10) years, subject to the future availability of appropriations and funding under the Annual Contributions Contract (ACC) between HUD and MHSD. MHSD shall have the option of extending the contract for up to one (1) year after the initial term; however, MHSD is not obligated to do so.
- B. If MHSD elects to extend the HAP Contract between the Project Site Owner(s) and MHSD, MHSD shall follow prescribed HUD and regulatory practices.
- C. If MHSD elects not to extend the HAP Contract between the Project Site Owner(s) and MHSD, MHSD shall notify, in writing, the Project Site Owner(s) and the tenant(s) residing in the project-based units of the termination and non-renewal of the HAP Contract at least sixty (60) days prior to the established termination date. If funding is available, MHSD may offer the tenant(s) residing in the project-based unit(s) a tenant-based voucher effective upon the termination date of the existing project-based contract. All project-based units shall maintain prescribed Housing Quality Standards (HQS) until the termination date of the HAP Contract.

## ***V. Waiting List Selection***

- A. MHSD shall utilize the current Section 8 Waiting List when offering Project-Based Vouchers. At a future date, MHSD may also elect to create a separate Project-Based Waiting List, or to utilize a combined Waiting List, as deemed necessary.
- B. An applicant shall be selected from the Waiting List as per the selection procedure detailed in the City of Mesa Administrative Policy and offered a Project-Based Voucher for a site specified by MHSD, which HUD has approved as acceptable. If the applicant declines the Project-Based Voucher, then the applicant shall be returned to the Waiting List, without penalty, and the next family on the list shall be offered the Project-Based Voucher. If a family accepts the Project-Based Voucher, the family shall reside in the designated unit for at minimum of twelve (12) months—or one (1) Annual Reexamination cycle. Depending upon funding availability, the family’s Project-Based Voucher may convert to a tenant-based voucher, at which time the family’s rights and responsibilities shall fall under the Family Obligations of the tenant-based Section 8 Housing Choice Voucher Program.
- C. As approved project-based units become vacant or “turned over,” MHSD shall follow the guidelines set forth in *V.B.* of this document and in *Sections 5.0* and *6.0* of the City of Mesa Administrative Policy document to maintain the required leased project-based units.
- D. Only tenants who meet income eligibility and pass MHSD criminal background check requirements may be allowed to reside in a project-based subsidized unit.
- E. MHSD and the owner(s) or owner’s representative must provide written approval before a family or family member may be allowed to reside in a project-based subsidized unit. All persons 18 years of age or older must pass a criminal background check conducted by MHSD. Any additions to the household must follow MHSD’s regular procedure.

## ***VI. Initial Program Set-Up***

- A. Designated units
  - 1. Units initially identified as project-based shall remain so designated through the lifetime of the contract period between MHSD and the owner of the property.

2. Selected buildings shall be located in census tracts with poverty rates of less than 20 percent. A waiver of this requirement may be obtained through the HUD Regional Office (San Francisco).
  3. MHSD must perform a site and neighborhood review of selected properties for consistency with HUD goals of deconcentration of poverty and expanding housing and economic opportunities.
  4. For existing buildings, MHSD shall conduct a subsidy layering review, as required by HUD.
  5. For existing buildings, MHSD shall coordinate the services of a state certified appraiser to determine rent reasonableness and the appropriate Rent to Owner (Contract Rent) for the unit(s).
  6. For existing buildings, units must meet or exceed Housing Quality Standards (HQS) prior to entering into a project-based HAP Contract with MHSD. Units cannot require more than \$1,000 of rehabilitation per unit, including a pro-ration of repairs to common areas or systems.
- B. Requests for Proposal – Advertisement and Solicitation of Owners of Project - Based Sites
1. MHSD shall advertise a public notice for Requests for Proposals for at minimum three (3) weeks in at least one (1) local newspaper.
  2. The advertisement shall run for no more than thirty (30) days, and the response due date shall be at least thirty (30) following the date of the last advertisement.
  3. Detail requirements relating to the Request for Proposal shall be obtained in a packet of information provided to all owners/developers who respond to the advertisement. Packets of information shall be provided to all interested parties up to the due date of the Request for Proposal.

## ***VII Procedures and Criteria for Selection of Section 8 Project-Based Units***

### **A. Owner Participation**

1. Requests for Proposals from owners/developers shall be solicited through a public notice issued in at least one (1) newspaper of general circulation. Full information about the Project-Based Section 8 Assistance Program shall be provided in an Owner Packet made available at the MHSD administrative office. The advertisement shall run for at least thirty (30)

days, with the application deadline set at least additional thirty (30) days beyond the last advertisement date. The notice shall specify the number of units expected to be assisted and state that only applications in response to this ad within the required timeframe shall be considered (24 CFR 882.720[B][1]).

2. The Request for Proposal from the owner must include the following information:
  - (a) The name of the owner, including all partners, limited partners, name, address and phone numbers, as well as the person/entity who owns or controls, or will the property under consideration.
  - (b) The identify of the owner, builder, architect, and management agent and names of officers, principal members, shareholders, and investors. Any possible conflicts of interest by any of these parties and information on participant qualifications shall be identified in the Request for Proposal.
  - (c) The number, type, and bedroom size of unit(s) to be rehabilitated with a description of housing including number of units by square feet, bedroom count, bathroom count, sketches, unit plans, listing of amenities and services, and estimated date of completion.
  - (d) The address of unit(s) to be rehabilitated and date of original construction.
  - (e) The number and bedroom size of vacant units proposed to be assisted by bedroom size and family characteristics of present tenants.
  - (f) The number of occupied units proposed to be assisted by bedroom size and family characteristics of present tenants.
  - (g) Evidence of site control.
  - (h) Evidence of permissive zoning, if necessary.
  - (i) The proposed project rent per unit, including utilities, services, and equipment provided in rent and an estimate of all monthly cost of utilities not included in rent.
  - (j) A summary of owner prior participation in HUD or the City of Mesa Housing Services Division's programs.

- (k) A statement of owner plans for managing and maintaining the unit(s).
- (l) A statement of previous management experience of owner management agent(s).
- (m) A general description of any necessary work items to be repaired/replaced to bring the unit up to necessary codes and standards and an estimate of the cost of each item.
- (n) Evidence of financing or lender interested and proposed terms of financing.
- (o) The proposed term of the contract with MHSD.

B. Review and Screening of Owner Proposals

MHSD reserves the right to accept or reject any and all proposals and to readvertise for owners as many times as it deems proper or necessary.

C. Criteria for Selection of Proposals

Proposals will be reviewed according to the following criteria and may be given points as shown:

1. Location Desirability (5-10 points)
  - (a) Location proximity to public transportation.
  - (b) Types of Buildings: Garden and low rise structures are preferred. High rise buildings with elevators should be avoided except for housing the elderly.
  - (c) The property's proximity to medical offices, shopping and schools. MHSD must identify and specify the weight given to its selection criteria factors (24 CFR 882.720[b][2]).
2. Financial Feasibility (5-10 points)
3. Management and maintenance experience and capabilities (5-10 points)
  - (a) Before selecting a unit, MHSD shall determine that the application is responsible to and in compliance with MHDS's written selection criteria and procedures, and is otherwise in conformity with HUD program regulations and requirements, that the proposed initial

Gross Rents are with the Fair Market Rent and Payment Standard limitations under 24 CFR 882.71, and, if the unit is occupied, the tenant is eligible. (MHSD will not select a unit or enter into an agreement if an ineligible tenant occupies that unit.) MHSD shall inspect the property to determine that the property meets the \$1,000 per assisted unit rehabilitation requirement, MHSD shall determine the specific work items that are needed to bring each unit to be assisted up to the minimum Housing Quality Standards (HQS) specified in 24 CFR 882.706 and to complete any other repairs needed to meet the \$1,000 per assisted unit rehabilitation requirement.

5. Overall Feasibility (5-10 points)
6. Before selecting a project site, MHSD must seek and obtain HUD environmental clearance in accordance with 24 CFR 882.713[b] and HUD approval that the project complies with the limitation on housing design and amenities in 24 CFR 8852.716, and must submit a certification to the HUD Field Office stating that unit or units were selected in accordance with MHSD's approved unit selection policy (24 CFR 882.721).

## ***VII. Program Administration***

### **A. Designated Units**

1. Units within a complex initially identified as project-based shall remain so designated. If designated unit does not pass the required standards (HQS), or if the tenant is determined to be ineligible for assistance, the unit shall not be subsidized, nor shall another unit be subsidized in its place. The project-based designation shall not be transferable to a different—or another—unit.
2. The owner(s) shall comply with the follow stipulations:
  - (a) Maintain stable property management.
  - (b) Obtain and maintain Crime-Free Multihousing Designation.
  - (c) Establish a resident advisory board or council to hold at least quarterly meetings with management and MHSD supervisory/management staff.
  - (d) Maintain entire property up to Housing Quality Standards, including exterior lighting, all common areas, and areas visible to the public.

- (e) Employ and maintain 24-hour on-site security staff.
- (f) Respond promptly to MHSD concerns, correspondence, and telephone calls.

B. Project-Based Rent to Owner

1. Project-based voucher rents (Rent to Owner plus Utility Allowance for tenant-paid utilities) must not exceed the lowest of the payment standard amount (minus any Utility Allowance), the reasonable rent, or the rent requested by the owner. This limit applies both to the initial rent and rent adjustments over the term of the project-based HAP Contract between the owner(s) and MHSD.
2. There are special provisions for establishing the project-based voucher rent for a unit in a tax credit building located outside a “qualified census tract.” These provisions include admission to project-based units is subject to the overall voucher “income-targeting” requirements, where at least 75 percent of all families admitted to the PHA tenant-based and project-based voucher programs each year must be “Extremely Low Income” families with annual incomes below 30 percent of median income for the area.

C. Housing Quality Standards (HQS) Inspection

1. *Inspection Requirements:* Project-based units are subject to the same Housing Quality Standard (HQS) requirements as the tenant-based units. The same procedures, such as notification, abatements, etc., shall apply to both programs. (See City of Mesa Housing Services Division Administrative Policy)
2. *Initial Inspection:* All project-based units must initially meet or exceed the prescribed Housing Quality Standards (HQS) before MHSD shall enter into a HAP Contract with the owner(s). Initial inspections shall also be required when a new family moves into any project-based unit (turnovers).
3. *Annual Inspection:* MHSD shall elect to conduct an annual inspection on each project-based unit with a timeframe that is consistent with units subsidized through the tenant-based program.
4. *Special or Quality Control Inspections:* At its discretion, MHSD shall conduct an HQS Inspection on a project-based unit at any time. A Special Inspection, including a Move-Out Inspection, may be requested by the tenant, the owner/management or the site, or MHSD. MHSD does not

automatically conduct Move-Out Inspections unless requested by the parties involved.

D. Vacant Units

1. If a family vacates a project-based unit mid-month, MHSD may not seek recoupment of the HAP from the owner for the remainder of the month; however, MHSD shall not be responsible for payment of the next month if the unit has not been leased to an eligible tenant through the Section 8 Project-Based Rental Assistance Program.
2. MHSD shall not be responsible for any vacancy loss of project-based units as a result of the management practices of the project-based owner(s) or designated representative(s).
3. MHSD shall not be responsible for any damages incurred by the tenant.
4. It shall be the owner(s) or owner's designated representative(s) responsibility to maintain communication with appropriate MHSD staff regarding vacant project-based units and the expedited leasing of project-based units that comply with MHSD regulations, policies, and procedures.

**References:**

24 CFR 983

Quality Housing and Work Responsibility Act of 1998 (QHWRA)

City of Mesa Housing Services Division Administrative Policy

**Glossary**

**Project-Based Housing Choice Voucher Program:** HUD pays rental assistance for eligible families who live in a specific housing development of units. The assistance is linked to the unit and not the tenant.

ATTACHMENT E

*HGIB Resolution 05-1*

**A Resolution of the Mesa Housing Services  
Governing Board of the City of Mesa, Maricopa  
County, Arizona authorizing approval of the Public  
Housing Agency Five-Year Plan**

Whereas, the Mesa Housing Services Governing Board has been established by Ordinance 4146, in accordance with 24 C.F.R. Part 964; and

Whereas, the Mesa Housing Services Governing Board has the oversight responsibility for the administration, operation and management of the City's Federal public housing programs and Section Eight tenant-based rental assistance programs, and the authority to make decisions related thereto; and

Whereas, in accordance with 24 C.F.R. Part 903.13, the Resident Advisory Board of the Mesa Housing Services Division has reviewed and commented on the plan; and

Whereas, the Housing and Human Services Advisory Board has reviewed and recommended approval of the Plan; and

Whereas, a Public Housing Agency's board of directors or similar governing body is required by the U.S. Department of Housing and Urban Development to hold a public hearing to discuss the Public Housing Agency (PHA) Five-Year Plan Update; and

Whereas, in accordance with 24 C.F.R. 903.17, such public hearing having been conducted by the Mesa Housing Services Governing Board;

**Therefore, Be it Resolved by the Mesa Housing Services Governing Board:**

**Section 1:** That, approval of the PHA Streamlined Five-Year Plan is recommended to the U.S. Department of Housing and Urban Development (HUD); and

**Section 2:** That the Chairman of the Board, or his designee, be authorized to submit the plan to HUD on behalf of the Mesa Housing Services Governing Board; and

**Section 3:** That the Chairman of the Board or his designee be authorized to execute all documents necessary for such submission.

Passed and Adopted by the Mesa Housing Services Governing Board of the City of Mesa, Maricopa County, Arizona, this 14<sup>th</sup> day of April, 2005.



Attest:

*Dorena Jones*  
City Clerk

Approved

*Keno Hawker*  
Keno Hawker, Chairman

HGB Resolution 05-2

A Resolution of the Mesa Housing Services  
Governing Board of the City of Mesa, Maricopa  
County, Arizona authorizing approval of the Public  
Housing Agency Annual Plan.

Whereas, the Mesa Housing Services Governing Board has been established by Ordinance 4146, in accordance with 24 C.F.R. Part 964; and

Whereas, the Mesa Housing Services Governing Board has the oversight responsibility for the administration, operation and management of the City's Federal public housing programs and Section Eight tenant-based rental assistance programs, and the authority to make decisions related thereto; and

Whereas, in accordance with 24 C.F.R. Part 903.13, the Resident Advisory Board of the Mesa Housing Services Division has reviewed and commented on the plan; and

Whereas, the Housing and Human Services Advisory Board has reviewed and recommended approval of the Plan; and

Whereas, a Public Housing Agency's board of directors or similar governing body is required by the U.S. Department of Housing and Urban Development to hold a public hearing to discuss the Public Housing Agency Annual Plan;

Whereas, in accordance with 24 C.F.R. 903.17, such public hearing having been conducted by the Mesa Housing Services Governing Board;

Therefore, Be it Resolved by the Mesa Housing Services Governing Board:

Section 1: That, approval of the PHA Streamlined Annual Plan is recommended to the U.S. Department of Housing and Urban Development (HUD); and

Section 2: That the Chairman of the Board, or his designee, be authorized to submit the plan to HUD on behalf of the Mesa Housing Services Governing Board; and

Section 3: That the Chairman of the Board or his designee be authorized to execute all documents necessary for such submission.

Passed and Adopted by the Mesa Housing Services Governing Board of the City of Mesa, Maricopa County, Arizona, this 14<sup>th</sup> day of April, 2005.



Approved

*Keno Hawker*  
Keno Hawker, Chairman

Attest:

*Dorinda Jones*  
City Clerk

Standard PHA Plan  
PHA Certifications of Compliance

PHA Certifications of Compliance with the PHA Plans and Related Regulations:  
Board Resolution to Accompany the *Standard Annual, Standard 5-Year/Annual, and  
Streamlined 5- Year/Annual PHA Plans*

*Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the standard Annual, - standard 5- Year/Annual or X streamlined 5-Year/Annual PHA Plan for the PHA fiscal year beginning 07/01/2005, hereinafter referred to as " the Plan ", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:*

1. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
2. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan.
3. The PHA has established a Resident Advisory Board or Boards, the membership of which represents the residents assisted by the PHA, consulted with this Board or Boards in developing the Plan, and considered the recommendations of the Board or Boards (24 CFR 903.13). The PHA has included in the Plan submission a copy of the recommendations made by the Resident Advisory Board or Boards and a description of the manner in which the Plan addresses these recommendations.
4. The PHA made the proposed Plan and all information relevant to the public hearing available for public inspection at least 45 days before the hearing, published a notice that a hearing would be held and conducted a hearing to discuss the Plan and invited public comment.
5. The PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
6. The PHA will affirmatively further fair housing by examining their programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.
7. For PHA Plan that includes a policy for site based waiting lists:
  - . The PHA regularly submits required data to HUD's MTCS in an accurate, complete and timely manner (as specified in PIH Notice 99-2);
  - . The system of site-based waiting lists provides for full disclosure to each applicant in the selection of the development in which to reside, including basic information about available sites; and an estimate of the period of time the applicant would likely have to wait to be admitted to units of different sizes and types at each site;
  - . Adoption of sitebased waiting list would not violate any court order or settlement agreement or be inconsistent with a pending complaint brought by HUD;
  - . The PHA shall take reasonable measures to assure that such waiting list is consistent with affirmatively furthering fair housing;
  - . The PHA provides for review of its site-based waiting list policy to determine if it is consistent with civil rights laws and certifications, as specified in 24 CFR part 903.7(c)(1).
8. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
9. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
10. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
11. The PHA has submitted with the Plan a certification with regard to a drug free workplace required by 24 CFR Part 24, Subpart F. 12. The PHA has submitted with the Plan a certification with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.

13. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
14. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105( a).
15. The PHA will provide HUD or the responsible entity any documentation that the Department needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58.
16. With respect to public housing the PHA will comply with Davis -Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
17. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
18. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
19. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments.).
20. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the regulations and included in its Plan.
21. All attachments to the Plan have been and will continue to be available at all times and all locations that the PHA Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its PHA Plan and will continue to be made available at least at the primary business office of the PHA.

**City of Mesa Housing Services**      **AZ005**  
 PHA Name                                      PHA Number/HA Code

- Standard PHA Plan for Fiscal Year: 2°-  
 Standard Five-Year PHA Plan for Fiscal Years    - 20\_, including Annual    Plan for FY 20\_\_
- Streamlined Five- Year PHA Plan for Fiscal Years 2005 - 2009, including Annual Plan for FY 2005

accurate. **Warning:** HUD WI C.  
 3729,3802)

Name of Authorized Official  <b>KENO HAWKER</b>	Title  CHAIRMAN, MESA HOUSING SERVICES GOVERNING BOARD
Signature  <i>Keno Hawker</i>	Date  4/14/2005

ATTACHMENT G

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

---

**Certification by State or Local Official of PHA Plans Consistency with  
the Consolidated Plan**

I, MIKE HUTCHINSON the CITY MANAGER certify  
that the Five Year and Annual PHA Plan of the MESA HOUSING SERVICES DIVISION is  
consistent with the Consolidated Plan of MARICOPA HOME CONSORTIUM prepared  
pursuant to 24 CFR Part 91.



Signed / Dated by Appropriate **State or Local Official**

# Mesa Housing Services Organizational Chart

