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

Housing Authority
Of County Of Stanislaus
PHA Plans

5-Year Plan for
Fiscal Years 2005 - 2009

Annual Plan for
Fiscal Year 2005

PHA Plan
Agency Identification

PHA Name: Housing Authority County of Stanislaus
PHA Number: CA-026
PHA Fiscal Year Beginning: 10/2005
Public Access to Information:
Information regarding any activities outlined in this plan can be obtained by contacting:

__X__ Main administrative office of the PHA
_____ PHA development management offices
__X__ PHA local offices

Display Locations For PHA Plans and Supporting Documents:

The PHA Plans (including attachments) are available for public inspection at:
__X__ Main administrative office of the PHA
__X__ PHA development management offices: Patterson, Westley, and Riverbank.
____ PHA local offices
__X__ Main administrative office of the local government (Modesto, Ceres, Turlock, Oakdale, Hughson, Patterson, and Newman)
__X__ Main administrative office of the County government
____ Main administrative office of the State government
__X__ Public library (Stanislaus County Main)
____ PHA website
____ Other (list below)

PHA Plan Supporting Documents are available for inspection at:
__X__ Main business office of the PHA
____ PHA development management offices
____ Other:

5-YEAR PLAN
PHA FISCAL YEARS 2005 - 2009

A. Mission Statement:

The Housing Authority of The County of Stanislaus is a non-profit, public corporation committed to addressing the unmet needs of the residents and communities of Stanislaus County. The Authority is governed by a Housing Commission appointed by the Board Of Supervisors.

Mission:

- Provide decent, safe, and affordable rental and home ownership housing.
- Provide and promote service opportunities that encourage and support individuals and families achieving greater independence and self-sufficiency.
- Provide opportunities for conserving and upgrading affordable housing stock, improving infrastructure, stabilizing and creating desirable neighborhoods.

In carrying out its mission the Authority is committed to provide a high quality service by:

- Being sensitive to clients needs while treating clients with dignity and respect
- Utilizing the talents and skills of our staff
- Fostering partnerships
- Utilizing resources in the most efficient and effective manner

B. Goals

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

X **PHA Goal:** Depending on the availability of federal and state funding**,** increase the inventory of affordable rental housing in Stanislaus County and expand home ownership opportunities for first time homebuyers:

Objectives:

X Apply for additional rental vouchers: If federal funding becomes available expand the inventory of rental housing vouchers by 5 % over the next 5 years:

X Reduce public housing vacancies: Achieve a 98% Lease-up Rate in the Public Housing Program by October 1, 2006

X Explore the leveraging of private or other public funds to create additional housing opportunities

X Subject to the availability of funding, develop or acquire 90 affordable rental-housing units over the next 5 years

X Other:

1. Utilize the Housing Authority's IDEA Program to assist 20 first time homebuyers in acquiring a home over the next 5 years
2. Depending on market conditions and available funding, increase the number of households participating in the Authority's First Time Home-Buyers Program by 2006
3. Achieve and sustain a Section 8 program utilization rate of 98% by October 1, 2006
4. Continue to expand upon existing marketing and out reach efforts to attract new landlord participants to the Section 8 program by October 1, 2006

X **PHA Goal:** Conserve and Upgrade the Affordable Housing Inventory in Stanislaus County:

Objectives:

X Improve public housing management:

1. Improve PHAS score- achieve and maintain High Performer status in the Public Housing Program by October 1, 2006.

X Improve voucher management: (SEMAP score) achieve and maintain High Performer status in the Voucher and Section 8 programs by October 1, 2007

X Increase customer satisfaction:

1. Improve Communications with Residents and Program Participants through the Use of News Letters and Resident Meetings
2. Continue to provide staff training opportunities, which support improvements in the quality of the Authority's housing programs

X Concentrate on efforts to improve specific management functions: (list; e.g., public housing finance; voucher unit inspections)

1. Formulate an agency plan for the transition to Asset Management by October 1, 2006
2. Continue to conduct Annual Housing Choice Voucher Program inspections within 365 day of the last inspection.
3. Conduct quality control audits of annual eligibility determinations for no less than 3% of Housing Choice Voucher and Public Housing Program files.
4. Conduct initial unit inspections for the Housing Choice Voucher Program within a 7 - 10 day time period.
5. Maintain the number of days a Section 8 Owner Participant receives the initial rent check at no more than 11 days from the date the unit passes inspection.

_X_ Renovate or modernize public housing units: Complete Public Housing Modernization Activities in a Timely Manner
___ Demolish or dispose of obsolete public housing:
___ Provide replacement public housing:
___ Provide replacement vouchers:
_X_ Other:

a. Partner with county and/or city efforts to improve housing stock and create stable, viable neighborhoods
b. Plan and Coordinate Authority's housing stock modernization efforts with county and/or city infrastructure improvement efforts
c. The Authority shall reduce the level of crime in its high vacancy complexes by not less than 20 % by October 1, 2007
d. The Authority shall improve the curb appeal of its complexes through completion of common area landscape improvements and other physical improvements by October 1, 2008

_X_ **PHA Goal:** Increase assisted housing choices

Objectives:

_X_ Provide voucher mobility counseling at initial family briefings and transfer briefings during annual re-examinations
_X_ Conduct outreach efforts to potential voucher landlords by conducting annual owner workshops to encourage Voucher Program participation
___ Increase voucher payment standards
_X_ Continue to seek funding to continue the IDEA Homeownership Program for graduating FSS Participants
_X_ Participate in Rental Property Association events as they occur to market to potential Section 8 Owners
___ Implement public housing or other home ownership programs:
_X_ Implement public housing site/project-based waiting lists: The Authority shall implement project-based waiting lists for complexes where such lists improve marketability
___ Convert public housing to vouchers:
___ Other:

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

_X_ **PHA Goal:** Provide an improved living environment

Objectives:

_X_ Implement measures to deconcentrate poverty by bringing higher income public housing households into our developments:

___ Implement measures to promote income mixing in public housing by assuring access for lower income families into higher income developments:

_X_ Implement public housing security improvements:

____ Designate developments or buildings for particular resident groups (elderly, persons with disabilities)

_X_ Other: (list below)

1. Continue to be a lead agency participating in the County Wide Continuum of Care System and development
2. Continue to seek funding for Permanent Supportive Housing through the Continuum of Care NOFA

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

_X_ **PHA Goal:** Promote self-sufficiency and asset development of assisted households

Objectives:

_X_ Increase the number and percentage of employed persons in assisted housing families:

_X_ Provide or attract supportive services to improve assistance recipients' employability:

___ Provide or attract supportive services to increase independence for the elderly or families with disabilities.

_X_ Other:

1. Maintain the number of Family Self-Sufficiency program participants at the level required by HUD
2. Expand and enter into partnerships which will provide Self-sufficiency Services in the Authority's Community Centers by October 1, 2006
3. Continue to apply for IDEA Program funds as application opportunities become available, which will allow up to $15,000 in down payment assistance for graduating Family Self-Sufficiency Families.
4. Depending on the availability of federal funding, expand or maintain the Authority's Lease-to-Own Homeownership Program for Family Self Sufficiency participants.

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

_X_ **PHA Goal:** Ensure equal opportunity and affirmatively further fair housing

Objectives:

_X_ Undertake affirmative measures to ensure access to assisted housing regardless of race, color, religion national origin, sex, familial status, and disability through dissemination of information to program participants and follow-up with HUD on potential discrimination complaints.

_X_ 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:

_X_ Undertake affirmative measures to ensure accessible housing to persons with all varieties of disabilities regardless of unit size required:

_X_ Other:

1. The Authority shall achieve an ethnic, racial and income mix in its housing developments to the extent possible
2. The Authority shall investigate and resolve any fair housing issues affecting its programs, or program participants in a responsible manner

Other PHA Goals and Objectives: Reduce The Authority's Dependency on Federal Funding:

1. Expand the Authority's financial base to include additional funding from non-federal financial funding sources

Annual Plan Type:

_X_ Standard Plan

Streamlined Plan:

___High Performing PHA
___Small Agency (<250 Public Housing Units)
___Administering Section 8 Only
___Troubled Agency Plan

EXECUTIVE SUMMARY
HOUSING AUTHORITY OF
THE COUNTY OF STANISLAUS

The Housing Authority of the County of Stanislaus has prepared our *Agency Plan* in compliance with Section 511 of the *Quality Housing and Work Responsibility Act* (*QHWRA) of* 1998 and the ensuing HUD requirements. The *Plan* describes the Housing Authority, its mission and strategy for addressing the housing needs of low-income and very-low income families in Stanislaus County.

The Housing Authority of the County of Stanislaus shares an Executive Director and staff with the Housing Authority of the City of Riverbank. Both Housing Authorities are public housing agencies as defined in the *United States Housing Act of* 1937, as amended, and in 24 *C.F.R. Chapter VIII.* Both agencies have been organized under *Section* 31000, *et a seq.,* of the *California Health and Safety Code.*

The primary objective of the Housing Authority of the County of Stanislaus is to provide decent, safe and sanitary housing to low-income families at an affordable price. Our mission is to provide this housing within an environment that fosters the advancement of low-income families from a position of dependency to one of self -sufficiency.

The Housing Authority has the responsibility for planning, financing, constructing, purchasing and managing properties using a variety of affordable housing programs. As the manager of rental properties, the Housing Authority performs all the functions of a private owner, including selection of residents, rent collection and property maintenance. In Stanislaus County, the Housing Authority manages 647 Public Housing units, 3,934 Housing Choice Vouchers, 30 Shelter Plus Care Certificates, 55 Aftercare Vouchers, 356 farm labor units, 219 migrant housing units, and administers 102 local programs.

Federal and state laws establish the rent structure of the housing programs administered by the Housing Authority and most require annual income verification from tenants. Federal Regulations also impact the selection of program participants, occupancy, lease and grievance procedures. This *Agency Plan* deals with federal policies and procedures for Public Housing and Section 8 that have been modified as a result of *QHWRA.*

In our *Five Year Plan,* the Housing Authority recognizes the need for more affordable housing in the County of Stanislaus. Our goal of developing additional affordable housing has been established to address this need. However, our goals are based on the availability of funding and political will.

Annual Plan
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Required Attachments (B, C, and H)

_A_ Deconcentration Amendment to The Template (ca026a06)
_B_ FY 2005 Capital Fund Program Annual Statement (Ca026b106-306)
_C_ Most recent board-approved operating budget (ca026c06)
_D_ Pet Policy (ca026d06)
_E_ Community Service (ca026e06)

Attachments:

_G_PHA Management Organizational Chart (removed, not required)
_H_FY 2005 Capital Fund Program 5 Year Action Plan (ca026h06)
_I_PHDEP **(N/A Beginning with 2002 submission)**
_J_Comments of Resident Advisory Board or Boards (ca026j06)*
_K_Audit (ca026k06)*
_M_Certificates (ca026m06)*
_N_Public Housing Occupancy Policy (ca026n06)
_O_Public Housing Grievance Policy (ca026o06)
_P_Section 8, Admin Policy (ca026p06)
_Q_Section 8, Grievance Policy (ca026q06)
_R_HA Response to Resident Advisory Board (ca026r06)*
_S_AGREEMENT FOR INDEPENDENT CONTRACTOR SERVICES (TANF) (ca026s06)
_T_Resident Advisory Board Members (ca026t06)
_U_Resident Commissioner Members (ca026u06)
_V_Plan Template (CA026V06)
_W_Vouchering Out Of Public Housing (CA026w06)
_X_Section 8, Project Based Units (CA026x06)
_Y_Notice of Public Hearing (CA026y06)
* In Process

Annual Plan FY 2005

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

Applicable & On Display	Supporting Document	Applicable Plan Component
	Public Housing Deconcentration and Income Mixing Documentation: 1. PHA board certifications of compliance with deconcentration requirements (section 16(a) of the US Housing Act of 1937, as implemented in the 2/18/99 Quality Housing and Work Responsibility Act Initial Guidance; Notice and any further HUD guidance) and 2. Documentation of the required deconcentration and income mixing analysis	Annual Plan: Eligibility, Selection, and Admissions Policies
X	Public housing rent determination policies, including the methodology for setting public housing flat rents √ check here if included in the public housing A & O Policy	Annual Plan: Rent Determination
X	Schedule of flat rents offered at each public housing development √ check here if included in the public housing A & O Policy	Annual Plan: Rent Determination
X	Section 8 rent determination (payment standard) policies	Annual Plan: Rent Determination

	√ check here if included in Section 8 Administrative Plan	
X	Public housing management and maintenance policy documents, including policies for the prevention or eradication of pest infestation (including cockroach infestation)	Annual Plan: Operations and Maintenance
X	Public housing grievance procedures √ check here if included in the public housing A & O Policy	Annual Plan: Grievance Procedures
X	Section 8 informal review and hearing procedures check here if included in Section 8 Administrative Plan	Annual Plan: Grievance Procedures
X	The HUD-approved Capital Fund/Comprehensive Grant Program Annual Statement (HUD 52837) for the active grant year	Annual Plan: Capital Needs

Applicable & On Display	Supporting Document	Applicable Plan Component
N/A	Approved HOPE VI applications or, if more recent approved or submitted HOPE VI Revitalization Plans or any other approved proposal for development of public housing.	Annual Plan: Capital Needs
X	Most recent, approved 5 Year Action Plan for the Capital Fund/Comprehensive Grant Program, if not included as an attachment (provided at PHA option)	Annual Plan: Capital Needs
N/A	Approved or submitted applications for demolition and/or disposition of public housing	Annual Plan: Demolition and Disposition
N/A	Approved or submitted applications for designation of public housing (Designated Housing Plans)	Annual Plan: Designation of Public Housing
N/A	Approved or submitted assessments of reasonable revitalization of public housing and approved or submitted conversion plans prepared pursuant to section 202 of the 1996 HUD Appropriations Act	Annual Plan: Conversion of Public Housing
N/A	Approved or submitted public housing homeownership programs/plans	Annual Plan: Homeownership
X	Policies governing any Section 8 Homeownership program check here if included in the Section 8 Administrative Plan	Annual Plan: Homeownership
X	Any cooperative agreement between the PHA and the TANF agency - Security Deposit Loan Program for TANF Recipients	Annual Plan: Community Service & Self-Sufficiency
X	FSS Action Plan/s for public housing and/or Section 8	Annual Plan: Community Service & Self-Sufficiency
N/A	Most recent self-sufficiency (ED/SS, TOP or ROSS or other resident services grant) grant program reports	Annual Plan: Community Service & Self-Sufficiency

Applicable & On Display	Supporting Document	Applicable Plan Component
N/A	The most recent Public Housing Drug Elimination Program (PHEDEP) semi-annual performance report for any open grant and most recently submitted PHDEP application (PHDEP Plan)	Annual Plan: Safety and Crime Prevention
X	The most recent fiscal year audit of the PHA conducted under section 5(h)(2) of the U.S. Housing Act of 1937 (42 U. S.C. 1437c(h)), the results of that audit and the PHA's response to any findings	Annual Plan: Annual Audit
N/A	Troubled PHAs: MOA/Recovery Plan	Troubled PHAs
X	Other supporting documents: "RASS" Survey Action Plan	RASS Action Plan

1. Statement of Housing Needs: Information taken from the Comprehensive Housing Affordability Strategy (CHAS) Data Book was utilized in assessing these housing needs.

Housing Needs of Families in the Jurisdiction by Family Type							
Family Type	Overall	Affordability	Supply	Quality	Accessibility	Size	Location
Income <= 30% of AMI	10,768	5	5	5	5	5	5
Income >30% but <=50% of AMI	16,595	5	5	5	5	5	5
Income >50% but <80% of AMI	18,260	1	5	4	3	3	5
Elderly	8,707	5	5	5	5	5	5
Families w/ Disabilities	N/A*	N/A	N/A	N/A	N/A	N/A	N/A
Afro-American	1,030	5	5	5	5	5	5
Hispanic	6579	5	5	5	5	5	5
Other (non-Hispanic and non-Afro-American	2,699	5	5	5	5	5	5

* **Not Available**

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

____ Consolidated Plan of the Jurisdiction/s. Indicate year: ____

_X_ U.S. Census data: the Comprehensive Housing Affordability Strategy ("CHAS") dataset

____ American Housing Survey data. Indicate year: ____

____ Other housing market study. Indicate year: ____

____ Other sources: (list and indicate year of information)

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

Public Housing Program - Housing Needs of Families on the Waiting List			
Waiting list type: ____ Section 8 tenant-based assistance __X__ Public Housing ____ Combined Section 8 and Public Housing ____ Public Housing Site-Based or sub-jurisdictional waiting list (optional) If used, identify which development/sub-jurisdiction:			
	# Of families	% Of total families	Annual Turnover
Waiting list total	2,999		83
Extremely low income <=30% AMI	1,724	57%	
Very low income (>30% but <=50% AMI)	1.033	34%	
Low income (>50% but <80% AMI)	242	8%	
Families with children	1,344	45%	
Elderly families	335	11%	
Families with Disabilities	704	23%	
Race/ethnicity White	2,336	78%	
Race/ethnicity Hispanic	1,254	42%	
Race/ethnicity Black	447	15%	
Race/ethnicity Indian	74	2%	

Race/ethnicity Asian	142	5%	
Characteristics by Bedroom Size (Public Housing Only)			
1BR	1,671	56%	9
2 BR	1,064	35%	36
3 BR	207	7%	30
4 BR	39	1%	08
5 BR	14	.4%	0
5+ BR	1	0	0

Is the waiting list closed? No - Our waiting list is always open.

If yes:

B. How long has it been closed (# of months)? **- N/A**

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

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

Section 8, Program - Housing Needs of Families on the Waiting List

Waiting list type: (select one)

_X_ Section 8 tenant-based assistance

____ Public Housing

____ Combined Section 8 and Public Housing

____ Public Housing Site-Based or sub-jurisdictional waiting list (optional)

If used, identify which development/sub jurisdiction:

	# of families	% of total families	Anual Turnover
Waiting list total	7,500		480
Extremely low income <=30% AMI	*Not Available*	*Not Available*	
Very low income (>30% but <=50% AMI)	*Not Available*	*Not Available*	

Low income (>50% but <80% AMI)	*Not Available*	*Not Available*	
Families with children	*Not Available*	*Not Available*	
Elderly families	*Not Available*	*Not Available*	
Families with Disabilities	*Not Available*	*Not Available*	
Race - White (non-Hispanic)	*Not Available*	*Not Available*	
Race - Black	*Not Available*	*Not Available*	
Race - Hispanic	*Not Available*	*Not Available*	
Race - Asian	*Not Available*	*Not Available*	
Race - Am. Indian	*Not Available*	*Not Available*	
Characteristics by Bedroom Size (Public Housing Only)			
1BR			
2 BR			
3 BR			
4 BR			
5 BR			
5+ BR			

Is the waiting list closed (select one)? YES
If yes:

B. How long has it been closed (# of months)? 1 month
Does the PHA expect to reopen the list in the PHA Plan year? NO
Does the PHA permit specific categories of families onto the waiting list, even if generally closed? YES

Note: The Housing Authority opened the Section 8 waiting list in April of 2005. The data for the chart is not yet available as the applications have not been reviewed as of 5/20/05

C. Strategy for Addressing Needs:

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:

_X_ Employ effective maintenance and management policies to minimize the number of public housing units off-line

_X_ 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

_X_ Maintain or increase section 8 lease-up rates by establishing payment standards that will enable families to rent throughout the jurisdiction

_X_ Undertake measures to ensure access to affordable housing among families assisted by the PHA, regardless of unit size required

_X_ 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

_X_ Participate in the Consolidated Plan development process to ensure coordination with broader community strategies

_X_ Other (list below)

Continue to be an active lead agency in the County Wide Continuum of Care Plan in development

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

_X_ Apply for additional "freestanding", FUP, or other "targeted" vouchers as application announcements are published through HUD, and apply for 23 Shelter Plus Care Vouchers in Fiscal Year 2005-2006 and annually thereafter.

_X_ Leverage affordable housing resources in the community through the creation of mixed finance housing

_X_ 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

____ 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
_X_ Employ admissions preferences aimed at families with economic hardships
_X_ Adopt rent policies to support and encourage work
___ other: (list below)

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

Strategy 1: Target available assistance to families at or below 50% of AMI
_X_ Employ admissions preferences aimed at families who are working or in training
_X_ Adopt rent policies to support and encourage work
____ Other: (list below)

Need: Specific Family Types: The Elderly

Strategy 1: Target available assistance to the elderly:
____ Seek designation of public housing for the elderly
_X_ Apply for special-purpose vouchers targeted to the elderly, should they become available
____ Other: (list below)

Need: Specific Family Types: Families with Disabilities

Strategy 1: Target available assistance to Families with Disabilities:
____ 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
_X_ Apply for special-purpose vouchers targeted to families with disabilities, should they become available
_X_ Affirmatively market to local non-profit agencies that assist families with disabilities
____ Other: (list below)

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:
_X_ Affirmatively market to races/ethnicities shown to have disproportionate housing needs
____ Other: (list below)
Strategy 2: Conduct activities to affirmatively further fair housing
_X_ Counsel section 8 tenants as to location of units outside of areas of poverty or minority concentration and assist them to locate those units
_X_ 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)

1. Continue to pursue collaborative projects with local agencies to increase the level of permanent supportive housing for persons with disabilities and special populations

2. Continue to participate as a lead agency in the County Wide Continuum of Care Plan in development to identify potential collaboratives, pursue local resources, and identify the greatest area of housing needs within the county.

(2) Reasons for Selecting Strategies

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

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

Statement of Financial Resources
[24 CFR Part 903.7 9 (b)]

Financial Resources: Planned Sources and Uses		
Sources	**Planned $**	**Planned Uses**
1. **Federal Grants** (**FY 2004 grants)**		
a) Public Housing Operating Fund	$ 745,104	
b) Public Housing Capital Fund	1,401,592	
c) HOPE VI Revitalization		
d) HOPE VI Demolition		
e) Annual Contributions for Section 8 Tenant-Based Assistance	$ 21,149,267	
f) Public Housing Drug Elimination Program (including any Technical Assistance funds)	$ 0	
g) Resident Opportunity and Self-Sufficiency Grants		
h)Community Development Block Grant		
i) HOME		
Other Federal Grants (list below)		
2. Prior Year Federal Grants (un-obligated funds only) (list below)		
3. Public Housing Dwelling Rental Income	$ 2,438,990	P.H. OPERATION
4. Other income (list below)		
INTEREST	$ 95,080	P.H. OPERATION
OTHER INCOME	$50,440	P.H. OPERATION
4. Non-federal sources (list below)		

Sources	Planned $	Planned Uses
Total resources	$25,880,476	

3. PHA Policies Governing Eligibility, Selection, and Admissions
[24 CFR Part 903.7 9 (c)]

A. Public Housing
(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)
__X__ Other: When the family submits an application, eligibility begins and continues until the family is found either "eligible" or "ineligible". Eligible families are placed on an "Eligible" Waiting list.

b. Which non-income (screening) factors does the PHA use to establish eligibility for admission to public housing?
__X__ Criminal or Drug-related activity
__X__ Rental history
__X__ Housekeeping
__X__ Other: Credit History, Home Visit, and required Orientation Session

c. __X__Yes ____ No: Does the PHA request criminal records from local law enforcement agencies for screening purposes?
d. ____Yes __X__ No: Does the PHA request criminal records from State law enforcement agencies for screening purposes?
e. ____Yes __X__ 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 ?

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

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

_X_ PHA main administrative office
____ PHA development site management office
_X_ Other: Interested families can call 557-2046, and an application will be mailed to the family, upon request

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

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

2. ____ Yes_X_ 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? - None

3. _X_ Yes ____ No: May families be on more than one list simultaneously

If yes, how many lists? Any and all area or site based waiting lists that the family selects to apply for.

4. Where can interested persons obtain more information about and sign up to be on the site-based waiting lists?

_X_ 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
_X_ Other: Interested families can call 557-2046, and an application will be mailed to the family, upon request.

(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?

____ One
____ Two
_X_ Three - For "Area Wide" Waiting Lists only

b. ____Yes _X_ 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: The Housing Authority has established one, "Single Site" Waiting List for Cal-26-3, Modesto Low Rent. This list is unique to this complex and only provides one offer before the applicant is canceled. The applicant remains on all other waiting lists that may apply.

(4) Admissions Preferences

a. Income targeting:

____Yes _X_ No: 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)

_X_ Emergencies
____ Over housed
____ Under housed
_X_ Some Medical justification
_X_ Administrative reasons determined by the PHA (e.g., to permit modernization work)
____ Resident choice: (state circumstances below)
____ Other: (list below)

c. Preferences

1. __X__ 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)

__X__ Working families and those unable to work because of age or disability
__X__ Veterans and veterans' families
____ Residents who live and/or work in the jurisdiction
__X__ Those enrolled currently in educational, training, or upward mobility programs
__X__ Households that contribute to meeting income goals (broad range of incomes)
__X__ 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:

__2__ Working families and those unable to work because of age or disability
__1__ Veterans and veterans' families
____ Residents who live and/or work in the jurisdiction
__2__ Those enrolled currently in educational, training, or upward mobility programs
__1__ Households that contribute to meeting income goals (broad range of incomes)
__1__ 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:

__X__ 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)

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

b. How often must residents notify the PHA of changes in family composition?

____ At an annual reexamination and lease renewal
____ Any time family composition changes
____ At family request for revision
__X__ Other: - Within 10 days of a change, unless the change is from a birth or adoption.

(6) Deconcentration and Income Mixing: See Attachment (ca026a05)

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

b. Yes ____ No_X_ : Did the PHA adopt any changes to its **admissions policies** based on the results of the required analysis of the need to promote deconcentration of poverty or to assure income mixing?

c. If the answer to b was yes, what changes were adopted?

____ Adoption of site-based waiting lists

____ If selected, list targeted developments below:

____ Employing waiting list "skipping" to achieve deconcentration of poverty or income mixing goals at targeted developments

____ Employing new admission preferences at targeted developments

____ Other (list policies and developments targeted below)

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

e. If the answer to d was yes, how would you describe these changes?

____ Additional affirmative marketing

____ Actions to improve the marketability of certain developments

____ Adoption or adjustment of ceiling rents for certain developments

____ Adoption of rent incentives to encourage deconcentration of poverty and income-mixing

____ Other: - Adoption of other program incentives to encourage deconcentration of poverty and income-mixing

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

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

____ List (any applicable) developments below:

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

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

____ List (any applicable) developments below:

B. Section 8:
(1) Eligibility:

a. What is the extent of screening conducted by the PHA? (select all that apply)
__X__ Criminal or drug-related activity only to the extent required by law or regulation
____ Criminal and drug-related activity, more extensively than required by law or regulation
____ More general screening than criminal and drug-related activity (list factors below)
____ Other (list below)

b. ____ Yes __X__ No: Does the PHA request criminal records from local law enforcement agencies for screening purposes?

c. ____Yes __X__ No: Does the PHA request criminal records from State law enforcement agencies for screening purposes?

d. ____Yes __X__ 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
__X__ Other (describe below)

1. Evictions and/or damage claims paid out over past five years
2. Name of prior landlords who rented to family under the Section 8 Program and prior addresses rented under the Section 8 Program

(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
__X__ Other federal or local program (list below)

1. Shelter Plus Care Program
2. Family Unification Program

b. Where may interested persons apply for admission to section 8 tenant-based assistance? (select all that apply)
__X__ PHA main administrative office
____ Other (list below)

(3) Search Time

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

If yes, state circumstances below:

1. Section 8 Voucher Holders are given up to 120 days in which to locate a unit when the family has made a reasonable effort to locate a unit, including seeking the assistance of the Housing Authority, throughout the initial sixty-day time period. A search record may be requested.

2. The family was unable to locate housing due to a disability accessibility requirement or needed to locate a large bedroom sized unit.

(4) Admissions Preferences

a. Income targeting

___ Yes __X_ 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. _X_ 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

_X_ 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)
_X_ Households that contribute to meeting income requirements (targeting)
____ Those previously enrolled in educational, training, or upward mobility programs
____ Victims of reprisals or hate crimes
_X_ Other preference(s) (list below)

1. Applicant families who have been readmitted to the waiting list under the "Family Absence Rule" which states that the Housing Authority will terminate a HAP Contract when a family is absent from the unit for more than 90 days due to being institutionalized or needing medical care. If the family, within one year from the date of absence, is ready to return to an independent living situation, the Housing Authority will allow the family to be readmitted to the waiting list

2. Shelter Plus care program participants who are on the Section 8 wait list and are no longer in need of supportive services to stabilize their housing.

3. Families currently on the waiting list whose landlord is willing to participate in the Section 8 Program (this preference applies so long as the annual utilization is less than 98%)

4. 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.

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 your jurisdiction
_____ Those enrolled currently in educational, training, or upward mobility programs
_____ Households that contribute to meeting income goals (broad range of incomes)
__1__ Households that contribute to meeting income requirements (targeting)
_____ Those previously enrolled in educational, training, or upward mobility programs
_____ Victims of reprisals or hate crimes
__X__ Other preference(s) (list below)

1. Families readmitted under the "Family Absence Rule"
2. Shelter Plus care Graduates
3. Families in units eligible for Section 8 Participation (applies only when the Authorities annual utilization rate falls below 98% overall)

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

__X__ 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) Not Applicable

_____ 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)

__X__ 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)

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

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

__X__ Through published notices
__X__ Other (list below)
Notification to Local Service Providers
Newsletters to current Section 8 Participants and Landlords
Media

4. PHA Rent Determination Policies
[24 CFR Part 903.7 9 (d)]

A. Public Housing

(1) Income Based Rent Policies

a. Use of discretionary policies:

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

---or---

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

b. Minimum Rent:

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

__X__ $0
____ $1-$25
____ $26-$50

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

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

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

1. ____Yes __X__ 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**- None**

____ 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)

Yes for all developments
___ Yes but only for some developments
_X_ No

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

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

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

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

f. Rent re-determinations:

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

____ 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)_____
__X__ Other: Any time a family experiences an income increase or decrease

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

(2) Flat Rents

1. In setting the market-based flat rents, what sources of information did the PHA use to establish comparability?

__X__ The section 8 rent reasonableness study of comparable housing
____ Survey of rents listed in local newspaper
____ Survey of similar unassisted units in the neighborhood
__X__ Other (list/describe below) Anticipated non-subsidized operating costs for the various sized units.

B. Section 8 Tenant-Based Assistance

(1) Payment Standards

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

__X__ At or above 90% but below100% 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
__X__ Other (list below)
In response to HUD Notice 2004-7 - to decrease per unit costs in order to be able to assist the same level of families under the HA"s ACC

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

_X_ Other (list below)

Due to the requirement to reduce the BPS to avoid serving less households, the BPS will be reviewed quarterly

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

_X_ Success rates of assisted families

_X_ Rent burdens of assisted families

_X_ Other (list below)

1. Local Rent Surveys to Determine if the Benefit Payment Standard adequately reflects market rents

(2) Minimum Rent

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

____ $0

____ $1-$25

_X_ $26-$50

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

5. Operations and Management

[24 CFR Part 903.7 9 (e)]

A. PHA Management Structure:

____ An organization chart showing the PHA's management structure and organization is attached.

_X_ A brief description of the management structure and organization of the PHA follows:

The PHA is headed by the Board of Commission. The Executive Director of the Housing Authority of the County of Stanislaus manages, on a day to day basis, the Housing Authority. Department Heads manage departments within the agency.

B. HUD Programs Under PHA Management:

Program Name	Units or Families Served at Year Beginning	Expected Turnover
Public Housing	647	82 Units
Section 8 Mod Rehab	44	4
Housing Choice Vouchers	3,677	440
Section 8 FUP	241	48
Section 8 Aftercare	55	6
Shelter Plus Care Program	21	2
Public Housing Drug Elimination Program (PHDEP)	1100 Families	330 Families (30%)
Other Federal Programs(list individually) Rural Development Pro	356 Families	30 units

C. Management and Maintenance Policies:

1. PERSONNEL POLICY
2. HARASSMENT POLICY
3. PROCUREMENT POLICY & PROCEDURE
4. FAIR HOUSING & EQUAL OPPORTUNITY POLICY
5. LEASE- INCOME BASED RENT
6. LEASE- FLAT RENT
7. MAINTENANCE POLICY
8. PEST CONTROL POLICY
9. CAPITAL NEEDS ASSESSMENT

6. PHA Grievance Procedures

[24 CFR Part 903.7 9 (f)]

See Attachment # (ca026o5)

A. Public Housing:

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

If yes, list additions to federal requirements below:

2. Which PHA office should residents or applicants to public housing contact to initiate the PHA grievance process?

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

B. Section 8, Tenant-Based Assistance:

1. ____Yes __X__ No: Has the PHA established informal review procedures for applicants to the Section 8 tenant-based assistance program and informal hearing procedures for families assisted by the Section 8 tenant-based assistance program in addition to federal requirements found at 24 CFR 982?

If yes, list additions to federal requirements below:

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

__X__ PHA main administrative office
____ Other (list below)

7. Capital Improvement Needs :

[24 CFR Part 903.7 9 (g)]

A. Capital Fund Activities

(1) Capital Fund Program Annual Statement

Select one:

_X_ The Capital Fund Program Annual Statement is provided as an attachment to the PHA Plan.

-or-

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

(2) Optional 5-Year Action Plan

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

b. If yes to question a, select one:

_X_ The Capital Fund Program 5-Year Action Plan is provided as an attachment to the PHA Plan.

-or-

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

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

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

1. Development name:
2. Development (project) number:
3. Status of grant: (select the statement that best describes the current status)
   - ____ Revitalization Plan under development
   - ____ Revitalization Plan submitted, pending approval
   - ____ Revitalization Plan approved
   - ____ Activities pursuant to an approved Revitalization Plan underway

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

____Yes __X__ No: d) Will the PHA be engaging in any mixed-finance development activities for public housing in the Plan year?

If yes, list developments or activities below:

____Yes __X__ No: e) Will the PHA be conducting any other public housing development or replacement activities not discussed in the Capital Fund Program Annual Statement?
If yes, list developments or activities below:

8. Demolition and Disposition

[24 CFR Part 903.7 9 (h)]

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

2. Activity Description:

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

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

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

[24 CFR Part 903.7 9 (i)]

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

2. Activity Description:

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

Designation of Public Housing Activity Description
1a. Development name: Hughson Low Rent 1b. Development (project) number: Cal 26-10
2. Designation type: ____ Occupancy by only the elderly ____ Occupancy by families with disabilities __X Occupancy by only elderly families and families with disabilities
3. Application status (select one) __X Approved; included in the PHA's Designation Plan ____ Submitted, pending approval ____ Planned application
4. Date this designation approved, submitted, or planned for submission: (9/1977)
5. If approved, will this designation constitute a (select one) ____ New Designation Plan __X Revision of a previously-approved Designation Plan?

Designation of Public Housing Activity Description

1a. Development name: Ceres Low Rent 1b. Development (project) number: Cal 26-7
2. Designation type: ____ Occupancy by only the elderly ____ Occupancy by families with disabilities _X_ Occupancy by only elderly families and families with disabilities
3. Application status (select one) _X_ Approved; included in the PHA's Designation Plan ____ Submitted, pending approval ____ Planned application
4. Date this designation approved, submitted, or planned for submission: (12/1965)
5. If approved, will this designation constitute a (select one) ____ New Designation Plan _X_ Revision of a previously-approved Designation Plan?
1. Number of units affected: 6 Units 7. Coverage of action (select one) _X_ Part of the development ____ Total development

10. Conversion of Public Housing to Tenant-Based Assistance

[24 CFR Part 903.7 9 (j)]

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

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

2. Activity Description

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

Conversion of Public Housing Activity Description
1a. Development name: 1b. Development (project) number:
2. What is the status of the required assessment? ____ Assessment underway ____ Assessment results submitted to HUD ____ Assessment results approved by HUD (if marked, proceed to next question) ____ Other (explain below)
3. ____Yes ____ No: Is a Conversion Plan required? (If yes, go to block 4; if no, go to block 5.)

4. Status of Conversion Plan (select the statement that best describes the current status)

____ Conversion Plan in development
____ Conversion Plan submitted to HUD on: (DD/MM/YYYY)
____ Conversion Plan approved by HUD on: (DD/MM/YYYY)
____ Activities pursuant to HUD-approved Conversion Plan underway

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

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

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

11. Homeownership Programs Administered by the PHA:
[24 CFR Part 903.7 9 (k)]

A. Public Housing:

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

2. Activity Description:

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

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

B. Section 8 Tenant Based Assistance:

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

2. Program Description:

a. Size of Program

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

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

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

b. PHA-established eligibility criteria:

____Yes _X_No: Will the PHA's program have eligibility criteria for participation in its Section 8 Homeownership Option program in addition to HUD criteria?

If yes, list criteria below:

12. PHA Community Service and Self-sufficiency Programs:

[24 CFR Part 903.7 9 (l)]

A. PHA Coordination with the Welfare (TANF) Agency

1. Cooperative agreements:

____Yes _X_No: Has the PHA entered into a cooperative agreement with the TANF Agency, to share information and/or target supportive services (as contemplated by section 12(d)(7) of the Housing Act of 1937)?

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

2. Other coordination efforts between the PHA and TANF agency:

_X_ Client referrals

____ Information sharing regarding mutual clients (for rent determinations and otherwise)

____ Coordinate the provision of specific social and self-sufficiency services and programs to eligible families

____ Jointly administer programs

____ Partner to administer a HUD Welfare-to-Work voucher program

____ Joint administration of other demonstration program

_X_ Other (describe)

1. Established a TANF Security Deposit Loan Program through monies received from the local Social Services Department
2. Actively participate in the TANF Work Experience Program and provide on the job training to TANF recipients

B. Services and programs offered to residents and participants

(1) General

a. Self-Sufficiency Policies

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

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

1. Transfer Policy Preferences

b. Economic and Social self-sufficiency programs

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

Services and Programs				
Program Name & Description (including location, if appropriate)	Estimatec Size	Allocation Method (Waiting list/random selection/specific criteria/other)	Access (Development office / PHA main office / other provider name)	Eligibility (Public housing or Section 8 participants or both)
Money Sense - Personal Finance	Varies	Open enrolment	H.A. main office	Public Housing
PAL Programs	Varies	Open enrolment	Pat, Westley, Mod, Turlock, and Oakdale - Community Centers	Community
Community Services Centers (education, health, and community programs and resources)	Varies	Referrals/enroll	Pat, Westley, Mod, Turlock, and Oakdale	Community
Daycare services	Varies	Enrolment	Pat and Westley center	Community
Resident Work Exp Program	Varies	Enrolment	Modesto Com Center	Public Housing
Block House Program	Varies	Enrolment	Modesto Com Center	Community
Free Lunch Program/s	Varies	Open enrolment	Modesto Westley/Pat	Community

(2) Family Self Sufficiency program/s

a. Participation Description

Family Self Sufficiency (FSS) Participation		
Program	Required Number of Participants (start of FY 2000 Estimate)	Actual Number of Participants (As of: DD/MM/YY)
Public Housing	**N/A**	**N/A**
Section 8	140	125 as of 5/05

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

C. Welfare Benefit Reductions

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

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

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

13. PHA Safety and Crime Prevention Measures
[24 CFR Part 903.7 9 (m)]

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

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

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

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

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

3. Which developments are most affected? 26-1,2, 3, 6, and 8.

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

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

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

2. Which developments are most affected? (list below) 26-1,2, 3, 6, and 8.

C. Coordination between PHA and the police:

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

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

Other activities (list below) Monthly Crime reports from all areas.

2. Which developments are most affected? (list below)- 26-1,2, 3, 6, and 8.

D. Additional information as required by PHDEP/PHDEP Plan (N/A Beginning with 2002 submission)

____Yes ____ No: Is the PHA eligible to participate in the PHDEP in the fiscal year covered by this PHA Plan?

____Yes ____ No: Has the PHA included the PHDEP Plan for FY 2000 in this PHA Plan?

____Yes ____ No: This PHDEP Plan is an Attachment.

14. RESERVED FOR PET POLICY

See Pet Policy Attachment- Filename: (ca026d05)

[24 CFR Part 903.7 9 (n)]

15. Civil Rights Certifications

[24 CFR Part 903.7 9 (o)]

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

16. Fiscal Audit

[24 CFR Part 903.7 9 (p)]

1.: __X_ Yes ____ No: Is the PHA required to have an audit conducted under section 5(h)(2) of the U.S. Housing Act of 1937 (42 U S.C. 1437c(h))? (If no, skip to component 17.)

2.__X_ yes ____ No: Was the most recent fiscal audit submitted to HUD?

3.__X_ Yes ___ No: Were there any findings as the result of that audit?

4. ____Yes __X_ No If there were any findings, do any remain unresolved?

If yes, how many unresolved findings remain?____

5._X_ Yes _____ No: Have responses to any unresolved findings been submitted to HUD?

If not, when are they due (state below)? **Enclosed (see ca026k06)**

17. PHA Asset Management
[24 CFR Part 903.7 9 (q)

3.__X__Yes ___No: Is the PHA engaging in any activities that will contribute to the long-term asset management of its public housing stock , including how the Agency will plan for long-term operating, capital investment, rehabilitation, modernization, disposition, and other needs that have been addressed in Capital Fund program.

2. What types of asset management activities will the PHA undertake? (select all that apply)

__X__ Not applicable
____ Private management
__X__ Development-based accounting
____ Comprehensive stock assessment
_X_ Other: (list below)
See attachment H for annual and 5 year plan.

3. ____Yes __X__No: Has the PHA included descriptions of asset management activities in the **optional** Public Housing Asset Management Table?

18. Other Information
[24 CFR Part 903.7 9 (r)]

A. Resident Advisory Board Recommendations :

1.__X__Yes ____ No: Did the PHA receive any comments on the PHA Plan from the Resident Advisory Board/s?

2. If yes, the comments are: (if comments were received, the PHA **MUST** select one)
__X__ Attached as Attachment (ca026a06)
____ Provided below:

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

__X__ Considered comments, but determined that no changes to the PHA Plan were necessary.
____ The PHA changed portions of the PHA Plan in response to comments
____ List changes below:
____ Other: (list below)

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

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

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

3. Description of Resident Election Process: **Note:** From the inception of our Housing Authority, All Commissioners (including two resident commissioners) have been appointed by the Board of Supervisors of our county and therefore elections are not held. In addition, we have not provided for resident commissioner elections in our Agency Plan, therefore their election is not required.

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

____ Candidates were nominated by resident and assisted family organizations
____ Candidates could be nominated by any adult recipient of PHA assistance
____ Self-nomination: Candidates registered with the PHA and requested a place on ballot
_X_ Other: (describe) **Note:** From the inception of our Housing Authority as required under state, All Commissioners (including two resident commissioners) have been appointed by the Board of Supervisors of our county and therefore elections are not held. In addition, we have not provided for resident commissioner elections in our Agency Plan, therefore their election is not required.

b. Eligible candidates: (select one)

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

c. Eligible voters: (select all that apply)

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

C. Statement of Consistency with the Consolidated Plan:

1. Consolidated Plan jurisdiction: City of Modesto and City of Turlock. State of California and County of Stanislaus.

2. The PHA has taken the following steps to ensure consistency of this PHA Plan with the Consolidated Plan for the jurisdiction: (select all that apply)

_X_ The PHA has based its statement of needs of families in the jurisdiction on the needs expressed in the Consolidated Plan/s.

_X_ The PHA has participated in any consultation process organized and offered by the Consolidated Plan agency in the development of the Consolidated Plan.

_X_ The PHA has consulted with the Consolidated Plan agency during the development of this PHA Plan.

_X_ Activities to be undertaken by the PHA in the coming year are consistent with the initiatives contained in the Consolidated Plan. (list below)

_X_ Other: (list below)

Development of additional units, Fair Housing, and special population programs

4. The Consolidated Plan of the jurisdiction supports the PHA Plan with the following actions and commitments: All jurisdictions reviewed and approved the 5 Year Plan without comment.

D. Other Information Required by HUD

DEFINITION OF SUBSTANTIAL DEVIATION:

Substantial deviations, significant amendments, and/or modifications are considered non-discretionary changes in the plans or policies of the Housing Authority when they fundamentally change the mission, goals, objectives, and/or plans of the agency. This manner of change normally requires formal approval from the Board of Commissioners.

FOLLOW-UP PLAN ADDRESSING AREAS IDENTIFIED IN THE RASS RESIDENT SURVEY:

Our Housing Authority will implement the following plan to address areas identified :

Areas to be Addressed:

1. Communication:

The Housing Authority implemented a services and communication "quality control" system that provides the Housing Authority with immediate customer feedback and identifies areas that may need improvement the system has been operational since 10/01/2002

The Housing Authority implemented a systematic resident education program with regularly scheduled meetings and written communications on agency policy, rules, and leases etc as of 10/01/2001

The Housing Authority strives to create an "agency culture" emphasizing customer satisfaction and communication.

2. Safety:

The Housing Authority implemented a systematic resident education program with regularly scheduled meetings and written communications on agency policy, rules, and leases etc as of 10/01/2001

3. Neighborhood appearance, The Housing Authority has implemented an on-going "curb-side" appearance program . The focus of the program is exterior of buildings, parking areas, play grounds and other areas of the complexes. Rodent and insect problems are addressed when residents report a problem and/or on Annual Inspections. In an effort to better educate residents concerning these problems. Information will be regularly provided through the Housing Authority's news letter.

COMMUNITY SERVICE REQUIREMENTS:

Please See Attachment : (ca026e05)

Attachments :

_A_ Deconcentration Amendment to The Template (ca026a06)
_B_ FY 2005 Capital Fund Program Annual Statement (Ca026b06)
_C_ Most recent board-approved operating budget (ca026c06)
_D_ Pet Policy (ca026d06)
_E_ Community Service (ca026e06)
_G_ PHA Management Organizational Chart (ca026g06)
_H_ FY 2005 Capital Fund Program 5 Year Action Plan (ca026h06)
_I_ PHDEP **(N/A Beginning with 2002 submission)**
_J_ Comments of Resident Advisory Board or Boards (ca026j06)
_K_ Audit (ca026k06)
_M_ Certificates (ca026m06)
_N_ Public Housing Occupancy Policy (ca026n06)
_O_ Public Housing Grievance Policy (ca026o06)
_P_ Section 8, Admin Policy (ca026p06)
_Q_ Section 8, Grievance Policy (ca026q06)
_R_ HA Response to Resident Advisory Board (ca026r06)
_S_ AGREEMENT FOR INDEPENDENT CONTRACTOR SERVICES (TANF) (ca026s06)
_T_ Resident Advisory Board Members (ca026t06)
_U_ Resident Commissioner Members (ca026u06)
_V_ Plan Template (CA026V06)
_W_ Vouchering Out Of Public Housing (CA026w06)
_X_ Section 8, Project Based Units (CA026x06)
_y_ Notice of Public Hearing (CA026y06)

Attachments

ca026a06 .....Deconcentration Amendment
ca026b106 .....Capital Fund Annual Statement (page 1)
ca026b206 .....Capital Fund Annual Statement (page 2)
ca026b306 .....Capital Fund Annual Statement (page 3)
ca026c06.....Approved Operating Budget
ca026d06 .....Pet Policy
ca026e06 .....Community Service
ca026f06.....Progress on 2000/5 Year Plan
ca026g06 .....Management Organization Charts (removed from submission, not required)
ca026h06 .....Capital Fund 5 Year Plan
ca026i06.....PHDEP Program - N/A 2002 Submission
ca026j06.....Resident Advisory Board Comments
ca026k06.....Most Recent Audit
ca026m06 .....Certificates
ca026n06.....Public Housing Occupancy Policy
ca026o06 .....Public Housing Grievance Policy
ca026p06 .....Section 8, Admin Policy
ca026q06 .....Section 8, Grievance Policy
ca026r06.....HA Response to Resident Advisory Board
ca026s06 .....Agreement For Contractor Services (TANF)
ca026t06.....Resident Advisory Board Members
ca026u06.....Resident Commission Board Members
ca026v06.....Plan Template
ca026w06.....Voluntary Conversion of Public Housing, Initial Assessment
ca026x06.....Declaration of Intent to Implement Section 8, Project Based Units
ca026y06.....Public Hearing Notice

Attachment A

Component 3, (6) Deconcentration and Income Mixing:

The Housing Authority Has modified its Occupancy Policy to meet HUD's new rules on deconcentration.

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 as follows:

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

Annual Statement / Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary

PHA Name:	Capital Fund Program Grant No:	Federal FY of Grant
Housing Authority of the County of Stanislaus	CA39P02650104	**2005**

[X] Original Annual Statement [ ] Reserve for Disasters/Emergencies [ ] Revised Annual Statement/Revision Number _____
[ ] Performance and Evaluation Report for Program Year Ending _____ [ ] Final Performance and Evaluation Report

Line No.	Summary by Development Account	Total Estimated Cost		Total Funds Cost	
		Original	Revised (1)	Obligated	Expended
1	Total Non-CFP Funds				
2	1406 Operation (may not exceed 10% of 19)				
3	1408 Management Improvements Soft Costs	201,350.00			
4	1410 Administration	120,536.00			
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs	78,044.00			
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures	907,934.00			
11	1465.1 Dwelling Equipment-Nonexpendable				
12	1470 Nondwelling Structures				
13	1475 Nondwelling Equipment	25,000.00			
14	1485 Demolition				
15	1490 Replacement Reserve				
16	1492 Moving to Work Demonstration				
17	1495.1 Relocation Costs				
18	1499 Development Activities				
19	1502 Contingency (may not exceed 8% of line 20)				
20	**Amount of Annual Grant (Sum of lines 2-19)**	1,332,864.00			
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Compliance				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
26	Collateralization Expenses or Debt Service				

Signature of Executive Director	Date (mm/dd/yyyy)	Signature of Public Housing Director	Date (mm/dd/yyyy)

1. To be completed for the performance and Evaluation Report or a Revised Annual Statement.
2. To be completed for the performance and Evaluation Report.

Previous edition is obsolete

form HUD-52837 (9/98)
ref Handbook 7485.3

Annual Statement / Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF)
Part II: Supporting Pages

PHA Name:	Comprehensive Grant Number	Federal FY of Grant:
Houisng Authority of the County of Stanislaus	Capital Fund Program Grant No: **CA39P02650104** Replacement Housing Factor Grant No:	**2005**

Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost Original	Total Estimated Cost Revised	Total Actual Cost		Status of Work
CA26-03	Abate Mold and Moisture (Phase 1)	1460	150	907,934.00				
CA26-03	A & E, Fees, Permits	1430	150	78,044.00				
PHA Wide	Replace backflow preventers	1475	15	25,000.00				
PHA Wide	Administration	1408	647	120,536.00				
PHA Wide	Management Improvements	1410	647	201,350.00				

Signature of Executive Director	Date (mm/dd/yyyy)	Signature of Public Housing Director	Date (mm/dd/yyyy)

Annual Statement / Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF)
Part III: Implementation Schedule

PHA Name:	Capital Fund Program Grant No:	Federal FY of Grant:
Housing Authority of the County of Stanislaus	**CA39P02650104**	**2005**

Development Number Name/HA-Wide Activities	All Funds Obligated (Quarter Ending Date)			All Funds Expended (Quarter Ending Date)			Reasons for Revised Target Dates
	Original	Revised	Actual	Original	Revised	Actual	
CA 26-03	09/30/07			09/30/09			
PHA WIDE	09/30/07			09/30/09			

Signature of Executive Director	Date (mm/dd/yyyy)	Signature of Public Housing Director	Date (mm/dd/yyyy)

1. To be completed for the Performance and Evaluation Report or a Revised Annual Stateme
2. To be completed for the Performance and Evaluation Report.

Previous edition is c

form HUD-52837 (9/98)
ref Handbook 7485.3

CONVENTIONAL LOW RENT BUDGET
FISCAL YEAR ENDING 9/30/2004
2005 in Process

ITEM	AMOUNT
OPERATING RECEIPTS:	
DWELLING RENTAL	$2,511,920
INTEREST	94,950
OTHER RECEIPTS	76,000
TOTAL RECEIPTS	$2,682,870
OPERATING EXPENDITURES:	
ADMINISTRATION:	
SALARIES	$ 634,600
OTHER ADMIN. EXP.	181,000
TOTAL ADMIN. EXP.	$ 815,600
TENANT SERVICES:	
SALARIES	$ 55,860
TOTAL TENANT SERVICES	$ 55,860
UTILITIES	$ 474,550
ORDINARY MAINTENANCE:	
LABOR	$ 648,810
MATERIALS	216,320
CONTRACT COSTS	182,740
TOTAL ORDINARY MAINT.	$1,047,870
PROTECTIVE SERVICES	$ 8,500
GENERAL EXPENSE:	
INSURANCE	$ 160,700
P.I.L.O.T.	180,770
EMPLOYEE BENEFITS	516,760
COLLECTION LOSSES	40,000
TOTAL GENERAL EXPENSE	$ 898,230
TOTAL ROUTINE EXPENSES	$ 3,300,610

EXTRAORDINARY MAINTENANCE	$	76,900
CAPITAL EXPENDITURES:		
REPLACEMENT EQUIPMENT	$	0
PROPERTY BETTERMENTS		0
TOTAL CAPITAL EXPENDITURES		76,900
TOTAL EXPENDITURES	$	3,377,510
GAIN OR LOSS	$	(694,640)
PERFORMANCE FUNDING	$	557,690
CGP ADMIN. FEE		145,710
NET GAIN	$	8,760

ATTACHMENT D

17.0 PET POLICY

17.1 EXCLUSIONS

This policy does not apply to animals that are used to assist persons with disabilities. Assistive animals are allowed in all public housing facilities with no restrictions other than those imposed on all tenants to maintain their units and associated facilities in a decent, safe, and sanitary manner, to refrain from disturbing their neighbors, and to refrain from damaging the unit.

17.2 PETS IN PUBLIC HOUSING DEVELOPMENTS

When final HUD regulations on pet ownership are issued and when a resident has complied with the following Housing Authority pet ownership conditions, the Housing Authority will allow for ownership of pets by any resident family and elderly and/or disabled families.

17.3 APPROVAL

Residents must have the prior approval of the Housing Authority before moving a pet into their unit. Residents must request approval on the Authorization for Pet Ownership Form that must be fully completed and all terms complied with before the Housing Authority will approve the request. In addition, the resident shall have a history of behavior which would tend to indicate that they are likely to comply with the additional rules and regulations associated with the keeping of pets.

17.4 TYPES OF PETS

The Housing Authority will allow only domesticated dogs, cats, birds, fish, rodents, turtles, and other animals allowed by law or ordinance in units. All dogs and cats must be neutered and or spayed.

The animal(s) shall be of a size and temperament so as to not pose an unreasonable threat of property damage or threat to the health or safety of neighbors or Housing Authority employees due to viciousness or improper control of animal waste. Any animal deemed to be “aggressive or territorial” or potentially harmful to the health or safety of others (including other pets) including attack or fight trained dogs, or prohibited by law or ordinance will not be allowed. Determinations on the “aggressive or territorial” or potentially harmful nature of a pet will be made according to established data bases on “pet temperament” such as Cyberpet and PetSmart data bases. In all cases where a proposed pet has been disapproved because of incompatible temperament, a copy of the data base “print-out” indicating the incompatibility will be provided to the resident and a copy, along with all other relevant information relating to the request, will be maintained in the resident's file.

For all requests for dogs, the resident must provide written documentation from a Vet or other competent professional of the dog's breed or breed mixture. In cases where the breed of the proposed dog is “mixed”, residents will be responsible to provide the Housing Authority with a written determination from a Vet or other competent professional identifying the various “breeds” of the dog. The various breeds will then be compared to the databases. An “aggressive or territorial” or potentially harmful result for any of the dog's breeds will result in the denial of the request.

No animal may exceed thirty (30) pounds in weight.

17.5 INOCULATIONS, LICENCING, AND PET IDENTIFICATION

In order to be authorized, pets, as applicable, must be appropriately licensed and inoculated against rabies, distemper, parvo shots and other conditions prescribed by local ordinances.

For pets not totally confined to the interior of the unit, residents must provide a color photograph of the animal.

Pet owners shall be required to attach copies of licensing documents, immunization certifications, breed identification documentation, and proof of spaying/neutering to the application form at the time they seek approval from the Housing Authority to keep a pet.

Except for authorized birds, fish and other similar animals, the Housing Authority will issue a “Pet Tag” that must be worn along with the proper pet “licence” on a collar at all times by any authorized pet.

17.6 HUMANE CONFINEMENT

The dwelling unit shall have adequate amenities, such as a yard and sufficient fencing, to allow proper humane confinement of the animal(s) and to prevent the disturbance of neighbors. In projects where no fences exist, the animal(s) shall be of a size and temperament so as to be able to be properly confined to the interior of the unit.

17.7 PET DEPOSIT

A pet deposit of $25 - 200.00 is required at the time of registering a pet. The deposit varies, depending on the pet selected, the unit, and the amenities of the unit, like carpeting. The deposit is refundable when the pet or the family vacate the unit, less any amounts owed due to damage beyond normal wear and tear.

17.8 FINANCIAL OBLIGATION OF RESIDENTS

Any resident who owns or keeps a pet in their dwelling unit will be required to pay for any damages caused by the pet. Also, any pet-related insect infestation in the pet owner's unit will be the financial responsibility of the pet owner and the Housing Authority reserves the right to exterminate and charge the resident.

17.9 NUISANCE OR THREAT TO HEALTH OR SAFETY

The pet and its living quarters must be maintained in a manner to prevent odors and any other unsanitary conditions in the family's unit and surrounding areas.

Repeated and substantiated complaints by neighbors or Housing Authority personnel regarding pets disturbing the peace of neighbors through noise, odor, animal waste, damage to the premises, or other nuisance will result in the family having to remove the pet or move him/herself.

17.10 DESIGNATION OF PET AREAS

For complexes where no exterior, individual yard fences are provided. Pets must be kept in the owner's apartment or on a leash at all times when outside(no outdoor cages may be constructed). In some complexes, pets will

be allowed only in designated areas. Pet owners must clean up after their pets and are responsible for disposing of pet waste.

17.11 VISITING PETS

Pet visitation is not allowed.

17.12 RESIDENT ABSENCES FROM THE PREMISES

When absent from the unit, families with dogs or cats shall be responsible for the housing of their pet(s) somewhere other than on the premises overnight or longer periods. Families with pets shall have a standing arrangement, on file, with the Housing Authority providing for the care of pet(s)in the event that the family must leave their unit on an emergency basis. The arrangement will specify who will be responsible for assuring compliance with this provision.

17.13 REMOVAL OF PETS

The Housing Authority, or an appropriate community authority, shall require the removal of any pet from a project if the pet's conduct or condition is determined to be a nuisance, a threat to the health or safety of other occupants of the project or of other persons in the community where the project is located, or if the pet causes damage to the premises.

ATTACHMENT E

13.0 CONTINUED OCCUPANCY AND COMMUNITY SERVICE; Re-implemented on 10.01.03.

1. 13.1 GENERAL (Policy temporally suspended until further congressional or HUD action)

In order to be eligible for continued occupancy, each adult family member must either (1) contribute eight hours per month of community service (not including political activities) within the community in which the public housing development is located, or (2) participate in an economic self-sufficiency program unless they are determined exempt from this requirement

13.2 EXEMPTIONS

The following resident, adult family members may be exempt from this requirement if their exemption can be documented by the family and verified by the Housing Authority.

A. Family members who are 62 or older

B. Family members who are blind or disabled

C. Family members who are the primary care giver for someone who is blind or disabled

D. Family members engaged in work activity as defined under part A, title IV, of the Social Security Act

E. Family members who are exempt from work activity under part A, title IV, of the Social Security Act or under any other State welfare program, including the welfare-to-work program

F. Family members receiving assistance under a State program funded under part A, title IV, of the Social Security Act or under any other State welfare program, including welfare-to-work and who are in compliance with that program

13.3 NOTIFICATION OF THE REQUIREMENT

In all resident annual re-examination notifications beginning on October 1, 2000, Housing Authority staff shall notify each affected family that during their up coming re-exam, Authority staff will identify and or verify compliance with, as applicable, all adult exempt and non-exempt family members for purposes of the family meeting its community service requirements.

The notification will explain the family's responsibility to provide verification for all non-exempt adult family member's compliance with the community service requirement, to verify continued exempt status for those previously granted exempt status, and the verification of any changes in any family member status. The Housing Authority shall verify such claims.

The notification will further advise families that their community service obligation will begin upon the effective date of their first annual reexamination on or after 10/1/2000. For family's paying a flat rent, the obligation begins on the date their annual reexamination would have been effective had an annual reexamination taken place. It will also advise all

residents that their failure to comply with the community service requirement will result in ineligibility for continued occupancy at the time of any subsequent annual reexamination.

Initially, the Housing Authority will conduct training and educational meetings focused on the program and it's requirements for all affected families.

13.4 VOLUNTEER OPPORTUNITIES

Community service includes performing work or duties in the public benefit that serve to improve the quality of life and/or enhance resident self-sufficiency, and/or increase the self-responsibility of the resident within the community in which the complex is located. Because of the small community nature of the City of Riverbank where our complexes are located and the lack of availability of placement opportunities, the "community in which the complex is located" shall be defined as the complex and the geographic areas around it sufficient to allow for the resident to find and retain placement.

An economic self sufficiency program is one that is designed to encourage, assist, train or facilitate the economic independence of participants and their families or to provide work for participants. These programs may include programs for job training, work placement, basic skills training, education, English proficiency, work fare, financial or household management, apprenticeship, and any program necessary to ready a participant to work (including, but not limited to such programs as substance abuse or mental health treatment).

The Housing Authority will coordinate with social service agencies, local schools, the Human Resources Office, and other agencies in identifying a list of volunteer community service positions. Lists will be made available to all residents.

The Housing Authority will create volunteer positions such as coordinating and record keeping and other clerical positions for resident volunteers.

13.5 THE PROCESS

At the first annual reexamination on or after October 1, 1999, and each annual reexamination thereafter, the Housing Authority will identify each adult family member who is non-exempt from the Community Service requirement and do the following:

A. Provide the family a list of volunteer opportunities.

B. Provide information about obtaining suitable volunteer positions.

C. Provide a volunteer time sheet for every non-exempt family member. Instructions for the time sheet require the individual to complete the form and have a supervisor date and sign for each 8 hour volunteer period. The supervisor will attach a business card to the sheet.

D. Refer family members to a volunteer coordinator who may assist family members in identifying appropriate volunteer positions and in meeting their responsibilities. The volunteer coordinator will track the family member's progress monthly and will meet with the family member as needed to best encourage compliance. Volunteer

coordinators will be located and supervised from the Housing Authority office.

While the Housing Authority will provide support services to volunteers, it in no way assumes responsibility for nor guarantees the placement of nor can guarantee the meeting of any family member's Community Services requirements. This responsibility remains fully with the family.

E. Sixty (60) days before the family's next lease anniversary date, the volunteer coordinator will update the volunteer's file, document compliance or non-compliance, and advise the Housing Authority. The volunteer coordinator will forward to the Housing Authority a signed certification of program compliance or executed agreement to cure non-compliance.

13.6 NOTIFICATION OF NON-COMPLIANCE WITH COMMUNITY SERVICE REQUIREMENTS

The Housing Authority will notify any family found to be in noncompliance of the following:

A. The family member(s) has been determined to be in noncompliance;

B. That the determination is subject to the grievance procedure; and

C. That, unless the family member(s) enter into an agreement to comply, the lease will be terminated.

13.7 OPPORTUNITY FOR CURE

The Housing Authority will offer the family member(s) the opportunity to enter into an agreement prior to the anniversary of the lease. The agreement shall state that the family member(s) agrees to enter into an economic self-sufficiency or community service program for as many hours as needed to fulfill the time requirement over the past 12-month period. The cure shall occur over the 12-month period beginning with the date of the agreement and the resident shall at the same time stay current with the current's year's community service requirement. In all such agreements, the first 96 hours a resident earns will be credited toward the current's year's community service requirement with all additional hours credited to the amount owed for the previous year.

The volunteer coordinator will assist the family member in identifying volunteer opportunities and will track compliance on a monthly basis.

If any applicable family member does not accept the terms of the agreement, does not fulfill their obligation to participate in an economic self-sufficiency program, or falls behind in their obligation under the agreement to perform community service by more than three (3) hours over a three (3) month period, the Housing Authority shall take action to terminate the lease.

DATE: May 9, 2005

TO: Board of Commissioners

FROM: A. R. Chubon, Executive Director

*SUBJECT: **Agenda Item # -** Status Report - Agency Plan*

RECOMMENDATION

This is an informational item, no action is required by the Commission. This report is intended to give the Commission an update of activities upon the completion of the Authority's first five year Agency Plan.

BACKGROUND

Last July, the Commission adopted the Authority's current yearly Agency Plan. This plan was the last, yearly plan of the Authority's first five year plan cycle. Completion and submission of Agency Plans (Five year and yearly) is a federal requirement for all housing authorities. The current plan identified affordable housing needs, and resources, the Authority's own policies, procedures and goals for addressing public housing needs over the five year period. This report is intended to provide the Commission with an update on Plan activity upon the plan's completion.

DISCUSSION

The Authority's Plan established strategic five-year goals and related objectives which the Authority was to further during the five year time frame. In the following material I have listed those goals and objectives and commented on the Authority's efforts to date .

PHA Goal: Increase the inventory of affordable rental housing in Stanislaus County and expand home ownership opportunities for first time home buyers.

***Objectives**:*

@ *Apply for additional rental vouchers: If federal funding becomes available expand the inventory of rental housing vouchers by 15 % over the next 5 years (2000 - 2005):*

@ *Reduce public housing vacancies: Achieve a 98% Lease-up Rate in the Public Housing Program by October 1, 2001*

@ *Leverage private or other public funds to create additional housing opportunities*

@ *Subject to the availability of funding, develop or acquire 300 affordable rental housing units over the next 5 years (2000 - 2005).*

@ *Other:*

1. *Utilize the Authority's Mortgage Credit Certificate Program and Section 8, Home Ownership Down Payment Assistance Program to assist 80 first time home buyers in acquiring a home over the next 5 years (2001 - 2006)*

2. *Achieve and sustain a Section 8 program utilization rate of 98 % by October 1, 2002*

3. *Utilize marketing and out reach efforts to attract new landlord participants to the Section 8 program by October 1, 2002*

Comments:

@ *The Authority applied for, and received, approval for 422 additional Section 8 vouchers over the five year period. This represents an increase of 14.2 % in our total inventory. These numbers include 54 additional tenant-based and 16 Project Based (Miller Pointe rental subsidies) Shelter plus Care Vouchers. The Authority will continue to submit applications for additional voucher and other affordable housing funds as they become available.*

@ *To date, the Section 8 lease-up rate is at 96.5% YTD and we anticipate reaching 98% by October 2005. The program exceeded its goal when it reported a 103% lease-up rate on October 1, 2001.*

@ *The Authority implemented some internal changes to improve customer service to landlords participating in the Section 8 Program. One such change was the time initially taken to receive the first rent check from the Authority. After implementation of the internal changes, the time taken for the landlord to receive the initial rent check went from three weeks to one week from the date the contract went into effect.*

To ensure timely response to owner requests, Section 8 Supervisory staff are primarily the staff responding to landlord questions which results in consistent information in a timely manner.

With these improved internal procedures, the program brought approximately 50

new land lords into the program.

@ *With respect to our Public Housing occupancy goal we exceeded our goal of 98% by achieving a 99.4 % occupancy yearly rate on September 30, 2001.*

@ *Our Woodstone, Pine Meadows, Randazzo, Valley Manor, and Miller Pointe developments have leveraged more than $15,640,000 public/private financing to create 184 affordable housing units.*

@ *Our development efforts, to date, total 184 units including our Miller Pointe development (16 units) and the purchase of Valley Manor Apartments, a 48 unit family complex in Newman. While we were not able to meet our five-year goal we anticipate adding additional units to our stock these include a 24 unit elderly complex in Patterson and between 20-60 rental/home ownership units anticipated in Village One.*

@ *With respect to new home ownership opportunities, our Section 8 IDEA program has assisted 20 families with the purchase of their first home.* ***Our Mortgage Credit Certificate program assisted 21 families with home purchases.*** *In October, 2003, the Housing Authority developed a "Lease-to-Own" Homeownership Program for Section 8 Family Self-Sufficiency Participants. Our first participant entered the program on 5/1/04.*

@ *Since 2000, the Authority has applied for and received four separate grants from private funds to implement the IDEA Home Ownership Program for FSS Participants. The total amount applied for and received is $850,000. These IDEA Program funds are used to assist FSS program graduates with up to $15,000 in matching funds to use for down payment assistance.*

@ *The Authority continues to operate the Family Self-Sufficiency Program. Presently, the Authority has 140 program participants, of which 52% hold active escrow savings accounts.*

PHA Goal: Conserve and Upgrade the Affordable Housing Inventory in Stanislaus County:

@ *Improve public housing management: (PHAS score) achieve and maintain High Performer status in the Public Housing Program by October 1, 2001*

@ *Improve voucher management: (SEMAP score) achieve and maintain High Performer status in the Voucher and Section 8 programs by October 1, 2001*

@ *Increase customer satisfaction:*

1. *Improve Communications with Residents and Program Participants through the use of news letters and Resident Meetings*

2. *Implement a Customer Service Evaluation system by October 1, 2001*

3. *Provide staff training opportunities which support improvements in the quality of the Authority's housing programs*

@ *Concentrate on efforts to improve specific management functions: (list; e.g., public housing finance; voucher unit inspections)*

1. *Conduct Annual Housing Choice Voucher Program inspections within 364 days of the last inspection*
2. *Conduct quality control audits of annual eligibility determinations for no less than 3 % of Housing Choice Voucher Program files*
3. *Conduct initial unit inspections for the Housing Choice Voucher Program within a 7 - 10 day time period*
4. *Reduce the number of days a Section 8 Owner receives the initial rent check from 22 days to 11 days from the date the unit passes inspection*
5. *Establish a landlord "hotline" to improve response time inquiries*

@ *Renovate or modernize public housing units: Complete Public Housing Modernization Activities in a timely manner*

@ ***Other***

1. *Partner with county and/or city efforts to improve housing stock and create stable, viable neighborhoods*
2. *Plan and Coordinate Authority's housing stock modernization efforts with county and/or city infrastructure improvement efforts*
3. *The Authority shall reduce the level of crime in its high vacancy complexes by not less than 20 % by October 1, 2002*
4. *The Authority shall improve the curb appeal of its complexes through completion of common area landscape improvements and other physical improvements by October 1, 2002*

Comments:

@ *Our Authority expects to continue to make progress towards achieving, our lease up rate which improved dramatically, exceeding our 98% goal. We are making progress towards achieving high performer status.*

@ *For the Public Housing Program, we achieved and were designated a "High Performer" under the PHAS evaluation system as of October 1, 2001. As the Commission is aware, we lost our status in 2003. We anticipate improved scoring from this system in the current year.*

@ *All departments conducted customer satisfaction evaluation surveys during this time period.*

@ *As a result of SEMAP requirements, the Authority implemented revisions to the inspection process and was able to complete it's inspections within 364 days of the last inspection.*

@ *As a result of SEMAP requirements, the Authority's minimum sampling requirement is less than 1% of tenant files. The Authority has met and exceeded this*

requirement and is reviewing approximately 3 % of files. For program quality, we are continuing to maintain and review the higher percent.

@ *The Authority has met initial unit inspections by conducting initial Housing Choice Voucher Program inspections, within the 7-10 day time period*

@ *The Authority has met it's objective of reducing the number of days for program owners to receive their initial rent check from 22 days to 11.*

@ *The Authority has established an "internal owner hotline" where owners can access and receive program information. Additionally, owners may now contact us through our WEB site.*

@ *To reduce administrative costs associated with performing eligibility functions, the Section 8 Department created open-forum informational "briefings" whereby 25-30 participants interested in relocating are seen at one time versus 25-30 individual appointments. Due to it's success, similar type of "briefings will be established for other functions such as "client counseling" appointments.*

@ *Efforts to improve our communications with residents and program participants include: on site resident training/informational meetings, regular newsletters and flyers.*

@ *Our partnership efforts focusing on improving housing stock include ongoing partnerships with the Cities of Modesto, Ceres and the County, as well as, our new partnership with the City of Patterson. We are also entering into a new partnership with the City of Waterford.*

@ *We continue to provide cities with input opportunities into our modernization activities.*

@ *All major modernization activities continue to be planned and implemented on a timely basis*

@ *If current crime statistical trends continue, we believe we will again meet or exceed our goal of a 20% reduction in crime in our public housing developments for the current year.*

.

PHA Goal: Increase assisted housing choices

@ *Provide voucher mobility counseling at initial family briefings and during annual re-examinations*

@ *Conduct outreach efforts to potential voucher landlords by conducting annual owner workshops to encourage Voucher Program participation*

@ *Increase voucher payment standards*

@ *Continue to seek funding to continue the IDEA Home ownership Program for graduating FSS (Family Self-Sufficiency) Program participants.*

@ *Participate in Rental Property Association events, as they occur, to market potential Section 8 owners*

@ *Implement public housing site-based waiting lists: The Authority shall implement project based waiting lists for complexes where such lists improve marketability*

***Comments**:*

@ *Section 8 Department briefing packets include information on portability and how to exercise the portability option as a Section 8 Participant. Families are advised of the portability option at the initial family briefing and during annual re-examinations.*

@ *The Authority is conducting Section 8 Program workshops for landlords. Outreach and marketing is conducted through these workshops, advertisements to property management firms, and to the various apartment owner's associations*

@ *The Authority raised the payment standards on 10/01/00 to the maximum level of 110% of the current FMR. In addition, the Authority conducted a rent survey for the area which resulted in HUD increasing it's proposed 2001 Fair Market Rents by 8%. Because of recent program changes, we have lowered the payment standard to it's current rate of 95%.*

@ *The Authority is regularly participating in Rental Property Association events and meetings on an on-going basis.*

@ *The Authority has implemented a site based waiting list for our Westview Gardens development.*

PHA Goal: Provide an improved living environment

@ *Implement measures to deconcentrate poverty by bringing higher income public housing households into lower income developments:*

@ *Implement public housing security improvements*

@ ***Other:***

1. *Continue to be lead agency participating in the County Wide Continuum of Care System and Development.*

2. *Continue to seek funding for Permanent Supportive Housing through the Continuum of Care NOFA*

Comments:

@ *The Authority continues its efforts to bring higher income public housing eligible households into it's lower income developments. To this end, the Authority has been able to place, approximately 60% of its new admissions, families with incomes of 30+ - 80%*

of the area median into it's development, it has raised the average monthly Public Housing Program rent from $270 per month to its current high of $321, and it has increased the number of families paying the maximum rent from a baseline low of 36 families to a current high of 126 families (19.47%)

@ *Our modernization improvements are incorporating needed security improvements. We are tracking reported crime in our developments and are working closely with both the Sheriff and City police departments around crime issues. Our crime data is consistently showing reductions.*

PHA Goal: Promote Self-Sufficiency and asset development of families and individuals

@ *Increase the number and percentage of employed persons in assisted housing.*

@ *Provide or attract supportive services to improve assistance recipients' employability:*

@ *Other:*

1. *Increase the number of Section 8 Family Self-Sufficiency Program participants from 150 to 200 participants by October 1, 2002.*
2. *Initiate and enroll 25 families in New Focused Self-Sufficiency Program in the Public Housing Program by October 1, 2002*
3. *Expand and enter into partnerships which will provide Self-Sufficiency Services in the Authority's Community Centers by October 1, 2002*
4. *Initiate and individual development account program for Public Housing residents by October 1, 2002*
5. *Apply for IDEA Program funds annually which will allow up to $10,000 in down payment assistance for graduating Family Self-Sufficiency Families.*

Comments:

@ *The Authority presently has 140 FSS participants. The Authority had to downsize the program due to uncertainty of funding for participants and program coordinators.*

@ *Since 2000, the Authority has applied for and received four separate grants from private funds to implement the IDEA Home Ownership Program for FSS Participants. The total amount applied for and received is $850,000. These IDEA Program funds are used to assist FSS program graduates with up to $15,000 in matching funds to use for down payment assistance.*

@ *We have only initially begun to explore the development of Individual Development Accounts for public housing residents. This may prove to be more difficult that originally anticipated. We may have to adjust our time frame for this program.*

@ *Our goal of enrolling 25 public housing participants in to a Public Housing*

self-sufficiency program is linked to development of the IDA program. Our ability to achieve this goal is dependent on our success or failure in developing the IDA program.

@ *Educational services which support self-sufficiency are continuing to be provided at our Community Centers*

PHA Goal: Ensure equal opportunity and affirmatively further fair housing

@ *Undertake affirmative measures to ensure access to assisted housing regardless of race, color, religion national origin, sex, familial status, and disability through dissemination of information to program participants and follow-up with HUD on potential discrimination complaints.*

@ *Undertake affirmative measures to provide a suitable living environment for families living in assisted housing, regardless of race, color, religion national origin, sex, familial status, and disability:*

@ *Undertake affirmative measures to ensure accessible housing to persons with all varieties of disabilities regardless of unit size required:*

@ ***Other:***

1. *The Authority shall achieve an ethnic, racial and income mix in its housing developments to the extent possible*

2. *The Authority shall investigate and resolve any fair housing issues affecting its programs, or program participants in a responsible manner*

***Comments**:*

@ *Our Authority continues to affirmatively market both its current housing programs and newly developed housing to insure that it meets fair housing standards.*

@ *Our Authority diligently pursues and resolves reasonable accommodations requests.*

PHA Goal: Reduce the Authority's dependency on federal funding

@ *Expand the Authority's financial base to include additional funding from non-federal financial funding sources*

Comments:

@ *Our Authority has used its development opportunities as its primary means of expanding its non federal financial base. We are continuing to explore other avenues for doing so. Our recent awards of $3,000,000 and $800,000 in state funding under the Joe Serna Farm Worker Housing Program is one example of*

our success.

SUMMARY

The Authority made significant progress in moving toward its goals. These efforts and the changing times need to be taken into consideration as the Authority prepares it's new five year plan. That progress has begun. The Commission will be taking action on a updated Annual and Five Year Plan at the July Commission meeting. As of this date, we are in the process of determining what will be involved in updating those plans.

Five Year Action Plan
Capital Fund Program (CFP)

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

PHA Name
Housing Authority of the County of Stanislaus

Development Number/Name HA-Wide Activities	Year 1 2005	Work Statement for Year 2 FFY Grant: 2006 PHA FY: 2006	Work Statement for Year 3 FFY Grant: 2007 PHA FY: 2007	Work Statement for Year 4 FFY Grant: 2008 PHA FY: 2008	Work Statement for Year 5 FFY Grant: 2009 PHA FY: 2009
CA026-001	See Annual Statement				
CA026-002			Replace Ranges & Refrigerators		
CA026-003		Mold/Moisture Abatement	Recap Parking Areas	Replace Maintenance Bay Doors	
CA026-004					
CA026-005				Replace Ranges & Refrigerators	
CA026-006a				Replace Ranges & Refrigerators	
CA026-006b				Replace Ranges & Refrigerators	
CA026-007			Exterior Modernization		
CA026-008			Replace Ranges & Refrigerators		
CA026-010					
CA026-017		Re-roof Units		Re-roof units	Landscape Improvements
CA026-018		Re-roof units	Recap parking areas		Landscape Improvements
CA026-019		Re-roof units		Re-roof units	Landscape Improvements
CA026-026			Recap Parking Areas	Exterior Modernization	Re-roof units
CA026-027			Replace Fencing	Recap Parking Areas	Re-roof units
HA-Wide				Replace Sidewalks/Trees/Landscape	Site Lighting Improvements
HA-Wide				Hard Wire Smoke Detectors	Energy Conservation (Lighting)
HA-Wide		Management Improvements	Management Improvements	Management Improvements	Management Improvements
HA-Wide		Administration	Administration	Administration	Administration
HA-Wide		A & E/Permits/Fees	A & E/Permits/Fees	A & E/Permits/Fees	A & E/Permits/Fees
HA-Wide		Contingency	Contingency	Contingency	Contingency
Total CFP Funds (Est.)		1,500,000	1,500,000	1,500,000	1,500,000

Signature of Executive Director Date Signature of Public Housing Director Date

July 13, 2005

Dear Mr. Chubon,

We, the members of the Resident Advisory Committee for the Stanislaus County Housing Authority, request that the Board of Commissioners take under consideration the following suggestions and comments concerning the Housing Authority's proposed Agency Plan:

Annual PHA Plan Goals and Objectives:

The Committee agrees with and supports the Agency's Goals and Objectives as identified in the 5-Year Plan.

Amendments to the Authority's Occupancy Policy for Public Housing:

The Committee highly supports the amendments to the Occupancy Policy for Public Housing:

- ✓ Grievance Procedure

Comp Grant Budget

The new capital Fund Budget anticipates there will $1,205,369.00 available for Comp Grant activities next year. The Committee supports the Authority's plan for continued modernization and Management improvement activities in the areas of:

- ✓ Moisture rededication efforts in CA 026-3
- ✓ Replacement of Backflow Preventers where needed
- ✓ Management improvements providing funding for PAL programs and law enforcement contracts with City of Modesto Police Department and Stanislaus County Sheriff's Department
- ✓ Administrative costs
- ✓ Fees and Costs

We continue to be concerned about the possibility of Comp-Grant money from PAL, police and other resident services being re-budgeted into repair of homes in Westview Gardens. We are very concerned about the impact of this to our neighborhoods and request that we be given an opportunity to review and provide input into any such decision prior to any change being made.

We as a committee request that the Board of Commissioners take into consideration all of the recommendations and comments we have provided. We are also requesting a written response to these recommendations.

Respectfully submitted:

_____	_____
Pamela Ball	Joyce Guyton
_____	_____
Efren Rodriguez	Charmaine Champagne
_____	
John Daniels	

HOUSING AUTHORITY
OF THE
COUNTY OF STANISLAUS

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

September 30, 2004

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS
MODESTO, CALIFORNIA
September 30, 2004

BOARD OF COMMISSIONERS

Member	Position	Term Expires
A. Dirk Hoek	Chairman	December 31, 2006
Leo Avila, Jr.	Vice Chairman	December 31, 2007
Carlos Estacio, III	Member	December 31, 2006
Frank Courtney	Member	December 31, 2006
Diane Haile	Member	December 31, 2005
Jenice Sechler	Member	December 31, 2007
B. Carl Edwards	Member	December 31, 2006

ADMINISTRATION

A. R. Chubon	Executive Director
William Fagan	Finance Director
Gabriel Juarez	Housing Management Director
Michele Gonzales	Section 8 Director
Scott Fitzgerald	Technical Services Director

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of the
County of Stanislaus
Modesto, California

We have audited the accompanying financial statements of the Housing Authority of the County of Stanislaus, as of and for the year ended September 30, 2004, as listed in the table of contents. These financial statements are the responsibility of the Housing Authority of the County of Stanislaus' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Housing Authority of the County of Stanislaus as of September 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2005 on our consideration of the Housing Authority of the County of Stanislaus' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the

results of our audit.

The management's discussion and analysis information on pages 3 through 8, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of the County of Stanislaus basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, along with the Financial Data Schedule, and is not a required part of the financial statements of the Housing Authority of the County of Stanislaus. The fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Juarez, Zarate & Company
Certified Public
Accountants
Modesto, California
January 28, 2005

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners
Housing Authority of the
County of Stanislaus
Modesto, California

We have audited the financial statements of the Housing Authority of the County of Stanislaus as of the year ended September 30, 2004, and have issued our report thereon dated January 28, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Housing Authority of the County of Stanislaus' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly we do not express such as opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2004-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Housing Authority of the County of Stanislaus' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its

operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the board of commissioners, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Juarez, Zarate & Company

Certified Public Accountants

Modesto, California

January 28, 2005

REPORT ON COMPLIANCE WITH REQUIREMENTS APPICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Commissioners
Housing Authority of the
County of Stanislaus
Modesto, California

Compliance

We have audited the compliance of the Housing Authority of the County of Stanislaus with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2004. The Housing Authority of the County of Stanislaus' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Housing Authority of the County of Stanislaus' management. Our responsibility is to express an opinion on the Housing Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements

referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority of the County of Stanislaus' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Housing Authority of the County of Stanislaus' compliance with those requirements.

In our opinion, the Housing Authority of the County of Stanislaus complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2004. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2004-1.

Internal Control Over Compliance

The management of the Housing Authority of the County of Stanislaus is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the Housing Authority of the County of Stanislaus as of and for the year ended September 30, 2004, and have issued our report thereon dated January 28, 2005. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of

federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the board of commissioners, management and federal awarding agencies and pass-through entities and is not intended to be used by anyone other than these specified parties.

Juarez, Zarate &

Company

Certified Public

Accountants

Modesto, California
January 28, 2005

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2004

Federal Grantor:	Federal Catalog #		Program Entitlement	Cash Received	Program Expenditures
Department of Housing and Urban Development					
Housing Choice Vouchers	14.871	*	$26,465,291	$23,677,731	$22,778,830
Capital Fund Program	14.872		3,205,904	1,316,491	1,386,047
Low Income Housing Program; Operations	14.850	*	606,869	606,869	606,869
Shelter Plus Care	14.238		291,485	279,380	291,485
Drug Elimination Program	14.854		158,962	3,525	2,368
Moderate Rehabilitation	14.856		38,582	38,582	38,582

Housing Assistance Payments Program – Special Allocations	14.195	37,142	17,404	37,142
Pass-through programs from:				
State of California – City of Patterson - Community Development Block Grant	14.228	83,250	16,650	16,650
State of California – Stanislaus County – Community Development Block Grant	14.228	410,211	209,471	142,954
Stanislaus County – Home Repair Program – Community Development Block Grant	14.228	50,000	50,000	51,698
Department Of Agriculture:				
Rural Rental Housing Programs; Operations	10.405	181,056	181,056	181,056
Pass-through programs from: State of California – Dept. of Housing & Community Development	10.405	658,572	269,944	320,453
Total Federal Financial Assistance Program Expenditures		$32,187,324	$26,667,103	$25,854,134

* Major Federal Financial Assistance Program

The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS

SCHEDULE OF EXPENDITURES OF STATE AND COUNTY AWARDS

For the Year Ended September 30, 2004

	Catalog Number	Program Entitlement	Cash Received	Program Expenditures
State of California Grantor:				
Department of Housing and Community Development:				
Joe Serna Jr. Farmworker Housing Grant Program		$3,839,267	$ 838,543	$ 816,663
Office of Migrant Services		4,504,195	543,893	582,306
Department of Mental Health - Miller Pointe Project		250,000	-	189,584
Total State Financial Assistance Program Expenditures		$8,593,462	$1,382,436	$1,588,553

County of Stanislaus Grantor:			
Redevelopment Agency – Farm Labor Units	$200,000	$200,000	$200,000
Total County Financial Assistance Program Expenditures	$200,000	$200,000	$200,000

The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND COUNTY AWARDS

For The Year Ended September 30, 2004

Note 1 –Basis of Presentation

The accompanying schedule of expenditures of federal, state and county awards includes the federal, state and county grant activity of the Housing Authority of the County of Stanislaus and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 – Recommended Further Disclosures

Below is a listing of further information of federal grant awards listed on page 28

Department of Housing and Urban Development

	Contract #	Contract Amount	Accounts Receivable	Accounts Payable	Deferred Revenue
Housing Choice Vouchers:	Various	Various	$ -	$ 898,901	$ -

Shelter Plus Care	Various	Various	12,105	-
-				
Capital Fund Program	CA39P02650101	$1,616,872	13,070	-
-				
	CA39P02650102	1,589,032	55,329	-
-				
Housing Assistance		37,142	19,738	-
-				
Payments Program-				
Special Allocations				
Pass-through programs from:		410,211	-	-
66,517				
State of California - Stanislaus				
County – Community				
Development Block Grant				
Department of Agriculture				
Pass-through programs from:	03-OMS-726(RD)	349,652	50,509	-
30,440				
State of California – Department				
of Housing and Community				
Development				

* Deferred amounts are due to an advance received at the beginning of the contract that are unexpended as of June 30, 2004 (the fiscal year end of this program). Accounts receivable amounts are amounts expended and billed but cash has not been received as of June 30, 2004.

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS

STATEMENT AND CERTIFICATION OF ACTUAL COMPREHENSIVE GRANT PROGRAM COSTS

For the Year Ended September 30, 2004

	Project CA39-DEP-026-0101
The actual costs are as follows:	
Funds Approved	$ 158,962

Funds Expended	(158,962)
Excess of Funds Approved	$ -

Funds Advanced	$ 158,962
Funds Expended:	
Law Enforcement	(51,605)
Drug Prevention:	
Staffing and Administration	(93,304)
Recreation Equipment & Supplies	
(6,513) Office Equipment & Supplies	
(6,540)	
Other Program Cost	(1,000)
Excess of Funds Advanced	$ -

Cost additions totaling $158,962 were incurred for the year and accordingly were audited by Lauren Klein, CPA.

The distribution of costs as shown on the Final Statement of Comprehensive Grant Program Costs accompanying the Actual Comprehensive Grant Program Cost Certification submitted to HUD for approval is in agreement with the PHA's records.

All Drug Prevention grant work in connection with the Project have been completed.

All Comprehensive Grant Program costs have been paid and all related liabilities have been discharged through payment.

SUPPLEMENTAL INFORMATION

January 28, 2005

Board of Commissioners
and Management of the
Housing Authority of the
County of Stanislaus,
Modesto, California

Dear Commissioners and Management:

In planning and performing our audit of the financial statements of the Housing Authority of the County of Stanislaus for the year ended September 30, 2004, we considered the Authority's internal control to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

However, during our audit we became aware of matters that are opportunities for strengthening operating efficiency and corporate policy. The memorandum that accompanies this letter summarizes our suggestions regarding this matter. This letter does not affect our report dated January 28, 2005, on the financial statements of the Housing Authority of the County of Stanislaus.

Payroll Reconciliation

The auditor noted the Authority does not reconcile payroll expenses to outside payroll services documentation such as the federal form 941. While the auditor was able to reconcile the payroll expenses (salaries and payroll taxes) within an immaterial amount, the auditor recommends a periodic (each quarter) reconciliation of payroll expenses listed on the financial statements to the federal form 941.

Recording of Accounts Payable

While performing audit work, the auditor noted the Authority is accruing accounts payable and related assets or expenses prior to the performance of services or the receipt of goods ordered. Generally Accepted Accounting Principles, per the accrual basis, requires assets and expenditures to be recorded in the period the services are performed or goods received. The auditor recommends the Authority adhere to the "Matching Principle" and record assets, liabilities, revenue and expenses in the period earned and or expended.

Balance of Cash for the Family Self Sufficiency Program – Section 8

Per the Code of Federal Regulations, the Authority is required to

deposit all funds received from families participating in the Family Self Sufficiency program into a separate cash account. The auditor noted the Authority failed to deposit the funds from the last five months of the fiscal year to the designated cash account due to an oversight. The auditor recommends the Authority deposit funds received from each family into the designated cash account as received or transfer the funds at the end of each month. The Authority is acting as the trustee for this program, and the amount paid into the program by the participating families must equal the liability due to the respective families.

Sincerely,

.

Juarez, Zarate and Company
Certified Public Accountants

STATEMENT OF POLICIES GOVERNING ADMISSION TO AND CONTINUED OCCUPANCY OF THE CONVENTIONAL LOW RENT PUBLIC HOUSING UNITS OPERATED BY THE HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS

REVISED - MAY 2004

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ADMISSIONS AND CONTINUED OCCUPANCY POLICY

The Admissions and Continued Occupancy Policy defines the Housing Authority 's policies for the operation for the Public Housing Program, incorporating Federal, State and local law. If there is any conflict between this policy and laws or regulations, the laws and regulations will prevail.

1.0 FAIR HOUSING

It is the policy of the Housing Authority to fully comply 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, sex, religion, national or ethnic origin, familial status, or disability be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under the Housing Authority 's programs.

To further its commitment to full compliance with applicable Civil Rights laws, the Housing Authority will provide Federal/State/local information to applicants/tenants of the Public Housing 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, and all applicable Fair Housing Information and Discrimination Complaint Forms will be made available at the Housing Authority office. In addition, all written information and advertisements will contain the appropriate Equal Opportunity language and logo.

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

2.0 REASONABLE ACCOMMODATION

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

2.1 COMMUNICATION

An applicant and/or tenant(s) may request a “Request for Reasonable Accommodation” form at any time as stated in the information paperwork attached to the application.

Notifications of reexamination, inspection, appointment, or eviction will include information about requesting a reasonable accommodation. Any notification requesting action by the tenant will include information about requesting a reasonable accommodation.

All decisions granting or denying requests for reasonable accommodations will be in writing.

2.2 QUESTIONS TO ASK IN GRANTING THE ACCOMMODATION

A. Is the requestor a person with disabilities? For this purpose the definition of person with disabilities is different than the definition used for admission. The Fair Housing definition used for this purpose is:

> A person with a physical or mental impairment that substantially limits one or more major life activities, has a record of such an impairment, or is regarded as having such an impairment. (The disability may not be apparent to others, i.e., a heart condition).

If the disability is apparent or already documented, the answer to this question is yes. It is possible that the disability for which the accommodation is being requested is a disability other than the apparent disability. If the disability is not apparent or documented, the Housing Authority will obtain verification that the person is a person with a disability.

B. Is the requested accommodation related to the disability? If it is apparent that the request is related to the apparent or documented disability, the answer to this question is yes. If it is not apparent, the Housing Authority will obtain documentation that the requested accommodation is needed due to the disability. The Housing Authority will not inquire as to the nature of the disability.

C. Is the requested accommodation reasonable? In order to be determined reasonable, the accommodation must meet two criteria:

1. Would the accommodation constitute a fundamental alteration? The Housing Authority 's business is housing. If the request would alter the fundamental business that the Housing Authority conducts, that would not be reasonable. For instance, the Housing Authority would deny a request to have the Housing Authority do grocery shopping for a person with disabilities.

2. Would the requested accommodation create an undue financial hardship or administrative burden? Frequently the requested accommodation costs little or nothing. If the cost would be an undue burden, the Housing Authority may request a meeting with the individual to investigate and consider equally effective alternatives.

D. Generally the individual knows best what it is they need; however,

the Housing Authority retains the right to be shown how the requested accommodation enables the individual to access or use the Housing Authority 's programs or services.

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

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

If the tenant requests as a reasonable accommodation that they be permitted to make physical modifications at their own expense, the Housing Authority will generally approve such request if it does not violate codes or affect the structural integrity of the unit.

Any request for an accommodation that would enable a tenant to materially violate essential lease terms will not be approved, i.e. allowing nonpayment of rent, destruction of property, disturbing the peaceful enjoyment of others, etc.

E. All approved or denied requests will be documented in writing. Approved requests will be signed by the resident and management and will include provisions describing the accommodation/modification, material to be used, the person authorized by management to complete the physical modification, if appropriate, who will bare the cost of the modification, including restoration, and a statement that the Housing Authority may at the end of the residency apply resident’s Security Deposit toward any restoration costs.

3.0 FAMILY OUTREACH

From time to time, the Housing Authority will publicize the availability and nature of the Public Housing 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 families who may-not read the newspapers or to provide out reach to certain ethnic families who may not be sufficiently “represented” on Authority waiting lists or programs, the Housing Authority will distribute fact sheets to the broadcasting media and will initiate personal contacts with members of the news media, ethnic organizations, and community service personnel. The Housing Authority will also try to utilize public service announcements.

4.0 RIGHT TO PRIVACY

All adult members of both applicant and tenant households are required to sign HUD Form 9886, Authorization for Release of Information and Privacy Act Notice and other Housing Authority required release forms. The Authorization for Release of Information and Privacy Act Notice states how family information will be released and includes the Federal Privacy Act Statement.

Any request for applicant or tenant information will not be released unless there is a signed release of information request form from the applicant or tenant provided to the Housing Authority from the requesting party.

The Housing Authority regularly exchanges resident or applicant information with the Stanislaus County Department of Social Services.

5.0 REQUIRED POSTINGS

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

A. Statement of Policies and Procedures governing Admission and Continued Occupancy

B. Notice of the status of the waiting list (opened or closed)

C. A listing of all the developments address, number of units, units designed with special accommodations, address of all project offices, office hours, telephone numbers, TDD numbers, and operation hours

D. Income Limits for Admission

E. Excess Utility Charges

F. Current Schedule of Routine Maintenance Charges

G. Dwelling Lease

H. Grievance Procedure

I. Fair Housing Poster

J. Equal Opportunity in Employment Poster

K. Any current Housing Authority Notices

6.0 TAKING APPLICATIONS

Families wishing to apply for the Public Housing Program will be required to fully and accurately complete and “mail-in” their application for housing assistance. “Hand delivered” applications are not accepted at any of the Housing Authority’s offices. Applications will be mailed to interested families upon request.

Applications are taken to compile waiting lists. Due to the demand for housing in the Housing Authority’s jurisdiction, the Housing Authority may take applications on an open enrollment basis, depending on the length of the waiting list. Any openings or closings of any waiting list will be advertised in the local newspaper.

Completed applications will be accepted for all applicants and the Housing Authority will verify the information.

The completed application will be dated upon its receipt.

Persons with disabilities who require a reasonable accommodation or other persons who may need help in completing an application may call the Housing Authority, (209) 557-2051, for help in completing their application. A Telecommunication Device for the Deaf (TDD) is available. The TDD telephone number is (209) 557-2012.

The application process involves two phases. The first phase is the acceptance of the initial application for housing assistance and the verification of information provided. The process establishes eligibility and waiting list preferences to which the family may be entitled.

Upon receipt of the family's application, the Housing Authority will notify the family in writing of the receipt of the application. The notification should be kept by the family as their "evidence" of having submitted the application. The written notification will provide the family with the approximate wait before housing may be offered. If at any step in the process, the Housing Authority determines the family to be ineligible for one or more reasons, a notice will be mailed to the family stating the reasons therefore and will offer the family the opportunity of an informal review of the determination.

The applicant may at any time provide written notification to the Housing Authority of changes in their applicant status including changes in family composition, income, or preference factors. The Housing Authority will annotate the applicant's file and may, based on the verification of the reported change, update their place on the waiting list.

The second phase is the final determination of eligibility which includes a mandatory orientation, criminal back ground checks, and an interview. The Housing Authority will ensure that verification of all preferences, eligibility, suitability, selection factors, and family income are current(no more than six months old for reported income) in order to determine the family's final eligibility for admission into the Public Housing Program. If found eligible, the family will be placed on the "Eligible Waiting List" where the family will await housing offers in the area/s applied for.

7.0 ELIGIBILITY FOR ADMISSION

7.1 INTRODUCTION

There are five eligibility requirements for admission to public housing: (1) the applicant qualifies as a family, (2) the applicant has an income within the income limits, (3) the applicant meets citizenship/eligible immigrant criteria, (4) the applicant provides documentation of Social Security numbers, and (5) the applicant and all adult family members sign consent authorization documents. In addition to the eligibility criteria, families must also meet the Housing Authority 's screening criteria.

7.2 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 live 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 the purpose 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 the age of 62;

    b. Two or more persons, who are at least 50 years of age but below the age of 62, living together; or

    c. 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.

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, which is a family in which each member, or whose sole member, has been displaced by governmental action, or whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws.

6. A remaining member of a tenant family.

7. A single person who is not an elderly or displaced person, a person with disabilities, or the remaining member of a tenant family.

B. Income eligibility

1. To be eligible for admission to developments or scattered-site units that were available for occupancy before 10/1/81, the family's annual income must be within the low-income limit set by HUD. This means the family income cannot exceed 80 percent of the median income for the area.

2. To be eligible for admission to developments or scattered-site units that became available on or after 10/1/81, the family's annual income must be within the very low-income limit set by HUD. This means that without a HUD exception, the family income cannot exceed 50 percent of the median income for the area.

3. Income limits apply only at admission.

4. A family may not be admitted to the public housing program from another assisted housing program (e.g., tenant-based Section 8) or from a public housing program operated by another housing authority without meeting the income, application, and waiting list requirements of the Housing Authority of the County of Stanislaus.

56. Income limit restrictions do not apply to families transferring within our Public Housing Program.

C. Citizenship/Eligibility Status

To be eligible, each member of the family must be a citizen, national, or a noncitizen 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)).

1. Family eligibility for assistance.

a. 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.

b. Despite the ineligibility of one or more family members, a mixed family may be eligible for one of three types of assistance. (See Section 13.6 for calculating rents under the non-citizen rule)

c. A family without any eligible members and receiving housing 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 copy of their Social Security Card with number or certify that they have never had one.

E. Signing Consent Forms

1. In order to be eligible, each member of the family who is at least 18 years of age, and each family head and spouse regardless of age, shall sign one or more consent forms.

2. Among other provisions, consent form/s contain the following:

a. A provision authorizing HUD or the Housing Authority to obtain from State Wage Information Collection Agencies (SWICAs) any information or materials necessary to complete or verify the application for participation, for eligibility, or for continued occupancy in the Public Housing Program;

b. A provision authorizing HUD or the Housing Authority 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;

d. A provision authorizing the Housing Authority to request criminal history or recent criminal activity information from law-enforcement agencies and authorizing the Housing Authority to release any resident information to any requesting law-enforcement agency or peace officer where the information is necessary in the performance of law-enforcement duties;

e. A provision authorizing the Housing Authority to request income, training program status, sanction or other necessary information from any governmental or private agency providing financial, educational, or support services assistance to the family; and

f. A statement that the authorization to release the information requested by the consent form expires 24 months after the date the consent form is signed.

7.3 SUITABILITY

A. Applicant families will be evaluated to determine whether, based on their recent and past behavior, such behavior could reasonably be expected to result in noncompliance with the public housing lease or to pose an undue financial risk. The Housing Authority will look at past conduct as an indicator of future conduct. Emphasis will be placed on whether a family's admission could reasonably be expected to have a detrimental effect on the development environment, other tenants, Housing Authority employees, or other people residing in the immediate vicinity of the property. Otherwise eligible families will be denied admission if they fail to meet one or more of the following suitability criteria.

B. The Housing Authority will consider objective and reasonable aspects of the family's background, including the following:

1. History of meeting financial obligations, especially rent and utility payments;

2. Ability to maintain (or with assistance would have the ability to maintain) their housing in a decent, safe, and sanitary condition based on living or housekeeping habits and whether such habits could adversely affect the premises or the health, safety, or welfare of tenants, including household members;

3. 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 tenants, including household members or staff or cause damage to the property;

4. History of disturbing neighbors or destruction of property;

5. Having committed fraud in connection with any Federal housing assistance program, including the misrepresentation of information related to their housing application or benefits derived there from; and

65. History of abusing alcohol in a way that may interfere with the health, safety, or right to peaceful enjoyment by others.

C. The Housing Authority will ask applicants to provide or the Housing Authority will obtain information necessary to demonstrate the applicant's ability to comply with the financial or other essential elements of the lease. The Housing Authority will verify any information not directly received from a third party source. In all cases, verification may include but may not be limited to the following:

1. A credit check of the head of household, spouse and or co-head;

2. At a minimum, a three year rental history check of all adult family members;

3. A criminal background check on all adult household members, including live-in aides. This check will be made through State or local law enforcement or court records in those cases where the household member has lived in the local jurisdiction for the last five years. Where the individual has lived outside the local area, the Housing Authority may contact law enforcement agencies where the individual had lived or request a check through the FBI's National Crime Information Center (NCIC);

4. A home visit. The home visit provides the opportunity for the family to demonstrate their ability to maintain their home in a safe, sanitary, and minimally damaged manner. This

inspection considers cleanliness, care of the premises, assigned yard areas, appliances, appurtenances, and any resident caused damages to the home. The inspection may also consider any evidence of criminal or drug related activity; and

5. A check of the State's lifetime sex offender registration program for each adult household member, including live-in aides. No household with an individual registered as a sex offender will be admitted to public housing.

7.4 GROUNDS FOR DENIAL

The Housing Authority is not required or obligated to assist applicants who:

A. Do not meet one or more of the eligibility or screening criteria;

B. Do not supply complete and accurate information, documentation, or verification, required by the application process;

C. Have failed to respond to a written request for information or a request to declare their continued interest in the program;

D. Have a history of not meeting financial obligations, especially rent or utility payments;

E. Do not have the ability to maintain (with assistance for persons needing an accommodation) their housing in a decent and safe condition where such habits could adversely affect the health, safety, or welfare of other tenants or members of the household;

F. 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;

G. Have a history of disturbing neighbors or destruction of property;

H. Currently owes rent or other amounts to any housing authority in connection with their public housing or Section 8 programs;

I. 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;

J. Were evicted from assisted housing within three years of the projected date of admission because of drug-related criminal activity involving the personal use or possession for personal use;

K. Were 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;

L. Are illegally using a controlled substance or are abusing alcohol in a way that may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents or members of the household.

M. Have engaged in or threatened abusive or violent behavior towards any Housing Authority staff, other residents, or family members;

N. Have a household member who has ever been evicted from public housing;

O. Have a family household member who has been terminated under the certificate or voucher program;

P. Denied for Life: If any family member has been convicted of manufacturing or producing methamphetamine (speed) in a public housing development or in a Section 8 assisted property;

Q. Denied for Life: Has a lifetime registration under a State sex offender registration program.

R. Have engaged in behavior towards any Housing Authority staff or other residents that is racially, linguistically, culturally, or ethnically inappropriate and that would be considered offensive and a form of harassment or discrimination.

7.5 EVIDENCE OF FAVORABLE FUTURE CONDUCT

A. In the event unfavorable information is received with respect to an applicant, consideration shall be given to the time, nature, and extent of the applicant's conduct and to any factors which may indicate a reasonable probability of favorable future conduct or financial prospects. Examples include:

1. Evidence of rehabilitation or that the circumstances leading to an eviction or arrest no longer exist; and/or the person demonstrates to the satisfaction of the Housing Authority that is no longer engaging in the abuse of alcohol or use of a controlled substance, and has successfully completed a supervised drug or alcohol rehabilitation program, or otherwise has been successfully rehabilitated, or is successfully participating in a supervised drug or alcohol rehabilitation program.

2. Evidence of the family's willingness to participate in social service or other appropriate counseling service programs and the availability of such programs, and/or

3. Evidence of willingness to increase income and/or avail oneself of training or employment programs in the locality.

7.6 INFORMAL REVIEW

A. If the Housing Authority determines that an applicant does not meet the criteria for receiving public housing assistance, the Housing

Authority 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, state that the applicant may request an informal review of the decision within 10 business days of the date of the notice, must advise the applicant of his/her right to copy, at his/her expense, all related material (including a copy of a criminal history) that will be used as evidence by the Housing Authority in the review, and his/her right of representation. The Housing Authority will describe how to obtain the informal review. In all cases where an applicant has been denied admission due to criminal history, the applicant will be provided an opportunity to dispute the content or relevancy of such a report.

The informal review may be conducted by any person designated by the Housing Authority , other than a person who made or approved the decision under review or a subordinate of this person. The applicant will be given the opportunity to present written or oral objections to the Housing Authority 's decision. The Housing Authority must notify the applicant of the final decision within 10 calendar days after the informal review, including a statement of the reasons for the final decision.

B. A participant family may request that the Housing Authority provide for an Informal Hearing after the family has notification of an INS decision on their citizenship status on appeal, or in lieu of request of appeal to the INS. This request must be made by the participant family 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 resident 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.

8.0 MANAGING THE WAITING LIST

8.1 OPENING AND CLOSING THE WAITING LIST

Opening of the waiting list will be announced with a public notice stating that applications for public housing 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 such applicants will not lose their place on other waiting lists when they apply for public housing. The notice will include the Fair Housing logo and slogan and will be in compliance with Fair Housing requirements.

The closing of a waiting list/s will also be announced with a public notice. The public notice will state the date the waiting list will be closed, the waiting list area covered, and bedroom sizes. The public notice will be published in a local newspaper of general circulation and also by any available minority media.

All openings and closings of the waiting list will be announced to all agencies, social organizations and other service providers on the Housing Authority's "Organizations List" that includes a broad range of minority and ethnic organizations. These announcements will be considered part of the Authority's out reach efforts in attracting special groups of applicants who may not normally apply for assistance.

8.2 ORGANIZATION OF THE WAITING LIST

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

A. Four separate waiting lists shall be maintained by the Housing Authority. Each list shall correspond to one of the following geographic area designations:

Area 1 - Oakdale, Turlock & Hughson: Complex #'s 26-1,2, & 10

Area 2 - Modesto and Ceres: Complex #'s 26-3,4,7,17,18,19,26 & 27

Area 3 - Patterson, Westley, & Newman: Complex #'s 26-5,6 & 8

Area M - Modesto: Complex # Cal 26-3

B. Within each area, waiting lists shall be established by bedroom size.

C. Applicant families may choose to apply to one, two, three or all waiting list areas.

D. No Authority employee or document used by its employees shall solicit from any applicant family a preference for housing in any specific project, except for Cal 26-3, Modesto, which comprises a single site waiting list. The Housing Authority has the following complexes by "type of unit" available:

Type of Units by Complex (Project)

Project#	#Family Units	#Handicapped Units Actual	Planned	Elderly Units	Total
26- 1	24	2	0	0	26
26- 2	28	2	0	0	30
26- 3	142	8	0	0	150
26- 4	17	1	0	0	18
26- 5	15	1	0	0	16
26- 6	29	1	0	0	30
26- 7	22	2	0	6	30
26- 8	19	1	0	0	20
26-10	30	3	0	12	45
26-17	60	7	0	0	67
26-18	81	5	0	0	86
26-19	70	4	0	0	74
26-26	23	2	0	0	25
26-27	28	2	0	0	30

E. The application will be a part of a permanent file;

F. The applicant's position on the waiting list shall be maintained in order of waiting list area, bedroom size, preference, date and time of application, and if all other factors are equal, then Social Security number; and

G. Any written contacts between the Housing Authority and the applicant will be documented in the applicant file.

8.3 SINGLE SITE WAITING LIST - MODESTO CAL 26-3:

The Housing Authority has established a "Single Site Waiting List" for Modesto, Low Rent, Public Housing Complex, Cal 26-3, Commonly known as "Westview Gardens". The waiting list for this complex will be maintained in accordance with the following guidelines:

A. The waiting list shall be established by bedroom size (1,2,3, and 4, Bedrooms).

B. In contrast to other Authority operated waiting lists, applicant families may choose to directly apply for and the Authority will honor their request for housing in Cal 26-3. In conjunction, the applicant may choose to apply for housing in one or more of the other Authority operated waiting list areas.

C. Applicants will be selected to occupy vacant units in Cal 26-3, from the Single Site Waiting List before any applicant will be offered housing for this complex from the Area 2 Waiting List. If however, there are no applicants on the Single Site Waiting list or the applicants on that list have been offered housing and have rejected the offer for hardship or any other reasons, applicants to fill any vacancies will then be selected from the Area 2 Waiting List in the order established by the applicant's status, preference, and waiting list administration requirements.

D. In contrast to other Authority operated waiting lists, applicant families on the Single Site Waiting List for Cal 26-3, will only receive one housing offer for housing in this complex. If the applicant rejects the offer for other than hardship reasons as defined elsewhere in this policy, the applicant's name will be removed from the Single Site Waiting List. The removal from the Single Site Waiting List will not affect the applicant's position or status on any other waiting list for which the applicant may have applied for.

E. The Authority will provide for full disclosure to each applicant of all options available in the selection of the development or Waiting List for which they may wish to apply.

8.4 FAMILIES NEARING THE TOP OF THE WAITING LIST

When a family appears to be near the top of the waiting list, the family will be invited to an interview and the updating of information process will begin, if necessary. It is at this point in time that the family's waiting list preference will be verified. If the family no longer qualifies to be near the top of the list, the family's name will be returned to the appropriate spot on the waiting list. The Housing

Authority 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 present Social Security number information, citizenship/eligible immigrant information, and sign the Consent for Release of Information forms and a permanent file will be created.

8.5 PURGING THE WAITING LIST

The Housing Authority will update and purge its waiting list at least annually to ensure that the pool of applicants reasonably represents the interested families for whom the Housing Authority has current information, i.e. applicant's address, family composition, income category, and preferences. Applicants not responding to a Notice of Continued Interest" used in the purge process will be removed from the waiting list. Applicants removed will be advised, in writing, of their removal from the waiting.

8.6 REMOVAL OF APPLICANTS FROM THE WAITING LIST

The Housing Authority will not remove an applicant's name from the waiting list unless:

A. The applicant requests, verbally or in writing, that the name be removed;

B. The applicant fails to respond to a written request for information or a request to declare their continued interest in the program;

C. The applicant does not meet either the eligibility or suitability criteria for the program; or

D. The applicant has received and rejected three housing offers for other than hardship reasons.

Applicants removed will be advised, in writing, of their removal from the waiting list. A copy of the notice to the applicant of his/her removal will be maintained in the applicant's file. Applicants will be offered the right to an informal review before being removed from the waiting list.

8.7 MISSED APPOINTMENTS

All applicants who fail to keep a scheduled appointment with the Housing Authority will be sent a notice of termination of the process for eligibility. If the applicant fails to respond to the notice within 10 days of the date of the notice, the applicant will be removed from the waiting list.

The Housing Authority will allow the family to reschedule for good cause. Generally, no more than one opportunity will be given to reschedule and no more than two opportunities will be given for good cause. When good cause exists, the Housing Authority 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.

8.8 NOTIFICATION OF NEGATIVE ACTIONS

Any applicant whose name is being removed from the waiting list will be notified by the Housing Authority , in writing, that they have ten (10) calendar 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 specified time-frame. The Housing Authority system of removing applicant names from the waiting list will not violate the rights of persons with disabilities. If an applicant claims that their failure to respond to a request for information or updates was caused by a disability, the Housing Authority will verify that there is in fact a disability and the disability caused the failure to respond, and provide a reasonable accommodation. 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.

9.0 TENANT SELECTION AND ASSIGNMENT PLAN

9.1 PREFERENCES

The Housing Authority will select families from it's waiting lists based on the following preferences within each geographic waiting list area, within each bedroom size category, within the numeric limits established in the Authority's "Deconcentration" Policy, if applicable and within HUD regulations based on the date the complex was made available for occupancy:

A. Higher Income- in descending order of income within the category of "Higher Income"(above 50% of Medium and at or below 80%) Within each income, in this category families of veterans will be selected first.

B. Low Income- in descending order of income within the category of "Low Income"(50% of Medium or less, but above 30%) families with a member(s) employed or enrolled and successfully participating in an employment/training or educational program will receive higher preference over families without such a member. Within this category families of veterans will be selected first.

C. Extremely Low- in descending order of income within the category "Extremely Low Income"(30% of Medium or below). families with a member(s) employed or enrolled and successfully participating in an employment/training or educational program will receive higher preference over families without such a member. Within this category families of veterans will be selected first.

Based on the above preferences, vacancies (categorized as either "higher income" or extremely low income" vacancies to meet agency deconcentration goals) in the various complexes will be filled as follows:

TABLE 1

Deconcentration Vacancy Type	Higher income Complex Avail before 1981	Lower income Complex Avail after 1981
Ext. Low Income	c, a, then b	a, b, then c
Higher Income	a, b, then c	a, b, then c

Based on the preference order established in table 1, families in the various preference categories will receive preference depending on the type of vacancy (extremely low or higher income) and HUD occupancy restrictions applicable to the particular complex. All families in the first preference category indicated in each cell of the table will be offered housing before any families in the second preference category, and all of those families before families in the third preference category.

Not withstanding the above, single persons who are elderly, handicapped, or disabled will have preference over other non-elderly, handicapped, or disabled single persons and shall be offered housing before those persons.

Buildings Designated as Elderly Only Housing: The (2220 Fifth Street, Hughson and 2450 Lawrence Street, Ceres - 18 units total) have been approved as being designated for elderly occupancy only. In filling vacancies in these developments, first priority will be given to elderly families or elderly single persons. If there are no elderly on the list, next priority will be given to the near-elderly. If there are no near-elderly, units will be offered to families who qualify for the appropriate bedroom size. Using these priorities, families will be selected from the waiting list using the preferences as outlined above.

Accessible Units: Accessible units will be first offered to families who may benefit from the accessible features. Applicants for these units will be selected utilizing the same preference system as outlined above. If there are no applicants who would benefit from the accessible features, the units will be offered to other applicants in the order that their names come to the top of the waiting list. Such applicants, however, must sign a release form stating they will accept a transfer (at their own expense) if, at a future time, a family requiring an accessible feature is determined eligible for that particular type of unit. Any family required to transfer will be given a 30-day notice.

9.2 ASSIGNMENT OF BEDROOM SIZES

The following guidelines will determine each family's unit size without overcrowding or over-housing:

Number of Bedrooms	Number of Persons	
	Minimum*	Maximum
1	1	3

2	2	5
3	4	7
4	6	9
5	8	11

* See Consideration A, Below

These standards are based on the standard that each bedroom will accommodate no more than two (2) persons plus one (1) person for the entire house.

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

Applicant families may choose the bedroom size for which they wish to apply, providing that their family size falls within the minimum and maximum number of persons within each established bedroom size category in Table 2. Applicant families choosing to house children of the opposite sex in the same bedroom or those choosing to house the maximum number of persons, shall be provided with a copy of the Authority's transfer policy. These applicants shall not be eligible for transfer because of family size, unless the family's composition exceeds the maximum or falls below the minimum limit established.

In addition, the following considerations will be taken in determining bedroom size:

A. The minimum number of persons allowable in Table 2, applies to single headed households only

B. A maximum of two persons will share a bedroom.

C. Adults and children will not be required to share a bedroom.

D. Foster – adults - children will not be required to share a bedroom with family members.

E. A Live-in aide will get a separate bedroom.

F. The livingroom will be considered a sleeping room for families with the maximum number of persons.

G. A single person shall only be assigned a one bedroom unit.

Exceptions to normal bedroom size standards include the following:

A. Units larger than assigned through the above guidelines – A family may request a larger unit size than the guidelines allow. The Housing Authority may allow the larger size unit if the family provides verification of a medical or home business need

necessitating that the family be housed in a larger unit.

B. If there are no families on the waiting list for a larger or smaller sized unit(s) or if all eligible families have rejected the unit, smaller or larger families may be housed in a particular unit if they sign a release form stating they will transfer (at the family's own expense) to the appropriate size unit when an eligible family needing the unit is determined eligible. In all such cases, the family will not be required to move for at least twelve (12) months from the day of acceptance. When required to transfer, the family will be given at least 30-day advance notice before being required to move.

C. Larger units (one bedroom larger than the family would normally qualify for) may be offered in order to improve the marketing of a development suffering a high vacancy rate or as part of the Authority's Deconcentration policy incentives.

9.3 SELECTION FROM THE WAITING LIST

The Housing Authority shall follow the statutory "Deconcentration" requirement that at least 30% and no more than 40% of newly admitted families in any fiscal year be families whose annual income is at or below 30% of the area median income. To insure this requirement is met we shall monitor, on a monthly basis, the incomes of newly admitted families. If it appears that the requirement to house extremely low-income families will not be met, we will skip higher income families on the waiting list to reach extremely low-income families.

If there are not enough extremely low or higher income families on a particular waiting list(s) outreach and marketing will be conducted on a non-discriminatory basis to attract needed families in the needed income ranges.

9.4 DECONCENTRATION POLICY

The Housing Authority will achieve deconcentration of poverty and income-mixing in Cal 26-3, Modesto (the only "affected complex") by either bringing higher or lower income families into the complex whenever the average rent for Cal 26-3 deviates 15% or more from the current average rent determined for all other Housing Authority complexes. The designation of "Lower Income" will apply when the average rent for this complex falls below 85% of the average rent for all other Housing Authority complexes. The designation of "Higher Income" will occur when the average rent exceeds 115% of the average rent for all other Housing Authority complexes.

The Housing Authority in implementing its deconcentration efforts will not impose or require any specific income or racial quota for any of its complexes.

To implement our Deconcentration Policy will require that the Housing Authority may, at some point in time, skip families on the waiting list to reach other families with an applicable lower or higher income. The skipping of families will be accomplished in a uniform and non-discriminating manner as indicated in Table, 1, above..

9.5 DECONCENTRATION INCENTIVES

The Housing Authority will offer the following incentives to families, either higher or lower income to encourage them to accept housing in the development when it has been designated either "Higher or Lower Income" and only when the family's income would help meet deconcentration or income targeting requirements for the development.

Various incentives may be used at different times, or under different conditions, but will always be provided in a consistent and nondiscriminatory manner. Incentives include, but are not limited to:

1. The offer of a larger sized unit than the family would normally qualify for (maximum of one additional bedroom).

2. The reduction of the "one year residency requirement" in the Authority's transfer policy to a six month period.

3. Preference under any Transfer Policy categories that the family may later qualify for.

4. The option to credit two hours weekly to meeting community service requirements for lawn maintenance performed by the family that is required in their own yard areas.

5. Preference in any Authority sponsored Family Self-Sufficiency Program that the family may qualify for, including IDA and home-ownerships opportunities.

The Incentives referred to above will be made available by the Housing Authority only in a manner that allows for each eligible family to have the sole discretion in determining whether to accept the incentive. The Housing Authority shall not take any adverse action toward any eligible family for choosing not to accept an incentive and occupancy of an offered complex. The skipping of a family on a waiting list to reach another family to implement the policy under this section shall not be considered an adverse action and shall not be contestable.

9.6 OFFER OF A UNIT

When the Housing Authority discovers that a unit will become available, we will contact the first family on the waiting list who has the highest priority for the type of unit or development and whose income category meets deconcentration requirements and/or income targeting goals.

The Housing Authority will contact the family first by telephone to make the unit offer. If the family cannot be reached by telephone, the family will be notified of a unit offer via first class mail. The family will be given five (5) business days from the date the letter was mailed to contact the Housing Authority regarding the offer.

The family will be offered the opportunity to view the unit. After the opportunity to view the unit, the family will have two (2) days to accept or reject a unit that is in the process of being made ready and the family will have one (1) day to accept or reject a unit that is completed and ready to rent. The offer and the family's decision must be documented in the family's file. If the family rejects the offer of the unit, the Housing

Authority will document the offer and the rejection.

9.7 REJECTION OF A UNIT

If in making the offer to the family the Housing Authority skipped over other families on the waiting list in order to meet deconcentration requirements or if it offered the family any other deconcentration incentive and the family rejects the unit, the family will not lose their place on the waiting list, will not otherwise be penalized, and the rejection will not count as an unit "offer rejection" under the Authority's three offer and rejection rule. The Housing Authority's "three unit offer and rejection" rule provides that families may reject up to three offered units, without good cause before their application is canceled with the exception of offers in 26-3 where one rejection without good cause will result in the family's application being canceled.

If the Housing Authority did not skip over other families on the waiting list to reach this family, did not offer any other deconcentration incentive, and the family rejects the unit without good cause, the family will forfeit their application's date and time. The family will keep their preferences, but the date and time of application will be changed to the date and time the unit was rejected, and the family will be placed at the bottom of the applicable "Eligible Waiting List".

If the family rejects with good cause any unit offered, they will not lose their place on the waiting list. Good cause includes reasons related to health, proximity and availability of transportation to work, school and childcare (for those working or going to school)from the location of the complex being rented. All determinations made regarding "proximity" and other applicable determinations will be made in conformance with the distance and other standards established in the Authority's Transfer Policy. The family will be offered the right to an informal review of any decision to lose their place on or be removed from any waiting list.

9.8 ACCEPTANCE OF A UNIT

All adult family members will be required to sign a lease that will become effective no later than one (1) business day after the date of acceptance or the business day the unit becomes available, whichever is later.

Prior to signing the lease all families (head of household and or spouse) and will be required to attend the Lease and Occupancy Orientation when they are initially accepted onto the "Eligible for Occupancy" list. The family will not be housed if they have not attended the orientation. Applicants who provide prior notice of an inability to attend the orientation will be rescheduled. Failure of an applicant to attend the orientation, without good cause, will result in the cancellation of their application.

At the Orientation and or at the time of lease execution as applicable, the applicant will be provided a copy of the lease, the "Occupancy Orientation Manual", which includes the grievance procedure, utility allowances, the current schedule of routine maintenance charges, other commonly used agency forms, and a request for reasonable accommodation form. These documents will be explained in detail. The applicant will sign a certification that they have received these documents and that they have reviewed them with Authority personnel. The certification will be filed in the tenant's file.

The signing of the lease and the review of financial information are to be privately handled. One executed copy of the lease will be furnished to the head of household and the Housing Authority will retain the original executed lease in the tenant's file.

The family will pay any applicable security deposit(s) at the time of lease execution. The security deposit will be as follows:

A. For one bedroom unit: **$300.00**

B. For 2 - 5 bedroom unit: **$500.00.**

C. Security gate opener deposit: $30.00

D. Pet deposit: $25.00 - $200.00

The Housing Authority's pet security deposit varies between different types of units depending on the amenities of a particular unit, such as unit size and carpeting, and the type of pet selected.

The Housing Authority reserves the right from time to time to review and adjust the amount of the security deposit provided that affected families are given proper and timely notice of any such adjustment and an opportunity to pay any additional security deposit amount in payments, if necessary, or terminate their residency prior to any new security deposit amount taking effect.

Under some circumstances, the Housing Authority may allow a resident to pay their security deposit in up to three (3) payments. All such arrangements will be executed on an "Extended Payment Agreement" and will be in conformance with the Authority's Collections Policy. The decision to allow payments shall be at the sole discretion of the Housing Authority and in conformance with applicable policy.

10.0 INCOME, EXCLUSIONS FROM INCOME, AND DEDUCTIONS FROM INCOME

To determine annual income, the Housing Authority counts the income of all family members, excluding the types and sources of income that are specifically excluded. Once the annual income is determined, the Housing Authority subtracts all allowable deductions (allowances) to determine the Total Tenant Payment.

10.1 INCOME

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

A. Go to (or on behalf of) the family head or spouse (even if temporarily absent) or to any other family member; or

B. Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and

C. Are not specifically excluded from annual income.

Annual income includes, but is not limited to:

A. 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. 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 a reimbursement of cash or assets invested in the operation by the family.

C. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness are not used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from an investment is included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of $5,000, annual income includes the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.

D. The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including 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. 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 that 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 for the program, the reduced amount is the amount that shall be counted as income.

G. Periodic and determinable allowances, such as alimony, child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling.

H. All regular pay, special pay, and allowances of a member of the Armed Forces. (Special pay to a member exposed to hostile fire is excluded.)

10.2 ANNUAL INCOME

Annual income does not include the following:

A. Income from employment of children (including foster children) under the age of 18 years;

B. Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);

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

D. Amounts received by the family that are 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 the Housing Authority or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, and resident initiatives 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 a 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);

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);

9. Adoption assistance payments in excess of $480 per adopted child;

10. For family members who enrolled in certain training programs prior to 10/1/99, the earnings and benefits resulting from the participation if the program provides employment training and supportive services in accordance with the Family Support Act of 1988, Section 22 of the 1937 Act (42 U.S.C. 1437t), or any comparable Federal, State, or local law during the exclusion period. For purposes of this exclusion the following definitions apply:

    a. Comparable Federal, State or local law means a program providing employment training and supportive services that:

        I. Is authorized by a Federal, State or local law;

        ii. Is funded by the Federal, State or local government;

iii. Is operated or administered by a public agency; and

iv. Has as its objective to assist participants in acquiring employment skills.

b. Exclusion period means the period during which the family member participates in a program described in this section, plus 18 months from the date the family member begins the first job acquired by the family member after completion of such program that is not funded by public housing assistance under the 1937 Act. If the family member is terminated from employment with good cause, the exclusion period shall end.

c. Earnings and benefits means the incremental earnings and benefits resulting from a qualifying employment training program or subsequent job.

11. The incremental earnings due to employment during the 12-month period following date of hire shall be excluded. This exclusion (paragraph 11) will not apply for any family who concurrently is eligible for exclusion #10, until any applicable exclusionary period (up to 18 months) has ended. Additionally, this exclusion is only available to the following families:

a. Families whose income increases as a result of employment of a family member who was previously unemployed for one or more years. Family members may be employed for periods not to exceed 10 hours weekly, 52 weeks yearly at the minimum wage and still be considered “unemployed” for purposes of this determination.

b. Families whose income increases during the participation of a family member in any family self-sufficiency program.

c. Families who are or were, within 6 months, assisted under a State TANF program. HUD regulations and agency policy allow for the housing authority to offer a savings account in lieu of having a portion of their income excluded under this paragraph(see section 11.4, below, Individual Savings Account In Lieu Of Income Disregard).

12. Deferred periodic amounts from supplemental security income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts;

13. 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;

14. 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; or

15. 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 submarginal 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 child care 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

p. Additional income exclusions provided by and funded by the Housing Authority

The Housing Authority does not provide any other exclusions from income in addition to those already provided by law.

10.3 DEDUCTIONS FROM ANNUAL INCOME

The following deductions will be made from annual income:

A. $480 for each dependent;

B. $400 for any elderly family or disabled family;

C. For any family that is not an elderly or disabled family but has a member (other than the head or spouse) who is a person with a

disability, disability assistance expenses in excess of 3% of annual income. This allowance may not exceed the employment income received by family members who are 18 years of age or older as a result of the assistance to the person with disabilities.

D. For any elderly or disabled family:

1. That has no disability assistance expenses, an allowance for medical expenses equal to the amount by which the medical expenses exceed 3% of annual income;

2. That has disability expenses greater than or equal to 3% of annual income, an allowance for disability assistance expenses computed in accordance with paragraph C, plus an allowance for medical expenses that equal the family's medical expenses;

3. That 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.

E. Child care expenses.

10.4 INDIVIDUAL SAVINGS ACCOUNT IN LIEU OF INCOME DISREGARD

A family may choose an individual savings account instead of receiving the 12-month disallowance of earned income and the phasing in of rent increases as described in Section 11.2 H(11), above. Families who choose individual savings accounts will pay the higher rent based on 30% of adjusted family income and the Housing Authority will deposit, on a bi-annual basis, the difference between the amount of rent that would have been charged with the disallowance and the amount charged into an interest baring savings account. Once the account is established, the family may access the account only for purchasing a home, paying education costs, moving out of public housing, or for other purposes promoting self-sufficiency as determined by the Housing Authority.

A. Management of The Accounts: The HA shall deposit the account funds of all families participating in the HA's disallowance program into a single depository account. The HA will deposit the account funds in one or more HUD-approved investments. The total of the combined account funds will be supported in the HA accounting records by a subsidiary ledger showing the balance applicable to each participating family. During the term of the contract of participation, the HA shall credit periodically, but not less than bi-annually, to each family's account, the amount will be prorated and credited to each family's account based on the balance in each family's account at the end of the period for which the investment income is credited.

B. Reduction of Amounts Due to a Participating Family: If the participating family has not paid the family contribution towards rent, or other amounts, if any, due under the lease, the balance in the family's account shall be reduced by that amount. If the family has fraudulently under reported income, the amount credited will be adjusted accordingly.

C. Reporting on Account: The Housing Authority will be required to

make a report, at least bi-annually, to each participating family on the status of the family's account. The report will include:

(I) The balance at the beginning of the reporting period;

(ii) The amount of the family's rent payment that was credited to the account, during the reporting period;

(iii) Any deductions made from the account for amounts due the Housing Authority before interest is distributed;

(iv) The amount of interest earned on the account during the year; and

(v) The total in the account at the end of the reporting period.

D. Disbursement of Account*:* The amount in an account, in excess of any amount owed to the Housing Authority by the participating family, shall be paid to the head of the family when the contract of participation has been completed or during the term of the contract if the family makes a request, in writing, and the request is verified and found consistent with the contract of participation, for reasons such as enrolment in an education program, or job training, or to meet start-up expenses involved in creation of a small business, or other similar activities. The HA may, at its sole option, disburse a portion of the funds from the family's account to assist the family in meeting those expenses.

E. Succession to Account: If the head of the family ceases to reside in the household, the remaining adult family members of the family, after consultation with the Housing Authority, shall have the right to designate another family member to receive the funds.

11.0 VERIFICATION

The Housing Authority will verify information related to waiting list preferences, eligibility, admission, and level of benefits prior to admission. Periodicall**y** during occupancy, items related to eligibility, rent determination, and other program or agency requirements shall also be reviewed and verified. Income, assets, and expenses will be verified, as well as disability status, compliance with community service or training program requirements (HUD or TANF), need for a live-in aide and or other reasonable accommodations; full time student status of family members 18 years of age and older; Social Security numbers; citizenship/eligible non-citizen status; pet and car registration. Age and relationship will only be verified in those instances where needed to make a determination of the level of assistance.

11.1 ACCEPTABLE METHODS OF VERIFICATION

Age, relationship, U.S. citizenship, pet, car registration, compliance with community service or training program requirements (HUD or TANF) and Social Security numbers will generally be verified 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 "official documents" presented by the family, the INS SAVE approval code, and forms signed by the family.

11.2 METHODS OF INCOME VERIFICATION AND AGE OF DATA:

11.3 PHAs share the responsibility for documentation and verification of income information with the families that apply for or receive program assistance.

A. To fulfill their responsibilities, families must:
1. Complete all necessary paperwork
2. Sign all required release forms
3. Be responsive to PHA requests
4. Provide requested information and documents in a timely manner.

11.4 PHAs, for their part, must follow up with third-party sources.

1. The regulation governing verification in the public housing program is located at 24 CFR 960.259©)
2. The regulation states that PHAs either must obtain and document in family files third-party verification of the following factors or must document in the files why third-party verification was not available:
   a. Reported family annual income
   b. The value of assets
   c. Expenses related to deductions from annual income
   d. Other factors that affect the determination of adjusted income or income-based rent.

11.5 The Housing Authority of the County of Stanislaus (HACS) will verify information through the five (5) methods of verification acceptable to HUD in the following order:

___d1 Up-front Income Verification (UIV)
___d1 Third-party written verification
___d1 Third-party oral verification
___d1 Review of documents
___d1 Certification and/or self-declaration

Up-Front Income Verification (UIV)

The HACS will utilize up-front income verification tools, including TASS and the Work Number, whenever possible.

When HUD announces the availability of the UIV system for our PHA, we will utilize additional UIV tools, including a centralized computer matching system. The HACS will pursue other computer matching agreements with federal, state, and local government agencies.

2. Use of Third-Party Verification to Supplement Up-Front Income Verification

Up-front income verification replaces, to the maximum extent possible, the more time-consuming and less accurate third-party verification process of contacting individual employers identified by families or reviewing outdated income verification documents.

However, third-party verification may continue to be necessary to complement up-front income verification. Up-front income verification should not be considered an automatic substitute for other third-party verification.

Rather, up-front income verification may supplement other verification documentation, such as originals, current tenant-provided documents.

A. If UIV income data is less than current tenant-provided documentation, the HACS will use tenant-provided documents to calculate anticipated annual income.

B. If UIV income data is more than current tenant-provided documentation, the HACS will use UIV income data to calculate anticipated annual income unless the tenant provides the HACS with documentation of a change in circumstances (i.e. change in employment, reduction in hours, etc.). Upon receipt of acceptable tenant-provided documentation of a change in circumstances, the HACS will use tenant-provided documents to calculate anticipated annual income.

3. Third-Party Written Verification

Third-party verification is used to verify information directly with the source.

Third-party written verification forms will be sent and returned via first-class mail. The family will be required to sign an authorization form allowing the information source to release the specified information.

Two (2) attempts to obtain third-party verification will be made before relying on another method.

Verifications received electronically directly from the source are considered third-party written verifications.

Third-party verification forms, including computerized printouts, will not be hand-carried by the family under any circumstances. The HACS will send requests for third-party written verifications to the source at all times regardless of whether the family provides a computerized printout.

The HACS will allow fourteen days for the return of third-party verifications initially requested.

If third-party verifications are not returned within the fourteen (14) days period, an additional attempt to obtain third-party verifications will be requested.

The HACS will allow five (5) days for the return of the additional attempt to obtain third-party verifications.

If third-party written verification is not used, the HACS will document the reasons in the file.

Verifications are valid for 90 days from the date of the receipt.

4. Third-Party Oral Verification

Oral third-party verification will be used when written third-party verification is delayed or impossible. When third-party oral verification is used, staff will be required to complete a Certification of Document Viewed or Person Contacted form, noting with whom they spoke, the date of the conversation, and the facts provided. If oral third party verification is provided by telephone, the HACS must originate the call. If third-party verification is not available, the HACS will compare the specified information to any documents provided by the family.

5. Review of Documents

In the event that third-party written or oral verification is unavailable or information has not been verified by a third party within the fourteen (14) days, the HACS will annotate the family accordingly and utilize documents provided by the family as the primary source if the documents contain complete information.

All such documents, excluding government checks, will be photocopied and retained in the family file. When documents cannot be photocopied, staff viewing the documents will complete a Statement of Fact form.

The HACS will accept the following documents from families providing that tampering can be easily noted:

1. Printed wage stubs
2. Computer printouts fro employers

C. Signed letters (provided that the information is confirmed by phone)

D. Other documents identified by HACS as acceptable verification

The HACS will accept faxed documents.

The HACS will not accept photocopies

If third-party verification is received after documents have been accepted as provisional verification and there is a discrepancy, the HACS will contact the third-party source and the family to resolve differences.

The HACS will allow up to one week for families to provide documents when their-party verification is impossible to obtain.

The HACS will not delay the processing of an application or recertification beyond 45 days because a third-party information provider does not return a verification in a timely manner.

6. Self-Certification / Self-Declaration

When information cannot be verified by a third party or by review of documents, families will be required to submit a self-certification.

Self-certification means a notarized statement signed under penalty of perjury in the presence of a witness.

The HACS will allow up to one week for a family to provide a self-certification or self-declaration if other forms of verification are impossible to obtain.

11.6 TYPES OF VERIFICATION

The chart on the next page outlines the factors that may be verified and gives common examples of the verification that will be sought. To obtain written third party verification, the Housing Authority will send a request form to the source along with a release form, (if the source does not have a current release of information form "on file") signed by the applicant/tenant via first class mail.

Upfront (UIV) **Written 3rd Party** **Oral 3rd Party** **Document Review** **Tenant Declaration**	**Highest (Highly Recommended, highest level of third party verification).** **High (Mandatory if upfront income verification is not available or if UIV data differs substantially from tenant-reported information.** **Medium (Mandatory if written third party verification is not available)** **Medium-Low (Use on provisional basis)** **Low (Use as a last resort)**

Income Type	**Upfront**	**Written 3rd Party**	**Oral 3rd Party**	**Document Review**	**Tenant Declaration**
	(Level 1)	**(Level 2)**	**(Level 3)**	**(Level 4)**	**(Level 5)**
Wages / Salaries	Use of cooperative agreements with SWICA to obtain wage information electronically, by mail or fax or in person	The PHA mails, faxes, or emails 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	When neither form of third party verification can be obtained, the PHA may accept original	The PHA may accept a notarized statement or affidavit from the tenant that declared the

	Agreements with private vendor agencies, such as The Work Number to obtain wage and salary information Use of HUD system (UIV)	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	PHA may contact the independent source by phone to obtain the requested information	documents such as consecutive pay stubs (HUD recommends the PHA review at least 3 months of pay stubs, if employed by the same employer for 3 months or more), W-2 forms, etc., from the tenant. NOTE: The PHA must document in the tenant file, the reason 3rd party verification was not available.	family's total annual income from earnings. NOTE: the PHA must document in the tenant file, the reason 3rd party verification was not available.
Verification of Employment Income: The PHA should always obtain as much information as possible about the employment such as start date (new employment), pay frequency, pay rate, anticipated pay increased in the next 12 months, year-to-date earnings, bonuses, overtime, company name, address and telephone number, name and position of the person completing the employment verification form. **Effective Date of Employment:** The PHA should always confirm start and termination dates of employment.					

Income Type	**Upfront**	**Written 3rd Party**	**Oral 3rd Party**	**Document Review**	**Tenant Declaration**
	(Level 1)	**(Level 2)**	**(Level 3)**	**(Level 4)**	**(Level 5)**
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. NOTE: The PHA must document in the tenant file, the reason 3rd party verification was not obtained.	The PHA may accept a notarized statement or affidavit from the tenant that declares the family's total annual income from self-employment. NOTE: The PHA must document in the tenant file, the reason 3rd party verification was not available.
Verification of Self-Employment Income: Typically, it is a challenge for PHAs to obtain 3rd party verification of self-employment income, When 3rd party verification is not available, the PHA should always request a notarized tenant					

declaration that includes a perjury statement.					
Social Security Benefits	Use of HUD Tenant Assessment Sub-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.	The PHA may call SSA, with the tenant on the line, to obtain current benefit amount.	The PHA may accept an original SSA Notice from the tenant. NOTE: The PHA must document the tenant file, the reason 3rd party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares monthly social security benefits. NOTE: The PHA must document in the tenant file, the reason 3rd party verification was not available.

Income Type	**Upfront**	**Written 3rd Party**	**Oral 3rd Party**	**Document Review**	**Tenant Declaration**
	(Level 1)	**(Level 2)**	**(Level 3)**	**(Level 4)**	**(Level 5)**
Welfare Benefits	Use of cooperative 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. NOTE: The PHA must document in the tenant file, the reason 3rd party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares monthly welfare benefits. NOTE: The PHA must document in the tenant file, the reason 3rd party verification was not available.

Income Type	Upfront	Written 3rd Party	Oral 3rd Party	Document Review	Tenant Declaration
	(Level 1)	(Level 2)	(Level 3)	(Level 4)	(Level 5)
Child Support	Use of cooperative agreements with the local Child Support Enforcement Agency to obtain current child support amount electronically, by mail or fax.	the PHA mails, faxes, or emails a verification form directly to the local Child Support Enforcement Agency or child support payer to obtain current child support payments.	The PHA may call the local Child Support Enforcement Agency or child support payer to obtain current child support payments.	The PHA may review an original court order, mote or printout from the local Child Support Enforcement Agency provided by the tenant. NOTE: The PHA must document in the tenant file, the reason 3rd party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares current child support payments. NOTE: The PHA must document in the tenant file, the reason 3rd party verification was not available.

Income Type	Upfront	Written 3rd Party	Oral 3rd Party	Document Review	Tenant Declaration
	(Level 1)	(Level 2)	(Level 3)	(Level 4)	(Level 5)
Unemploy-ment Benefits	Use of cooperative agreements with a State Wage Information Collection Agency to obtain unemployment compensation electronically, by mail or fax.	the PHA mails, faxes, or emails a verification form directly to the local Child Support Enforcement Agency or child support payer to obtain current child support payments.	The PHA may call the local Child Support Enforcement Agency or child support payer to obtain current child support payments.	The PHA may review an original court order, mote or printout from the local Child Support Enforcement Agency provided by the tenant. NOTE: The PHA must document in the tenant file, the reason 3rd party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares current child support payments. NOTE: The PHA must document in the tenant file, the reason 3rd party verification was not available.
	Use of HUD systems.				
	Use of cooperative	The PHA mails,	The PHA may	The PHA may	The PHA may

Pensions	agreements with a Federal, State, or Local Government Agency to obtain pension information electronically, by mail or fax.	faxes, or emails a verification form directly to the pension provider to obtain pension information.	call the pension provider to obtain current benefit amount.	review an original benefit notice from the pension provider provided by the tenant. NOTE: The PHA must document in the tenant file, the reason 3rd party verification was not available.	accept a notarized statement or affidavit from the tenant that declares monthly pension amounts. NOTE: The PHA must document in the tenant file, the reason 3rd party verification was not available.

E: The PHA must not pass verification costs along to the participant.

E: In cases where the PHA cannot reliably project annual income, the PHA may elec complete regular interim reexaminations.

Verification Requirements for Individual Items		
Item to Be Verified	3rd party verification	Hand-carried verification
General Eligibility Items		
Social Security Number	Letter from Social Security, electronic reports	Social Security card
Citizenship	N/A	Signed certification, voter's registration card, birth certificate, etc.
Eligible immigration status	INS SAVE confirmation #	INS card
Disability	Letter from medical professional, SSI, etc	Proof of SSI or Social Security disability payments
Full time student status (if >18)	Letter from school	Any document evidencing full-time enrollment
Need for a live-in aide	Letter from doctor or other professional knowledgeable of condition	Letter from doctor or other professional knowledgeable of condition
Child care costs	Letter from care provider	Bills and receipts
Disability assistance expenses	Letters from suppliers, care givers, etc.	Bills and records of payment

Verification Requirements for Individual Items		
Item to Be Verified	3rd party verification	Hand-carried verification
Medical expenses	Letters 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
Value of and Income from Assets		
Savings, checking accounts	Letter from institution	Passbook, most current statements
CDS, bonds, etc	Letter from institution	Tax return, information brochure from institution, the CD, the bond
Stocks	Letter from broker or holding company	Stock or most current statement, price in newspaper or through Internet
Real property	Letter 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
Cash value of life insurance policies	Letter 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
Income		
Earned income	Letter from employer	Pay stubs w/year to date, Tax return w/w-2's
Self-employed	N/A	Tax return from prior year, books of accounts
Regular gifts and contributions	Letter from source, letter from organization receiving gift (i.e., if grandmother pays day care provider, the day care provider could so state)	Bank deposits, other similar evidence
Alimony/child support	Court order, letter from source, letter from Human	Record of deposits, divorce decree

Verification Requirements for Individual Items		
Item to Be Verified	3rd party verification	Hand-carried verification
	Services	
Periodic payments (i.e., social security, welfare, pensions, workers compensation, unemployment)	Letter or electronic reports from the source	Award letter, letter announcing change in amount of future payments
Training program participation	Letter from program provider indicating - whether enrolled or completed - whether training is HUD-funded - whether Federal, State, local govt., or local program - whether it is employment training - whether it has clearly defined goals and objectives - whether program has supportive services - whether payments are for out-of-pocket expenses incurred in order to participate in a program - date of first job after program completion	Letter from program provider indicating - whether enrolled or completed - whether training is HUD-funded - whether Federal, State, local govt., or local program - whether it is employment training - whether it has clearly defined goals and objectives - whether program has supportive services - whether payments are for out-of-pocket expenses incurred in order to participate in a program - date of first job after program completion Evidence of job start

11.7 VERIFICATION OF CITIZENSHIP OR ELIGIBLE NONCITIZEN STATUS - 24 CFR 5.508 and HUD Guidebook 7465.7 Restrictions on Assistance to Noncitizens.

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

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

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

Prior to being admitted or at the first reexamination, all eligible noncitizens must sign a declaration of their status and a verification consent form and provide their original INS documentation. The Housing Authority will make a copy of the individual's INS documentation and place the copy in the file. The Housing Authority will also verify their status through the INS SAVE system. If the INS SAVE system

cannot confirm eligibility, the Housing Authority will mail information to the INS in order that a manual check can be made of INS records.

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

Noncitizen students on student visas, though in the country legally, are not eligible to be admitted to public housing, unless they are part of an eligible family headed by a person who is not the student.

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

If no family member is determined to be eligible under this section, the family's eligibility 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 delay is caused by the family.

If the Housing Authority determines that a family member has knowingly permitted an ineligible noncitizen (other than any ineligible noncitizens listed on the lease) to permanently reside in their public housing unit, the family will be evicted. Such family will not be eligible to be readmitted to public housing for a period of 24 months from the date of eviction or termination.

11.8 VERIFICATION OF SOCIAL SECURITY NUMBERS - 24 CFR 5.216(a)

Prior to admission, each family member who has a Social Security number and who is at least 6 years of age must provide verification of their Social Security number. New family members at least 6 years of age must provide this verification prior to being added to the lease. Children in assisted households must provide this verification at the first regular reexamination after turning six.

The best verification of the Social Security number is the original Social Security card. If the card is not available, the Housing Authority will accept letters from the Social Security Agency that establishes and states the number. Documentation from other governmental agencies will also be accepted that establishes and states the number. Driver's licenses, military IDs, passports, or other official documents that establish and state the number are also acceptable.

If an individual states that they do not have a Social Security number, they will be required to sign a statement to this effect. The Housing Authority 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 housed until verification is provided.

If a member of a tenant family indicates they have a Social Security number, but cannot readily verify it, they shall be asked to certify to this fact and shall have up to sixty (60) days to provide the verification. If the individual is at least 62 years of age, they will be given one hundred and twenty (120) days to provide the verification. If the individual fails to provide the verification within the time allowed, the family will be evicted.

11.9 TIMING OF VERIFICATION

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

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

11.10 FREQUENCY OF OBTAINING VERIFICATION

For each family member, citizenship/eligible noncitizen 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 citizenship/eligible noncitizen status will be verified.

For each family member age 6 and above, verification of Social Security number will be obtained only once. This verification will be accomplished prior to admission. When a family member is added or when a member did not have a Social Security number at admission and 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.

12.0 DETERMINATION OF TOTAL TENANT PAYMENT AND TENANT RENT

12.1 FAMILY CHOICE

At admission and each year thereafter during re-examination or re-examination anniversary date, each family is given the choice or may request to have their rent determined under the 30% of income formula method or set at the flat rent amount.

A. Families choosing the flat rent method will only be required to go through the income reexamination process every three years. Applicable community service requirements must be verified yearly within sixty (60)to thirty (30) days prior to the family's re-examination anniversary date and within thirty (30) days of the expiration of the term of the lease, if the re-examination and lease expiration dates differ, regardless that the family's may be on a three (3) year re-examination schedule.

B. Families who opt for the flat rent may request to have a reexamination and return to the formula based method at any time for any of the following reasons:

   1. The family's income has decreased.

   2. The family's circumstances have changed increasing their expenses for child care, medical care, etc.

   3. Other circumstances creating a hardship on the family such that the formula method would be more financially feasible for the family.

12.2 THE FORMULA METHOD

The total tenant payment is equal to the highest of:

A. 10% of monthly income;

B. 30% of adjusted monthly income; or

C. The welfare rent.

The family will pay the greater of the total tenant payment or the minimum rent of $00.00, but never more than the Flat rent.

In the case of a family who has qualified for the income exclusion at Section 11.2(H)(11), upon the expiration of the 12-month disallowance period described in that section, an additional rent benefit accrues to the family. If the family member's employment continues, then for the 12-month period following the 12-month period of disallowance, the resulting rent increase will be capped at 50 percent of the rent increase the family would have otherwise received.

12.3 MINIMUM RENT

Minimum Rent = $00.00

If the minimum rent is $1.00 or more then the following will apply: If the family requests a hardship exemption, the Housing Authority will immediately suspend the minimum rent for the family until the Housing Authority can determine whether the hardship exists and whether the hardship is of a temporary or long-term nature.

A. A hardship exists in the following circumstances:

1. When the family has lost eligibility for or is waiting an eligibility determination for a Federal, State, or local assistance program;

2. When the family would be evicted as a result of the imposition of the minimum rent requirement;

3. When the income of the family has decreased because of changed circumstances, including loss of employment;

4. When the family has an increase in expenses because of changed circumstances, for medical costs, childcare, transportation, education, or similar items;

5. When a death has occurred in the family.

B. No hardship. If the Housing Authority determines there is no qualifying hardship, the minimum rent will be reinstated, including requiring back payment of minimum rent for the time of suspension.

C. Temporary hardship. If the Housing Authority reasonably determines that there is a qualifying hardship but that it is of a temporary nature, the minimum rent will be not be imposed for a period of 90 days from the date of the family's request. At the end of the 90-day period, the minimum rent will be imposed retroactively to the time of suspension. The Housing Authority will offer a repayment agreement in accordance with the Section 19 of this policy for any rent not paid during the period of suspension. During the suspension period the Housing Authority will not evict the family for nonpayment of the amount of tenant rent owed for the suspension period.

D. Long-term hardship. If the Housing Authority determines there is a long-term hardship, the family will be exempt from the minimum rent requirement until the hardship no longer exists.

E. Appeals. The family may use the grievance procedure to appeal the Housing Authority's determination regarding the hardship. No escrow deposit will be required in order to access the grievance procedure.

12.4 THE FLAT RENT

The Housing Authority has set a flat rent for each public housing unit. In doing so, it considered the size and type of the unit, as well as its condition, amenities, services, and neighborhood. The Housing Authority determined the market value of the unit and set the rent at the market value. The amount of the flat rent will be reevaluated periodically and adjustments applied. Affected families will be given a 30-day notice of any flat rent change affecting the amount of rent the family pays. At the sole discretion of the Housing Authority, adjustments may be applied on the re-examination anniversary date for each affected family (for more information on flat rents, see Section 15.3).

The Housing Authority will post the flat rents at each of its offices and are incorporated in this policy upon approval by the Board of Commissioners.
See appendix 2, or current Flat Rent amounts.

12.5 CEILING RENT:

The Housing Authority has no ceiling rents.

12.6 RENT FOR FAMILIES UNDER THE NONCITIZEN RULE - "MIXED FAMILIES"

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

A. The family was receiving assistance on June 19, 1995;

B. The family was granted continuation of assistance before November 29, 1996;

C. The family's head or spouse has eligible immigration status; and

D. The family does not include any person who does not have eligible status other than the head of household, the spouse of the head of household, any parent of the head or spouse, or any child (under the age of 18) of the head or spouse.

If a mixed family qualifies for prorated assistance but decides not to accept it, or if the family has no eligible members, the family may be eligible for temporary deferral of termination of assistance to permit the family additional time for the orderly transition of some or all of its members to locate other affordable housing. Under this provision, the family receives full assistance. If assistance is granted under this provision prior to November 29, 1996, it may last no longer than three (3) years. If granted after that date, the maximum period of time for assistance under the provision is eighteen (18) months. The Housing Authority will grant each family a period of six (6) months to find suitable affordable housing. If the family can verify that after diligent efforts it cannot find suitable affordable housing, the Housing Authority 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%.

For "Mixed Families" assistance is prorated in the following manner:

A. Determine the 95th percentile of gross rents (tenant rent plus utility allowance) for the Housing Authority . The 95th percentile is called the maximum rent.

B. Subtract the family's total tenant payment from the maximum rent. The resulting number is called the maximum subsidy.

C. Divide the maximum subsidy by the number of family members and multiply the result times the number of eligible family members. This yields the prorated subsidy.

D. Subtract the prorated subsidy from the maximum rent to find the prorated total tenant payment. From this amount subtract the full utility allowance to obtain the prorated tenant rent.

12.7 UTILITY ALLOWANCE

The Housing Authority has established a utility allowance for all units with tenant-paid utilities. The allowance is based on a reasonable consumption of utilities by an energy-conservative household (by bedroom size) of modest circumstances consistent with the requirements of a safe, sanitary, and healthful environment. In adjusting the allowance, the Housing Authority will review the actual consumption of tenant families as well as changes made or anticipated due to modernization (weatherization efforts, installation of energy-efficient appliances, etc). Allowances will be evaluated periodically as well as any time utility rates change by 10% or more since the last revision to the allowances.

The utility allowance will be subtracted from the family's formula or flat rent to determine the amount of the Tenant Rent. The Tenant Rent is the amount the family owes each month to the Housing Authority . 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 belongs to the tenant.

Utility allowance revisions based on rate or other changes shall be effective at each family's next annual reexamination.

Families with high utility costs are encouraged to contact their utility provider for an energy analysis. The analysis may identify problems with the dwelling unit that once corrected will reduce energy costs or it can assist the family in identifying ways they can reduce their costs.

12.8 PAYING RENT

Rent and other charges are due and payable on the first day of the month and must be received within five (5) working days. All non-delinquent rents must be paid by mail addressed to: The Housing Authority of the County of Stanislaus, P.O. Box 580149, Modesto, California 95358-0004. Reasonable accommodations for this requirement will be made for persons with disabilities or elderly persons. As a safety measure, cash should never be mailed as payment.

Residents who fail to pay rent on or before the fifth working day shall be subject to the following:

1. The Housing Authority assessing the resident a 14- Day Notice charge of **$20.00.** The charge may be waived by the Housing Authority under the following conditions:

   A. The resident has provided written verification and has received an approved "Extended Payment Agreement", from Management, prior to the fifth working day of the month for emergency reasons affecting the residents ability to timely pay rent.

      An "Emergency" is: an unforseen circumstance or event that cannot reasonably be expected to be ignored. An emergency may include, but not be limited to:

      - A death in the family, where the resident has incurred expenses in excess of one month's rent and utility bills.

      - Medical expenses not ordinarily covered by the resident's health coverage in excess of one month's rent and utility bills.

      - Auto repair expenses in excess of one month's rent and utility bills, when the family owns only one auto and the auto is the only means to commute to work, school, doctor, or daycare on a regular basis.

The 14-Day notice shall be served on the resident by first class mail. The Authority will accept, by mail only, less than the full amount of unpaid rent during the initial eleven (11) days of the fourteen day period. The notice shall not be considered 'cured' if less than the full amount of rent owing has been paid.

If rent remains unpaid on the eleventh (11) day of the 14-Day Notice period, the Authority shall serve a Three-Day Notice To Pay Rent or Quit. A **$20.00** service fee will be assessed against the resident's account. The Three-Day Notice must be served as follows:

   A. serviced personally to each adult family member; or

   B. handed personally to an adult family member (18 years or older) and a copy mailed by first-class mail to each adult family member not personally served; or

   C. if no one is home, the notice will be posted on the front door of the unit and a copy mailed by first class mail to each adult member of the household; or

Upon the issuance of a Three-Day Notice and within the legal period provided, only the full amount of rent will be accepted by the Housing Authority. The delinquent rent must be paid in person by cash or money order at the Authority's Central Office located at 1701 Robertson Rd., Modesto, Calif. Residents who fail to pay at the central office as required shall be charged any fees incurred by the Housing Authority in the preparation or filing of any legal papers or actions that subsequently may be dropped, if resident's payment was mailed within the three day notice period. After the expiration of the Three-Day Notice period, the Housing Authority may refuse to accept rent and proceed with further legal action.

Residents who receive four (4) 14-Day Notice assessments, returned check charges or Three-Day Notice service charges or any combination thereof, within a six-month period shall be provided an opportunity to attend a Housing Authority provided personal finance and budgeting training course. Residents who fail to participate shall be advised in writing that legal action may be commenced upon their receipt of a fourth late charge.

Residents who successfully complete the training course shall have their records cleared, except for late charges incurred which will remain due and payable, of their previous four late rent payment infractions. If, however, a resident who has participated in the budgeting training course receives two subsequent charges within six (6) months (ADD), that resident family will be blocked from retaking the training and legal action may be commenced on the third subsequent charge.

If the rent payment that the family submitted was a check that was returned from the bank, the family will receive notification from the Housing Authority that the check was returned and the resident has three (3) days to come to the central office to redeem the check by cash or money order and a 14 Day or 3 Day Notice of Termination of Lease will be attached to the notification since their rent is now delinquent. In cases with a 14 day notice, if the returned check is not redeemed within the 3 days, the check will be added back into the family's account. In cases with a 3 day notice, the Authority may commence legal action to recover possession of the premises. Upon receipt of a third returned check, the resident will be notified that they will no longer be allowed to pay their rent by mail, and must pay their rent at the central office in cash or money order. A **$20.00** service fee will be assessed against the resident's account for the processing of the returned check.

13.0 CONTINUED OCCUPANCY AND COMMUNITY SERVICE:

13.1 GENERAL

In order to be eligible for continued occupancy, each adult family member must either (1) contribute eight hours per month of community service (not including political activities) within the community in which the public housing development is located, or (2) participate in an economic self-sufficiency program unless they are determined exempt from this requirement.

13.2 EXEMPTIONS

The following resident, adult family members may be exempt from this requirement if their exemption can be documented by the family and verified by the Housing Authority.

A. Family members who are 62 or older

B. Family members who are blind or disabled

C. Family members who are the primary care giver for someone who is blind or disabled

D. Family members engaged in work activity as defined under part A, title IV, of the Social Security Act

E. Family members who are exempt from work activity under part A, title IV, of the Social Security Act or under any other State welfare program, including the welfare-to-work program

F. Family members receiving assistance under a State program funded under part A, title IV, of the Social Security Act or under any other State welfare program, including welfare-to-work and who are in compliance with that program

13.3 NOTIFICATION OF THE REQUIREMENT

In all resident annual re-examination notifications for re-exams beginning on October 1,2003, Housing Authority staff shall notify each affected family that during their up coming re-exam, Authority staff will identify and or verify compliance with, as applicable, all adult exempt and non-exempt family members for purposes of the family meeting its community service requirements.

The notification will explain the family's responsibility to provide verification for all non-exempt adult family member's compliance with the community service requirement, to verify continued exempt status for those previously granted exempt status, and the verification of any changes in any family member status. The Housing Authority shall verify such claims.

The notification will further advise families that their community service obligation will begin upon the effective date of their first annual reexamination on or after 10/1/2003. For family's paying a flat rent, the obligation begins on the date their annual reexamination would have been effective had an annual reexamination taken place. It will also advise all residents that their failure to comply with the community service requirement will result in ineligibility for continued occupancy at the time of any subsequent annual reexamination.

Initially, the Housing Authority will conduct training and educational meetings focused on the program and it's requirements for all affected families.

13.4 VOLUNTEER OPPORTUNITIES

Community service includes performing work or duties in the public benefit that serve to improve the quality of life and/or enhance resident self-sufficiency, and/or increase the self-responsibility of the resident within the community in which the complex is located. Because of the diversity (urban-rural-scattered sites etc)of our complexes, the communities in which they are located, and the availability of placement opportunities, the "community in which the complex is located" shall be defined as the complex and the geographic areas around it sufficient to allow for the resident to find and retain placement.

An economic self sufficiency program is one that is designed to encourage, assist, train or facilitate the economic independence of participants and their families or to provide work for participants. These programs may include programs for job training, work placement, basic skills training, education, English proficiency, work fare, financial or household management, apprenticeship, and any program necessary to ready a participant to work (including, but not limited to such programs as substance abuse or mental health treatment).

The Housing Authority will coordinate with social service agencies, local schools, the Human Resources Office, and other agencies in identifying a list of volunteer community service positions. Lists will be made available to all residents.

Together with staff in it's Community Services Centers, the Housing Authority will create volunteer positions such as coordinating and record keeping for resident volunteers, litter patrols, and other positions in the agency's educational, recreational, and other support programs.

13.5 THE PROCESS

At the first annual reexamination on or after October 1, 2003, and each annual reexamination thereafter, the Housing Authority will do the following:

A. Provide the family a list of volunteer opportunities.

B. Provide information about obtaining suitable volunteer positions.

C. Provide a volunteer time sheet for every non-exempt family member. Instructions for the time sheet require the individual to complete the form and have a supervisor date and sign for each 8 hour volunteer period. The supervisor will attach a business card to the sheet.

D. Refer family members to a Community Services Center where a volunteer coordinator may assist the family members in identifying appropriate volunteer positions and in meeting their responsibilities. The volunteer coordinator will track the family member's progress monthly and will meet with the family member as needed to best encourage compliance. Volunteer coordinators will be located and supervised at each of the Authority's Community Services Centers.

   While the Housing Authority will provide support services to volunteers, it in no way assumes responsibility for nor guarantees the placement of nor can guarantee the meeting of any family member's Community Services requirements. This responsibility remains fully with the family.

E. Sixty (60) days before the family's next lease anniversary date, the volunteer coordinator will update the volunteer's file, document compliance or non-compliance, and advise the Resident Initiatives Program Manager (RIPM). The RIPM will forward a signed certification of program compliance or executed agreement to cure non-compliance to the resident volunteer's Occupancy Specialist.

13.6 NOTIFICATION OF NON-COMPLIANCE WITH COMMUNITY SERVICE REQUIREMENT

The Housing Authority will notify any family found to be in noncompliance of the following:

A. The family member(s) has been determined to be in noncompliance;

B. That the determination is subject to the grievance procedure; and

C. That, unless the family member(s) enter into an agreement to comply, the lease will be terminated.

13.7 OPPORTUNITY FOR CURE

The Housing Authority will offer the family member(s) the opportunity to enter into an agreement prior to the anniversary of the lease. The agreement shall state that the family member(s) agrees to enter into an economic self-sufficiency or community service program for as many hours as needed to fulfill the time requirement over the past 12-month period. The cure shall occur over the 12-month period beginning with the date of the agreement and the resident shall at the same time stay current with the current's year's community service requirement. In all such agreements, the first 96 hours a resident earns will be credited toward the current's year's community service requirement with all additional hours credited to the amount owed for the previous year.

The volunteer coordinator will assist the family member in identifying volunteer opportunities and will track compliance on a monthly basis.

If any applicable family member does not accept the terms of the agreement, does not fulfill their obligation to participate in an economic self-sufficiency program, or falls behind in their obligation under the agreement to perform community service by more than three (3) hours over a three (3) month period, the Housing Authority shall take action to terminate the lease.

14.0 RECERTIFICATIONS

At least annually, the Housing Authority will conduct a reexamination of family income and circumstances. The results of the reexamination determine (1) the rent the family will pay, (2) whether the family is housed in the correct unit size and (3)if the family remains eligible for continued occupancy.

14.1 GENERAL

The Housing Authority will send a notification letter to the family letting them know that it is time for their annual reexamination, giving them the option of selecting either the flat rent or formula method, and scheduling an appointment if they are currently paying a formula rent. If the family thinks they may want to switch from a flat rent to a formula rent, the family must request an appointment. At the appointment, the family can make their final decision regarding which rent method they will choose. The letter also includes, for those families paying the formula method, forms for the family to complete in preparation for the interview. The letter tells families who may need to make alternate arrangements due to a disability and that they may contact staff to request an accommodation of their needs.

During the reexamination appointment, the Housing Authority will determine whether family composition may require a transfer to a different bedroom size unit, and if so, the family's name will placed on the transfer list.

14.2 MISSED APPOINTMENTS

If the family fails to respond to the appointment letter and fails to attend the interview, a second letter will be mailed for a rescheduled appointment. The second letter will advise of a new time and date for the interview. The letter will also advise that failure by the family to attend the second scheduled interview will result in the Housing Authority taking eviction actions against the family.

14.3 FLAT RENTS

Each year prior to their anniversary date, The Housing Authority will send a reexamination letter to the family offering the choice between a flat or a formula rent and scheduling an appointment. The opportunity to select the flat rent is available only at this time. At the appointment, the Housing Authority may assist the family in identifying the rent method that would be most advantageous for the family. If the family wishes to select the flat rent method without meeting with the Housing Authority representative, they may make the selection on the form and return the form, by the specified date, to the Housing Authority. The family must still meet any community services requirements as indicated below . If the family signs and returns the Flat Rent letter has no changes in family composition and has submitted documentation that it has fulfilled it's community service requirements, the Housing Authority will cancel the appointment. If any of the above criteria is not met and/or a change in family composition or a change in circumstance exempting a family member from previously required community service requirements, the appointment must be kept by the family.

The annual letter to families paying a flat rent regarding the reexamination process will state the following:

A. Each year at the time of the annual reexamination, the family has the option of selecting a flat rent amount in lieu of completing the reexamination process and having their rent based on the formula amount.

B. The amount of the flat rent

C. A fact sheet about formula rents that explains the types of income counted, the most common types of income excluded, and the categories allowances that can be deducted from income.

D. Families who opt for the flat rent will be required to go through the income reexamination process every three years, rather than the annual review they otherwise would undergo.

E. The status of the family's community service requirement(s) in regards to which family members are required to do community service and which family members are exempt and the documented amount of hours of community service that have been fulfilled with a signed certification by the family that failure to comply with the Community Service requirement will result in non-renewal of their lease.

F. Families who opt for the flat rent may request to have a reexamination and return to the formula-based method at any time for any of the following reasons:

   1. The family's income has decreased.

   2. The family's circumstances have changed increasing their expenses for child care, medical care, etc.

   3. Other circumstances creating a hardship on the family such that the formula method would be more financially feasible for the family.

G. The name and phone number of an individual to call to get additional information or counseling concerning flat rents.

H . A certification for the family to sign accepting or declining the flat rent.

I. For those families with non-exempt community services members, the letter will advise the family that all non-exempt family members must meet with their volunteer coordinator or Community Services Center staff within the 60 day period provided to verify compliance with community service requirements and that failure to do so will result in program termination.

14.4 THE FORMULA METHOD

During the interview, the family will provide all information regarding income, assets, expenses, and other information necessary to determine the family's share of rent. The family will sign HUD and other required consent forms. Failure to provide full and complete requested information or failure to sign the required forms will result in a cancellation of their lease.

Upon receipt of verification(s), the Housing Authority will determine the family's annual income and will calculate their rent as follows.

The total tenant payment is equal to the highest of:

A. 10% of monthly income;

B. 30% of adjusted monthly income; or

C. The welfare rent.

The family will pay the greater of the total tenant payment or the minimum rent (if applicable), but never more than the flat rent.

14.5 EFFECTIVE DATE OF RENT CHANGES FOR ANNUAL REEXAMINATIONS

The new rent will generally be effective upon the anniversary date with thirty (30) days advance 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.

14.6 INTERIM REEXAMINATIONS

During an interim reexamination, only the information affected by the changes being reported will be reviewed and verified unless the interim reexamination is within 3 months of the family's anniversary date and then a full reexamination will be conducted.

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

Families are required to report the following changes to the Housing Authority between regular reexaminations. If the family's rent is being determined under the formula method, these changes will trigger an interim reexamination. The family shall report these changes within ten (10) days of their occurrence.

A. A member has been added to the family through birth or adoption or court-awarded custody.

B. A household member is leaving or has left the family unit.

C. Any change in household income (for formula based rent families only)

D. Any change in household income that may cause the family to be over the allowable income limit as yearly set by HUD.

E. Any change in any family member(s) community services status (exempt or non-exempt). These changes must be reported to your eligibility worker.

In order to add a household member other than through birth or adoption (including a live-in aide), the family must request that the new member be added to the lease. Before adding the new member to the lease, the family 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. The Housing Authority will determine the eligibility of the individual before adding them to the lease. If the individual is found to be ineligible or does not pass the screening criteria, the family 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, a new lease will be sign with their name added. At the same time, if the family's rent is being determined under the formula method, the family's annual income will be recalculated taking into account the circumstances of the new family member. The effective date of the new rent will be in accordance with paragraph 14.8, below.

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

14.7 SPECIAL REEXAMINATIONS

If a family's income is too unstable to project for twelve (12) months, including families that temporarily have no income (0 renters) or have a temporary decrease in income, the Housing Authority may schedule special reexaminations every sixty (60) days until the income stabilizes and an annual income can be determined.

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

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

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

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

14.9 RETRO RENT

Retro rent occurs when it is found that the tenant misrepresented the facts upon which the rent is based so that the rent the tenant is paying is less than the rent that he/she should have been charged by not reporting an increase in income within the ten (10) days that it is required to report the change.

The amount of retro rent is calculated by calculating the amount the rent that should have been charged if properly and tamely reported and subtracting this amount from the amount of rent the family was actually charged and then multiplying the number of months that the higher rent would have been increased.

The family should be counseled regarding this violation of policy after their fist charge of retro rent and be required to sign a counseling form. If the non-reporting of an increase in income occurs again, the family's lease will be cancelled.

15.0 UNIT TRANSFERS

15.1 OBJECTIVES OF THE TRANSFER POLICY

The objectives of the Transfer Policy include the following:

A. To address emergency situations.

B. To fully utilize available housing resources while avoiding overcrowding by insuring that each family occupies the appropriate size unit.

C. To facilitate a relocation when required for modernization or other management purposes.

D. To facilitate relocation of families with inadequate housing accommodations.

E. To provide an incentive for families to assist in meeting the Housing Authority's deconcentration goal(s).

F. To facilitate and encourage family "Self Sufficiency" efforts.

G. To eliminate vacancy loss and other expense due to unnecessary transfers.

15.2 CATEGORIES OF TRANSFERS

Category 1: Emergency transfers. These transfers are necessary when conditions pose an immediate threat to the life, health, or safety of a family or one of its members. Such situations may involve defects of the unit or the building in which it is located, the health condition of a family member, a crime, the safety of witnesses to a crime, or a law enforcement matter particular to the neighborhood.

These transfers can be initiated by either the resident or Housing Authority. When requested by the resident for safety reasons, the request must be substantiated by written documentation that an event has occurred and will continue to occur that poses a safety risk of bodily injury to a family or its member/s. The continuing safety risk must be of such a nature as to preclude other remedies not involving a transfer. For example, a wife who is being abused by a husband must first seek to remedy the situation by obtaining a restraining order and enforcing its provisions before she is eligible for a transfer.

A. If the condition continues, the wife would be eligible for transfer to the next transfer available unit upon her documented verification of enforcement.

B. Housing Authority staff must document all mitigating remedies when a transfer is delayed or denied due to mitigating conditions.

Category 2: Immediate administrative transfers. These transfers are necessary in order to permit a family needing accessible features to move to a unit with such a feature or to enable modernization work to proceed. These transfers are initiated by the Housing Authority.

Category 3: Regular administrative transfers. These transfers are made to offer incentives to families willing to help meet certain Housing Authority occupancy goals, to facilitate and encourage family "Self Sufficiency" efforts, to comply with occupancy standards where the unit size is inappropriate for the size and composition of the family, to allow for non-emergency but medically advisable transfers, and other transfers approved by the Housing Authority when a transfer is the only or best way of solving a serious problem. These transfers can be initiated by either the resident or Housing Authority.

15.3 DOCUMENTATION

When the transfer is at the request of the family, the family will be required to provide third party verification of the need for the transfer and of it's meeting any other requirements for the particular category of transfer.

15.4 INCENTIVE OR RESIDENT INITIATED TRANSFERS

Transfer requests will be encouraged and approved for families who live in a development where their income category (below or above 30% of area median) predominates and wish to move to a development where their income category does not predominate.

Families living in multifamily developments have the opportunity to transfer to scattered-site housing. Families living in developments requiring lawn and yard maintenance, where the family is unable to perform such maintenance because of age, handicap, or disability will be given the opportunity to transfer to a development where such service is provided by the Housing Authority.

All families with transfer requests initiated by the resident or those transfers initiated by the Housing Authority as "Incentive" transfers will comply with the following eligibility criteria, prior to the transfer being approved. The resident family must:

A. Have been a tenant for one (1) year (six months if the family's current residency was initiated under the deconcentration policy);

B. For a minimum of one year, at least one adult family member is enrolled in an economic self-sufficiency program or is working at least thirty-five (35) hours per week, the adult family members are 62 years of age or older or are disabled or are the primary care givers to others with disabilities (Incentive Transfer only, waived if the family income is above the 50% area medium);

C. Adult members who are required to perform community service have been current in these responsibilities since the inception of the requirement or for one year which ever is less;

D. The family is current in the payment of all charges owed the Housing Authority and has not paid late rent for at least one year;

E. The family passes a current housekeeping inspection and does not have any record of housekeeping problems during the last year;

F. The family has not materially violated the lease over the past two years by disturbing the peaceful enjoyment of their neighbors, by engaging in criminal or drug-related activity, or by threatening the health or safety of tenants or Housing Authority staff.

15.5 PROCESSING TRANSFERS

Transfers on the waiting list will be sorted by the above categories and within each category by date and time.

Transfers in category A and B will be housed ahead of any other families, including those on the applicant waiting list. Transfers in category A will be housed ahead of transfers in category B.

Transfers in category C will be housed along with applicants for admission at a ratio of one transfer for every seven admissions. The transfer ratio may be modified by the Housing Authority as need arises. Situations such as meeting “Deconcentration Policy goals, excessive move-outs or similar circumstances will be used in determining ratio adjustments. The following preferences will apply within this category C transfers:

1. Deconcentration Policy Incentive transfers.

2. Transfers when the family is under housed. All transfers in this category shall be accomplished in descending order with the family most severely under housed for which there is an available unit, transferred first.

3. Transfers when the family is over housed. All transfers in this category shall be accomplished in descending order with the family most over housed for which there is an available unit, transferred first.

4. Transfers for non-severe medical reasons. (The determination of a non-severe medical condition shall be determined and documented in writing by the resident’s Doctor)

5. Transfers due to excessive distance - A request for a transfer due to distance from work, doctor, day care or school may be submitted by a resident. To qualify, a resident must live at least 15 miles (one way) from the location to which they commute; commute to that location at least three times a week on a regular basis for an expected long duration of time; and live where no regular public transportation is available that is compatible with the resident's schedule.

6. Transfers due to inability to comply with lawn and yard maintenance requirements.

7. Other types of transfers properly categorized by this class of transfer.

Upon offer and acceptance of a unit, the family will execute all lease up documents and pay or make arrangements to pay any rent and/or security deposit within two (2) days of being informed the unit is ready to rent. The family will be allowed seven (7) days to complete a transfer. The family will be responsible for paying rent at

the old unit as well as the new unit for any period of time that may exceed the seven (7) day period when they have possession of both.

Rejection of a transfer offer:

A. If the family rejects with good cause any unit offered, they will not lose their place on the transfer waiting list.

B. If the transfer is initiated by the Housing Authority and the family rejects two offers without good cause, the Housing Authority will take action to terminate their tenancy.

C. If the transfer is being made at the family's request and the rejected offer provided deconcentration incentives, the family will maintain their place on the transfer list and will not otherwise be penalized.

D. If the transfer is being made at the family's request, the family may, without good cause and without penalty, turn down one offer. After turning down a second such offer that does not include deconcentration incentives, without good cause, the family's name will be removed from the transfer list.

15.6 COST OF THE FAMILY'S MOVE

The cost of the transfer generally will be borne by the family in the following circumstances:

A. When the transfer is made at the request of the family or by others on behalf of the family (i.e. by the police);

B. When the transfer is needed to move the family to an appropriately sized unit, either larger or smaller;

C. When the transfer is necessitated because a family with disabilities needs the accessible unit into which the transferring family moved (The family without disabilities signed a statement to this effect prior to accepting the accessible unit); or

D. When the transfer is needed because action or inaction by the family caused the unit to be unsafe or uninhabitable.

The cost of the transfer will be borne by the Housing Authority in the following circumstances:

A. When the transfer is needed in order to carry out rehabilitation activities; or

B. When action or inaction by the Housing Authority has caused the unit to be unsafe or inhabitable.

The responsibility for moving costs in other circumstances will be determined on a case by case basis.

15.7 TENANTS IN GOOD STANDING

When the transfer is at the request of the family, it will not be approved unless the family is in good standing with the Housing Authority . This means the family must be in compliance with their lease, current in all payments to the Housing Authority, must have lived in their current unit for a one (1) year period (six months in some circumstances), and must pass a housekeeping inspection.

15.8 TRANSFER REQUESTS

A tenant may request a transfer at any time by completing a transfer request form and providing any necessary verifications. In considering the request, the Housing Authority may hold a meeting with the tenant to better understand the need for transfer and to explore possible alternatives. The Housing Authority will review the request in a timely manner and if a meeting is desired, it shall contact the tenant within ten (10) business days of receipt of the request to schedule a meeting.

The Housing Authority will grant or deny the transfer request in writing within ten (10) business days of receiving the request and all required verification or holding the meeting, whichever is later.

If the transfer is approved, the family's name will be added to the transfer waiting list.

If the transfer is denied, the denial letter will advise the family of their right to utilize the grievance procedure.

15.9 RIGHT OF THE HOUSING AUTHORITY IN TRANSFER POLICY

The provisions listed above are to be used as a guide to insure fair and impartial means of assigning units for transfers. It is not intended that this policy will create a property right or any other type of right for a tenant to transfer or to refuse to transfer.

16.0 INSPECTIONS

An authorized representative of the Housing Authority and the head of household and or co-head will inspect the premises prior to commencement of occupancy. A written statement of the condition of the premises will be made, all equipment will be provided, and the statement will be signed by both parties with a copy retained in the Housing Authority’s file and a copy given to the family member. An authorized Housing Authority representative and the head of household and or co-head will inspect the premises at the time the resident vacates and will furnish a statement of any charges to be made provided the resident turns in the proper notice under State law. The resident's security deposit can be used to offset against any Housing Authority damages to the unit.

16.1 MOVE-IN INSPECTIONS

The Housing Authority and the head of household and or co-head will inspect the unit prior to occupancy of the unit. Both parties will sign a written statement of the condition of the unit. A copy of the signed inspection will be given to the family and the original will be placed in the tenant file.

16.2 ANNUAL INSPECTIONS

The Housing Authority will inspect each public housing unit annually to ensure that each unit meets the Housing Authority ’s housing standards. Work orders will be submitted and completed to correct any deficiencies.

16.3 PREVENTATIVE MAINTENANCE INSPECTIONS

This inspection is intended to keep items in good repair. It checks weatherization; checks the condition of the smoke detectors, water heaters, furnaces, automatic thermostats and water temperatures; checks for leaks; and provides an opportunity to

change furnace filters and provide other minor servicing that extends the life of the unit and its equipment.

16.4 SPECIAL INSPECTIONS

A special inspection may be scheduled to enable HUD or others to inspect a sample of the housing stock maintained by the Housing Authority .

16.5 HOUSEKEEPING INSPECTIONS

Generally, at the time of annual reexamination, or at other times as necessary, the Housing Authority will conduct a housekeeping inspection to ensure the family is maintaining the unit in a safe and sanitary condition.

16.6 NOTICE OF INSPECTION

For inspections defined as annual inspections, preventative maintenance inspections, special inspections, and housekeeping inspections the Housing Authority will give the tenant a minimum of two (2) days written notice.

16.7 EMERGENCY INSPECTIONS

If any employee and/or agent of the Housing Authority has reason to believe that an emergency exists within the housing unit, the unit can be entered without notice. The person(s) that enters the unit will leave a written notice to the resident that indicates the date and time the unit was entered, the name, title and phone number of the person(s) who entered and the reason why it was necessary to enter the unit.

16.8 MOVE-OUT INSPECTIONS

The Housing Authority conducts the move-out inspection after the tenant vacates to assess the condition of the unit and determine responsibility for any needed repairs. When possible, the tenant is notified of the inspection and is encouraged to be present. This inspection becomes the basis for any claims that may be assessed against the security deposit.

17.0 PET POLICY

17.1 EXCLUSIONS

This policy does not apply to animals that are used to assist persons with disabilities. Assistive animals are allowed in all public housing facilities with no restrictions other than those imposed on all tenants to maintain their units and associated facilities in a decent, safe, and sanitary manner, to refrain from disturbing their neighbors, and to refrain from damaging the unit.

17.2 PETS IN PUBLIC HOUSING DEVELOPMENTS

When final HUD regulations on pet ownership are issued and when a resident has complied with the following Housing Authority pet ownership conditions, the Housing Authority will allow for ownership of pets by any resident family and elderly and/or disabled families.

17.3 APPROVAL

Residents must have the prior approval of the Housing Authority before moving a pet into their unit. Residents must request approval on the Authorization for Pet Ownership Form that must be fully completed and all terms complied with before the Housing Authority will approve the request. In addition, the resident shall have a

history of behavior which would tend to indicate that they are likely to comply with the additional rules and regulations associated with the keeping of pets.

17.4 TYPES OF PETS

The Housing Authority will allow only domesticated dogs, cats, birds, fish, rodents, turtles, and other animals allowed by law or ordinance in units. All dogs and cats must be neutered and or spayed.

The animal(s) shall be of a size and temperament so as to not pose an unreasonable threat of property damage or threat to the health or safety of neighbors or Housing Authority employees due to viciousness or improper control of animal waste. Any animal deemed to be “aggressive or territorial” or potentially harmful to the health or safety of others (including other pets) including attack or fight trained dogs, or prohibited by law or ordinance will not be allowed. Determinations on the “aggressive or territorial” or potentially harmful nature of a pet will be made according to established data bases on “pet temperament” such as Cyberpet and PetSmart data bases. In all cases where a proposed pet has been disapproved because of incompatible temperament, a copy of the data base “print-out” indicating the incompatibility will be provided to the resident and a copy, along with all other relevant information relating to the request, will be maintained in the resident's file.

For all requests for dogs, the resident must provide written documentation from a Vet or other competent professional of the dog's breed or breed mixture. In cases where the breed of the proposed dog is “mixed”, residents will be responsible to provide the Housing Authority with a written determination from a Vet or other competent professional identifying the various “breeds” of the dog. The various breeds will then be compared to the databases. An “aggressive or territorial” or potentially harmful result for any of the dog's breeds will result in the denial of the request.

No animal may exceed thirty (30) pounds in weight.

17.5 INOCULATIONS, LICENCING, AND PET IDENTIFICATION

In order to be authorized, pets, as applicable, must be appropriately licensed and inoculated against rabies, distemper, parvo shots and other conditions prescribed by local ordinances.

Residents must provide a color photograph of the animal(s).

Pet owners shall be required to attach copies of licensing documents, immunization certifications, breed identification documentation, and proof of spaying/neutering to the application form at the time they seek approval from the Housing Authority to keep a pet.

17.6 HUMANE CONFINEMENT

The dwelling unit shall have adequate amenities, such as a yard and sufficient fencing, to allow proper humane confinement of the animal(s) and to prevent the disturbance of neighbors. In projects where no fences exist, the animal(s) shall be of a size and temperament so as to be able to be properly confined to the interior of the unit.

17.7 PET DEPOSIT

A pet deposit of $25 - 200.00 is required at the time of registering a pet. The deposit varies, depending on the pet selected, the unit, and the amenities of the unit, like carpeting. The deposit is refundable when the or the family vacate the unit, less any amounts owed due to damage beyond normal wear and tear.

17.8 FINANCIAL OBLIGATION OF RESIDENTS

Any resident who owns or keeps a pet in their dwelling unit will be required to pay for any damages caused by the pet. Also, any pet-related insect infestation in the pet owner's unit will be the financial responsibility of the pet owner and the Housing Authority reserves the right to exterminate and charge the resident.

17.9 NUISANCE OR THREAT TO HEALTH OR SAFETY

The pet and its living quarters must be maintained in a manner to prevent odors and any other unsanitary conditions in the family's unit and surrounding areas.

Repeated and substantiated complaints by neighbors or Housing Authority personnel regarding pets disturbing the peace of neighbors through noise, odor, animal waste, damage to the premises, or other nuisance will result in the family having to remove the pet or move him/herself.

17.10 DESIGNATION OF PET AREAS

For complexes where no exterior, individual yard fences are provided. Pets must be kept in the owner's apartment or on a leash at all times when outside(no outdoor cages may be constructed). In some complexes, pets will be allowed only in designated areas. Pet owners must clean up after their pets and are responsible for disposing of pet waste .

17.11 VISITING PETS

Pet visitation is not allowed.

17.12 RESIDENT ABSENCES FROM THE PREMISES

When absent from the unit, families with dogs or cats shall be responsible for the housing of their pet(s) somewhere other than on the premises overnight or for longer periods. Families with pets shall have a standing arrangement, on file, with the Housing Authority providing for the care of pet(s)in the event that the family must leave their unit on an emergency basis. The arrangement will specify who will be responsible for assuring compliance with this provision.

17.13 REMOVAL OF PETS

The Housing Authority, or an appropriate community authority, shall require the removal of any pet from a project if the pet's conduct or condition is determined to be a nuisance, a threat to the health or safety of other occupants of the project or of other persons in the community where the project is located, or if the pet causes damage to the premises.

18.0 REPAYMENT AGREEMENTS

When a resident owes the Housing Authority charges or rent and is unable to pay the balance by the due date for emergency reasons, the resident may request that the Housing Authority allow an “Extended Payment Agreement”. The Housing Authority will approve or reject such an agreement based on the Housing Authority’s Collections Policy. All Extended Payment Agreements must assure that the full payment is made within the period provided. All Extended Payment Agreements must be in writing and signed by both parties. Failure to comply with Extended Payment Agreement terms will subject the Resident to eviction procedures.

19.0 TERMINATION

19.1 TERMINATION BY TENANT

The tenant may terminate the lease at any time upon submitting a 30-day written notice. The notice must be submitted at the Housing Authority's Central Office located at 1701 Robertson Rd, Modesto, CA. If the tenant vacates prior to the end of the thirty (30) days, they will be responsible for rent through the end of the notice period or until the unit is re-rented, whichever occurs first. If the resident vacates without giving notice or fails to deliver possession of the premises to Management, rent and resident's liability for the unit will continue until Management finds the unit vacant and takes possession. If the tenant cannot vacate the unit within the 30 day written notice period, the tenant will notify the Housing Authority and receive a maximum of 2 weeks extension. If the tenant still needs additional time to vacate the unit, a new 30 day written vacate notice will need to be submitted.

19.2 TERMINATION BY THE HOUSING AUTHORITY

The Housing Authority after 10/1/2003 will not renew the lease of any family that is not in compliance with the community service requirement or an approved Agreement to Cure. If they do not voluntarily leave the property, eviction proceedings will begin.

The Housing Authority will terminate the lease for serious or repeated violations of the material terms of the lease. Such violations include but are not limited to the following:

A. Nonpayment of rent or other charges;

B. Habitually delinquent - A history of late rental payments

C. Failure to provide timely and accurate information regarding family composition, income circumstances, or other information related to eligibility or rent;

D. Failure to allow inspection of the unit;

E. Failure to maintain the unit in a decent, safe, and sanitary manner;

F. Assignment or subletting of the premises;

G. Use of the premises for purposes other than as a dwelling unit (other than for Housing Authority approved resident businesses);

H. Destruction of property;

I. Acts of destruction, defacement, or removal of any part of the premises or failure to cause guests to refrain from such acts;

J. Any criminal activity on the property or drug-related criminal activity on or off the premises. This includes but is not limited to the manufacture of methamphetamine on the premises of the Housing Authority

K. Non-compliance with Non-Citizen Rule requirements;

L. Permitting persons not on the lease to reside in the unit more than fourteen (14) days each year without the prior written approval of the Housing Authority;

M. Management's discovery that RESIDENT or a household member is a registered sex offender;

N. Engaging in alcohol or drug abuse, or any other activity that Management determines interferes with the health, safety, or right to peaceful enjoyment of other dwelling units;

O. Resident or a member of the household is fleeing to avoid prosecution, custody, or confinement for a crime or attempt to commit a crime that is a felony;

P. Resident or a member of the household is in violation of a condition of probation or parole imposed according to law; and

Q. Resident, member(s) of the household or guest/visitor acting or speaking in an abusive or threatening manner towards Housing Authority staff.

R. Other good cause.

19.3 ABANDONMENT

The Housing Authority will consider a unit to be abandoned when a resident has both fallen behind in rent for a minimum of 14 days AND has clearly indicated by words or actions an intention not to continue living in the unit.

When a unit has been abandoned, a Housing Authority representative may enter the unit and remove any abandoned property. The property will be stored in a reasonably secure place or it will remain in the unit, at the option of the Housing Authority. A notice will be mailed to the resident's address (so it can be forwarded by the post office) and to all known persons listed in the resident's application or file who may have knowledge of the resident's whereabouts. The notice will state where the property is being stored and when it will be sold or disposed of.

If the total value of the property is estimated at less than $300.00, the Housing Authority will mail a notice of the disposition to the resident and then wait 18 days. Family pictures, keepsakes, and personal papers cannot be disposed of until 18 days after the Housing Authority mails the notice of abandonment.

If the estimated value of the property is more than $300.00, the Housing Authority will mail a notice of the sale or disposition to the resident and then wait 18 days before sale or disposition. Personal papers, family pictures, and keepsakes can be sold or disposed of at the same time as other property.

If the personal property valued at more than $300.00 and described in the notice is not released to the resident, it shall be sold at public sale by competitive bidding. Notice of the time and place of the public sale shall be given by publication pursuant to Section 6066 of the Government Code in a newspaper of general circulation published in the county where the sale is to be held. The last publication shall be not less than five days before the sale is to be held. The notice of the sale shall not be published before the last of the dates specified for taking possession of the property in any notice given pursuant to Section 1983. The notice of the sale shall describe the property to be sold in a manner reasonably adequate to permit the owner of the property to identify it. Any money raised by the sale of the property goes to cover money owed by the family to the Housing Authority such as back rent and the cost of storing and selling the goods. If there is any money left over and the family's forwarding address is known the Housing Authority will mail it to the family. If the family's address is not known, the Housing Authority will keep it for

the resident for one year. If it is not claimed within that time, it belongs to the Housing Authority .

Within 21 days of learning of an abandonment, the Housing Authority will either return the deposit or provide a statement of why the deposit is being kept.

19.4 RETURN OF SECURITY DEPOSIT

After a family moves out or no longer owns a pet for which a security deposit was paid, the Housing Authority will return the security deposit within 21 days or give the family a written statement of why all or part of the security deposit is being kept. The rental unit must be restored to the same conditions as when the family moved in, except for normal wear and tear. Deposits will not be used to cover normal wear and tear or damage that existed when the family moved in.

The Housing Authority will be considered in compliance with the above if the required payment, statement, or both, are deposited in the U.S. mail with first class postage paid within 21 days.

20.0 FAMILY SELF SUFFICIENCY, IDA, AND HOME OWNERSHIP OPPORTUNITIES (RESERVED)

21.0 PROGRAM INTEGRITY

This section outlines the Housing Authority policies for the prevention, detection and investigation of program abuse and fraud.

Under no circumstances will the Housing Authority undertake an inquiry or an audit of a participating family arbitrarily. The Housing Authority's expectation is that participating families will comply with HUD requirements and other program rules. The Housing Authority staff will make every effort (formally and informally) to orient and educate all families in order to avoid unintentional violations. However, the Housing Authority has a responsibility to HUD, to the community and to eligible families in need of housing assistance, to monitor participants for compliance and, when indications of abuse come to the Housing Authority's attention, to investigate such claims.

The Housing Authority will initiate an investigation only in the event of one or more of the following circumstances:

21.1 Referrals, Complaints, or Tips. The Housing Authority will follow up on referrals from other agencies, companies or persons which are received by mail, by telephone or in person, which allege that a participant is in non-compliance with, or otherwise violating any obligations or program rules. Such follow-up will be made providing that the referral contains at least one item or information that is independently verifiable. A copy of the allegation will be retained in the participant's file.

21.2 Internal File Review. A follow-up will be made if the Housing Authority staff discovers (as a function of a certification or recertification, an interim re-determination, or a quality control review) information or facts which conflict with previous file data, the Housing Authority's knowledge of the participant(s), or is discordant with statements made by the participant(s).

21.3 Verification of Documentation. A follow-up will be made if the Housing Authority receives independent verification or documentation which conflicts with representations in the participants' file (such as public record information or credit bureau reports, reports from other agencies).

21.4 Prevention of Program Abuse and Fraud

The Housing Authority will utilize the following methods and practices to educate families on their responsibilities and minimize program abuse, non-compliance, and willful violations of program rules by applicants and participating families.

1. ***Things You Should Know.*** This program integrity bulletin (created by HUD's Inspector General) will be furnished and explained to all applicants to promote understanding of program rules, and to clarify the Housing Authority's expectations for cooperation and compliance.
2. ***Program Orientation Session.*** Mandatory orientation sessions will be conducted by the Housing Authority staff for all prospective participants. At the conclusion of all Program Orientation Sessions, the participants will be required to sign a "Family Obligations Form" to confirm that all rules and pertinent regulations were explained to them.
3. ***Resident Counseling.*** The Housing Authority will routinely provide participant counseling as a part of every recertification interview in order to clarify any confusion pertaining to program rules and requirements.
4. ***Review and Explanation of Forms.*** Staff will explain all required forms and review the contents of all (re)certification documents prior to signature.
5. ***Use of Instructive Signs and Warnings.*** Instructive signs will be conspicuously posted in common areas and interview areas to reinforce compliance with program rules and to warn about penalties for fraud and abuse.
6. ***Participant Certification.*** All family representatives will be required to sign a "Family Obligations/Causes for Denial or Termination of Participation Certification" form.

21.5 Detection of Program Abuse and Fraud

The Housing Authority staff will maintain a high level of awareness to indicators of possible abuse and fraud by assisted families.

1. Quality Control Files Reviews

Prior to initial certification, and at the completion of all subsequent re-certifications, 3% of files will be reviewed. Such reviews shall include, but are not limited to:

2. Assurance that verification of all income and deductions is present
3. Authenticity of file documents
4. Ratio between reported income and expenditures
5. Review of signatures for consistency with previously signed file documents
6. All forms are correctly dated and signed

2. Observation

The Housing Authority Staff will maintain high awareness of circumstances which may indicate program abuse or fraud, such as unauthorized persons residing in the household and unreported income.

1) Inspection observations will be documented in the participant's file
2) Public record Bulletins may be reviewed by Management and Staff

3) State Wage Data Records Keepers – Inquiries to State Wage and Employment record keeping agencies may be made annually in order to detect unreported wages or unemployment benefits
4) Credit Bureau Inquiries – Credit Bureau inquiries may be made (with proper authorization by the participant) in the following circumstances:

    1. When an allegation is received by the Housing Authority wherein unreported income sources are disclosed.
    2. When a participant's expenditures exceed his /her reported income and no plausible explanation is given.

21.6 The Housing Authority's Handling of Allegations of Possible Abuse and Fraud

The Housing Authority staff will encourage all participating families to report suspected abuse to the Housing Authority. All such referrals, as well as referrals from community members and other agencies, will be thoroughly documented and placed in the participants file. All allegations, complaints and tips will be carefully evaluated in order to determine if they warrant follow-up. The public housing, low rent department will not follow up on allegations which are vague or otherwise non-specific. They will only review allegations which contain one or more independently verifiable facts.

1. File Review

When a review of the case file or a complaint results in an allegation of abuse or fraud, an internal file review will be conducted to determine:

5) If the subject of the allegation is a client and to determine whether or not the information reported has been previously disclosed by the family.
6) It will then be determined if the Housing Authority is the most appropriate authority to do a follow-up more so than police or social services). Any file documentation of past behavior as well as corroborating complaints will be evaluated.

2. Conclusion of Preliminary review

If at the conclusion of the preliminary file review there is/are fact(s) contained in the allegation which conflict with the file data, and the fact(s) are independently verifiable, the low rent department will initiate an investigation to determine if the allegation is true or false.

21.7 How the Housing Authority Will Investigate Allegations of Abuse and Fraud

If the Housing Authority determines that an allegation or referral warrants follow-up, the Housing Authority will commence an investigation. The steps taken will depend upon the nature of the allegation and may include, but are not limited to, the items listed below. In all cases, the Housing Authority will secure the written authorization from the program participant for the release of income and credit information.

Sources and verification types include, but are not limited to:

7. Credit Bureau Agencies – In cases involving previously unreported income sources, a Credit Bureau inquiry may be made to determine if there is financial activity that conflicts with the reported income of the family.
8. Verification of Credit – In cases where the financial activity conflicts with file data, a *Verification of Credit* form may be mailed to the creditor in order to determine the unreported income source.
9. Employers and Ex-Employers – Employers or ex-employers may be contacted to verify wages which may have been previously undisclosed or misreported.
10. Witnesses – Neighbors and/or other witnesses may be interviews who are believed to have direct or indirect knowledge of facts related to the investigation
11. Other Agencies – Investigators, case workers or representatives of other benefit agencies may be contacted.
12. Public Records – If relevant, the Housing Authority will review public records kept in nay jurisdictional courthouse. Examples of public records which may be checked are: real estate, marriage, divorce, uniform commercial code financing statements, voter registration, judgments, court or police records, state wage records, utility records and postal records.
13. Interviews with Head of Household or Family Members – The Housing Authority will discuss the allegation (or details thereof) with the Head of Household or family member by scheduling an appointment at the Housing Authority office. A high standard of courtesy and professionalism will be maintained by the Housing Authority staff person who conducts such interviews. Under no circumstances will inflammatory language, accusation, or any unprofessional conduct or language be tolerated by the management. If possible, an additional staff member will attend such interviews.

21.8 Placement of Documents, Evidence and Statements Obtained by the Housing Authority

Documents and other evidence obtained by the Housing Authority during the course of an investigation will be considered "work product" and will either be kept in the participant's file, or in a separate "work file". In either case, the

participant's file or work file will be kept in the Housing Manager's office. Such cases under review will not be discussed among Housing Authority staff unless they are involved in the process, or have information which may assist in the investigation.

21.9 Conclusion of the Housing Authority's Investigative Review

At the conclusion of the investigative review, the reviewer will report the findings to the Area Housing Manager. It will then be determined whether a violation has occurred, a violation has not occurred, or if the facts are inconclusive.

21.10 Evaluation of the Findings

If it is determined that a program violation has occurred, the Housing Authority will review the facts to determine:

14. The type of violation (procedural, non-compliance, fraud)
15. Whether the violation was intentional or unintentional
16. What amount of money, if any, is owed by the family
17. If the family is eligible for continued occupancy

21.11 Action Procedures for Violations Which Have Been Documented

Procedural Non-Compliance

This category applies when the family "fails to" observe a procedure or requirement of the Housing Authority, but does not misrepresent a material fact, and there is no retroactive assistance payments owed by the family. Examples of non-compliance violations are: failure to appear at a pre-scheduled appointment or failure to return verification in the time period specified by the Housing Authority.

In such cases, a warning notice, as already documented in these procedures, will be sent to the family. The warning notice contains:

1. A description of the non-compliance and the procedure, policy or obligation which was violated.
2. The date by which the violation must be corrected, or the procedure complied with
3. The action which will be taken by the Housing Authority if the procedure or obligation is not complied with by the date specified by the Housing Authority.
4. The consequences of repeated (similar) violations

2. Participant fails to Comply with the Housing Authority's Notice. If the participant fails to comply with the Housing Authority's notice, and a program rule has been violated, the Housing Authority will initiate termination of assistance.

3. Participant Complies with the Housing Authority's Notice. When a family complies with the Housing Authority's notice, the staff person responsible will meet with him/her to discuss and explain the program rule which was violated. The staff person will complete a Participant Counseling Report, give one copy to the family and retain a copy in the participant's file.

4. Intentional Misrepresentations

When a participant falsifies, misstates, omits or otherwise misrepresents a material fact which results (or would have resulted) in housing assistance by the Housing Authority, the Housing Authority will evaluate whether or not:

1) the participant had knowledge that his/her actions were wrong, and
2) the participant willfully violated the family obligations or the law.

5. Knowledge that the action or inaction was wrong.

This will be evaluated by determining if the participant was made aware of program requirements and prohibitions. The participant's signature on various certifications is adequate to establish knowledge of wrong-doing.

6. The Participant Willfully Violated the Law. Any of the following circumstances will be considered adequate to demonstrate willful intent:

a) An admission by the participant of the misrepresentation

3) That the act was done repeatedly
4) If a false name or Social Security Number was used
5) If there were admissions to others of the illegal action or omission.
6) That the participant omitted material facts which were known to him/her (e.g. employment of self or other household member).
7) That the participant falsified, forged or altered documents
8) That the participant uttered and certified to statements at an interim re-determination which were later independently verified to be false.

7. Dispositions of Cases Involving Misrepresentations

In all cases of misrepresentations involving efforts to recover monies owed, the Housing Authority may pursue, depending upon its evaluation of the criteria stated above, one or more of the following actions:

1) Criminal Prosecution: If the Housing Authority has established criminal intent, and the case meets the criteria for prosecution, the Housing Authority will refer the case to the local State or District Attorney, notify HUD and terminate the lease.

2) Administrative Remedies: The Housing Authority may either:

_ Terminate the lease and demand payment of restitution in full; or

_ Terminate the lease and execute an administrative repayment agreement in accordance with the Housing Authority's Repayment Policy; or

_ Terminate the lease and pursue restitution through civil litigation.

_ Continue the lease at the correct level upon repayment of restitution in full.

_ Permit continuation of the lease at the correct level and execute an administrative repayment agreement in accordance with the Housing Authority's repayment policy.

8. The Case Conference for Serious Violations and Misrepresentations

When the Housing Authority has established that material misrepresentation(s) have occurred, a Case Conference will be scheduled with the family representatives and the Housing Authority staff person who is most knowledgeable about the circumstances of the case.

This conference will take place prior to any proposed action by the Housing Authority. The purpose of such conference is to review the information and evidence obtained by the Housing Authority with the participant, and to provide the participant an opportunity to explain any document findings which conflict with representations in the tenant's file. Any documents or mitigating circumstances presented by the tenant(s) will be taken into consideration by the Housing Authority. The tenant(s) will be given 14 days to furnish any mitigating evidence.

A secondary purpose of the Case Conference is to assist the Housing Authority in determining the course of action most appropriate for the case. Prior to the final determination of the proposed action, the Housing Authority will consider:

9) The tenant(s) ability to understand the rules
10) The tenant(s) willingness to cooperate, and to accept responsibility for his/her actions.
11) The amount of money involved
12) The tenant(s) past history
13) Whether or not criminal intent has been established
14) The number of false statements.

9.

Notification to Participant of Proposed Action

The Housing Authority will notify the tenant(s) of the proposed action no later than 30 days after the Case Conference, by certified mail.

GLOSSARY

50058 Form: The HUD form that Housing Authorities are required to have completed for each assisted household in public housing to record information used in the certification and re-certification process and, at the option of the Housing Authority, for interim reexaminations.

1937 Housing Act: The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) (24 CFR 5.100)

Adjusted Annual Income: The amount of household income, after deductions for specified allowances, on which tenant rent is based. (24 CFR 5.611)

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

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 child care expenses for children under 13 years of age. Other allowance can be given at the discretion of the Housing Authority.

Annual Contributions Contract (ACC): The written contract between HUD and a Housing Authority under which HUD agrees to provide funding for a program under the 1937 Act, and the Housing Authority agrees to comply with HUD requirements for the program. (24 CFR 5.403)

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.

Annual Income also includes amounts derived (during the 12-month period) from assets to which any member of the family has access. (1937 Housing Act; 24 CFR 5.609)

Applicant (applicant family): A person or family that has applied for admission to a program but is not yet a participant in the program. (24 CFR 5.403)

As-Paid States: States where the welfare agency adjusts the shelter and utility component of the welfare grant in accordance with actual housing costs. Currently, the four as-paid States are New Hampshire, New York, Oregon, and Vermont.

Assets: The value of equity in savings, checking, IRA and Keogh accounts, real property, stocks, bonds, and other forms of capital investment. The value of necessary items of personal property such as furniture and automobiles are not counted as assets. (Also see "net family assets.")

Asset Income: Income received from assets held by family 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. (See "imputed asset income" below.)

Ceiling Rent: Maximum rent allowed for some units in public housing projects.

Certification: The examination of a household's income, expenses, and family composition to determine the family's eligibility for program participation and to calculate the family's share of rent.

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. (24 CFR 5.504(b))

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 child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income. (24 CFR 5.603(d))

Citizen: A citizen or national of the United States. (24 CFR 5.504(b))

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. (24 CFR 5.214)

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. (24 CFR 5.100)

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. (24 CFR 5.603(d))

Dependent Allowance: An amount, equal to $480 multiplied by the number of dependents, that is deducted from the household's annual income in determining adjusted annual income.

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. (24 CFR 5.603(d))

Disability Assistance Expense Allowance: In determining adjusted annual income, the amount of disability assistance expenses deducted from annual income for families with a disabled household member.

Disabled Family: A family whose head, spouse, or sole member is a person with disabilities; two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides. (24 CFR 5.403(b)) (Also see "person with disabilities.")

Disabled Person: See "person with disabilities."

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. (24 CFR 5.403(b))

Displaced Person: A person displaced by governmental action or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws. [1937 Act]

Drug-Related Criminal Activity: Drug trafficking or the illegal use, or possession for personal use, of a controlled substance as defined in Section 102 of the Controlled Substances Act (21 U.S.C. 802.

Elderly Family: A family whose head, spouse, or sole member is a person who is at least 62 years of age; 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. (24 CFR 5.403)

Elderly Family Allowance: For elderly families, an allowance of $400 is deducted from the household's annual income in determining adjusted annual income.

Elderly Person: A person who is at least 62 years of age. (1937 Housing Act)

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.). (24 CFR 5.100)

Family includes but is not limited to:

A. A family with or without children;

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, a person with disabilities, or the remaining member of a tenant family. (24 CFR 5.403)

Family Members: All members of the household other than 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 lease.

Family Self-Sufficiency Program (FSS Program): The program established by a housing authority to promote self-sufficiency among participating families, including the coordination of supportive services. (24 CFR 984.103(b))

Flat Rent: A rent amount the family may choose to pay in lieu of having their rent determined under the formula method. The flat rent is established by the housing authority set at the lesser of the market value for the unit or the cost to operate the unit. Families selecting the flat rent option have their income evaluated once every three years, rather than annually.

Formula Method: A means of calculating a family's rent based on 10% of their monthly income, 30% of their adjusted monthly income, the welfare rent, or the minimum rent. Under the formula method, rents may be capped by a ceiling rent. Under this method, the family's income is evaluated at least annually.

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. (24 CFR 5.603(d))

Head of Household: The adult member of the family who is the head of the household for purposes of determining income eligibility and rent. (24 CFR 5.504(b))

Household Members: All members of the household including members of the family, live-in aides, foster children, and foster adults. All household members are listed on the lease, and no one other than household members are listed on the lease.

Housing Assistance Plan: A housing plan that is submitted by a unit of general local government and approved by HUD as being acceptable under the standards of 24 CFR 570.

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 as income from assets in determining annual income.

In-Kind Payments: Contributions other than cash made to the family or to a family member in exchange for services provided or for the general support of the family (e.g., groceries provided on a weekly basis, baby sitting provided on a regular basis).

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

Live-In Aide: A person who resides with one or more elderly persons, near-elderly persons, or persons with disabilities and who:

A. Is determined to be essential to the care and well- being of the persons;

B. Is not obligated for the support of the persons; and

C. Would not be living in the unit except to provide the necessary supportive services. (24 CFR 5.403(b))

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, except that the Secretary may establish income ceilings higher or lower than 80% of the median for the area on the basis of the Secretary's findings

that such variations are necessary because of prevailing levels of construction costs or unusually high or low family incomes. (1937Act)

Medical Expenses: Medical expenses (of all family members of an elderly or disabled family), including medical insurance premiums, that are anticipated during the period for which annual income is computed and that are not covered by insurance. (24 CFR 5.603(d)). These expenses include, but are not limited to, prescription and non-prescription drugs, costs for doctors, dentists, therapists, medical facilities, care for a service animals, transportation for medical purposes.

Mixed Family: A family whose members include those with citizenship or eligible immigration status and those without citizenship or eligible immigration status. (24 CFR 5.504(b))

Monthly Adjusted Income: One twelfth of adjusted income. (24 CFR 5.603(d))

Monthly Income: One twelfth of annual income. (24 CFR 5.603(d))

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. (24 CFR 5.504(b))

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; 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. (24 CFR 5.403(b))

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 therefor. 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. (24 CFR 5.603(d))

Non-Citizen: A person who is neither a citizen nor national of the United States. (24 CFR 5.504(b))

Occupancy Standards: The standards that a housing authority establishes for determining the appropriate number of bedrooms needed to house families of different sizes or composition.

Person with Disabilities: A person who:

A. Has a disability as defined in Section 223 of the Social Security Act, which states:

"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:

1. Is expected to be of long-continued and indefinite duration;

2. Substantially impedes his or her ability to live independently; and

3. 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, which states:

"Severe chronic disability that:

1. Is attributable to a mental or physical impairment or combination of mental and physical impairments;

2. Is manifested before the person attains age 22;

3. Is likely to continue indefinitely;

4. 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

5. 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 immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome. (1937 Act)

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

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. (24 CFR5.520)

Public Housing Agency (PHA): Any State, county, municipality, or other governmental entity or public body (or agency or instrumentality thereof) which is authorized to engage in or assist in the development or operation of low-income housing under the 1937 Housing Act. (24 CFR 5.100)

Recertification or Reexamination: The annual reexamination of a family's income, expenses, and composition to determine the family's rent.

Remaining Member of a Tenant Family: A member of the family listed on the lease who continues to live in the public housing dwelling after all other family members have left. (Handbook 7565.1 REV-2, 3-5b.)

Self-Declaration: A type of verification statement by the tenant as to the amount and source of income, expenses, or family composition. Self-declaration is acceptable verification only when third-party verification or documentation cannot be obtained.

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

Single Person: Someone living alone or intending to live alone who does not qualify as an elderly family, a person with disabilities, a displaced person, or the remaining member of a tenant family. (Public Housing: Handbook 7465.1 REV-2, 3-5)

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. (24 CFR 5.214)

Temporary Assistance to Needy Families (TANF): The program that replaced the Assistance to Families with Dependent Children (AFDC) that provides financial assistance to needy families who meet program eligibility criteria. Benefits are limited to a specified time period.

Tenant: The person or family renting or occupying an assisted dwelling unit. (24 CFR 5.504(b))

Tenant Rent: The amount payable monthly by the family as rent to the housing authority. Where all utilities (except telephone) and other essential housing services are supplied by the housing authority or owner, tenant rent equals total tenant payment. Where some or all utilities (except telephone) and other essential housing services are supplied by the housing authority and the cost thereof is not included in the amount paid as rent, tenant rent equals total tenant payment less the utility allowance. (24 CFR 5.603(d))

Third-Party (verification): Written or oral confirmation of a family's income, expenses, or household composition provided by a source outside the household.

Total Tenant Payment (TTP):

A. Total tenant payment for families whose initial lease is effective on or after August 1, 1982:

1. 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; or

c. 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.

2. Total tenant payment for families residing in public housing does not include charges for excess utility consumption or other miscellaneous charges.

B. Total tenant payment for families residing in public housing whose initial lease was effective before August 1, 1982: Paragraphs (b) and ©) of 24 CFR 913.107, as it existed immediately before November 18, 1996), will continue to govern the total tenant payment of families, under a public housing program, whose initial lease was effective before August 1, 1982.

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 by the Housing Authority 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. (24 CFR 5.603)

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. (24 CFR 5.603)

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, except that the Secretary may establish income ceilings higher or lower than 50% of the median for the areas on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes. Such ceilings shall be established in consultation with the Secretary of Agriculture for any rural area, as defined in Section 520 of the Housing

Act of 1949, taking into account the subsidy characteristics and types of programs to which such ceilings apply. (1937 Act)

Welfare Assistance: Welfare 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))

Welfare Rent: In "as-paid" welfare programs, the amount of the welfare benefit designated for shelter and utilities.

Acronyms

ACC Annual Contributions Contract

CFR Code of Federal Regulations

DSS Department of Social Services

FSS Family Self Sufficiency (program)

HCDA Housing and Community Development Act

HQS Housing Quality Standards

HUD Department of Housing and Urban Development

INS (U.S.) Immigration and Naturalization Service

NAHA (Cranston-Gonzalez) National Affordable Housing Act

NOFA Notice of Funding Availability

OMB (U.S.) Office of Management and Budget

PHA Public Housing Agency

QHWR Quality Housing and Work Responsibility Act of 1998

SSA Social Security Administration

TTP Total Tenant Payment

APPENDIX 2

FLAT RENTS BY BEDROOM AND COMPLEX
2005

26	1	2	3	4	5	6	7	8	10	17	18	19	26	27
BR	82	82	57	82	82	A	82	82	82	82	82	82	A	A
BR	68	68	68	68	68	68	A	68	68	68	68	68	A	A
BR	92	92	92	92	92	92	92	92	92	92	92	92	92	92
BR	A	42	A	A	42	42	42	42	42	42	42	A	A	A
BR	A	A	A	A	A	92	92	92	A	92	A	A	A	A

PUBLIC HOUSING GRIEVANCE PROCEDURE

1.0 RIGHT TO A HEARING

Upon the filing of a written request as provided in these procedures, a resident shall be entitled to a hearing before a Hearing Officer.

2.0 DEFINITIONS

For the purpose of this Grievance Procedure, the following definitions are applicable:

A. **"Grievance"** shall mean any dispute which a resident may have with respect to the Housing Authority County of Stanislaus's action or failure to act in accordance with the individual resident's lease or Authority regulations which adversely affect the individual resident's rights, duties, welfare or status. Grievance does not include any dispute a resident may have with the Authority concerning a termination of tenancy or eviction that involves any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the Authority's public housing premises by other residents or employees of the Authority; or any violent or drug-related criminal activity on or off such premises; or any activity resulting in a felony conviction. Nor shall this process apply to disputes between residents not involving the Housing Authority County of Stanislaus or to class grievances. The Housing Authority County of Stanislaus will notify any resident of his/her right to request a grievance hearing at anytime the particular resident is alleged to have violated the rules and or regulations that are covered under the grievance policy.

B. **"Complainant"** shall mean any resident whose grievance is presented to the Housing Authority County of Stanislaus or at the development management office in accordance with sections 3.0 and 4.0 of this procedure.

C. **"Elements of Due Process"** shall mean an eviction action or a termination of tenancy in a State or local court in which the following procedural safeguards are required:

1. Adequate notice to the resident of the grounds for terminating the tenancy and for eviction;

2. Right of the resident to be represented by counsel;

3. Opportunity for the resident to refute the evidence presented by the Authority including the right to confront and cross examine witnesses and to present any affirmative legal or equitable defense which the resident may have; and

4. A decision on the merits.

D. **"Hearing Officer"** shall mean a person selected in accordance with section 4.0 of these procedures to hear grievances and render a decision with respect thereto.

E. **"Resident"** shall mean the adult person (or persons) other than a live-in aide:

1. Who resides in the unit and who executed the lease with the Housing Authority County of Stanislaus as lessee of the premises, or, if no such person now resides in the premises,

2. Who resides in the unit and who is the remaining head of household of the resident family residing in the unit.

F. **"Resident Organization"** includes a resident management corporation.

G. **"Promptly"** (as used in section 3.0, and 4.0 (D)), shall mean within the time period indicated in a notice from Housing Authority County of Stanislaus of a proposed action which would provide the basis for a grievance if the resident has received a notice of a proposed action from the agency.

3.0 PROCEDURES PRIOR TO A HEARING

Any grievance shall be promptly and personally presented, either orally or in writing, to the Housing Authority County of Stanislaus office or to the office of the development in which the resident resides so that the grievance may be discussed informally and settled without a hearing. A summary of such discussion shall be prepared within fourteen (14) calendar days and one copy shall be given to the resident and one retained in the Authority's resident file. The summary shall specify the names of the participants, dates of the meeting, the nature of the proposed disposition of the complaint and the specific reasons therefor, and shall specify the procedures by which a hearing under these procedures may be obtained if the resident is not satisfied.

4.0 PROCEDURES TO OBTAIN A HEARING

4.1 REQUEST FOR HEARING

The resident shall submit a written request for a hearing to the Authority or the development office within fourteen (14) calendar days from the date of the mailing of the summary of the discussion pursuant to section 3.0. The written request shall specify:

A. The reasons for the grievance; and

B. The action or relief sought.

4.2 SELECTION OF A HEARING OFFICER

A grievance hearing shall be conducted by an impartial person appointed by the Housing Authority County of Stanislaus other than a person who made or approved the action under review or a subordinate of such person.

The Housing Authority County of Stanislaus shall annually submit a list of prospective hearing officers. This list shall be provided to any existing resident organization(s) for such organization's comments or recommendations. The Housing Authority County of Stanislaus shall consider any comments or recommendations by a resident organization.

From this list, a hearing officer shall be selected.

4.3 FAILURE TO REQUEST A HEARING

If the resident does not request a hearing in accordance with this section, then the Housing Authority County of Stanislaus's disposition of the grievance under section 3.0 shall become final. However, failure to request a hearing does not constitute a waiver by the resident of the right thereafter to contest the Housing Authority County of Stanislaus's action in disposing of the complaint in an appropriate judicial proceeding.

4.4 HEARING PREREQUISITE

All grievances shall be promptly presented in person, either orally or in writing, pursuant to the informal procedure prescribed in section 3.0 as a condition precedent to a hearing under this Section. However, if the resident can show good cause why there was failure to proceed in accordance with section 3.0 to the Hearing Officer, the provisions of this subsection may be waived by the Hearing Officer.

4.5 ESCROW DEPOSIT

Before a hearing is scheduled in any grievance involving the amount of rent as defined in the lease which the Housing Authority County of Stanislaus claims is due, the resident shall pay to the Housing Authority County of Stanislaus an amount equal to the amount of the rent due and payable as of the first of the month preceding the month in which the act or failure to act took place. The resident shall thereafter deposit monthly the same amount of the monthly rent in an escrow account held by the Housing Authority County of Stanislaus until the complaint is resolved by decision of the Hearing Officer. Amounts deposited into the escrow account shall not be considered as acceptance of money for rent during the period in which the grievance is pending. In extenuating circumstances, the Housing Authority County of Stanislaus may waive these requirements. Unless so waived, the failure to make such payments shall result in a termination of the grievance procedure. However, failure to make payment shall not constitute a waiver of any right the resident may have to contest the Housing Authority County of Stanislaus's disposition of his grievance in any appropriate judicial proceeding.

4.6 SCHEDULING OF HEARINGS

Upon the resident's compliance with this section the Hearing Officer shall promptly schedule a hearing for a time and place reasonably convenient to both the resident and the Housing Authority County of Stanislaus. A written notification specifying the time, place and the procedures governing the hearing shall be delivered to the resident and the appropriate agency official.

5.0 PROCEDURES GOVERNING THE HEARING

The resident shall be afforded a fair hearing, and both the Housing Authority and resident will have the following rights:

A. The opportunity to examine before the grievance hearing any Authority documents, including records and regulations that are directly relevant to the hearing. The resident shall be provided a copy of any such document at the resident's expense. If the Housing Authority County of Stanislaus does not make the document available for examination upon request by the resident, the Housing Authority County of Stanislaus may not rely on such document at the grievance hearing.

B. The right to be represented by counsel or other person chosen as the resident's representative and to have such person make statements on the resident's behalf;

C. The right to a private hearing unless the resident requests a public hearing;

D. The right to present evidence and arguments in support of the resident's complaint, to controvert evidence relied on by the Authority or development management, and to confront and cross examine all witnesses upon whose testimony or information the Housing Authority County of Stanislaus or development management relies; and

E. A decision based solely and exclusively upon the facts presented at the hearing.

In addition to other rights contained in this procedure, the Housing Authority has a right to:

A. Present Evidence and any information pertinent to the issue of the hearing;

B. Be notified if the family intends to be represented by legal counsel, advocate, or another party;

C. Examine and copy any documents to be used by the family prior to the hearing;

D. Have its attorney present; and

E. Have staff persons and other witnesses familiar with the case present.

The Hearing Officer may render a decision without holding a hearing if the Hearing Officer determines that the issue has been previously decided at another hearing.

If either the resident or Authority fails to appear at a scheduled hearing, the Hearing Officer may postpone the hearing for up to five business days or determine that the missing party has waived their right to a hearing. Both the Housing Authority County of Stanislaus and the resident shall be notified of the Hearing Officer's decision. This decision shall not waive a resident's right to contest the disposition of the grievance in an appropriate judicial proceeding.

The following accommodation will be made for persons with disabilities:

A. The Housing Authority County of Stanislaus shall provide reasonable accommodations for persons with disabilities to participate in the hearing. Reasonable accommodations may include qualified sign language interpreters, readers, accessible locations, or attendants.

B. If the resident is visually impaired, any notice to the resident that is required by these procedures must be in an accessible format.

6.0 INFORMAL HEARING PROCEDURES FOR DENIAL OF ASSISTANCE ON THE BASIS OF INELIGIBLE IMMIGRATION STATUS

The participant family may request that the Housing Authority County of Stanislaus 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.

7.0 DECISION OF THE HEARING OFFICER

The Hearing Officer shall prepare a written decision, together with the reasons therefor, within a reasonable time period after the hearing. A copy of the decision shall be sent to the resident and the Housing Authority County of Stanislaus. The Authority shall retain a copy of the decision in the resident's folder. A copy of such decision with all names and identifying references deleted shall also be maintained on file by the Housing Authority County of Stanislaus and made available for inspection by a prospective complainant, his or her representative, or the Hearing Officer.

The decision of the Hearing Officer shall be binding on the Housing Authority County of Stanislaus who shall take all actions, or refrain from any actions, necessary to carry out the decision unless the Housing Authority County of Stanislaus's Board of Commissioners determines within reasonable time, and promptly notifies the complainant of its determination, that:

A. The grievance does not concern Housing Authority County of Stanislaus action or failure to act in accordance with or involving the resident's lease or Authority regulations, which adversely affect the resident's rights, duties, welfare or status;

B. The decision of the Hearing Officer is contrary to applicable Federal, State, or local law, Authority regulations, or requirements of the Annual Contributions Contract between the Authority and the U.S. Department of Housing and Urban Development.

A decision by the Hearing Officer or Board of Commissioners in favor of the Housing Authority County of Stanislaus or which denies the relief requested by the resident in whole or in part shall not constitute a waiver of, nor affect in any manner whatsoever, any rights the resident may have to a trial do novo or judicial review in any judicial proceedings, which may thereafter be brought in the matter.

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Chapter 1

STATEMENT OF GENERAL POLICIES

INTRODUCTION

The Section 8 Program was enacted as part of the Housing and Community Development Act of 1974, which recodified the U.S. Housing Act of 1937. The Act has been amended from time to time, and its requirements, as they apply to the Section 8 Certificate and Voucher Programs, as described in and implemented through this Administrative Plan.

Administration of the Section 8 Program and the functions and responsibilities of the Housing Authority of the County of Stanislaus (HACS) staff shall be in compliance with the HACS's Personnel Policy and the Department of Housing and Urban Development's (HUD) Section 8 Regulations as well as all Federal, State and local Fair Housing Laws and Regulations.

A. LOCAL OBJECTIVES

The Section 8 Program is designed to achieve three major objectives:

1. To provide affordable, decent, safe, and sanitary housing for very low income families
2. To promote freedom of housing choice and spatial deconcentration of very low inc
3. To provide an incentive to private property owners to rent to very low income families by offering timely assistance payments.

In addition, the HA has established the following goals for the program:

1. To encourage, promote, and assist in self sufficiency of participant families.
2. To assist local economy by increasing occupancy rates and revenue into the commu

B. PURPOSE OF THE PLAN

The purpose of the Administrative Plan is to establish policies for carrying out the Section 8 Existing Housing Programs in a manner consistent with HUD requirements and local objectives. This Plan covers both admission to and continued participation in these programs.
All issues related to Section 8 Rental Assistance Programs not addressed in this document are governed by such Federal regulations, HUD Memos, Notices and guidelines, or other applicable law.

The HACS is responsible for complying with all changes in HUD regulations related to the Section 8 Rental Assistance Programs. If such changes conflict with this Plan, HUD regulations shall have precedence. Prior to implementation, the original Plan and any changes shall be approved by the Board of Commissioners of the agency with a copy provided to HUD.

C. JURISDICTION

The jurisdiction of the HACS is the county of Stanislaus

D. FAIR HOUSING POLICY [24 CFR 982.54(d)(6)]

The Authority shall not discriminate with respect to age, disability, race, color, creed, national or ethnic origin, sex, marital status, familial status, or sexual preference in the acceptance of applications, in the leasing of rental housing or related facilities (including land) or in the provision of housing assistance for any project or projects under its jurisdiction (covered by an Annual Contributions Contract under the United States Housing Act of 1937), or in the use or occupancy thereof.

It is the policy of the HACS to comply fully with all Federal, State, and local nondiscrimination laws and with the rules and regulations governing Fair Housing and Equal Opportunity in housing and employment.

In accordance with Section 504 of the Rehabilitation Act of 1973, Americans With Disabilities Act of 1992, and Fair Housing Act, as amended, no otherwise qualified individual with disabilities shall, solely by reason of disability, be excluded form the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity of the Housing Authority of the county of Stanislaus (HACS). The HACS will take appropriate measures to ensure that an individual with disabilities shall have equal access to available services, programs, and activities offered by it. These appropriate measures include but are not limited to:

1) provision of telecommunication devices for the deaf

2) provision of sign language interpreters, as requested;

3) provision of readers and amanuenses, as requested;

4) utilization of barrier-free meeting places;

5) provision of a discrimination complaints procedure

6) assistance in site location of accessible units

E. EQUAL EMPLOYMENT OPPORTUNITY

The HA practices affirmative action in hiring, promotion and conditions of employment. Position vacancies are advertised with the Department of Human Resources, minority organizations, and the general media. The HA's recruitment practices will apply outreach to community-based racial and ethnic groups so that the composition and culture of the staff reflects the composition and culture of the community, to the extent possible. All HA job postings will display the affirmative action/equal employment opportunity logo and slogan prominently.

F. SERVICE POLICY /REASONABLE ACCOMMODATIONS

It is the policy of this HA to be service-directed in the administration of our housing programs, and to exercise and demonstrate a high level of professionalism while providing housing services to the families within the HACS jurisdiction.

The HACS's policies and practices will be designed to provide assurances that all persons with disabilities will be provided reasonable accommodation so that they may fully access and utilize the housing program and related services. The availability of specific accommodations will be made known by including notices on HA forms and letters to all families. ***Verification of a Request for Accommodation:*** All requests for accommodation or modification shall be verified with a certification from a physician.

G. TRANSLATIONS OF DOCUMENTS

In determining whether it is feasible to translate documents into other languages, the HA will consider the following factors:

Number of applicants and participants whose primary language is a language other than English.

The availability of existing organizations within the community which provides translation services to low income families.

Availability of bi-lingual staff to explain untranslated documents to clients.

H. FAMILY OUTREACH

The HA will publicize and disseminate information to make known the availability of housing assistance and related services for very low income families on a regular basis. When the HA's waiting list is open, the HA will publicize the availability and nature of housing assistance for very low income families in a newspaper of general circulation, minority media, and by other suitable means.

To reach persons who do not have access to reading materials, the HA will distribute fact sheets to local service providing agencies within HACS jurisdiction and utilize public service announcements through the local broadcasting media.

I. OWNER OUTREACH [24 CFR 982.54(d)(5)]

The HA encourages owners of decent, safe and sanitary housing units to lease to Section 8 families. The HA maintains a list of available units for the Section 8 Program and updates this list on a weekly basis. In addition, available units shall be posted at the HACS office.

HACS will conduct its outreach to owners and landlords of units outside areas of low income or minority concentration through meetings and recruitment sessions it holds with various owner's groups. The HACS primary vehicle for its outreach efforts will continue to be the local Landlord Training Programs held quarterly with the City of Modesto's Office of Housing and Neighborhoods, the local Rental Owner's Association, and periodic newsletters published by the HACS. Through the landlord training programs and the Rental Owner's Association, HACS will hold outreach and training sessions that focus on Section 8 issues. In addition, HACS will actively recruit suburban property owners and when available, grant exception rents for accessible and suburban properties.

HACS will identify areas of low income and minority concentration through annual monitoring of census tract information. Information and statistics will be obtained from HACS database, information published by the County's Consolidated Housing Plan and the U.S. Census among other sources.

J. PRIVACY RIGHTS

Applicants and participants, including all adults in their households, are required to sign the HUD 9886 Authorization for Release of Information. This document incorporates the Federal Privacy Act Statement and describes the conditions under which HUD will release family information. The HA's policy regarding release of information is in accordance with State and local laws.

Any and all information which would lead one to determine the nature and/or severity of a person's disability shall be kept in a sealed envelope and marked "confidential." The information in this envelope must not be released except on an "as needed" basis in cases where an accommodation is under consideration. All requests for access and granting of accommodations based on this information must be approved by the Deputy Director of Section 8 Programs.

The HA's practices and procedures are designed to safeguard the privacy of applicants and program participants. All applicant and participant files will be stored in a secure location which is only accessible by authorized staff. HA staff will not discuss family information contained in files unless there is a business reason to do so. Inappropriate discussion of family information, or improper disclosure of family information by staff will result in disciplinary action.

K. RELEASE OF TENANT INFORMATION TO PROPERTY OWNERS

In accordance with HUD requirements, upon request by a prospective landlord, the HACS will release the family's current address as shown in the HA's records and, if known to the HA, the name and address of the landlord at the family's current and prior address.

Upon a *written release from the Section 8 Certificate applicant or participant*, the HACS will release to the prospective landlord any claim and damage payments made by any Housing Authority on behalf of the participant, any history of drug trafficking, and the cause, if known, for any eviction actions. *A statement of the HA's policy on release of information to prospective landlords will be included in the briefing packet which is provided to the family.*

L. MONITORING PROGRAM PERFORMANCE

Reports will maintained for:

- Monitoring funding availability, to ensure the HA maintains adequate usage of ACC funding
- Tracking outstanding Certificates and Vouchers for expiration or suspension]
- Timeliness of annual activities
- Numbers of failed inspections and abatements
- Claim payments made
- Number and reason for moves and terminations of assistance.
- Number of new certificates and vouchers issued
- Repayment of amounts owed the HA
- Statistical data required for SEMAP reporting

In order to ensure quality control, supervisory staff shall audit the following functions:

- 10% of annual reexaminations
- 10% of new applications
- 5% of the HQS inspections completed by each inspector
- 5% of claims processed

Chapter 2

ELIGIBILITY FOR ADMISSION
[24 CFR Part 5, Subparts B, D & E; Part 982, Subpart E]

A. INTRODUCTION - DEFINITION OF ADMISSION

This Chapter defines both HUD's and the HACS's criteria for admission and denial of admission to the Section 8 programs. Eligibility for admission shall be based solely on the factors described in this chapter. ***A family who does not meet all criteria described in this chapter shall be denied admission to the Section 8 Programs***.

Eligibility for admission includes placement on a waiting list, issuance of a Section 8 Certificate, Voucher, or Statement of Family Responsibility, approval of a HAP Contract or lease, and approval to provide assistance under portability procedures.

B. VERIFICATION OF ELIGIBILITY CRITERIA

Eligibility criteria will not be verified until the applicant has reached the top of the wait list and interviewed for program eligibility unless the HA determines that such eligibility is in question, regardless of wait list placement.

C. FAMILY COMPOSITION DEFINITIONS

1. Family

a. A single person who is either an elderly person, a displaced person, a disabled person, or any other single person; or

b. Two or more persons sharing residency whose incomes and resources are available to meet the family's needs and have evidenced a stable family relationship *(Note: A child who is temporarily away from the home because of placement in foster care is considered a member of the family)*;or

c. A group of persons consisting of two or more elderly persons or disabled persons living together, or one or more elderly or disabled persons living with one or more live-in aides is a family; or

d. A family continuously assisted under any 1937 Housing Act Program

2. Head of Household

The head of household is the **adult** member of the household who is designated by the family as head, is wholly or partly responsible for paying the rent, and has the legal capacity to enter into a lease under State/local law. Emancipated minors who qualify under State law shall be recognized as head of household.

A family may designate an elderly or disabled family member as head of household solely to qualify the family as an Elderly Household, provided that the person meets the *"Head of Household*" definition as described above.

3. Spouse

Spouse means the husband or wife of the head of household. For proper application to the Noncitizens Rule, the definition of spouse is: the marriage partner who, in order to dissolve the relationship, would have to be divorced. It includes the partner in a common law marriage. The term "spouse" does not apply to

companions, significant others, or co-heads.

4. Live-In Attendants

A Live-In Attendant is a person who resides in a family's unit in order to provide care for a family member who is disabled, or who is over 50 years of age. A Family may include a live-in aide provided that such live-in aide:

- Is determined by the HA to be essential to the care and well being of an elderly person, a near-elderly person, or a person with disabilities,
- Is not obligated for the support of the person(s), and
- Would not be living in the unit except to provide care for the person(s).

Eligibility Factors considered for Live-in Aides:

- The live-in aide must pass the admissions criteria as described in Section G of this chapter.
- Income of the live-in aide will not be counted for purposes of determining eligibility or level of benefits.
- Live-in aides are not subject to Non-Citizen Rule requirements.
- Live-in aides may NOT be considered as a remaining member of the tenant family.
- A relative must meet all of the elements in the live-in aide definition to qualify as a live-in aide.
- Family members of a live-in attendant may also reside in the unit providing doing so does not increase the subsidy by the cost of an additional bedroom and that the presence of the live-in attendant's family members do not overcrowd the unit.

A Live in Aide may only reside in the unit with the approval of the Section 8 Director of the HA. Written verification will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or case worker. The verification provider must certify that a live-in aide is needed for the care of the family member who is elderly, near-elderly (50-61) or disabled and must include the hours the care will be provided. Verification of need for a live-in attendant must be updated at least annually.

D. INCOME LIMITATION DEFINITIONS [24 CFR 982.201, 982.353]

In order to be eligible for admission as defined in the Chapter Overview, an applicant must be either a “very low-income” family or a “low-income” family. To determine income eligibility for a family, the HACS shall compare the Gross Annual Income of the family to the applicable income limit for the family size. Families whose Gross Annual Income exceeds the income limit shall be denied admission and offered an informal review.

1. Very Low

A Very Low Income Family is defined as a family whose annual gross income is below
50% of the area median income levels; or

2. Low

A Low-Income family is defined as a family whose annual gross income is below 80% of the ar

a. A low-income family that is continuously assisted under the 1937 Housing Act. An applicant is continuously assisted if the family has received assistance under any 1937 Housing Act program within ***90*** days of certificate/voucher issuance. Programs include public housing, all Section 8 programs, and all Section 23 programs.
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b. A low-income family physically displaced by rental rehabilitation activity under 24 CFR part 511

c. A low-income non-purchasing family residing in a HOPE1 or HOPE2 project

d. A low income non-purchasing family residing in a project subject to a home owners

e. A low-income family displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract 24 CFR 248.165

e. A low-income family residing in a HUD owned multifamily rental housing project when HUD sells, forecloses or demolishes the project. (Certificate Program only)

3. Income Limit Requirements for Portability:

Current Certificate or Voucher holders who are not yet program participants who exercise porta
Present program participants who request portability and who request “Interchangeability” (as defined in Chapter 5), must be within the low income limit of the receiving HA in order to exercise portability.

Families who are present participants who exercise portability with their current form of assistance are considered “continuously assisted” and do not fall under

income limitations. Eligibility to receive assistance in the HACS's jurisdiction is contingent upon a family meeting the following criteria:

a. The Certificate Program: The family's "Net Tenant Payment", must be less than the current Fair Market Rent as set by HUD for the HACS's jurisdiction; or

b. The Voucher Program: The family's "Total Tenant Payment" minus any applica

E. CITIZENSHIP/ELIGIBLE IMMIGRATION STATUS [24 CFR Part 5, Subpart E]

In order to be eligible for admission to the Section 8 Programs, a family member must be a U.S. citizen or eligible immigrant. Individuals who are neither may elect not to contend their status. Eligible immigrants are persons who are in one of the six immigrant categories as specified by HUD.

For the Citizenship/Eligible Immigration requirement, the status of each member of the family is considered individually before the family's status is defined.

Mixed Families. A family is eligible for assistance as long as at least one member is a citizen or eligible immigrant. Families that include eligible and ineligible individuals are called "mixed families". Such applicant families will be given notice that their assistance will be pro-rated and that they may request a hearing if they contest this determination.

No eligible members. Applicant families that include no eligible members will be ineligible for assistance. Such families will be denied admission and offered an opportunity for a hearing.

Non-citizen students defined by HUD in the noncitizen regulations are not eligible for assistance.

Appeals. For this eligibility requirement only, the applicant is entitled to an informal hearing

F. DISCLOSURE OF SOCIAL SECURITY NUMBERS [24 CFR 5.216, 5.218]

The family must disclose the Social Security numbers assigned for all members six years of age or older and provide verification by presenting the original Social Security cards as issued by the Social Security Administration or by some other acceptable means as determined by the HACS.

If a family member has not been assigned a Social Security number, they (if an adult) or their guardian/parent will be required to sign a certification to that effect.

If a family member has been assigned a Social Security number but have no verification of such, the family member will be required to supply verification within 60 days of signing a certification identifying their assigned Social Security number. Elderly family members shall be given an additional 60 days to comply.

Failure to comply within the 60 day time period (with either the proof of a Social Security number or the written certification that a person has no Social Security number) will result in denial of eligibility, removal from the wait list, or termination from the program

G. OTHER CAUSES FOR DENIAL OF ADMISSION [24 CFR 982.552 (b)]

1. Housing Authority Policy

Applications received by the HACS from persons who meet any of the following conditions sha

a. Former Section 8 Certificate, Voucher, or Conventional Housing, or Moderate Rehabilitation Program participants for whom a claim for rent, damages, vacancy loss or overpayment of housing assistance was paid and who have not repaid the claim amount in full to any HA. The applicant may have an opportunity to repay this debt and request placement on the waiting list after the informal review process. However, such persons may not be admitted under any housing assistance program administered by HACS until the entire balance they owe is paid in full. Repayment shall be allowed while the applicant is on the wait list. Breach of this repayment agreement as defined in Chapter 13 would be subsequent cause for denial of program assistance.

The HA reserves the right, in the case of extreme hardship, to amend the Repayment Agreement in accordance with its procedures. Full documentation of the hardship will be required. In no case will the debt be forgiven.

b. Former participants or applicants of a federal housing program under the 1937 Act who have been found by HACS or any other housing authority to have committed program fraud, bribery, or any other corrupt or criminal act.

c. Applicants, who have been denied admission due to falsifying an application for a housing program for which the HACS administers.

d. Applicants who have submitted two previous falsified applications to the HACS for any program in which the HACS administers. The HACS shall permanently deny admission to the Section 8 Programs for this violation.

e. Applicants whose Net Tenant Payment equals or exceeds the applicable Fair Market Rent (FMR) for the Certificate Program or the applicable Benefit Payme

f. Applicants who have been evicted from public housing or any Section 8 Vouche

g. Applicants who have committed acts of drug related or violent criminal activity

h. Former participants under the 1937 Act who have been terminated or denied admission due to violation(s) of family obligations as defined in CFR 982.551

The HACS shall use discretion when determining denial of admission for any causes stated in this section. The determination to deny program assistance for the causes described shall be based on the seriousness of the case, the extent of participation or culpability of individual family members, whether the family members who violated the program regulations continue to reside with the family, and the effects of denial or termination of assistance on other family members who were not involved in the action or failure to act.

2. HUD Recommended - Housing Opportunity Extension Act of 1996)

In accordance with HUD regulatory requirements, the HACS is required to deny admission to

a. Former participants of public housing, Indian Housing, Section 23, or any Section in the Housing Opportunity Extension Act of 1996, the definition of drug-related criminal activity is the illegal manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute or use a controlled substance.

The HACS shall waive this rule if the following conditions apply:

The applicant demonstrates successful completion of a rehabilitation program approved by the HACS; or

The circumstances leading to the eviction no longer exist. For example, the individual involved in drugs is no longer in the household because the person is incarcerated or left the household

b. If any family member fails to sign and submit consent forms for obtaining informa

c. Current applicants who are determined to be presently using a controlled substa HACS has reasonable cause to believe that the person's pattern of illegal use of a controlled substance or pattern of abuse of alcohol may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents.

The following criteria shall be used to assess HACS determination to deny or

admit a program under these circumstances:

1. An applicant “self-declaration”
2. prior history under any of the programs administered by HACS
3. Any other form of factual documentation which would indicate that the applicant was ineligible for admission to the Section 8 Programs due to use of illegal drugs and/or alcohol abuse.

HACS shall waive the policy prohibiting admission in these circumstances if the person demonstrates to the HACS satisfaction that the person is no longer engaging in illegal use of a controlled substance or abuse of alcohol and

1. The applicant has successfully completed a supervised drug or alcohol rehabilitation program
2. Has otherwise been rehabilitated successfully; or
3. Is participant in a supervised drug or alcohol rehabilitation program

H. INELIGIBLE FAMILIES

Families who are determined to be ineligible shall be promptly notified in writing of the reason for denial and given an opportunity to request an informal review, or an informal hearing if they were denied due to noncitizen status.

Denial of program assistance includes denial of wait list placement, denial or rescission of a Section 8 Certificate, Voucher, or Statement of Family Responsibility, refusal to enter into a HAP Contract or approve a lease, and refusal to process or provide assistance under portability procedures. See Chapter 19, "Complaints and Appeals" for additional information about reviews and hearings.

Chapter 3

RECEIPT OF APPLICATIONS/PREFERENCES/WAIT LIST MAINTENANCE

INTRODUCTION

This Chapter describes the HACS policies for receipt of applications, wait list preferences, and wait list maintenance. The policies set forth in this chapter shall be modified, if necessary, to provide reasonable accommodation for applicants with disabilities.

A. NOTIFICATION OF WAIT LIST OPENING/CLOSURE [24 CFR 982.206, 982.54(d)(1)]

HACS will utilize a variety of methods to announce the opening of the Section 8 Program Waiting List. Articles and notices will be placed in local newspapers that serve the county and in papers that serve specific regions and cities within the county. Notices will also be posted in

public places such as libraries and community centers and will be distributed to various social service providing agencies throughout Stanislaus County. HACS will also specifically provide information to agencies that serve various disabled and minority populations.

The notice will contain the following information:

1. The dates, times, and locations where families may apply or obtain an applicat
2. The programs for which applications will be taken
3. A statement notifying families of other available housing for which the HACS administers and has an open wait list.
4. Limitations, if any, on who can apply
5. The process for submitting the application to the HACS
6. The date, if known, of the wait list closure
7. The availability of the HACS's local preferences for admission

If the HACS cannot determine the wait list closure date when the wait list opening is announced, the wait list closure shall be published at a later date utilizing the same methods described in the wait list opening process. The HACS shall suspend the acceptance of applications when it is determined that the existing waiting list contains an adequate pool of applicants for use of available program funding. The HACS shall provide no less than three days notice of a waiting list closure.

Applications will be made available in an accessible format upon request from a person with a disability.

B. "INITIAL" APPLICATION INFORMATION [24 CFR 982.204 (b)]

The HACS will utilize a preliminary-application form (pre-application) to determine a family's placement on the Section 8 waiting list. HACS's pre-application form represents the official record of each family seeking assistance. Each pre-application must be signed by the applicant(s) and dated. In doing so, the applicant is certifying the accuracy of the information stated and submitted to the HACS. Applications completed by interpreters shall be signed by the interpreter along with a method of contact.

Each applicant shall be provided with a receipt or copy of their application which is intended to be used as proof of application submission while awaiting notification of acceptance or denial of admission to the program. The pre-application will contain questions designed to obtain the following information:

Names of adult members and age of all members
Sex and relationship of all members
Street Address and phone numbers
Mailing Address (If PO Box or other permanent address)
Amount(s) and source(s) of income received by household members
Disability inquiry related to program requirements (i.e., deductions)
Information to assess qualification for preferences

Social Security Numbers
Race/ethnicity/Citizenship/eligible immigration status
Arrests/Convictions for Drug Related or Violent Criminal Activity/Illegal drug use/Alcohol ab
Request for Specific Accommodation needed to fully utilize program and services
Current and previous landlords names and addresses
Emergency contact person and address
Program integrity questions regarding previous participation in HUD programs

C. APPLICATION ACCEPTANCE -- LIMITATIONS

- Duplicate applications, including applications from a segment of an another applicant household, will be denied admission to the wait list.

- When two separate families apply together (example: mother and father apply with adult daughter and her husband and children), they will be treated as one family unit.

- Children who are subject to a joint custody agreement and who live with one parent at least 51% of the year shall be considered members of the household.

- Joint Custody of Minors - If both parents of a minor submit separate applications for the same minor, the parent who can show custody of the minor shall be allowed to claim the minor as his/her dependent on the pre-application. Proof of custody shall be in the form of court documents, school records, proof of TANF benefits, or some other acceptable form of documentation approved by the HACS

D. FAMILY SEPARATION AND RETENTION OF WAIT LIST PLACEMENT

If a family unit separates while presently on the waiting list, the HACS will make every effort to encourage the family members to decide on who will retain the Section 8 application. Under no circumstances shall the authority allow the separate households to be admitted as two applicants to the wait list.

If the family unit cannot agree on who will retain the Section 8 application and there is no court determination, the HACS shall use the following guidelines on who will retain the application:

1st Priority

First priority will be given to victims of domestic violence if domestic violence is a contributing cause of the family breakup.

2nd Priority

Second priority will be given to the adult member of the household who retains primary physical custody of the majority of the household's minor children

3rd Priority

Third priority will be given to the adult member of the household who is disabled

4th Priority

Fourth priority will be given to the adult member who initially applied if another adult member was added at a later time.

5th Priority

When none of the circumstances listed above apply to the applicant family, sixth priority will be given by lottery.

Verification of the circumstances shall be required by the HACS. If either or both of the families do not provide the documentation requested by the HACS, removal from the waiting list for failure to supply requested verifications will occur.

E. NOTIFICATION OF APPLICANT STATUS

1. Wait list Admission

Applicants admitted to the Section 8 waiting list shall be notified in writing of their eligibility for admission to the wait list and the approximate time period prior to HACS offer of assistance.

2. Denial of Wait list Admission

Applicants determined ineligible for placement on the wait list shall be notified in writing of the following information:

1. The specific regulatory and/or policy language which is applicable to the HACS decision
2. The specific reasons for this decision; and
3. The family's right to an informal review
4. The family's right to an informal hearing for determinations made in accordance with a f

F. PRIORITIZATION OF APPLICANTS

Applicants for the Section 8 Housing Choice Voucher Program or Moderate Rehabilitation Programs shall be ranked on the waiting list and consequently offered assistance according to the following local preference criteria:

1. Applicant families who have been readmitted to the waiting list under the "family
2. Applicant families on the Section 8 Wait list who are presently residing

3. Applicants who meet the definition of family/elderly/or disabled and who are not residing in any unit which is Federally subsidized (tenant paying 30% of income towards the rent)

4. Applicants who meet the definition of a family/elderly/or disabled household and who are residing in a unit which is Federally subsidized

5. Applicants who meet the definition of a single person and who are not residing in any unit which is Federally subsidized.
6. Applicants who meet the definition of a single person and who are residing in subsidized housing.

Applicants who have identical local preferences shall be further ranked by the date and time of HACS's receipt of the application.

G. SPECIAL ADMISSIONS - HUD TARGETED PROGRAMS

HUD allows the HA to admit a family to a targeted program who is not presently on a wait list in order to utilize the HUD targeting funding when it is determined that no existing wait list applicants would otherwise be eligible for such programs.

Prior to any non-wait list admission to HUD targeted programs, the HACS shall review the existing wait list to determine if there may be eligible wait list applicants. Should there be an insufficient number of existing applicants who may be eligible for available assistance, HACS shall notify the public of acceptance of applications for the available funding in accordance with the guidelines set forth in each of the HUD Targeted Programs.

The HACS presently administers the following HUD Targeted Programs:

1. The Family Unification Program, as defined in Appendix 6
2. The Shelter plus Care Program, as defined in Appendix 7

As assistance becomes available in one of the HUD targeted programs described above, applicants shall be prioritized and offered assistance in the following order:

1. Current wait list applicants by order of their wait list placement
2. Applicants who respond to the notification of available funding
2. Applicants referred by service providing agencies participating in the specific HUD ta

H. MODERATE REHABILITATION PROGRAM

The HACS Section 8 waiting list includes applicants for the Section 8 Voucher, Certificate and Moderate Rehabilitation Program.

In accordance with the Moderate Rehabilitation regulations, owners shall be required to fill vacant units by selecting families from the Section 8 wait list. Applicants who are nearing the top of the wait list will be referred to Moderate Rehabilitation Program property owners for consideration of tenancy.

Due to a current Certificate or Voucher holders inability to utilize their assistance in a Moderate Rehabilitation unit, current certificate or voucher holders will not be referred for vacancies.

If an applicant or group of applicants has been referred for vacant Moderate Rehabilitation units and have indicated they do not wish to be considered for future Mod Rehab vacancies, there application shall be identified and no future vacancy listings shall be provided to the family. Rather, the HACS shall move to the next group of applicants for referral to owners.

If HACS is unable to refer a sufficient number of interested applicants from the wait list to an owner of a Moderate Rehabilitation unit within 30 days of a vacancy notification, the owner may, with the prior approval of HACS, solicit applications from very low income families and refer such families to HACS for a determination of their eligibility. If such referred persons are eligible, HACS shall issue them a Statement of Family Responsibility. NOTE: Families who are referred by owners and who are not on the HACS waiting list would be ineligible for future relocation under the local preference provisions for over housed families as described in the "Prioritization of Applicants" Section of this chapter.

I. WAITING LIST MAINTENANCE

HACS wait list shall be reviewed an updated on a monthly basis. Revisions shall include information provided by current applicants which reflects changes in housing circumstances, income, address, or any other applicant revisions.

1. Purging Schedule

The Section 8 Wait list shall be purged annually. Applicants will be sent a questionnaire which must be returned in order for the applicant to remain on the wait list. An applicant's failure to return the questionnaire within a specified time period shall be cause for withdrawal from the wait list. The HACS shall notify the family in writing of the family's removal from the wait list and provide information on the applicant's right an informal review of the decision.

2. Application Submission of Updated Information

Any revisions to an applicant's pre-application or case file must be reported by the applicant in writing on the HACS "update form". Applicants are responsible for notifying the HACS of changes in family composition, telephone number, address, income, etc. Staff will record the appropriate changes via computer. Applicants may be called into the office to verify their statements.

Staff shall not record any changes in writing on any form submitted by the client. Any notations by staff shall be written on a summary form and attached to the application.

J. REMOVAL FROM THE WAITING LIST

Applicants shall be removed from the wait list under the following circumstances:

1. Failure to respond to HACS notices or HACS inability to contact applicants because of their failure to
2. Refusal of all Section 8 Programs
3. Ineligibility for program participation in accordance with Chapter 2
4. Falsification of housing circumstances, income, or family composition for purposes of obtaining admi

Applicants shall be notified in writing of their removal from the wait list, the regulatory or policy language applicable to the decision, the specific reasons for the decision, and their right to an informal review.

K. REINSTATEMENT TO THE WAIT LIST

An applicant whose application has been withdrawn due to the reasons listed in Section J #1-3 can contact the HACS Section 8 Department in person within six months of the applicant's notification of withdrawal or denial date and request reinstatement to the wait list. The date of

application shall be determined in accordance with the following:

1. If the applicant was removed from the wait list for failure to respond to HACS inquiries, refus application
2. If the applicant had previously been denied, but subsequent changes now make the family eligible reinstatement.

The provision to allow reinstatement shall be limited to one reinstatement per application submitted to the HACS. The only exception to this limitation would be upon a determination that a HACS administrative error resulted in improperly removing an applicant from the wait list.

Chapter 4

VERIFICATION OF ELIGIBILITY/FAMILY COMPOSITION/REPORTED CHANGES [24 CFR Part 5, Subparts B, D, E and F; 982.108]

INTRODUCTION

This Chapter contains the HACS's procedures and standards for verification of preferences, income, assets, allowable deductions, family status, and changes in family composition. The HA will ensure that proper authorization from the family is always obtained before making verification inquiries.

A. WHEN VERIFICATION IS REQUIRED

Initial Eligibility Determination

Applicants who reach the top of the waiting list shall be interviewed in person to determine program eligibility. If the applicant includes a Head of Household and Spouse, both parties will be required to attend the interview. The HACS shall amend the policy in order to provide reasonable accommodation for persons with disabilities.

Ongoing Program Eligibility

Program participants shall be interviewed at least annually to determine continued participation under the Section 8 Programs. If changes occur or if income is sporadic or undetermined, program participants shall be required to provide verification of eligibility during interim or special reexamination interviews.

B. VERIFICATION - METHODS AND DURATION VERIFICATION IS VALID

The HA will verify information through the four methods of verification acceptable to HUD in the following order:

1. Third-Party Written

2. Third-Party Oral
3. Review of Documents
4. Certification/Self-Declaration

Verifications may not be more than 60 days old at the time of Certificate/Voucher issuance for initial eligibility determinations. Upon receipt of a Request for Lease Approval, each case file shall be reviewed for a determination of whether updated verifications need to be obtained prior to approval of program participation. Current program participant verifications are valid for 120 days from date of receipt.

Third Party Written Verification

Third-party verification is used to verify information directly with the source. Third-party written verification forms will be sent and returned via mail. The family will be required to sign an authorization for the information source to release the specified information. Verifications received electronically directly from the source **are** considered third party written verifications.

If hand-delivered by the family, third party verification forms will be accepted so long as the verifications are returned in a sealed envelope on third party specified envelopes. However, the HA **will** accept original verifications **not** sealed in an envelope and hand delivered by the family from the following agencies

*** Social Security Administration** *** Veterans Administration**
*** Department of Social Services** *** Employment Development Department**
*** City or County Courts** *** Internal Revenue Service**

Third Party Oral Verification

Oral third-party verification will be used when written third-party verification is delayed or not possible. When third-party oral verification is used, staff will be required to complete a Certification of Oral Third-Party Verification along with completion of a HACS verification form corresponding to the type of information requested (i.e., employment verification form, Workman's Compensation verification form, etc.). The HA staff must originate the call.

Review of Documents

In the event that third-party written or oral verification is unavailable, the HACS will notate the file accordingly and utilize documents provided by the family as the primary source if the documents provide complete information. All such documents, excluding government checks, will be photocopied and retained in the applicant file. In cases where documents are viewed which cannot be photocopied, staff viewing the document(s) will complete a Certification of Document Viewed Form.

If third-party verification is received after documents have been accepted as provisional verification, and there is a discrepancy, the HA will utilize the third party verification after confirming accuracy with the source completing the third party document.

Self-Certification/Self-Declaration

When verification cannot be made by third-party verification or review of documents, families will be required to submit a self-certification. Self-certification means **a notarized statement under penalty of perjury and must be witnessed.**

C. RELEASE OF INFORMATION

The family will be required to sign specific authorization forms when information is needed that is not covered by the HUD form 9886, Authorization for Release of Information.

Each member requested to consent to the release of information will be provided with a copy of the appropriate forms for their review and signature.

Family refusal to cooperate with the HUD prescribed verification system will result in denial of admission or termination of assistance because it is a family obligation to supply any information requested by the HA or HUD.

D. VERIFICATION OF WAITING LIST PREFERENCES [24 CFR 5.410-5.430]

Federal Preferences

1. Involuntary Displacement***:***

   a. Families who claim they are being or have been displaced due to either a disaste

   b. Families who claim they are being or have been displaced because of actions taken by the owner/agent of the unit the family is renting: ***Notification by owner to family of the action/ written verification by the owner or agent/documents such as sales agreements, foreclosure notices or building permits.***

   c. Families who claim they are being or have been displaced due to domestic violence:

   Written verification from police, social service agency, court, clergy person, physician, and/or public or private facility giving shelter and/or counseling to victims. *Verification must be obtained (from a landlord or*

other source) that the abuser still resides at the unit the family where the family was displaced.

The family must certify that the abuser will not return to the household without the advance written approval of the HA. Before giving approval, the HA will require verification of the following:

That the family members involved have been through a counseling program and the service provider believes that a reconciliation is likely; or

Statement from social worker, psychologist, or other professional familiar with the abuser that he/she has received counseling/treatment and is unlikely to continue the abuse; or

Some other acceptable form as required by the HACS

d. Families who claim they have been or are about to be displaced to avoid reprisals for providing information to assist police in a criminal investigation.

Certification of threat assessment by a law enforcement agency; or

Oral or written recommendation from law enforcement agency or HUD.

e. Families who claim to be displaced by hate crimes.

Written statement from law enforcement agency, HUD, Fair Housing or other agency responsible for non-discrimination advocacy. Statement should contain approximate number of occurrences and date of last occurrence.

f. Displacement by inaccessibility of unit.

Statement from the owner of the critical elements that are inaccessible, and that the owner is not going to make the needed modifications, or permit the family to make the modifications; or

Inspection by HA to verify inaccessibility of critical elements; or

If the owner permits the tenant to make the modifications, verification that the family cannot afford the expense

g. Displacement by HUD disposition of a project: ***Written verification from HUD***.

h. Determination of Standard Replacement Housing: ***Inspection by a HA or other certified building inspector***

2. Living in Substandard Housing:

a. Families who claim to be living in a substandard housing unit: ***Written verification by a government agency or HA inspection***

b. "Homeless" families: ***written certification by a public or private facility providing shelter, the police, or a social services agency.***

Prior to processing the application, the HA requires a second certification from the same source that the applicant is not yet permanently housed and has been continuously homeless or temporarily housed since claiming the preference; or

An HA inspector may verify that the applicant is living in a place not normally used for human habitation.

If a family is in transitional housing and wishes the HA to hold the family's place on the waiting list, a statement is required from the agency providing the transitional housing.

3. Rent Burden: Paying more than 50% of income for rent:

a. Families will be required to verify their income, the amount of rent and utilities they are obligated to pay, and the period of time they have been residing in the unit.

Families must furnish copies of rental receipts/the lease/canceled check.

The HA may contact the landlord directly by mail or telephone

The HA compares the address with address(s) used on other documents in the file

In cases where the family pays rent to a co-renter or sublets the unit, the HA requires a certification from the person who receives the money from the applicant, and verification from the owner that the family resides in the unit

If there is no lease or occupancy agreement and the family is receiving public assistance, the HA may verify the amount of rent and address of the unit with the appropriate social service agency.

If there is no lease or occupancy agreement, and the family is not receiving public assistance, the HA will require receipts and other forms of identification which indicate the residence. Such documents include receipts, telephone bills, utility bills, driver's license, school records.

b. To verify the amount due to amortize the purchase price of a manufactured home, ***copies of the most recent payment receipts, canceled checks or money order receipts, or a copy of the current purchase agreement.***

c. At the family's option, the HA can use either the actual cost of utilities or the HA's Section 8 Existing utility allowance schedule. To verify the amount the family actually paid for utilities not included in the rent (if the Section 8 Utility Allowance Schedule is not used):

- ***Copies of receipts, canceled checks, bills showing previous utility payments***
  Written verification of consumption costs directly from the utility or service supplier
- ***Verification must be provided for a minimum period of 3 months***
- ***Documentation of the amount of rent due must be provided for a period of three months.***

<u>Local Preferences</u>

1. "Absent Family Member Rule" - ***Certification from facility where family reside***

2. Overcrowded Moderate Rehabilitation Family - ***HQS Inspection certifying unit does not meet HQS due to overcrowding of family and certification from landlord of unavailability of unit size to accommodate family or unexpected vacancy of appropriate size for a period of no less than six months.***

3. Working preference: Upon implementation by 10/01/01, this preference will be available for families with at least one member who is employed for a period of no less than 90 days***. The HA will require a statement from the employer.***

4. Educational/Training participants: Upon implementation by 10/01/01, this preference is available for families who are graduates of or participants in educational or training programs designed to prepare the individual for the

job market. ***The HA will require a statement from the agency or institution providing the education or training.***

Elderly Family households shall automatically be eligible for Local

I. FAMILY IDENTIFICATION VERIFICATION

Verification of Legal Identity

In order to prevent program abuse, the HA will require applicants to furnish verification of legal identity for all family members.

The documents listed below will be considered acceptable verification of legal identity for adults. If a document submitted by a family is illegible or otherwise questionable, more than one of these documents may be required.

- Certificate of Birth, naturalization papers; or
- Church issued baptismal certificate; AND
- U.S. passport; or
- Company/agency Identification Card; or
- Department of Motor Vehicles Identification Card; or
- Current, valid Driver's license

Documents considered acceptable for the verification of legal identity for minors may be one or more of the following:

- Certificate of Birth
- Adoption papers
- Custody agreement
- Health and Human Services ID
- School records

If none of these documents can be provided, a third party who knows the person may, at the HA's discretion, provide a verification.

Verification of Marital Status

- Marriage Certificate
- Divorce decree along with Stipulations
- Certification of Legal Separation through court

Verification of Citizenship/Eligible Immigrant Status

Each family member must declare their status once (either citizen, has eligible immigration status, or elects not to contend). Assistance cannot be delayed, denied, or

terminated while verification of status is pending except that assistance to applicants may be delayed while the HA hearing is pending.

- Citizens or Nationals of the United States are required to sign a declaration under penalty of perjury. The HA will require citizens to provide documentation of citizenship.

- Eligible Immigrants who were Participants and 62 or over on June 19, 1995, are required to sign a declaration of eligible immigration status and provide proof of age.

- Noncitizens with eligible immigration status must sign a declaration of status and verification consent form and provide their original immigration documents which are copied front and back and returned to the family. The HA verifies the status through the INS SAVE system. If this primary verification fails to verify status, the HA must request within ten days that the INS conduct a manual search.

- Ineligible family members who do not claim to be citizens or eligible immigrants must be listed on a statement of ineligible family members signed by the head of household or spouse.

- Noncitizen students on student visas are ineligible members even though they are in the country lawfully. They must provide their student visa but their status will not be verified and they do not sign a declaration but are listed on the statement of ineligible members.

Failure to Provide. If an applicant or participant family member fails to sign required declarations and consent forms or provide documents, as required, they must be listed as an ineligible member. If the entire family fails to provide and sign as required, the family may be denied or terminated for failure to provide required information.

Time of Verification. For applicants, verification of U.S. citizenship/eligible immigrant status occurs at the same time as verification of other factors of eligibility for final eligibility determination. For participants, it is done at the first regular recertification after June 19, 1995. For family members added after other members have been verified, the verification occurs at the first recertification after the new member moves in. Once verification has been completed for any covered program, it need not be repeated except that, in the case of port-in families, if the initial HA does not supply the documents, the HA must conduct the determination.

Extensions of Time to Provide Documents. The HA will grant an extension of 30 days for families to submit evidence of eligible immigrant status.

Acceptable Documents of Eligible Immigration. The regulations stipulate that only the

following documents are acceptable unless changes are published in the Federal Register.

> Resident Alien Card (I-551), Alien Registration Receipt Card (I-151), Arrival-Departure Record (I-94), Temporary Resident Card (I-688), Employment Authorization Card (I-688B), Receipt issued by the INS for issuance of replacement of any of the above documents that shows individual's entitlement has been verified

A birth certificate is not acceptable verification of status. All documents in connection with U.S. citizenship/eligible immigrant status must be kept five years.

The HA will verify the eligibility of a family member at any time such eligibility is in question, without regard to the position of the family on the waiting list.

VERIFICATION OF FAMILIAL RELATIONSHIPS

Verification of guardianship

- Court-ordered assignment; or
- Verification from social services agency; AND
- School records

Evidence of a stable family relationship:

- Joint bank accounts or other shared financial transactions
- Leases or other evidence of prior cohabitation
- Credit reports showing relationship

Verification of Permanent Absence of Adult Member

If an adult member who was formerly a member of the household is reported permanently absent by the family, the HA will consider any of the following as verification:

- Husband or wife institutes divorce action.
- Husband or wife institutes legal separation
- Order of protection/restraining order obtained by one family member against another.
- Proof of another home address, such as utility bills, canceled checks for rent, drivers license, or lease or rental agreement, if available.
- Statements from other agencies such as social services or a written statement from the landlord or manager that the adult family member is no longer living at that location.

- If no other proof can be provided, the HA will accept a self-certification from the family.
- If the adult family member is incarcerated, a document from the Court or prison should be obtained stating how long they will be incarcerated.

Verification of Pregnancy

Verification of pregnancy is required when it is the sole basis for determining eligibility as a non-single, non-elderly family. IN cases where an immediate determination cannot be made, the Authroity will require a physician's certification.

Verification of Change in Family Composition

The HA may verify changes in family composition (either reported or unreported) through letters, telephone calls, utility records, inspections, landlords, neighbors, credit data, school or DMV records, and other sources].

Verification of Disability

Verification of disability must be receipt of SSI or SSA disability payments under Section 223 of the Social Security Act or 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(7) or verified by appropriate diagnostician such as physician, psychiatrist, psychologist, therapist, rehab specialist, or licensed social worker, using the HUD language as the verification format.

E. VERIFICATION OF INCOME

Employment Income

- HACS Employment Verification; and
- last four check stubs or earning statements; and
- W-2 forms plus income tax return forms.

Applicants and program participants may be requested to sign an authorization for release of information from the Internal Revenue Service for further verification of income.
Where doubt regarding income exists, a referral to IRS for confirmation will be made on a case-by-case basis.

Social Security, Pensions, Supplementary Security Income (SSI), Disability Income

- Benefit verification form completed by agency providing the benefits; or
- Award or benefit notification letters prepared and signed by the providing agency; or
- Computer report electronically obtained or in hard copy.
- Bank statements for direct deposits (for SSI Income ONLY).

Unemployment Compensation

- Verification form completed by the unemployment compensation agency.
- Computer printouts from unemployment office stating payment dates and amounts; and
- Payment stubs.

Welfare Payments or General Assistance

- HA verification form completed by payment provider; or
- Written statement from payment provider indicating the amount of grant/payment, start date of payments, and anticipated changes in payment in the next 12 months; or
- Computer-generated Notice of Action; or
- Computer-generated list of recipients from Welfare Department.

Alimony or Child Support Payments

- Copy of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules; or
- A (notarized) letter from the person paying the support; or
- Copy of latest check and/or payment stubs from Court Trustee. HA must record the date, amount, and number of the check; or
- Family's self-certification of amount received and of the likelihood of support payments being received in the future, or that support payments are not being received.

If payments are irregular, the family must provide:

- A statement from the agency responsible for enforcing payments to show that the family has filed for enforcement; or
- A notarized affidavit from the family indicating the amount(s) received.
- A welfare notice of action showing amounts received by the welfare agency for child support; or
- A written statement from an attorney certifying that a collection or enforcement action has been filed

Net Income from a Business

In order to verify the net income from a business, the HA will view IRS and financial documents from prior years and use this information to anticipate the income for the next 12 months. Acceptable methods of verification include:

- IRS Form 1040, including:
  Schedule C (Small Business)
  Schedule E (Rental Property Income)
  Schedule F (Farm Income)
- If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense, computed using straight-line depreciation rules.
- Audited or unaudited financial statement(s) of the business.
- Credit report or loan application.
- Documents such as manifests, appointment books, cash books, bank statements, and receipts will be used as a guide for the prior six months (or lesser period if not in business for six months) to project income for the next 12 months. The family will be advised to maintain these documents in the future if they are not available.
- Receipts for business expenditures

Child Care Business

If an applicant/participant is operating a licensed day care business, income will be verified as with any other business.

If the applicant/participant is operating a "cash and carry" operation (which may or may not be licensed), the HA will require that the applicant/participant complete a form for each customer which indicates: name of person(s) whose child (children) is/are being cared for, phone number, number of hours child is being cared for, method of payment (check/cash), amount paid, and signature of person.

If the family has filed a tax return, the family will be required to provide it.

The HA will conduct interim reevaluations every 180 days and require the participant to provide a log with the information about customers and income.

If child care services were terminated, a third-party verification will be sent to the parent whose child was cared for.

Recurring Gifts

The family must furnish a self-certification which contains the following information:

The person who provides the gifts, the value of the gifts, the regularity (dates) of the gifts, the purpose of the gifts.

A contribution or gift received at least quarterly or more frequent will be considered by HACS to be a regular contribution or gift. This includes rent and utility payments made, or other cash or in-kind contributions to the household.

Zero Income Status

Families claiming to have no income will be required to execute verification forms to determine that forms of income such as unemployment benefits, AFDC, SSI, etc. are not being received by the household.

The HA will request information from the State Employment Development Department.
The HA may request information from IRS.
The HA may check records of other departments in the jurisdiction (such as government utilities) that have information about income sources of customers.

The family will be scheduled for a "special reexamination" every other month until such time a stable income has been established.

Full-Time Student Status

Only the first $480 of the earned income of full time students, other than head or spouse, will be counted towards family income.

Financial aid, scholarships and grants received by full time students is not counted towards family income. Verification of full time student status includes:

- Completion of third party HACS Student Status Verification Form
- Written verification from the registrar's office or other school official.
- School records indicating enrollment for sufficient number of credits to be considered a full-time student by the educational institution.

F. INCOME FROM ASSETS

Savings Account Interest Income and Dividends

Savings Acct:

- Account statements, passbooks, certificates of deposit, or HA verification forms completed by the financial institution showing balance and interest rate.

Stocks/Bonds

- Broker's statements showing value of stocks or bonds and the earnings creditedthe family. Earnings can be obtained from current newspaper quotations or oral broker's verification.

Alternate form of Verification

- IRS Form 1099 from the financial institution, provided that the HA must adjust the information to project earnings expected for the next 12 months along with proof of balance and interest amount.

Interest Income from Mortgages or Similar Arrangements

- A letter from an accountant, attorney, real estate broker, the buyer, or a financial institution stating interest due for next 12 months. (A copy of the check paid by the buyer to the family is not sufficient unless a breakdown of interest and principal is shown.)

- Amortization schedule showing interest for the 12 months following the effective date of the certification or recertification.

Net Rental Income from Property Owned by Family

- IRS Form 1040 with Schedule E (Rental Income).
- Copies of latest rent receipts, leases, or other documentation of rent amounts.
- Documentation of allowable operating expenses of the property: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.
- Lessee's written statement verifying rent payments to the family and family's self-certification as to net income realized.

Real Property

- Quotes from a stock broker or realty agent as to net amount family would receive if they liquidated securities or real estate.
- Real estate tax statements if the approximate current market value can be deduced from assessment.
- Financial statements for business assets.

- Copies of closing documents showing the selling price and the distribution of the sales proceeds.
- Appraisals of personal property held as an investment.

Calculation - Market Value minus principal and selling costs = net value of real property

Lump Sum Receipts

- Verification from institution releasing funds showing amount and the time period in which the lump sum covers or cause for the award.

Lump-sum additions to assets, such as inheritances, insurance settlements (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses, arenot included in income but are considered an asset.

Lump sum payments caused by delays in processing periodic payments (UIB or TANF) are counted as income. Lump sum payments from Social Security or SSI are excluded form income, buy any amount remaining will be considered an asset. Deferred periodic payments which have accumulated due to a dispute will be treated the same as periodic payments which are deferred due to delays in processing.

In determining the net value of the lump sum received, the HACS shall deduct any attorney fees associated with the household's receipt of the lump sum award

Contributions to Retirement Funds - (Asset Calculation)

- Verification of contribution amount from employer

While an individual is employed, count as assets only amounts the family can withdraw without retiring or terminating employment

After retirement or termination of employment, count any amount the employee elects to receive as a lump sum (an asset)

Assets Disposed of for Less than Fair Market Value (FMV)
during two years preceding effective date of certification or recertification

1. For all Certifications and Recertifications, the HA will obtain the Family's certification as to whether any member has disposed of assets for less than fair market value during the two years preceding the effective date of the certification or recertification.

2. If the family certifies that they have disposed of assets for less than fair market value, verification [or certification] is required that shows: (a) all assets disposed of for less than FMV, (b) the date they were disposed of, (c) the amount the family received, and (d) the market value of the assets at the time of disposition. Third party verification will be obtained wherever possible.

Assets disposed of as a result of bankruptcy, foreclosure, or a divorce are not considered to be assets disposed for less than FMV.

H. VERIFICATION OF DEDUCTIONS/EXCEPTIONS/ALLOWANCES

Medical Need for Larger Unit

Medical need for a waiver of the occupancy standards as set forth in the HACS jurisdiction are limited to the following:

1. A live-in attendant is necessary for a family member; or

2. Medical equipment which requires a separate room because of size or function; or

3. A documented medical need that necessitates a separate room for a family member

Applicants must provide a doctor's certification on HACS's verification form that explains the family's need for an aide, medical equipment or a separate room before a consideration for waiver will be granted.

Verification is required on an annual basis for an assignment of a larger certificate or voucher due to a medical need or the need for a live-in aide.

Child Care Expenses

Child care expenses for children under 13 may be deducted from annual income if the care would enable an adult to work or attend school, or to actively seek employment

1. Written verification from the person who receives the payments is required. If the child care provider is an individual, s/he must provide a statement of the amount they are charging the family for their services.

2. Verifications must specify the child care provider's name, address, telephone number, Social Security Number, the names of the children cared for, the number of hours the child care occurs, the rate of pay, and the typical yearly

amount paid, including school and vacation periods.

3. Family's certification as to whether any of those payments have been or will be paid or reimbursed by outside sources.

The maximum child care expense allowed must be less than the amount earned by the person enabled to work.

The number of hours claimed for child care may not exceed the number of hours the family member is attending school (including one hour to and from school)

The HACS shall survey the local care providers in the community as a guideline. If the hourly rate materially exceeds the guideline, the HA shall calculate the allowance using the guideline

In the case of a child attending private school, only after-hours care shall be counted as child care expenses.

HACS shall not allow child care expenses as a deduction if there is an adult household member capable of caring for the child who can provide the child care. Examples of those adult members who would be condiered unable to care for the child include:

A person with disabilities or elderly person unable to take care of a small child, as verified by the HACS; or

An adult child who is attending school or who's maturity level is such that the minor child would not be adequately cared for.

Medical Expenses

Families who claim medical expenses or expenses to assist a person(s) with disability will be required to submit a certification as to whether or not any expense payments have been, or will be, reimbursed by an outside source. All expense claims will be verified by one or more of the methods listed below:

- Written verification by a doctor, hospital or clinic personnel, dentist, pharmacist, of (a) the anticipated medical costs to be incurred by the family and regular payments due on medical bills; and (b) extent to which those expenses will be reimbursed by insurance or a government agency.
- Written confirmation by the insurance company or employer of health insurance premiums to be paid by the family.
- Written confirmation from the Social Security Administration's written of Medicare premiums to be paid by the family over the next 12 months. A

computer printout will be accepted.

- For attendant care:
  a. A reliable, knowledgeable professional's certification that the assistance of an attendant is necessary as a medical expense and a projection of the number of hours the care is needed for calculation purposes.
  b. Attendant's written confirmation of hours of care provided and amount and frequency of payments received from the family or agency (or copies of canceled checks the family used to make those payments) or stubs from the agency providing the services.
- Receipts, canceled checks, or pay stubs that verify medical costs and insurance expenses likely to be incurred in the next 12 months.
- Copies of payment agreements or most recent invoice that verify payments made on outstanding medical bills that will continue over all or part of the next 12 months.
- Receipts or other record of medical expenses incurred during the past 12 months that can be used to anticipate future medical expenses. HA may use this approach for "general medical expenses" such as non-prescription drugs and regular visits to doctors or dentists, but not for one-time, nonrecurring expenses from the previous year.
- The HA will use mileage at the IRS rate, or cab, bus fare, or other public transportation cost for verification of the cost of transportation directly related to medical treatment.

When HUD regulations are unclear, the HACS shall use IRS Publication 502 as a guide to determine allowable medical expenses.

Non-prescription medicines must be doctor-recommended in order to be considered a medical expense.

Assistance to Persons with Disabilities

- Written certification from a reliable, knowledgeable professional that the person with disabilities requires the services of an attendant and/or the use of auxiliary apparatus to permit him/her to be employed or to function sufficiently independently to enable another family member to be employed.
- Family's certification as to whether they receive reimbursement for any of the expenses of disability assistance and the amount of any reimbursement received.

For Attendant Care:

- Attendant's written certification of amount received from the family,

frequency of receipt, and hours of care provided.

- Certification of family and attendant and/or copies of canceled checks family used to make payments.

For Auxiliary Apparatus:

- Receipts for purchases or proof of monthly payments and maintenance expenses for auxiliary apparatus.
- In the case where the person with disabilities is employed, a statement from the employer that the auxiliary apparatus is necessary for employment.

Chapter 5

[24 CFR 982.54(d)(9)]

SUBSIDY STANDARDS/BRIEFINGS

INTRODUCTION

The following chapter describes the HACS policy for determining a family's subsidy standard, the HACS's procedures for recertifying a family when a change occurs, and the conditions upon which a family may select a unit size which differs from the Certificate or Voucher bedroom size. The standard used for the Certificate or Voucher size is within the minimum unit size requirements of HUD's Housing Quality Standards.

A. DETERMINING CERTIFICATE/VOUCHER SIZE [24 CFR 982.402]

The standards set forth in this section apply to the number of bedrooms provided on the Certificate or Voucher. These standards do not determine the family's living arrangements.

The unit size on the Certificate or Voucher remains the same so long as the HACS's subsidy standard policy and the family's composition remains the same, regardless of the actual unit size rented.

Should the subsidy standard policy of the HACS be revised, the new policy shall be applied to current program participants ONLY under the following circumstances:

If the family relocates to another unit or executes a new lease and HAP Contract ..... at the existing u

If the family has a change in family composition

1. Certificate/Voucher Issuance Guidelines

In issuing the Certificate or voucher, the HACS will consider and advise the family of the following guidelines:

Certificate or voucher size will be determined by allocating the head of family (and his/her spouse, if there is a spouse) one bedroom, and allocating all remaining members bedrooms at the rate of one bedroom for every two persons regardless of the age, sex or relationship of these other family members.

To avoid overcrowding and to assist as many families as possible, Certificate and Vouchers shall be issued in accordance with the following occupancy standards:

Certificate/Voucher Size	Persons in Household (Minimum #)	Persons in Household (Maximum #)
0 Bedroom	**1**	**2**
1 Bedroom	**1**	**2**
2 Bedrooms	**2**	**4**
3 Bedrooms	**4**	**6**
4 Bedrooms	**6**	**8**
5 Bedrooms	**8**	**10**
6 Bedrooms	**10**	**12**

2. Waiver of Subsidy Standards

The subsidy standards will be waived for families in need of :

a. A live-in aide for a family member; or
b. Medical equipment which requires a separate room because of size or function; or
c. A documented medical need that necessitates a separate room for a family ..... member

Requests for waiver of subsidy standards will be reviewed upon HAC's receipt of a doctor's certification on the HACS' prescribed form which explains the family's need for an aide, medical equipment, or a separate room . If such a waiver is granted by the Director of Section 8 Program Administration, verification shall be required on an annual basis.

These are the only three causes in which a waiver shall be granted. All other families will be

assigned a bedroom size based on the HACS's Certificate/Voucher Issuance Guidelines.

B. UNDERHOUSED AND OVERHOUSED FAMILIES

1. Overcrowded Households

If a unit does not meet HQS space standards due to an increase in family size, the HA will issue a new certificate or voucher for a full 120 day period and assist the family in locating a suitable unit.

2. Overhoused households - Applicable to the Certificate Program Only:

If a certificate holder is occupying a unit which has more bedrooms than allocated under the HA's subsidy standards, the family can remain in the unit so long as the gross rent does not exceed the FMR for the unit size in which the family is eligible.

Overhoused Certificate family participants who are under-occupying a unit where the rent exceeds the applicable FMR will be given a maximum of 120 days to locate suitable housing before assistance is terminated. This policy may be amended in order to provide reasonable accommodation for persons with disabilities.

C. GUIDELINES WHEN UNIT SIZE SELECTED DIFFERS FROM ACTUAL CERTIFICATE OR VOUCHER ALLOCATION

The family may select a different size dwelling than that listed on the Certificate or Voucher. There are three criteria to consider:

1. Rent Limitation

For the Certificate Program, the HA must always apply ***the lesser of*** the FMR for the Certificate size or the unit size selected by the family.

For the Voucher Program, the HA uses the Payment Standard for the Voucher size or the unit size selected by the family, *whichever is less.*

2. Utility Allowance

The utility allowance used to calculate the gross rent is based on the actual size of the unit the family selects, regardless of the size authorized on the family's Certificate or Voucher.

3. Housing Quality Standards

The standards allow two persons per living/sleeping room and permit maximum occupancy levels(assuming a living room is used as a living/sleeping area) as shown in the table below. The levels may be exceeded if a room in addition to bedrooms and living room is used for sleeping.

HQS GUIDELINES FOR UNIT SIZE SELECTED

	Maximum # of Persons in Household
0 Bedroom	2
1 Bedroom	4
2 Bedrooms	6
3 Bedrooms	8
4 Bedrooms	10
5 Bedrooms	12
6 Bedrooms	14

Chapter 6

FACTORS RELATED TO TOTAL TENANT PAYMENT DETERMINATION

INTRODUCTION [24 CFR 813]

The following chapter describes the guidelines and formulas for calculating a participant's Total Tenant Payment. Special factors may also impact tenant rent calculations. These factors and the HACS's policies on determining Total Tenant Payments for special circumstances are also described in this chapter.

A. INCOME AND ALLOWANCES

Income: A listing of income inclusions and exclusions is shown in Appendix 2

Annual Income is defined as the gross income anticipated to be received by the family during the 12 months following the certification or recertification effective date. Annual income, before any HUD allowed deductions, shall be used to determine whether a family meets the income limits for admission to the Section 8 Programs.

HUD has five allowable deductions used to determine a family's annual adjusted income:

1. Dependent allowance: $480 each for family members (other than the head or ... spouse), who a

2. 'Elderly' allowance: $400 for families whose head or spouse is 62 or over or .... disabled.

3. Allowable medical expenses for all family members are deducted for 'elderly' .. families.

4. Child care expenses for children under 13 are deducted when child care is necessary to allow an adult member to work or attend school or actively seek employment.

5. Expenses for attendant care or auxiliary apparatus for persons with disabilities if needed to enable the individual or an adult family member to work.

B. CALCULATION OF TOTAL TENANT PAYMENT

1. Certificate Program/Moderate Rehabilitation Program/ Voucher Program

The family's monthly rent share is calculated as 30% of a family's adjusted monthly gross income. The annual income is determined and verified through the interview process and information received from the family's income source(s).

Example: Adjusted gross income of $18,000 divided by 12 months = $1,500

$1,500 X 30% = $450.00 (Total Tenant Payment)

If a program participant is required to pay utilities, this total tenant payment is reduced according to applicable utility allowance as described in Appendix 3

2. Voucher Program Subsidy Calculation

The family is allowed to pay more or less than 30% of their adjusted gross income for rent. To calculate the family's monthly rent share the Housing Authority subtracts the family's Total Tenant Payment (as calculated in Section 1, above) from a set payment standard which is based on unit size (See Appendix 5 for the current Benefit Payment Standard Schedule). The balance of this calculation is the Housing Authority's subsidy payment. The tenant then pays the difference between the Housing Authority's monthly subsidy and the contract rent negotiated with the landlord

Example: The Benefit Payment Standard for three bedrooms $671.00

Tenant adjusted gross income of $18,000 divided by 12 months = $1,500
30% of tenant's monthly adjusted income is $450.00 ($1,500 X 30%) = TTP

Housing Authority maximum subsidy for any unit ***at or greater than*** the bedrooms for which the participant has been certified eligible for is calculated . as follows:

Authority Payment Standard =	$671.00	
Minus 30% of tenant's monthly income	=	$450.00
Equals Housing Authority Rent Portion	=	$221.00

If the participant opts to select a smaller sized unit than the family is certified to select, the payment standard for the actual unit size selected would be used and a smaller subsidy would be paid by the HACS.

C. MINIMUM RENTS

In determining a minimum rent allowable under HACS policy, the family's TTP shall be based on the greatest of the following calculations and rounded to the nearest dollar:

1. 30% of the family's monthly adjusted income; or
2. 10% of the family's gross monthly income; or

3. $50.00

For extreme hardship cases, the HACS shall amend this policy and allow the TTP to be set at the minimum of the three rent calculation determinations for up to 90 days. A "special" reexamination shall be conducted at the end of 60 days. If it is determined that there have been no changes in income, the $50.00 minimum rent policy shall be applied. Approval of hardship cases must be approved by the Section 8 Director.

D. AVERAGING INCOME [24 CFR 813.106 (d)]

When Annual Income cannot be anticipated for a full twelve months, the HAC's shall either :

1. Average known sources of income that vary to compute an annual income, or

2. Annualize current income and conduct an interim reexamination when the family's income changes.

If there are bonuses or overtime which the employer cannot anticipate for the next twelve months, bonuses and overtime received the previous year will be used.

The HAC's shall be required to consult the family on the method of calculation and allow the family to select which calculation option they would prefer. This option is available to families so long as the income calculation does not result in repeated interims during the course of the reexam year.

E. CALCULATING RETROACTIVE LUMP SUM ADDITIONS TO INCOME AND UNDERREPO

Lump-sum payments caused by delays in processing periodic payments (unemployment or TANF assistance) are counted as income. Lump sum payments from Social Security or SSI are excluded from income, but any amount remaining will be considered an asset. Deferred periodic payments which have accumulated due to a dispute will be treated the same as periodic payments which are deferred due to delays in processing.

Note: 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, are not included in income but may be included in assets.

In order to determine amount of retroactive tenant rent that the family owes as a result of the lump sum receipt:

The HA will go back to the date the lump-sum payment or underreported income was received, or to the date of admission, whichever is later.

The HA will determine the amount of income received versus income calculated by utilizing the HACS "Overpayment Calculation" form, and recalculate the tenant rent for each certification period to determine the amount due the HA.

A family who has had a change in income which was not reported and is an amount above the interim rule guidelines described in Chapter 8, Section C, shall be subject to an overpayment of housing assistance payments. The family shall be notified of the violation of family obligations and allowed to enter into a repayment agreement. Future instances of unreported income is grounds for program termination.

The family must pay this "retroactive" amount to the HA in either a lump sum or repayment agreement in accordance with the policies set forth in Chapter 13, Section B. The amount owed by the family is a collectible debt even if the family becomes unassisted.

Attorney Fees for Lump Sum Additions to Income

The family's attorney fees may be deducted from lump-sum payments when computing annual income if the attorney's efforts have recovered a lump-sum compensation, and the recovery paid to the family does not include an additional amount in full satisfaction of the attorney fees.

F. PRORATION OF ASSISTANCE FOR "MIXED" FAMILIES [24 CFR 812.11]

Applicability

Proration of assistance must be offered to any "mixed" applicant or participant family. A "mixed" family is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible members.

"Mixed" families shall be offered prorated assistance.

Prorated Assistance Calculation

Prorated assistance is calculated by determining the amount of assistance payable if all family members were eligible and multiplying that figure by the percent of the family members who actually are eligible. Total Tenant Payment is the gross rent minus the prorated assistance.

G. ASSETS DISPOSED OF FOR LESS THAN FAIR MARKET VALUE

The HA must count assets disposed of for less than fair market value during the two years preceding certification or reexamination. The HA will count the difference between the market value and the actual payment received in calculating total assets.

Assets disposed of as a result of foreclosure or bankruptcy are not considered to be assets disposed of for less than fair market value. Assets disposed of as a result of a divorce or separation are not considered to be assets disposed of for less than fair market value.

H. CONTRIBUTIONS TO RETIREMENT FUNDS - ASSETS

Under the following conditions, contributions to company retirement/pension funds shall be considered an asset:

1. While an individual is employed, count as assets the amounts the family can withdraw without retiring or terminating employment.

2. After retirement or termination of employment, count any amount the employee elects to receive as a lump sum as an asset

I. UTILITY ALLOWANCE AND UTILITY REIMBURSEMENT PAYMENTS

[24 CFR 813.102, 813.108]

The same Utility Allowance Schedule (See Appendix 3) is used for both the Certificate and Voucher Program. The Utility Allowance is intended to help defray the cost of utilities not included in the rent and is subtracted from Total Tenant Payment in order to establish the family's rent to the landlord. The allowances are based on actual rates and average consumption

studies, not on a family's actual consumption. The HA will review the Utility Allowance Schedule on an annual basis and revise it if needed.

The approved utility allowance schedule is given to families along with their Certificate or Voucher. The utility allowance is based on the actual unit size selected.

When the Utility Allowance exceeds the family's Total Tenant Payment, the HA will provide a Utility Reimbursement Payment for the family each month.

J. FAMILY COMPOSITION FACTORS WHICH AFFECT THE CALCULATION OF A FAMILY'S TTP

1. Temporarily Absent Family Members

The HACS must compute all applicable income of every family member who is on the lease, including those who are temporarily absent.

2. Definition of Visitor

Any adult not included on the HUD 50058 who has been in the unit more than 60 consecutive days, or a total of 120 days in a 12-month period, will be considered to be living in the unit as an unauthorized household member. The following guidelines shall apply when determining whether an unauthorized occupant resides in the Section 8 unit:

Absence of evidence of any other address will be a consideration in determining the occupancy of the household member; and/or

Statements from neighbors and/or the landlord; and/or

Use of the unit address as the visitor's current residence for any purpose that is not explicitly temporary such as vehicle registration, employment residency address, tax returns, etc.

Custodial Visits - in a joint custody arrangement, a minor in the household less than 50% of the year shall be considered a visitor for purposes of determining the subsidy standard.

3. Additions to Family Members

Any income change resulting from additional family member(s) shall result in an interim rent

adjustment. The family must report to the HACS within 30 days of the birth, adoption, or court-awarded custody of a child. The family must request prior approval of any other additional household members in writing. The following guidelines shall apply when admitting additional members to a household:

a. The landlord must approve the change in the number of occupants if the family chooses to rem

b. The proposed occupants must meet the admissions criteria defined in Chapter 2, Section

c. The family can provide evidence of having previously establishing a "familial" relationship as

d. The additional family member will be the proposed "spouse" of a family ..... member of the

If the family does not obtain prior written approval from the HA, any person the family has permitted to house will be considered an unauthorized household member.

4. Military Leave

If the spouse is temporarily absent and in the military, all military pay and allowances (except hazardous duty pay when exposed to hostile fire and other exceptions to military pay HUD may define) shall be counted as income.

If an adult child enters the military and leaves the household, they will be considered permanently absent.

5. Full Time Students

The following policy shall apply for full time students who attend school away from home:

Full time students who attend school away from the home and live with the family during school recess will be considered temporarily absent from the household unless it is determined that the Full time student has located permanent housing elsewhere.

The full time student's income and expenses (including shelter, fees, tuition, etc.) shall be included when determining the subsidy level and income.

6. Absence of Any Member [24 CFR 982.54 (10)]

Any member of the household will be considered permanently absent if s/he is away from the unit for 3 consecutive months except as otherwise provided in this Chapter.

7. Absence due to Medical Reasons [24 CFR 982.54 (10)]

If any family member leaves the household to enter a facility such as hospital, nursing home, or rehabilitation center, the HA will seek advice from a reliable qualified source as to the likelihood and timing of their return. If the verification indicates that the family member will be permanently confined to a nursing home, the family member will be considered permanently absent. If the verification indicates that the family member will return in less than 90 consecutive days, the family member will not be considered permanently absent.

8. Absence of Entire Family [24 CFR 982.54 (10)]

These policy guidelines address situations when the family is absent from the unit, but has not moved out of the unit. In cases where the family has moved out of the unit, the HA will terminate assistance in accordance with appropriate termination procedures contained in this Plan.

Families are required both to notify the HA before they move out of a unit and to give the HA information about any family absence from the unit.

Families must notify the HA if they are going to be absent from the unit for more than 30 consecutive days. To receive HA approval, the family must:

1. Maintain their rent and utility payments
2. Notify the HACS in advance
3. Cooperate in providing residency verification

If the entire family is absent from the assisted unit for more than 90 consecutive days, the unit will be considered to be vacated and the assistance will be terminated.

If it is determined that the family is absent from the unit longer than the time specified in this Plan or it is believed that the family abandoned the unit, the HA will terminate the Housing Assistance Payments in accordance with the terms of the HAP Contract and terminate the family's continued participation under the Section 8 Program.

"Absence" means that no family member is residing in the unit.

In order to determine if the family is absent or has abandoned the unit, the HA may:

*** Write letters to the family at the unit**
*** Telephone the family at the unit**
*** Interview neighbors**
*** Verify if utilities are in service**

9. Special Circumstances for Absence of Sole Members of a Household:

If the sole member of the household is absent from the unit due to medical reasons such as entering a care facility or rehabilitation center and will be absent for a period greater than 90 days, the HACS shall terminate assistance.

If, within one year from the date of termination, the family is released, the HACS shall allow the family to reapply. The following documentation will be required:

a. Verification from the facility indicating admittance and departure dates
b. Medical need for admission
c. Approval from the Section 8 Director

10. Absence due to Restraining Order

If a member of the household is subject to a court order that restricts him/her from the home for more than 3 months, the person will be considered permanently absent.

11. Reporting Requirements for Absent Family Members

If an adult family member leaves the household for any reason, the family must report the change in family composition to the HACS in writing within 30 days.

The notice must contain a certification by the family as to whether the adult is temporarily or permanently absent.

12. Absence due to Incarceration

If the sole member is incarcerated for more than 90 consecutive days, s/he will be considered permanently absent. Any member of the household, other than the sole member, will be considered permanently absent if s/he is incarcerated for more than 3 months. If a sole member is absent due to incarceration and is still considered eligible, the HACS may continue to pay the Housing Assistance Payments so long as the family follows the guidelines set forth in Section J (8) of this chapter. ***The HA will determine and verify if the reason for incarceration is for drug-related or violent criminal activity.***

13. Foster Care and Absences of Children

If the family includes a child or children temporarily absent from the home due to placement in foster care, the HA will determine from the appropriate agency when the child/children will be returned to the home. The HACS will make a determination whether to reissue a new Certificate or Voucher based on court documents and the likelihood of the children's return.

14. Absence of Adult

If neither parent remains in the household and there are minor children, the HACS shall allow another adult to reside in the unit as a temporary "visitor" based on the following guidelines;

a. The family receives landlord approval if the family is to remain in the unit
b. The appropriate Social Service agency has verified this adult to be the caretaker for the
c. the caretaker, if it is determined will receive the Certificate or voucher, must ... meet the admis
d. The parents can provide proof of length of absence (whenever feasible)

If by the end of the 90 day time period, court-awarded custody or legal guardianship has been awarded to the "visitor/caretaker" and the adult family members have not returned, the caretaker's income shall be included in determining the family's TTP

The HA will transfer the certificate or voucher to the caretaker, in the absence of a court order, if the caretaker has been in the unit for more than 6 months and it is reasonable to expect that custody will be granted.

The HA will work with the appropriate service agencies, the family, and the landlord to provide a smooth transition in these cases. NOTE: The "visitor" rule has been amended under these circumstances.

15. Income of a Person Confined to a Nursing Home

[24 CFR 813.106 (a)]

If a family member is permanently confined to a hospital or nursing home and there is a family member left in the household, the HA will Exclude the income of the person permanently confined to the nursing home and give the family no deductions for medical expenses of the confined family member.

Chapter 7

REQUEST FOR LEASE APPROVAL AND HQS INSPECTIONS

INTRODUCTION [24 CFR 982.305 (a)]

This Chapter defines the types of eligible housing, the HA's policies for initial inspections, lease requirements, owner disapproval, and the processing of a Request For Lease Approval (RFLA).

A. REQUEST FOR LEASE APPROVAL [24 CFR 982.305 (b)]

The Request for Lease Approval (RLA) and a copy of the proposed Lease must be submitted by the family during the term of the certificate or voucher. The Request for Lease Approval must be signed by both the owner and applicant or participant. ***The HA will not permit the family to submit more than one RFLA at a time.***

1. Approval of RFLA

The Request will be approved if:

1. The unit is an eligible type of housing as described in Section B of this chapter.
2. The unit meets HUD's Housing Quality Standards (and any additional criteria as ident
3. The rent is reasonable - See Chapter 8
4. The security deposit amount is approvable.
5. The proposed lease complies with HUD and HA requirements and State and Local Law
6. The owner is eligible to participate and there are no conflicts of interest.

2. Disapproval of RLA

If, after an inspection and review of the documents submitted, the HA determines that the Request cannot be approved for any of the reasons listed above, the landlord and the family will be notified in writing. The HA will instruct the owner and family of the steps that are

necessary to approve the Request.

If a unit fails the initial inspection for any causes stated above and the prospective tenant and owner continue to have an interest in processing the unit for approval, the owner will be given 7 calendar days to correct fail items in order to reinstate a denied Request for lease Approval without having to resubmit a new RFLA.

When, for any reason, an RLA is not approved, the HA will furnish another RLA form to the family along with the notice of disapproval so that the family can continue to search for eligible housing. The time limit on the Certificate or Voucher will be suspended or "tolled" while the RFLA is being processed.

B. ELIGIBLE TYPES OF HOUSING [24 CFR 982.353, 982.54(d)(15)]

The HA will approve any of the following types of housing in the Certificate and Voucher programs:

1. All structure types (i.e., apartments, single family dwellings, etc.)
2. Manufactured homes where the tenant leases the mobile home and the pad.
3. Manufactured homes where the tenant owns the mobile home and leases the pad (Certificate Program only).
4. Independent Group Residences
5. Units owned (but not subsidized) by the HA (following HUD-prescribed requirements). (Example: Conant Place)

A family can own a rental unit but cannot reside in it while being assisted, except in the Certificate program for manufactured homes when the tenant owns the mobile home and leases the pad.

A family may lease in and have an interest in a cooperative housing development.

For contracts executed after 9/15/97, HUD disallows property owners from renting to relatives under the Section 8 Programs.

For contracts effective on or before 9/15/97, property owners may rent to relatives so long as the owner meets the Section 8 Program Requirements.

The HA may not permit a Certificate or Voucher holder to lease a unit which is receiving Project-Based Section 8 assistance or any duplicative rental subsidies.

C. INELIGIBLE TYPES OF HOUSING

The HA will not approve:

1. A unit occupied by the owner or by any person with an interest in the unit, other than manufactured homes described above.
2. Units owned by a relative
3. Nursing homes or other institutions that provide care.
3. School dormitories and institutional housing.
4. Any other types of housing prohibited by HUD.

D. HACS LEASE REVIEW [24 CFR 982.308]

Owners may either submit their own lease or permit the HA to furnish the lease.
In cases where the owner's lease is used, the HUD lease addendum must be attached and executed.

The HA will encourage owners to use a sample lease provided by the HA which includes the HUD-mandated language. ***House Rules of the owner may be attached to the lease as an addendum, provided they are reviewed and approved by the HA to ensure they do not violate any fair housing provisions.***

E. SEPARATE AGREEMENTS

Families and owners will be advised of the prohibition of illegal side payments for additional rent, or for items normally included in the rent of unassisted families, or for items not shown on the approved lease.

Owners and families may execute separate agreements for services, appliances and other items that are not included in the lease if the agreement is in writing and approved by the HA.

Any appliances, services or other items which are routinely provided to unassisted families as part of the lease (such as air conditioning, dishwasher or garage) or are permanently installed in the unit, cannot be put under a separate agreement and must be included in the lease. For there to be a separate agreement, the family must have the option of not utilizing the service, appliance or other item.

The HA is not liable for unpaid charges for items covered by separate agreements and nonpayment of these agreements cannot be cause for eviction.

All agreements for special items or services must be attached to the lease approved by the HA. If agreements are entered into at a later date, they must be approved by the HA and attached to the lease.

F. INITIAL INSPECTIONS [24 CFR 982.305 (a) & (b)]

Initial inspections shall be scheduled and performed within seven working days from receipt of the RFLA form.

G. DISAPPROVAL OF PROPOSED RENT - Certificate Program

Under the Certificate Program, the "gross rent" (rent plus applicable utility allowance), must not exceed the Fair Market Rents established by HUD. In the event the requested rent exceeds the FMR, the HACS will attempt to negotiate a rent which falls below the HUD published FMR or amend the utility cost arrangements.

If the owner accepts the offer of a revised rent, the HA will continue processing the Request for Lease Approval and Lease. If the revised rent involves a change in the provision of utilities, notification of the proposed changes must be signed by both the property owner and tenant acknowledging the revision.

Exception Rents

If the HA is satisfied that the requested rent meets the test of rent reasonableness, the rent is less than 110% of FMR, and the HA has remaining "Exception Rent" authority, the HA may approve an Exception Rent. Exception Rents shall not be granted if the unit chosen contains a greater number of bedrooms than allocated on the Certificate.

If the exception rent is not an option (because of the size of the unit, or because the reasonable rent exceeds the exception rent, or because the HA has no authority left), and the family and

landlord agree, the family may exercise "Interchangeability" and exchange their Certificate for a Voucher so long as the HA has Voucher funding available.

If the owner does not agree on the Contract Rent after negotiations with the HACS, the HACS shall inform the family and owner that the lease is disapproved**.**

H. INFORMATION TO OWNERS [24 CFR 982.307 (b), 982.54 (d)(7)]

Owners will be informed of their responsibility to determine the suitability of their prospective tenants. Owners will be encouraged to screen applicants for rent payment history, eviction history, damage to units, and other factors related to the family's suitability as a tenant.

The HACS is required by HUD to provide prospective owners with the address of Section 8 Program applicants and the names and addresses of the current and previous landlord, if known.

In addition to the HUD required release of tenancy information, the HACS may provide a prospective landlord with the following information based on documentation in the case file. ***This additional information shall only be provided upon signed release from the applicant or participant***.

Eviction history; and/or
Damage to rental units; and/or
Drug Trafficking by family members

The information will be provided for the last 3 years and will be provided in writing. Release of this information shall be provided only by the Section 8 Director, Section 8 Supervisor, or Housing Inspection's Manager. The HA's policy on providing information to owners is included in the briefing packet and will apply uniformly to all families and owners.

The HA will make an exception to this requirement if the family's whereabouts must be protected due to domestic abuse or witness protection.

I. OWNER DISAPPROVAL [24 CFR 982.306]

For purposes of this section, "owner" includes a principal or other interested party. The HA will disapprove the owner for the following reasons:

a. HUD has informed the HA that the owner has been disbarred, suspended, or subject to a limited denial of participation under 24 CFR part 24.

b. HUD has informed the HA that the federal government has instituted an administrative or judicial action against the owner for violation of the Fair Housing Act or other federal equal opportunity requirements and such action is pending.

c. HUD has informed the HA that a court or administrative agency has determined that the owner violated the Fair Housing Act or other federal equal opportunity requirements.

d. The owner has violated obligations under a housing assistance payments contract under Section 8 of the 1937 Act (42 U.S.C. 1437f).

e. The owner has committed fraud, bribery or any other corrupt act in connection with any federal housing program.

f. The owner has engaged in drug trafficking.

g. The owner has a history or practice of non-compliance with the HQS for units leased under the tenant-based programs or with applicable housing standards for units leased with project-based Section 8 assistance or leased under any other federal housing program.

h. The owner has a history or practice of renting units that fail to meet State or local housing codes.

I. The owner has not paid State or local real estate taxes, fines or assessments.

If an owner commits fraud or abuse or is guilty of frequent or serious contract violations, the HA will restrict the owner from future participation in the program commensurate with the seriousness of the offense. The HACS may also terminate some or all existing contracts with the owner.

Before imposing any penalty against an owner the HACS shall review all relevant facts of the case, and will consider such factors as the owner's record of compliance and the number of violations.

J. CHANGE IN TOTAL TENANT PAYMENT (TTP) PRIOR TO HAP EFFECTIVE DATE

When the family reports changes in factors that will affect the Total Tenant Payment (TTP) prior to the effective date of the HAP contract, the information will be verified and the TTP will be recalculated effective the date of the initial HAP Contract.

If the verifications on file are older than 60 days, new verifications must be obtained regardless of whether a change has or has not occurred.

K. SECURITY DEPOSIT

Leases Effective prior to 10/2/95 -

The amount of Security Deposit which could have been collected by owners under both Voucher and Certificate contracts in effect prior to 10/2/95 is an amount not to exceed the Total Tenant Payment or $50.00, whichever is greater

Leases in Effect on or after 10/2/95

Security deposits charged by owners for the Section 8 Certificate or Voucher Programs may not exceed those charged to unassisted tenants (nor the maximum prescribed by state and local law)

Families "In Place"

If the amount of deposit collected for an "in-place" tenant is less than the amounts shown above, the HACS shall recommend that the owner obtain the minimum security deposit amounts shown above. Any additional deposit or refund of deposit shall be settled between the landlord and tenant and must be provided to the HACS in order to retain accurate deposit records.

L. OWNER BRIEFING

Owners are encouraged to attend an orientation prior to commencement of program participation. The purpose of this orientation is to provide property owner of the responsibilities and roles of the owner, tenant, and Housing Authority. Owner briefings are held

quarterly.

M. AUTHORITY TO EXECUTE A HAP CONTRACT

The following HA representatives are authorized to execute a contract on behalf of the HA:

Executive Director;or
Section 8 Director;or
Section 8 Supervisor;or
Housing Insp.'s Manager

N. REQUIRED OWNER INFORMATION

Owners must provide the current address of their residence (not a Post Office box). If families lease properties owned by relatives, the owner's current address will be compared to the subsidized unit.

Owners must provide an Employer Identification Number or Social Security Number and a copy of their Driver's License or other photo identification. Owners may be asked to submit proof of ownership of the property, such as a Grant Deed or Tax Bill, and a copy of the Management Agreement if the property is managed by a management agent.

The owner must provide a business or home telephone number.

O. CHANGE IN OWNERSHIP

A change in ownership does not require execution of a new contract.

The HA will process a change of ownership upon the written request of a new owner and only if

accompanied by a copy of the escrow statement or other document showing the transfer of title and the Federal Identification Number or Social Security number of the new owner.

The HA must receive a written request by the previous owner in order to change the HAP payee and/or the address to which payment is to be sent.

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Initial inspections shall be scheduled and performed within seven working days from receipt of the RFLA form.

G. DISAPPROVAL OF PROPOSED RENT - Certificate Program

Under the Certificate Program, the "gross rent" (rent plus applicable utility allowance), must not exceed the Fair Market Rents established by HUD. In the event the requested rent exceeds the FMR, the HACS will attempt to negotiate a rent which falls below the HUD published FMR or amend the utility cost arrangements.

If the owner accepts the offer of a revised rent, the HA will continue processing the Request for Lease Approval and Lease. If the revised rent involves a change in the provision of utilities, notification of the proposed changes must be signed by both the property owner and tenant acknowledging the revision.

Exception Rents

If the HA is satisfied that the requested rent meets the test of rent reasonableness, the rent is less than 110% of FMR, and the HA has remaining "Exception Rent" authority, the HA may approve an Exception Rent. Exception Rents shall not be granted if the unit chosen contains a greater number of bedrooms than allocated on the Certificate.

If the exception rent is not an option (because of the size of the unit, or because the reasonable

rent exceeds the exception rent, or because the HA has no authority left), and the family and landlord agree, the family may exercise "Interchangeability" and exchange their Certificate for a Voucher so long as the HA has Voucher funding available.

If the owner does not agree on the Contract Rent after negotiations with the HACS, the HACS shall inform the family and owner that the lease is disapproved**.**

H. INFORMATION TO OWNERS [24 CFR 982.307 (b), 982.54 (d)(7)]

Owners will be informed of their responsibility to determine the suitability of their prospective tenants. Owners will be encouraged to screen applicants for rent payment history, eviction history, damage to units, and other factors related to the family's suitability as a tenant.

The HACS is required by HUD to provide prospective owners with the address of Section 8 Program applicants and the names and addresses of the current and previous landlord, if known.

In addition to the HUD required release of tenancy information, the HACS may provide a prospective landlord with the following information based on documentation in the case file. ***This additional information shall only be provided upon signed release from the applicant or participant***.

Eviction history; and/or
Damage to rental units; and/or
Drug Trafficking by family members

The information will be provided for the last 3 years and will be provided in writing. Release of this information shall be provided only by the Section 8 Director, Section 8 Supervisor, or Housing Inspection's Manager. The HA's policy on providing information to owners is included in the briefing packet and will apply uniformly to all families and owners.

The HA will make an exception to this requirement if the family's whereabouts must be protected due to domestic abuse or witness protection.

I. OWNER DISAPPROVAL [24 CFR 982.306]

For purposes of this section, "owner" includes a principal or other interested party. The HA will disapprove the owner for the following reasons:

a. HUD has informed the HA that the owner has been disbarred, suspended, or subject to a limited denial of participation under 24 CFR part 24.

b. HUD has informed the HA that the federal government has instituted an administrative or judicial action against the owner for violation of the Fair Housing Act or other federal equal opportunity requirements and such action is pending.

c. HUD has informed the HA that a court or administrative agency has determined that the owner violated the Fair Housing Act or other federal equal opportunity requirements.

d. The owner has violated obligations under a housing assistance payments contract under Section 8 of the 1937 Act (42 U.S.C. 1437f).

e. The owner has committed fraud, bribery or any other corrupt act in connection with any federal housing program.

f. The owner has engaged in drug trafficking.

g. The owner has a history or practice of non-compliance with the HQS for units leased under the tenant-based programs or with applicable housing standards for units leased with project-based Section 8 assistance or leased under any other federal housing program.

h. The owner has a history or practice of renting units that fail to meet State or local housing codes.

I. The owner has not paid State or local real estate taxes, fines or assessments.

If an owner commits fraud or abuse or is guilty of frequent or serious contract violations, the HA will restrict the owner from future participation in the program commensurate with the seriousness of the offense. The HACS may also terminate some or all existing contracts with the owner.

Before imposing any penalty against an owner the HACS shall review all relevant facts of the case, and will consider such factors as the owner's record of compliance and the number of violations.

J. CHANGE IN TOTAL TENANT PAYMENT (TTP) PRIOR TO HAP EFFECTIVE DATE

When the family reports changes in factors that will affect the Total Tenant Payment (TTP) prior to the effective date of the HAP contract, the information will be verified and the TTP will be recalculated effective the date of the initial HAP Contract.

If the verifications on file are older than 60 days, new verifications must be obtained regardless of whether a change has or has not occurred.

K. SECURITY DEPOSIT

Leases Effective prior to 10/2/95 -

The amount of Security Deposit which could have been collected by owners under both Voucher and Certificate contracts in effect prior to 10/2/95 is an amount not to exceed the Total Tenant Payment or $50.00, whichever is greater

Leases in Effect on or after 10/2/95

Security deposits charged by owners for the Section 8 Certificate or Voucher Programs may not exceed those charged to unassisted tenants (nor the maximum prescribed by state and local law)

Families "In Place"

If the amount of deposit collected for an "in-place" tenant is less than the amounts shown above, the HACS shall recommend that the owner obtain the minimum security deposit amounts shown above. Any additional deposit or refund of deposit shall be settled between the landlord and tenant and must be provided to the HACS in order to retain accurate deposit records.

L. OWNER BRIEFING

Owners are encouraged to attend an orientation prior to commencement of program participation. The purpose of this orientation is to provide property owner of the responsibilities and roles of the owner, tenant, and Housing Authority. Owner briefings are held

quarterly.

M. AUTHORITY TO EXECUTE A HAP CONTRACT

The following HA representatives are authorized to execute a contract on behalf of the HA:

Executive Director;or
Section 8 Director;or
Section 8 Supervisor;or
Housing Insp.'s Manager

N. REQUIRED OWNER INFORMATION

Owners must provide the current address of their residence (not a Post Office box). If families lease properties owned by relatives, the owner's current address will be compared to the subsidized unit.

Owners must provide an Employer Identification Number or Social Security Number and a copy of their Driver's License or other photo identification. Owners may be asked to submit proof of ownership of the property, such as a Grant Deed or Tax Bill, and a copy of the Management Agreement if the property is managed by a management agent.

The owner must provide a business or home telephone number.

O. CHANGE IN OWNERSHIP

A change in ownership does not require execution of a new contract.

The HA will process a change of ownership upon the written request of a new owner and only if

accompanied by a copy of the escrow statement or other document showing the transfer of title and the Federal Identification Number or Social Security number of the new owner.

The HA must receive a written request by the previous owner in order to change the HAP payee and/or the address to which payment is to be sent.

Chapter 8

OWNER RENTS, RENT REASONABLENESS, AND PAYMENT STANDARDS

INTRODUCTION

The following Chapter explains the HACS's procedures for determining rent reasonableness, payments to owners, adjustments to the Payment Standards, and rent adjustments.

A. MAKING PAYMENTS TO OWNERS

Once the HAP Contract is executed, the HA begins processing payments to the landlord. The effective date and the amount of the HA payment is communicated via mail to the owner and the tenant. A HAP Register will be used as a basis for monitoring the accuracy and timeliness of payments. Changes are made automatically to the HAP Register for the following month. Checks are disbursed by the Finance Department to the owner each month.

Checks may not be picked up by owner at the HA unless, due to a HACS administrative error, there was a delay in the processing of the owner's check.

Checks will only be disbursed on the 1st and 15th of the month. Exceptions may be made with the approval of the Section 8 Director in cases of hardship.

Checks that are not received will not be replaced until a written request has been received from the payee and a stop payment has been put on the check.

B. RENT ADJUSTMENTS [24 CFR 882.108]

1. Certificate Program

The HACS shall notify owners of their right to request a rent adjustment 90 days in advance of the anniversary date. The decision to approve or deny this request will be based on the following

factors:

a. HUD-published AAF calculations for the Fiscal Year; and
b. Rent reasonableness

The adjustment may be an increase or a decrease, but may never result in a contract rent lower than the initial contract rent at commencement of the HAP Contract.

Rent adjustments to owners under the Certificate Program are effective on the anniversary date of the HAP Contract (unless the unit is in a failed condition at that time).

The change in rent does not affect the automatic renewal of the lease and does not require a new lease or contract or even an executed amendment. A notice of rent change will be sent to the owner and the family.

2. Disapproval of Requests for Adjustment/Offer of a New Lease

If the HACS rejects the owner's request for rent adjustment due to exceeding the AAF for the Fiscal year in which the request was made, the owner may offer the tenant a new lease subject to the rent meeting the Rent Reasonableness Criteria. The owner is required to provide the tenant with a sixty-day notice to the tenant. If the tenant accepts the offer and a new lease is executed, a new Housing Assistance Payments Contract must also be executed.

If the tenant refuses or the owner does not offer a new lease, the owner may institute court action to terminate tenancy for a business or economic reason in accordance with the lease after giving 90 days notice to the HA, HUD, and the family as required by law. The HA, upon notification from the Tenant or Owner, will issue a new Certificate to the family.

After the tenant has begun searching for a new housing unit and/or after court action has been initiated, the owner may decide to accept the current lease. If the owner and tenant agree, the lease and HAP Contract shall remain in effect so long as the lease and contract termination date has not lapsed.

3. Voucher Program

Owners may request a rent adjustment in the Voucher Program after expiration of the first year of the lease. Rent adjustments are effective with a sixty-day notice to the family and a copy to the HA. The HA will advise the family as to whether the rent is reasonable.

C. RENT REASONABLENESS DETERMINATIONS [24 CFR 882.106 (b), 982.4]

Rent reasonableness determinations shall be conducted under the following circumstances:

1. When units are placed under HAP Contract for the first time; or
2. When owners request annual or special contract rent adjustments under the Certificate Program; or
3. When an owner requests a rent increase under the Voucher Program.

For the Certificate and Voucher Programs, the HA will determine and document on a case-by-case basis that the approved rent:

1. Does not exceed rents currently charged for new leases by the same owner for units equivalent in size location and amenity
2. Is reasonable in relation to rents currently charged by other owners for comparable units in the unassisted market.

D. RENT COMPARABILITY DATA

At least three comparable units will be used for each rent approval determination. All comparables must be based on the rent that the unit would command if leased in the current market.

The data for other unassisted units will be gathered from newspapers, Realtors, professional associations, inquiries of owners, and other available sources.

The market areas for rent reasonableness are census tracts within the HA's jurisdiction. Subject units within a defined housing market area will be compared to similar units within the same area.

The following items will be used for rent reasonableness documentation:

Square Footage
Number of Bedrooms
Facilities
Location

Number of Bathrooms
Quality
Amenities
Unit Type
Management and Maintenance Services

The HACS maintains an automated database which includes data on unassisted units for use by staff in making rent reasonableness determinations. The data is updated on an ongoing basis and purged when the data is 12 months old.

E. VOUCHER PROGRAM - ADJUSTMENTS TO PAYMENT STANDARDS [24 CFR 887.209 (b),887.351 (c)(d)]

The Payment Standard is used to determine the maximum subsidy which can be paid by the HA on behalf of the family. Payment Standards may be adjusted to increase Housing Assistance Payments in order to maintain affordable rents for family's participating under the Voucher Program.

The HA will review the Payment Standard annually to determine whether an adjustment should be made for some or all unit sizes. In accordance with HUD requirements, the HACS shall maintain the Payment Standard for any bedroom size at a level between 80% and 100% of the existing Fair Market Rent.

1. Increasing the Payment Standard

In determining whether a change in Payment Standards are made, the following data shall be analyzed:

Assisted Families' Rent Burdens

The HA will review reports showing the percent of income used for rent by Voucher families to determine the extent to which the rent burden is more than 45% of income.

Availability of Suitable Vacant Units Below the Payment Standard

The HACS will review its rent reasonableness database and vacancy rate data to determine whether there is an ample supply of vacant units below the Payment Standard.

Quality of Units Selected

The HA will review the quality of units selected by participant families before determining any change to the Payment Standard to ensure that Payment Standard increases are only made when needed to reach the mid-range of the market.

Other Deciding Factor

The HA will review the quality and size of units where the Rents to Owner are above the Payment Standard by more than **25%**. If more than **50%** of families have selected above-average units or have selected larger units than the Voucher size, the HA may elect not to increase the Payment Standard or continue the analysis.

Note: The percentages used in the factors which determine an adjustment in the Payment Standard are HUD recommended figures.

2. Lowering of the Payment Standard

Statistical analysis may reveal the Payment Standard should be lowered. If it is determined that the Payment Standard must be lowered, such change will not occur with families currently participating under the voucher program until one of the following actions occur:

a. There is a change in family composition which affects their voucher size
b. An annual reexamination is conducted
c. The family transfers to a new unit.

3. File Documentation

A file will be retained by the HA for at least three years to document the analysis and findings to justify whether or not the Payment Standard was changed.

Chapter 9

RECERTIFICATION/INTERIMS/ERRORS

INTRODUCTION

HUD requires families to report all changes in household composition. The HA decides what the

process shall be for these reporting requirements. The following Chapter defines the HACS's policy for conducting annual recertification, coordinating annual activities, the interim reporting requirements, and effective dates of rental adjustments based on timely reporting, failure to report, or administrative errors.

A. ANNUAL ACTIVITIES [24 CFR 882.212 (a), 887.355]

There are three activities the HA must conduct on an annual basis. These activities will be coordinated whenever possible:

1. Recertification of Income and Family Composition
2. HQS Inspection
3. Contract Rent Adjustments

B. ANNUAL RECERTIFICATION/REEXAMINATION [24 CFR 882.212 (a), 887.355]

Families are required to be recertified at least annually. The HA will maintain a reexamination tracking system and the household will be notified by mail of the date and time for their interview at least 90 days in advance of the anniversary date. No annual reexamination will be conducted if an interim reexamination had been completed within 120 days of the anniversary date of the lease.

If requested as an accommodation by a person with a disability, the HA will provide the notice in an accessible format and/or mail the notice to a third party, and/or conduct a home visit. These accommodations will be granted upon verification that they meet the need presented by the disability.

The HA will require the family to complete a Personal Declaration Form prior to all recertification interviews.

1. Requirements to Attend

All adult household members will be requested to attend the recertification interview. If, due to a hardship, an adult family member cannot attend the scheduled interview, the absent adult family member(s) must meet with the Housing Representative at least 45 days prior to the anniversary date to provide income information and sign necessary declarations.

If the head of household is unable to attend the initial annual interview the appointment will NOT be rescheduled. The spouse or other adult family member may attend the interview to begin the recertification process, provided that the head of household meets with the Housing Representative within 45 days of the anniversary date to complete the recertification process.

2. Rescheduling & No-Show Policy

Rescheduling of an Annual Reexamination - The written notification states which family members are required to attend the interview. The family may call to request another appointment no less than 5 days prior to the interview if no adult members can attend the interview.

If the family does not appear for the recertification interview, and has not rescheduled or made prior arrangements with the HA**,** the HA will send a notice of program termination.

If the family responds to the termination notice, a second and final interview will be scheduled. If the family fails to appear for the second appointment, and has not rescheduled or made prior arrangements, the HA will

a. Terminate assistance to the family; and
b. Offer them an informal hearing.

Exceptions to these policies may be made by Section 8 Director or Section 8 Supervisor if the family is able to document an emergency situation that prevented them from canceling or attending the appointment. Documentation will be required.

4. Verification of Information

The HA will follow the verification procedures and guidelines described in this Chapter 4. Verifications for reexaminations must be dated within the past 120 days.

5. Effective Dates for Changes in Total Tenant Payment at Annual Reexam

When proper 30- day notice can be provided by the HACS and the tenant provides information in a timely manner, changes to a family's Total Tenant Payment resulting from a regular reexamination shall become effective on the scheduled anniversary date of the lease.

Special Circumstances-

If the participant's TTP is increased, the scheduled effective date shall be at least 30 days from the date of notification, unless the participant caused a delay in the process (See Section D of this Chapter for processing delays and retroactive rent)

If the participant's TTP is lowered, the effective date shall be the anniversary date of the lease unless the tenant had previously reported an interim decrease in rent and the HACS did not conduct an interim until the regularly scheduled annual reexamination appointment.

Under these circumstances, the family's TTP shall be retroactively calculated to the month following the month in which the change was reported.

C. INTERIM REPORTING REQUIREMENTS

1. Change in Family Composition [24 CFR 882.213, 887.359 (a)(b)]

Families are required to report to the HACS any change in family composition within 30 days of the change. All additions to the household must be approved by the HACS in accordance with the policy set forth in Chapter 4

The HACS shall conduct an interim reexamination for any change in family composition. Included in this interim is a redetermination of the family's TTP, the family's Certificate or Voucher size, and whether the family is under or over housed.

2. Change in Income

Increases

Families are required to report any increases in income or assets of all household members to the HACS in writing within 30 days of the change. The change must be reported on the HACS "Section 8 Change Report" and include verification, whenever possible.

Upon receipt of the "Section 8 Change Report", the HACS will review the changes and conduct an interim reexamination for families whose income increases $100.00 or more per month.

When an income interim is conducted, the HAC's shall redetermine the family's TTP and subsidy level. Proper 30-day notice shall be provided by HACS when an interim results in an increase in a family's TTP.

Income Decreases

Families who report an interim change which results in a decrease in income shall be automatically scheduled for an interim interview within 14 days from notification of the change. The effective date of the change in rent shall be as follows:

If the family provides the verification of change within the time requested (21 days from the date the change was reported), the TTP shall be reduced the first of the month following the month in which the change was reported.

If the family delays the verification process and fails to provide verification within the 21 day time period, the interim rent adjustment shall be effective the month following the month in which the information was received by the HACS.

In the event of a severe reduction in income which would result in the family's inability to pay the following month's rent, the HACS may temporarily accept a family certification or some other form of verification in order to revise the TTP immediately until such time the family can supply the third party verification. This provision is subject to approval from the Section 8 Supervisor or Section 8 Director.

4. Other Interim Reporting Issues

Families who request an Interim rent reduction are required to report, within 30 days from the date of the change, any subsequent income increases when they occur. Failure to do so will result in a retroactive overpayment commencing the first of the month following the date of the change, regardless of the amount of income increase which has occurred.

An interim reexamination does not affect the date of the annual recertification.

An interim (Special) reexamination will be scheduled for families with Zero or Unstable income every 90 days.

Any changes reported by participants shall be reviewed to assess whether an interim is to be scheduled in accordance with the policies set forth in this section. If it is determined that an interim reexamination is not necessary, the "Section 8 Change Report" is to be filed in the family's case file for verification of reporting requirements.

D. DELAYS IN PROCESS - RETROACTIVE RENT ADJUSTMENTS

This Section describes the HACS policies for retroactive rental adjustments due to delays in processing caused by both the HACS and program participants.

1. Family's Responsibility to Provide Documents in a Timely Manner

It is the responsibility of the participant to ensure verifications have been received by the HACS, including third party verifications. Participants are required to contact the HACS before the verification submission deadline date in instances where the verifications cannot be obtained within the specified time period. ***For purposes of defining a delay, a reasonable time period established by the HACS to submit required verification has been determined to be within 21 days from the interview appointment.*** *Note: For interim decreases, the time period is limited to 21 days from the submission of the "Section 8 Change Report"*

2. Retroactive Increases

Note: In considering any retroactive rent increase, HACS shall take into consideration any delays it may have caused in the processing of the annual reexamination

Annual Reexamination

If the family fails to, without good cause, provide all income and family verifications within the 21 day specified time period; or

If the family submits incomplete information regarding family income during the annual reexamination interview; then

The increase in TTP shall be retroactive to the anniversary date of the lease. The HACS reserves the right to extend this retroactive policy to the date the increase occurred if the tenant was required to be scheduled for an interim (an increase of more than $100 per month) and failed to report the change.

Interims

Participants who request in income decrease are required to report any subsequent increases.

If a participant requests an interim decrease and fails to report a subsequent increase, the family

will be required to repay to the HACS any overpayment of HAP retroactive to first of the month following the date the change occurred. This policy shall apply regardless of the dollar amount of the income increase.

3. Retroactive Decreases

Annual Reexamination

If the HACS delays the annual reexamination process and determines that the participant's TTP should have been decreased at the anniversary date of the lease, the HACS shall retroactively adjust the participant's TTP to the anniversary date.

Interims

If the HACS determines that the participant did not cause a delay in the process and provided requested verifications within the specified time period, the HACS shall retroactively decrease the tenant's TTP effective the month following the month in which the change was reported.

4. Errors in the Calculation of the TTP

Housing Authority Caused Errors

If, due to a HACS administrative error, a participant's TTP is calculated incorrectly and the correction results in a decrease in the TTP, the TTP shall be decreased retroactively to the date the error occurred.

If the correction results in an increase in the TTP, the Authority shall correct the error and provide the client with a 30-day notice of rent adjustment.

Participant Caused Errors

If the TTP correction results in a decrease of the participant's TTP, such decrease shall be effective the first of the month following the date in which the tenant reported the error.

If the TTP correction results in an increase in the TTP, the increase shall be effective retroactively to the last anniversary date of the lease. If the error results in a large overpayment, participants shall be offered to enter into a repayment agreement and counseled on reporting responsibilities.

The HACS reserves the right to extend this retroactive policy to the date the increase occurred if the tenant was required to be scheduled for an interim (an increase of more than $100 per month) and failed to report the change.

F. NOTIFICATION OF RESULTS OF RECERTIFICATION

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

Upon obtaining all appropriate information from the participant and calculating the TTP, the HACS shall send to the participant and owner a Notice of Rent Adjustment, stating the rent to be paid and the effective date of any change in the rent. This notice does not require the tenant or owner's signature. If the tenant disputes the TTP, informal hearing rights are provided to the tenant.

In the event the HACS does not conduct an annual or special re-examination in a timely manner to allow for proper 30-day notice of TTP prior to the anniversary date of the lease, the notice or rent adjustment must allow a minimum 30 day notice for rent increases.

Chapter 10

CONTRACT TERMINATIONS/TRANSFERS/PORTABILITY

INTRODUCTION

This Chapter defines the procedures for contract terminations, transfers, and portability procedures.

A. LEASE TERMINATIONS

1. Owner Initiated Lease Terminations

For contracts executed prior to 10/2/95, the Landlord shall not terminate the tenancy except for:

a. Serious or repeated violation of the terms and conditions of the Lease;or

b. Violation of Federal, State, or local law which imposes obligations on a tenant in conn

c. "Other Good Cause". The Landlord may not terminate the tenancy for "other good ca
following are some examples of "other good cause":

1. Failure by the tenant family to accept the offer of a new Lease. In offering
term. The offer may specify a reasonable time limit for acceptance by the Tenant
Family.;or
2. The landlord's desire to utilize the unit for personal or family use or for
3. A business or economic reason for termination of the tenancy (such as
4. A history of disturbance of neighbors or housekeeping which results in

This list of examples is intended as a non-exclusive statement of some situations included as "other good cause" but shall in no way be considered as a limitation on the application of "other good cause". ***Note: If a landlord currently under the pre-10/2/95 contract requirements wishes to change the terms of the lease to include a definite term after the first year of the contract (i.e., month-to-month, six month lease,etc.), the owner must offer the tenant a new lease. The change would require the tenant's approval and execution of a new lease and HAP Contract.***

For Contracts executed on or after 10/2/95, the Owner may only terminate the lease for the following causes and under the following circumstances:

a. The Owner can terminate the lease at the end of the initial term, or at the end of any suc

b. During the term of the lease for the following:

1. Serious or repeated violation of the terms and conditions of the lease; or

2. Violation of Federal, State, or local law that imposes obligations on the

3. Criminal Activity -- Defined as activity committed by the tenant, any

a. Any criminal activity that threatens the health, safety or right to
b. Any criminal activity that threatens the health, safety or right to
c. Any drug-related criminal activity on or near the premises

4. Other Good Cause

a. Failure by the tenant family to accept the offer of a new lease or
b. The owner's desire to utilize the unit for personal or family use
c. A business or economic reason for termination of the tenancy

During the first year of the lease term, the owner may not terminate for "other good cause" unless the owner is terminating the tenancy because of something the family did nor failed to do.

2. Owner Notice Requirements

The Owner is required to provide the tenant with proper notice which specifies the grounds for termination of tenancy. The following shall be considered proper notice:

1. 90-day notice shall be required for notice given for "Other Good Cause" that is not due

2. 30-day notice for all other cause such as violation of the terms of the contract or the end of a successive definite term after the first year.

THE HACS SHALL REQUIRE THAT THE OWNER SPECIFY THE SECTION SET FORTH IN THE LEASE THAT HAS BEEN VIOLATED AS DOCUMENTATION FOR THE HA TO DETERMINE A FAMILY'S CONTINUED ELIGIBILITY FOR PROGRAM ASSISTANCE AND TO VALIDATE THE NOTICE REQUIREMENTS UNDER THE SECTION 8 PROGRAMS.

3. Evictions

Owner eviction notice means a notice to vacate, or a complaint or other initial pleading used under State or local law to commence an eviction action.

The notice of grounds for eviction must be given at or before commencement of any eviction ACTION.

Note: The HACS shall continue to make a Housing Assistance Payment to the Owner through an eviction action and the date the tenant vacates the unit so long as the HAC's receives proper notification from the landlord of the pending eviction. Under these circumstances, the HACS shall place a hold on the contract rent rather than terminate the contract in computer system until the eviction has taken place. In order to claim HAP

through lock-out, the landlord must provide the HACS with the documentation, including notice of lock-out.

4. HAP Payments to Owner

- Pre 10/2/95 Contracts:

No subsidy payments on behalf of the family will be made by the HACS to the owner beyond the termination date of the contract. The owner must reimburse the HA for any subsidies paid by the HACS for any period beyond this time period.

- For post 10/2/95 contracts:

The owner may retain the HAP for the month in which the family vacates the unit. No claim for additional rents can be collected beyond that time period.

- Families who elect to remain in the unit after the Section 8 HAP Contract is terminated shall be responsible for the full rent due to the owner. ***Note: See Section E (1) of this chapter for execution of a new contract when a tenant decides to remain in place after a contract has been terminated.***

5. Tenant Initiated Terminations

In order for a family to continue to receive assistance under the Section 8 Programs, the family must give proper notice to the landlord prior to vacating a unit.

For Contracts executed prior to 10/2/95, the tenant may vacate the unit under the following conditions:

1. The tenant may vacate the unit during the first year through a mutual rescission between
2. The tenant may terminate the Lease, without cause, at any time after the first year of

For Contracts executed on or after 10/2/95 the tenant may vacate the unit under the following conditions:

1. Upon mutual rescission between the landlord and tenant; or
2. Upon proper notification at the end of the agreed upon successive definite term. Failure

Note: The HACS may allow families to terminate assistance within the first year of the lease or during the term of the lease if it is determined that the family's health or safety is in jeopardy. This provision is subject to approval from the HACS and must be verified through documentation as required by the HACS.

B. CONTRACT TERMINATIONS [24 CFR 982.404 (a), 982.454,982.552 (a)(3)]

The term of the HAP Contract coincides with the term of the lease. The contract between the owner and the HA may be terminated by the HA, or by the owner or tenant terminating the lease. The following describes when the HACS shall terminate a contract.

1. Termination of the Contract by the Housing Authority for Owner Breach

Any of the following actions will be considered a breach of contract by the owner:

a. The owner has violated any obligation under the HAP contract for the dwelling unit, inc

b. The owner has violated any obligations under any other housing assistance paymen

c. The owner has committed fraud, bribery, or any other corrupt or criminal act in connect

d. The owner has engaged in drug trafficking

2. Other Causes for HAP Termination

The HACS shall also terminate the contract if:

a. The HACS terminates assistance to the family

b. The family is required to move from a unit which is under-occupied (Certificate Progran

c. Funding is no longer available under the ACC

d. 180 days has lapsed since the last housing assistance payment was made to the owner

3. Notice of Termination

The HACS will provide the owner and family with at least thirty days written notice of termination of the contract

C. ALLOWABLE TRANSFERS AFTER HAP TERMINATION

A family may move to a new unit if:

1. The assisted lease for the old unit has been terminated because the HACS has termina

2. The owner has given the family a notice to vacate; or

3. The family has given notice to vacate and continues to meet the eligibility criteria for the

D. RESTRICTIONS ON MOVES [24 CFR 982.314, 982.552]

Families are in serious violation of the terms of their existing lease will not be permitted to transfer until such violations are corrected. A serious violation of the terms of a lease may include non-payment of rent, tenant-caused HQS violations, or moving in violation of the lease terms. The HACS may conduct an inspection to determine whether HQS violations are corrected prior to executing a new HAP Contract and Lease for a new unit. Denial of move restrictions must be reviewed and approved by the Section 8 Supervisor, Section 8 Director, or the Housing Inspection's Manager.

E. PROCEDURE FOR TRANSFERRING

1. Issuance of Certificate/Voucher

If the family has not been recertified within the last 120 days, the HA will issue the family a certificate or voucher to move. To be eligible to be interviewed and receive a transfer Certificate or voucher, the family must provide a copy of the notice given by either the family or the owner.

2. Remaining In-Place

If the family does not locate a new unit, they may remain in the current unit so long as the owner permits. If the owner and tenant notifies the HACS of a rescission of the cancellation of the lease prior to the lease termination date, the HACS shall rescind the termination and continue HAP payments.

If the family does not notify the HACS prior to the termination date, a new lease and contract must be executed for the unit if the family chooses to remain in the unit.

F. PORTABILITY OVERVIEW [24 CFR 982.353]

Portability is defined as a program applicant or participant's ability to relocate and receive assistance to lease a unit outside of the initial HA's jurisdiction. The unit may be located:

1. In the same state as the initial HA;
2. In the same metropolitan statistical area (MSA) as the initial HA, but in a different state
3. In an MSA adjacent to the MSA of the initial HA, but in a different state.
4. In the jurisdiction of an HA anywhere within the United States that administers a te

G. INCOMING PORTABILITY [24 CFR 982.354, 982.355]

1. Absorption or Administration

The HA will accept a family with a valid Certificate/Voucher from another jurisdiction and administer or absorb the Certificate/Voucher. If administering, the family will be issued a "Portability" Certificate or Voucher by the HA with the same issuance and expiration date. The HA may grant extensions in accordance with this Administrative Plan.

The HA will absorb all incoming portable families provided that there is funding available with the following exceptions:

Housing Authority of the County of Santa Clara
San Francisco Housing Authority
San Mateo Housing Authority

Whether administering or absorbing an incoming portable family, the receiving HA's policies will prevail including extension, subsidy standard, and other related policy issues.

2. Income/Family Composition and TTP of Incoming Portables

The HACS shall conduct a recertification interview to ensure accuracy of a program participant's income. The recertification process shall not delay the process of conducting an HQS inspection, commencing a HAP Contract or executing a lease.

If a change in family composition occurs prior to the family completing the transfer process, the HACS shall contact the initial HA to inquire whether the family is required to receive approval of additional family members from the initial HA. If the family is required to receive approval prior to completing the transfer process, the HACS shall not process the portability request until approval is received from the initial HA.

If the family's income is such that a $0 subsidy amount is determined prior to lease-up in the HA's jurisdiction, the HA will refuse to enter into a contract on behalf of the family at $0 assistance.

3. Requests for Lease Approval

A briefing will be mandatory for all portability families.

When the Family submits a Request for Lease Approval, it will be processed using the HACS's policies. If the Family does not submit a Request for Lease Approval or does not execute a lease, the Initial HA will be notified within 30 days by the HA.

If the Family leases up successfully, the HA will notify the Initial HA within 30 days, and the billing process will commence.

If the HA denies assistance to the family, the HA will notify the Initial HA within 15 days and the family will be offered a review or hearing by the HACS.

The HA will notify the Family of its responsibility to contact the Initial HA if the Family wishes to move outside the HA's jurisdiction under continued portability.

4. Exception Rents for Incoming Portables

When an Exception Rent is requested by an incoming Certificate holder, the HA will check with the Initial HA to determine whether exception rent authority is available through the initial HA.

5. Terminations

The HA will notify the Initial HA in writing of any termination of assistance within 30 days of the termination. If an Informal Hearing is required and requested by the Family, the hearing will be conducted by the HACS, using the regular hearing procedures included in this Plan. A copy of the hearing decision will be furnished to the Initial HA.

The Initial HA will be responsible for collecting amounts owed by the Family for claims paid and for monitoring repayment. If the Initial HA notifies the HA that the Family is in arrears or the Family has refused to sign a Repayment Agreement, the HA will terminate assistance to the family in accordance with the Breach Policy set forth in this Plan.

6. Required Incoming Portable Documents

As Receiving HA, the HACS will require the following documents from the Initial HA:

a. A copy of the family's Certificate or Voucher, with issue and expiration dates, formally
b. The most recent HUD 50058 form and verifications.
c. Declarations and verifications of U.S. citizenship/eligible immigrant status.
d. The most recent information related to eligibility and rent payments.
e. Persons designated for inquiries on eligibility and billing.
f. The Administrative Fee Schedule for billing purposes.

7. Billing Procedures

As Receiving HA, the HA will bill the Initial HA monthly for Housing Assistance Payments.
The HA will bill 100% of the Housing Assistance Payment, 100% of Special Claims and 80% of the Administrative Fee (at the Initial HA's rate) and any other HUD-approved fees, for each "Portability" Certificate/Voucher leased as of the first day of the month.
The HA will notify the Initial HA of changes in subsidy amounts and will expect the Initial HA to notify the HA of changes in the Administrative Fee amount to be billed.

H. OUTGOING PORTABILITY [24 CFR 982.353, 982.355]

When a family requests to move to outside of the HA's jurisdiction, the request must specify the area to which the family wants to move.

If the family is moving to a unit located in the same state as the HACS, in the same MSA, but in a different state, or in an adjacent MSA in a different state, and there is not an HA in the area where the unit is located, the initial HA will be responsible for the administration of the family's assistance. The HA will choose a management company, another HA or a private contractor to administer the assistance

1. Restrictions on Portability

Families will not be permitted to exercise portability during the initial 12 month period after admission to the program, if neither the head or spouse had a domicile (legal residence) in the HA's jurisdiction at the date of their initial application for assistance.

The HACS shall allow an exception for extreme hardship cases so long as the receiving HA agrees to the transfer. For example, an elderly household where a move would be detrimental to the health of the individual(s) or if a client recently obtained employment during the time on the wait list and the commute would be greater than 50 miles or greater, etc.) This exception must be approved by the Section 8 Director and the Receiving HA.

2. Outgoing Portability Procedures

The HACS will provide pre-portability counseling for those families who express an interest in portability. If the family is utilizing portability for their initial lease-up, the HA will determine if the family is within the very low income limit of the receiving HA. If the receiving HA will absorb and the family will be changing its form of assistance, the HA will determine if the family is within the low income limit of the receiving HA, and advise the family accordingly.

The HACS will notify the Receiving HA that the family wishes to relocate into its jurisdiction.

The HACS will advise the family how to contact and request assistance from the receiving HA.

The HACS will notify the receiving HA that the family will be moving into its jurisdiction.

3. Outgoing Portability Packet Information

The HACS will provide the following documents and information to the Receiving HA:

a. A copy of the family's Certificate or Voucher, with issue and expiration dates, formally

b. The most recent HUD 50058 form and verifications.

c. Declarations and verifications of U.S. citizenship/eligible immigrant status.

d. Current information related to eligibility and rent payments.

e. Persons designated for inquiries on eligibility and billing.

f. The Administrative Fee Schedule for billing purposes.

4. Payment to the Receiving HA

The HA will requisition funds from HUD based on the anticipated lease-ups of portable Certificates or Vouchers in other HA's jurisdictions. Payments for families in other jurisdictions will be made to other HAs when billed or in accordance with other HUD approved procedures for payment.

When billed, the HA will reimburse the Receiving HA for 100% of the Housing Assistance Payment, 100% of the Special Claims paid on HAP contract effective prior to 10/2/95, and 80% of the Administrative Fee (at the initial HA's rate), and any other HUD-approved fees.

5. Claims

The HACS will be responsible for collecting amounts owed by the family for claims paid and for monitoring the repayment. The HACS will notify the Receiving HA if the family is in arrears or if the family has refused to sign a Repayment Agreement, and the Receiving HA will be asked to terminate assistance to the family as allowed by this Administrative Plan.

Chapter 11

DENIAL OR TERMINATION OF ASSISTANCE

INTRODUCTION

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

A. GROUNDS FOR DENIAL/TERMINATION [24 CFR 982.552, 982.553]

Form of Denial/Termination

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

1. Denial for placement on the HA waiting list
2. Denying or withdrawing a certificate or voucher
3. Refusing to enter into a HAP contract or approve a lease
4. Refusing to process or provide assistance under portability procedures

Termination of assistance for a participant may include any or all of the following:

1. Refusing to enter into a HAP contract or approve a lease
2. Terminating housing assistance payments under an outstanding HAP contract
3. Refusing to process or provide assistance under portability procedures

Mandatory Denial and Termination [24CFR 982.552 (10)(d)]

The HA must deny assistance to applicants, and terminate assistance for participants:

1. If any member of the family fails to sign and submit HUD or HA required consent forms for obtaining information.
2. If no member of the family is a U.S. citizen or eligible immigrant.
3. Post 10/2/95 Contracts - If the family is under contract and 180 days have elapsed since the HA's last housing assistance payment was made.
4. Pre 10/2/95 Contracts - If the family is under contract and 360 days have elapse

Grounds for Denial or Termination of Assistance [24CFR 982.552 (b)]

The HA may at any time deny program assistance for an applicant, or terminate program assistance for a participant, for any of the following reasons:

1. The family violates any family obligation under the program as listed in 24 CFR 982.551.

2. Any member of the family has ever been evicted from public housing.
3. The family currently owes rent or other amounts to the HA or to another HA in connection with Section 8 or public housing assistance under the 1937 Act.

4. The family has not reimbursed any HA 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.

5. The family breaches an agreement with an HA to pay amounts owed to an HA, or amounts paid to an owner by an HA.

6. The family has engaged in or threatened abusive or violent behavior toward HA personnel.

   "Abusive or violent behavior towards HA personnel" includes verbal as well as physical abuse or violence. Use of expletives that are generally considered insulting, racial epithets, or other language, written or oral, that is customarily used to insult or intimidate, may be cause for termination or denial.

   "Threatening" refers to oral or written threats or physical gestures that communicate an intent to abuse or commit violence.

   Actual physical abuse or violence will always be cause for termination.

Family Self Sufficiency (FSS)

Failure to fulfill the obligations and conditions of the FSS contract is grounds for termination of assistance.

The HACS has exercised the option not to terminate Section 8 Rental assistance for FSS families who fail to comply with the FSS Contract of Participation without good cause.

B. FAMILY OBLIGATIONS [24 CFR 982.551]

1. The family must supply any information that the HA or HUD determines is necessary in the administration of the program, including submission of required

evidence of citizenship or eligible immigration status (as provided by 24 CFR part 812). "Information" includes any requested certification, release or other documentation.

2. The family must supply any information requested by the HA 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 (as provided by 24 CFR part 750) and must sign and submit consent forms for obtaining information in accordance with 24 CFR part 760 and 24 CFR part 813.

4. All information supplied by the family must be true and complete.

5. The family is responsible for an HQS breach caused by the family as described in 982.404(b).

6. The family must allow the HA to inspect the unit at reasonable times and after reasonable notice.

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

8. The family must notify the owner and, at the same time, notify the HA before the family moves out of the unit or terminates the lease on notice to the owner.

9. The family must promptly give the HA a copy of any owner eviction notice.

10. The family must use the assisted unit for residence by the family. The unit must be the family's only residence.

11. The composition of the assisted family residing in the unit must be approved by the HA. The family must promptly inform the HA of the birth, adoption or court-awarded custody of a child. The family must request HA approval to add any other family member as an occupant of the unit.

12. The family must promptly notify the HA if any family member no longer resides in the unit.

13. If the HA has given approval, a foster child or a live-in aide may reside in the unit. If the family does not request approval or HA approval is denied, the family

may not allow a foster child or live-in aide to reside with the assisted family.

14. 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 as a residence by members of the family.

15. The family must not sublease or let the unit.

16. The family must not assign the lease or transfer the unit.

17. The family must supply any information or certification requested by the HA to verify that the family is living in the unit, or relating to family absence from the unit, including any HA-requested information or certification on the purposes of family absences. The family must cooperate with the HA for this purpose. The family must promptly notify the HA of absence from the unit.

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

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

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

21. 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.

Housing Authority Discretion

In deciding whether to deny or terminate assistance because of action or failure to act by members of the family, the HA has discretion to consider all of the circumstances in each case, including the seriousness of the case, the extent of participation or culpability of individual family members, the length of time since the violation occurred and more recent record of compliance, and the effects of denial or termination of assistance on other family members who were not involved in the action or failure to act.

The HA 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. The HA may permit the other members of a family to continue in the program.

Enforcing Family Obligations

Explanations and Terms

The term "Promptly" when used with the Family Obligations always means "within 30 days." Denial or termination of assistance is always optional except where this Plan or the regulations state otherwise.

HQS Breach: An HQS inspector will determine if an HQS breach as identified in 24 CFR 982.404 (b) is the responsibility of the family. Families may be given extensions to cure HQS breaches by the Housing Inspection's Manager.

Lease Violations: The following criteria will be used to decide if a serious or repeated violation of the lease will cause a termination of assistance:

- If the owner terminates tenancy through court action for serious or repeated violation of the lease; and

- If there are police reports, neighborhood complaints, prior history of violations, or other third party information which has been verified by the HACS; or

- If the family vacates a unit owing money or causing damage to the unit and fails to correct the violations

Notification of Eviction: If the family requests assistance to move and they did not notify the HA of an eviction within 10 days of receiving the Notice of Lease Termination, the move will be denied.

Interest in Unit: The owner may not reside in the assisted unit regardless of whether (s)he is a member of the assisted family, unless the family owns the mobile home and rents the pad under the Certificate Program.

Fraud: In each case, the HA will consider which family members were involved, the circumstances, and any hardship that might be caused to innocent members.

In the event of false citizenship claims, the HA will give the family member the opportunity to elect not to contend their status in lieu of termination of the entire family.

Drug Related and Violent Criminal Activity

Drug-related criminal activity is the illegal manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute or use a controlled substance.

Drug-related criminal activity means *on or off the* premises, *not just on or near the* premises.

Violent criminal activity includes any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against a person or property, and

The activity is being engaged in by any Family member.

Ineligibility if Evicted for Drug-Related Activity

Persons evicted from public housing, Indian housing, Section 23, or any Section 8 program because of drug-related criminal activity are ineligible for admission to Section 8 programs for a three-year period beginning on the date of such eviction.

The HA will waive this requirement if:

The person demonstrates successful completion of a rehabilitation program approved by the HA, or

The circumstances leading to the eviction no longer exist. For example, the individual involved in drugs is no longer in the household because the person is incarcerated.

Applicants will be denied assistance if they have been:

arrested, convicted, or evicted from a unit due to violent criminal activity within the last three years prior to the date of the certification interview.

Participants may be terminated who have been:

arrested, convicted, evicted from a unit due to drug-related or violent criminal activity within the last three years prior to the date of the notice to terminate assistance, and whose activities have created a disturbance in the building or neighborhood.

If the family violates the lease for drug-related or violent criminal activity, the HA will terminate assistance.

In appropriate cases, the HA may permit the family to continue receiving assistance provided that family members determined to have engaged in the proscribed activities will not reside in the unit. If the violating member is a minor, the HA may consider individual circumstances with the advice of Juvenile Court officials.

Screening Out Illegal Drug Users and Alcohol Abusers

The HA will deny participation in the program to applicants in cases where the HA determines there is reasonable cause to believe that the person 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. This includes cases where the HA determines that there is a *pattern* of illegal use of a controlled substance, or *pattern* of alcohol abuse.

The HA will consider the use of a controlled substance or alcohol to be a *pattern* if there is more than one incident during the previous 12 months.

The HA will waive this policy if the person demonstrates to the HA's satisfaction that the person is no longer engaging in the illegal use of a controlled substance or abuse of alcohol, and:

Has successfully completed a supervised drug or alcohol rehabilitation program;

Has otherwise been rehabilitated successfully; or

Is participating in a supervised drug or alcohol rehabilitation program.

Confidentiality of Criminal Records

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

Required Evidence

Preponderance of evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. The intent is not to prove criminal liability, but to establish that the act(s) occurred.

Preponderance of evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

Credible evidence may be obtained from police and/or court records. Testimony from neighbors, when combined with other factual evidence, can be considered credible evidence. Other credible evidence includes documentation of drug raids or arrest warrants.

Notice of Termination of Assistance

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

The reason(s) for the proposed termination,

The effective date of the proposed termination,

The family's right, if they disagree, to request an Informal Hearing to be held before termination of assistance.

The date by which a request for an informal hearing must be received by the HA.

The HA will simultaneously provide written notice of the contract termination to the owner so that it will coincide with the Termination of Assistance. The Notice to the

owner will not include any details regarding the reason for termination of assistance.

Note: The termination date may be revised if the tenant requests an Informal Hearing. The revised termination date would be for the purpose of providing the landlord with proper 30-day notice of termination from the date of notification of the hearing officer's decision regarding the termination.

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

Termination due to Ineligible Immigrant Status

Assistance may not be terminated while verification of the participant family's eligible immigration status is pending.

Participant families in which all members are neither U.S. citizens nor eligible immigrants must have their assistance terminated. They must be given an opportunity for a hearing.

False or Incomplete Information

When the HA has clear, concrete, or substantial documentation (such as a permanent resident card or information from another agency) that contradicts the declaration of citizenship made by an applicant or participant, an investigation will be conducted and the individual given an opportunity to present relevant information.

If the individual is unable to verify their citizenship, the HA may give him/her an opportunity to provide a new declaration as an eligible immigrant or to elect not to contend their status. The HA will then verify eligible status, deny, terminate, or prorate as applicable.

Procedure for Denial or Termination

If the family (or any member) claimed eligible immigrant status and the INS primary and secondary verifications failed to document the status, the family may make an appeal to the INS and request a hearing with the HA either after the INS appeal or in lieu of the INS appeal.

After the HA has made a determination of ineligibility, the family will be notified of the determination and the reasons and informed of process for requesting a review for prorated assistance.

D. $0 ASSISTANCE TENANTS [24 CFR 982.455 (a)]

Old Contracts

For contacts which were effective prior to 10/2/95, the HA is liable for unpaid rent and damages if the family vacates during the allowable 12 months after the last HAP payment. The HA must perform all of the functions normally required, such as reexaminations and inspections. The participant will be notified of the right to remain on the program at $0 assistance for 12 months. If the family is still in the unit after 12 months, the assistance will be terminated.

New Contracts

For contracts effective after 10/2/95, the HA has no liability for unpaid rent or damages, and the family may remain in the unit at $0 assistance for up to 180 days after the last HAP payment. If the family is still in the unit after 180 days, the assistance will be terminated. If within the 180 day time frame an owner rent increase or a decrease in the Total Tenant Payment cause the family to be eligible for a housing assistance payment, the HA will resume assistance payments for the family.

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

E. OPTION NOT TO TERMINATE FOR MISREPRESENTATION

[24 CFR 982.551, 982.552(c)]

If the family has misrepresented any facts that caused the HA to overpay assistance, the HA may choose not to terminate and may offer to continue assistance provided that the family executes a Repayment Agreement and makes payments in accordance with the agreement. or reimburses the HA in full.

The HACS approval to continue assistance is subject to the level of misrepresentation and whether there were any prior misrepresentations of family composition, income, or any other eligibility factors which would result in overpayment of assistance or other violations resulting in non-compliance with the program regulations.

F. MISREPRESENTATION IN COLLUSION WITH OWNER

[24 CFR 982.551, 982.552 (c)]

If the family is willingly and knowingly commits fraud or is involved in any other illegal scheme with the owner, the HA will deny or terminate assistance.

In making this determination, the HA will carefully consider the possibility of overt or implied intimidation of the family by the owner and the family's understanding of the events.

G. MISSED APPOINTMENTS AND DEADLINES [24 CFR 982.551, 982.552 (c)]

It is a Family Obligation to supply information, documentation, and certification as needed for the HA to fulfill its responsibilities. The HA schedules appointments and sets deadlines in order to obtain the required information. The Obligations also require that the family allow the HA to inspect the unit and appointments are made for this purpose.

An applicant or participant who fails to keep an appointment, or to supply information required by a deadline without notifying the HA will be sent a Notice of Denial or Termination of Assistance for failure to provide required information, or for failure to allow the HA to inspect the unit.

The family will be given information about the requirement to keep appointments, and the number of times appointments will be rescheduled as specified in this Plan.

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

1. Eligibility for Admissions
2. Verification Procedures
3. Certificate/Voucher Issuance and Briefings
4. Housing Quality Standards and Inspections
5. Recertifications
6. Appeals

Acceptable reasons for missing appointments or failing to provide information by deadlines are:

Medical emergency
Incarceration

Family emergency

Procedure when Appointments are Missed or Information not Provided

For most purposes in this Plan, the family will be given 2 opportunities before being issued a notice of termination or denial for breach of a family obligation.

After issuance of the termination notice, if the family offers to correct the breach within the time allowed to request a hearing:

The notice will be rescinded if the family offers to cure and the family does not have a history of non-compliance.

Chapter 12

CLAIMS, MOVE-OUT AND CLOSE-OUT INSPECTIONS
(For Contracts in Effect Prior to October 2, 1995)

INTRODUCTION

This Chapter describes the HA's policies, procedures and standards for servicing Contracts which were effective prior to October 2, 1995.

A. OWNER CLAIMS

Under HAP Contracts effective prior to October 2, 1995, owners may submit Claims for damages, unpaid rent, and vacancy loss (vacancy loss cannot be claimed in the Voucher Program) after the tenant has vacated the unit.

The HA will pay properly filed claims to the owner as a function of the contract, but the tenant is ultimately responsible to reimburse the HA for claims paid to the owner.

B. OWNER ELIGIBILITY FOR DAMAGE CLAIM INSPECTIONS

Move-out inspections shall be performed by the HACS Housing Inspectors only after the tenant has vacated the unit. The inspections are performed to assess the condition of the unit, and possibly evaluate tenant or owner caused HQS to determine a program participant's continued eligibility for the program.

The owner must notify the HA of the move-out and request an inspection within 72 hours of awareness of the vacancy in order to submit a claim for damages.

A damage claim will not be approved *unless* the move-out inspection is requested and completed prior to any work being completed. In the event that the HA is unable to inspect within 7 days or the owner is required to complete repairs to ensure the security of the unit, the owner will be permitted to use date-stamped photographs or a video to substantiate the claim. Claims for items not shown on the video or photographs will not be accepted for claim processing.

Owners requesting a Damage Claim Inspection shall be provided with a Damage Claim Packet. The owner must conduct a pre-inspection of the unit, noting any observed damage which is above and beyond normal wear prior to the HACS Damage Claim Inspection. This assessment must be provided at the HACS Damage Claim Inspection.

All notices to tenants during the processing of a claim must include and owner's proof of mailing or of personal delivery.

All unpaid rent, damage, and vacancy loss claim forms must be fully complete when they are submitted (including receipts for repairs), and they must be submitted within 45 days of the Damage Claim Inspection.

C. NOTIFICATION OF DAMAGE CLAIM INSPECTION

The owner and tenant will be notified of the date and time of the HACS Damage Claim inspection. If the owner is not present, the move-out inspection will be rescheduled unless the landlord agrees to allow another representative to attend the inspection.

D. CLAIMS FOR UNPAID RENT [24 CFR 887.215, 882.112 (d)]

Unpaid rent applies to the tenant's portion of rent during the tenant's term of residency. It does not include the tenant's obligation for rent beyond the termination date of the HAP Contract.

For Pre 10/2/95 Contracts: To compensate an owner for a tenant vacating the unit without notice, the HACS's shall allow Vacancy Loss. The landlord shall not also be entitled to claim compensation for 30-day notice requirements.

E. CLAIMED DAMAGES - ALLOWED/DISALLOWED

The following items are allowable and disallowed expenses to be submitted to the HACS for approval of a Damage Claim:

1. In the event that a tenant is deceased, the HA will allow compensation for lack of notice under the vacancy loss provisions.

2. Reasonableness of costs for replacement of items such as carpets, drapes, or appliances will be based on depreciation of items listed in the "Normal Wear and Tear Chart" as described in Appendix 8

3. The owner must provide information regarding the purchase date and price of items in which the owner is requesting replacement in order for the HACS to calculate the loss.

4. Damages which were caused during tenancy, were repaired and billed, but remain unpaid at move-out, can be considered "other items due under the lease" and included in the claim.

5. Eligible items to be included on the damage claim must have been the tenant's responsibility under the lease or State law.

6. Claims for unpaid utility bills, if the responsibility of the tenant under the terms of the lease, shall be allowed in the claim.

7. Costs of filing eviction to remove the tenant or any other legal fees, may be reimbursed.

8. Claims for normal wear and tear, previously existing conditions, routine turnover preparation, (such as routine cleaning and cyclical interior painting) shall not be approved.

9. Separate agreements are not considered a tenant obligation under the lease and the HA will not reimburse the owner for any claims under these agreements.

F. VACANCY LOSS IN THE CERTIFICATE PROGRAM [24 CFR 887.105]

Vacancy Loss is applicable to the Certificate Program only. Vacancy loss is paid if the move was in violation of the notice requirements in the lease, or the result of an eviction.
In order to claim vacancy loss, the unit must be available for lease and the landlord must:

1. Notify the HA within 72 hours upon learning of the vacancy, or prospective vacancy, and
2. Pursue all possible activities to fill the vacancy, including, but not limited to:
3. Contacting applicants on the owner's waiting list, if any;
4. Seeking eligible applicants by listing the unit with the HA,
5. Advertising the availability of the unit, and
6. Not rejecting potentially eligible applicants except for good cause.

G. PROCESSING CLAIMS

Any amount owed by the tenant to the owner for unpaid rent or damages will first be deducted from the maximum security deposit which the owner could have collected under the program rules. If the maximum allowable security deposit is insufficient to reimburse the owner for the unpaid tenant rent or other amounts which the family owes under the lease, the owner may request reimbursement from the HA up to the limits for each program.

If the owner claims vacancy loss, the security deposit that s/he collected or could have collected will not be deducted from the vacancy loss claim.

H. TENANT/OWNER DISPUTE OF CLAIM DISPOSITION

Upon HACS preliminary decision of the amount due under the claim, the family and owner shall be informed through correspondence which is sent to the last known address of each party.

The notification will state the determined amount, the type of claim, and describe the claim's procedure for contesting the claim.

The HA will offer the family and owner 15 days to contest the claim. If either the family or

owner disputes the claim, the HA will schedule a claims review with the owner and tenant in order to resolve the differences. If either the tenant or owner fails to attend the meeting, the HA will proceed with the scheduled claims unless there are extenuating circumstances.

At the Claim Review, the amount and type of claim will be discussed with the family. If the family agrees with the amount and type of claim, the family will be offered a Repayment Agreement.

If the family does not agree to sign a Payment Agreement, the HA will require full payment. Failure to repay or enter a repayment agreement shall result in program termination and the claim shall be submitted to the credit bureau for collection.

If the family demonstrates that the claim, or parts of it, is invalid, the HA will adjust the amount.

I. NOTIFICATION OF CLAIM APPROVAL

After a determination has been made, the HA will notify the family and owner in writing of the decision. If it has been determined that the family owes money, the HA will pursue collection to repay either in a lump sum or through a payment agreement. The notice will warn the family that their assistance may be terminated and they may be denied future participation in the program if they do not reimburse the HA as required.

Chapter 13

OWNER OR FAMILY DEBTS TO THE HA

INTRODUCTION

This Chapter describes the HA's policies for the recovery of moneys which have been overpaid for families, and to owners. When families or owners owe money to the HA, the HA will make every effort to collect it. The HA will use a variety of collection tools to recover debts including, but not limited to:

Requests for lump sum payments, Civil suits, Repayment agreements, Abatements, Reductions Collection agencies and Credit bureaus

A. REPAYMENT AGREEMENT FOR FAMILIES [24 CFR 792.103, 982.552 (b)(6-8)]

The HACS shall allow families to enter into repayment agreement under the following circumstances. The family will be eligible to enter into a Repayment Agreement if the family either:

1. Currently owes rent or other amount to the HACS or another housing authority in conn

2. Currently owes an overpayment of Housing Assistance Payments; or

3. Has not reimbursed any housing authority for amount paid to an owner under a HAP co under the lease

B. TERMS OF THE AGREEMENT

The terms of the agreement shall require the family to make an initial minimum payment of 10% of the opened claim amount within 2 calendar months of the final decision and between 12 and 24 equal monthly installments. The length of the repayment agreement shall be based upon the amount owed and the family's income status.

The initial payment must be received by the 1st of the month following the month in which the initial down payment was made.

After the initial payment, all subsequent payments are due by the first of the following month. Payment will be considered delinquent if not received in the HACS office by the fifth of each month at 5:00 p.m..

Supervisors must approve all repayment agreements. The Section 8 Director may approve repayment agreements that do not fall within the guidelines specified above.

Monthly payments may be decreased in cases of hardship with the prior notice of the family, verification of the hardship, and the approval of the Section 8 Director.

C. BREACH OF REPAYMENT AGREEMENT

The HACS will declare a repayment agreement in breach if the family fails to make the 10%

initial payment within 2 calendar months of the final decision or if the family fails to make two consecutive payments on time with no prior notification of a hardship request to amend the terms of the agreement. Failure to abide by the terms of the repayment agreement policy will result in program termination for the family.

D. SUBSEQUENT MONEYS OWED

If the family has a Repayment Agreement in place and incurs an additional debt to the HA the HA will not enter into more than one Repayment Agreement at a time with the same family.

E. OWNER DEBTS TO THE HA

If the HA determines that the owner has retained Housing Assistance or Claim Payments the owner is not entitled to, the HA may reclaim the amounts from future Housing Assistance or Claim Payments owed the owner for any units under contract.

If future Housing Assistance or Claim Payments are insufficient to reclaim the amounts owed, the
HA will require the owner to pay the amount in full within 30 days; or

the HACS shall pursue collections through the local court system and restrict the owner from future participation until the debt is paid in full.

Chapter 14

COMPLAINTS AND APPEALS

INTRODUCTION

The informal hearing requirements defined in HUD regulation are applicable to participating families who disagree with an action, decision, or inaction of the HA. This Chapter describes the policies, procedures and standards to be used when families disagree with an HA decision. The procedures and requirements are explained for preference denial meetings, informal reviews and hearings. It is the policy of the HA to

ensure that all families have the benefit of all protections due to them under the law.

A. COMPLAINTS TO THE HA

The HA will respond promptly to complaints from families, owners, employees, and members of the public. All complaints will be documented. The HA shall require that all complaints be put in writing. HQS complaints may be reported by telephone and followed up in writing.

The HA hearing procedures will be provided to families in the briefing packet.

B. INFORMAL REVIEW PROCEDURES FOR APPLICANTS

[24 CFR 982.54 (d) (12), 982.554]

Reviews are provided for applicants who are denied assistance prior to the effective date of a HAP Contract. NOTE: The exception to this rule is for decisions concerning denial of assistance for eligible immigrant status. Under these circumstances, the applicant is entitled to an informal hearing.

1. Notification to Applicants

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

a. The reason(s) they are ineligible; and

b. the time limit for requesting a review; and

c. the procedure for requesting a review if the applicant does not agree with the decision

2. Eligible Grounds for an Informal Review

The HA must provide applicants with the opportunity for an Informal Review of decisions denying:

a. Qualification for preference
b. Listing on the HA's waiting list
c. Issuance/Denial/Rescission of a Certificate or Voucher
d. Participation in the program
e. Refusal to enter into a HAP contract or approve a lease; and
f. Refusal to process or provide assistance under the Portability procedures

3. Ineligible Grounds for a Review

Informal Reviews are not required for established policies and procedures and HA determinations such as:

a. Discretionary administrative determinations by the HA
b. General policy issues or class grievances
c. A determination of the family unit size under the HA subsidy standards
d. Refusal to extend or suspend a Certificate or Voucher
e. Disapproval of lease
f. Determination that unit is not in compliance with HQS
g. Determination that unit is not in accordance with HQS due to family size or composition

4. Informal Review Process

A request for an Informal Review must be received in writing or by telephone by the close of the business day, no later than 30 days from the date of the HA's notification of denial of assistance. An “Informal Request Form” is then sent to the participant/applicant which must be returned within 10 days from the date sent. The informal review will be scheduled within 20 days from the date the “Informal Request Form” is received by the HACS.

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

The Review may be conducted by either a management staff person or an individual from outside the HACS and may be conducted by mail or telephone if acceptable to both parties.

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

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

A Notice of the Review findings will be provided in writing to the applicant within 14 days after the review. It shall include the decision of the review officer, and an explanation of the reasons for the decision.

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

C. INFORMAL HEARING PROCEDURES [24 CFR 982.555 (a-f), 982.54(d)(13)]

1. Participant Notification

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

a. The proposed action or decision of the HA;
b. The date the proposed action or decision will take place;
c. The family's right to an explanation of the basis for the HA's decision.
d. The procedures for requesting a hearing if the family disputes the action or decision;
e. The time limit for requesting the hearing.
f. To whom the hearing request should be addressed

2. Grounds for an Informal Hearing

The HA must provide participants with the opportunity for an Informal Hearing for decisions related to any of the following HA determinations:

a. Determination of the family's annual or adjusted income and the computation of the housing assistance payment
b. Appropriate utility allowance used from schedule
c. Family unit size determination under HA subsidy standards
d. Determination that Certificate program family is underoccupied in their current unit and a request for exception is denied
e. Determination to terminate assistance for any reason.

f. Determination to terminate a family's FSS Contract, withhold supportive services, or propose forfeiture of the family's escrow account.

g. Determination to pay an owner claim for damages, unpaid rent or vacancy loss.

The HA shall provide the opportunity for an informal hearing prior to termination of assistance.

3. Ineligible Grounds for an Informal Hearing

Informal Hearings are not required for established policies and procedures and HA determinations such as:

a. Discretionary administrative determinations by the HA
b. General policy issues or class grievances
c. Establishment of the HA schedule of utility allowances
d. An HA determination not to approve an extension or suspension of a certificate or voucher term
e. An HA determination not to approve a unit or lease
f. An HA determination that an assisted unit is not in compliance with HQS (HA must provide hearing for family breach of HQS because that is a family obligation determination)
g. An HA determination that the unit is not in accordance with HQS because of the family size
h. An HA determination to exercise or not exercise any right or remedy against the owner under a HAP contract

4. Notification of Hearing

It is the HA's objective to resolve disputes at the lowest level possible, and to make every effort to avoid the most severe remedies. However, if this is not possible, the HA will ensure that applicants and participants will receive all of the protections and rights afforded by the law and regulations.

The program participant requesting a hearing must request the “Informal Hearing Request Form” within 30 days from the receipt of notification of action and return the form to the HACS within 10 days form the date of the form. When the HACS receives form, a hearing shall be scheduled within 20 days. The notification of the hearing will contain:

a. The date and time of the hearing
b. The location where the hearing will be held
c. The family's right to bring evidence, witnesses, legal or other representation at the family's expense
d. The right to view any documents or evidence in the possession of the HA upon which the HA based the proposed action and, at the family's expense, to obtain a copy of such documents prior to the hearing.
e. A notice to the family that the HA will request a copy of any documents or evidence the family will use at the hearing.

5. Rescheduling

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

If the family does not appear at the scheduled time, and did not make arrangements in advance, the HA will automatically reschedule the hearing. If a family does not appear at a scheduled hearing and has not rescheduled the hearing in advance, the family must contact the HA within 72 hours, excluding weekends and holidays. The HA will reschedule the hearing only if the family can show good cause for the failure to appear.

6. Families Rights

Families have the right to:

a. Present written or oral objections to the HA's determination.
b. Examine the documents in the file which are the basis for the HA's action, and all documents submitted to the Hearing Officer;
c. Copy any relevant documents at their expense;
d. Present any information or witnesses pertinent to the issue of the hearing;
e. Request that HA staff be available or present at the hearing to answer questions pertinent to the case; and
f. Be represented by legal counsel, advocate, or other designated representative at their own expense.

If the family requests copies of documents relevant to the hearing, the HA will make the copies for the family and assess a charge of $1.00 per copy. In no case will the family be allowed to remove the file from the HA's office.

7. Housing Authority Rights

In addition to other rights contained in this Chapter, the HA has a right to:

a. Present evidence and any information pertinent to the issue of the hearing;

b. Be notified if the family intends to be represented by legal counsel, advocate, or another party;

c. Examine and copy any documents to be used by the family prior to the hearing;

d. Have its attorney present; and

e. Have staff persons and other witnesses familiar with the case present.

8. Informal Hearing Process

The Informal Hearing shall be conducted by the Hearing Officer appointed by the HA who is neither the person who made or approved the decision, nor a subordinate of that person. The HA appoints hearing officers who are HA management staff persons.

The hearing shall concern only the issues for which the family has received the opportunity for hearing. Evidence presented at the hearing may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

No documents may be presented which have not been provided to the other party before the hearing if requested by the other party. "Documents" includes records and regulations.

The family must request an audio recording of the hearing, if desired, no less than 3 days prior to the hearing date.

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

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

A notice of the Hearing Findings shall be provided in writing to the HA and the family within days and shall include:

a. A clear summary of the decision and reasons for the decision;
b. If the decision involves money owed, the amount owed; and
c. The date the decision goes into effect.
d. The Code of Civil Procedure applicable to a participant's seeking judicial review

9. Decisions For Which the HACS is Not Bound

The HA is not bound by hearing decisions:

a. Which concern matters in which the HA is not required to provide an opportunity for a hearing
b. Which conflict with or contradict to HUD regulations or requirements;
c. Which conflict with or contradict Federal, State or local laws; or
d. Which exceed the authority of the person conducting the hearing.

The HA shall send a letter to the participant if it determines the HA is not bound by the Hearing Officer's determination within 7 days. The letter shall include the HA's reasons for the decision.

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

D. CIRCUMSTANCES FOR APPS/PARTICIPANTS WITH DISABILITIES

When applicants are denied placement on the waiting list, or the HA is terminating assistance, the HACS will consider the presence of a disability as a mitigating circumstance during the informal review process.

Examples of possible mitigating circumstances: a) A person with a cognitive disorder may not have understood the requirement to report increases in income, b) A person may not understand the need to make regular repayments on a promissory note, c) Minor criminal records for public drunkenness may be due to medication; prior incarcerations for being disorderly may be emotional disorder.

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

Assistance to the family may not be delayed, denied or terminated on the basis of immigration status at any time prior to the receipt of the decision on the INS appeal.

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

INS Determination of Ineligibility

If a family member claims to be an eligible immigrant and the INS SAVE system and manual search do not verify the claim, the HA notifies the applicant or participant within ten days of their right to appeal to the INS within thirty days or to request an informal hearing with the HA either in lieu of or subsequent to the INS appeal.

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

The request for an HA hearing must be made within fourteen days of receipt of the notice offering the hearing or, if an appeal was made to the INS, within fourteen days of receipt of that notice.

After receipt of a request for an informal hearing, the hearing is conducted as described in section C of this chapter for both applicants and participants. If the hearing officer decides that the individual is not eligible, and there are no other eligible family members the HA will
deny the applicant or participant family.

If there are eligible members in the family, the HA will offer to prorate assistance or give the family the option to remove the ineligible members.

All other complaints related to eligible citizen/immigrant status:

> If any family member fails to provide documentation or certification as required by the regulation, that member is treated as ineligible. If all family members fail to provide, the family will be denied or terminated for failure to provide.
>
> Participants whose assistance is pro-rated (either based on their statement that

some members are ineligible or due to failure to verify eligible immigration status for some members after exercising their appeal and hearing rights described above) are entitled to a hearing based on the right to a hearing regarding determinations of tenant rent and Total Tenant Payment.

Families denied or terminated for fraud in connection with the non-citizens rule are entitled to a review/hearing similar to the process of termination for any other type of fraud.

CHAPTER 15

PROGRAM INTEGRITY ADDENDUM

INTRODUCTION

The US Department of HUD conservatively estimates that 200 million dollars is paid annually to program participants who falsify or omit material facts in order to gain more rental assistance than they are entitled to under the law. HUD further estimates that 12% of all HUD-assisted families are either totally ineligible, or are receiving benefits which exceed their legal entitlement.

The HACS is committed to assuring that the proper level of benefits is paid to all participating families, and that housing resources are utilized for income-eligible families.

This Chapter outlines the HA's policies for the prevention, detection and investigation of program abuse and fraud.

A. PREVENTATION OF PROGRAM ABUSE AND FRAUD

The HACS will utilize the following methods and practices to educate families on their responsibilities and minimize program abuse, non-compliance, and willful violations of program rules by applicants and participating families.

1. ***Things You Should Know.*** This program integrity bulletin (created by HUD's Inspector General) will be furnished and explained to all applicants to promote understanding of program rules, and to clarify the HA's expectations for cooperation and compliance.

2. **Program Orientation Session.** Mandatory orientation sessions will be conducted by the HA staff for all prospective program participants, either prior to or upon issuance of a certificate or voucher. At the conclusion of all Program Orientation Sessions, the family representative will be required to sign a "Family Obligations Form" to confirm that all rules and pertinent regulations were explained to them.

3. **Resident Counseling.** The HA will routinely provide participant counseling as a part of every recertification interview in order to clarify any confusion pertaining to program rules

4. **Review and explanation of Forms.** Staff will explain all required forms and review the contents of all (re)certification documents prior to signature.

5. **Use of Instructive Signs and Warnings.** Instructive signs will be conspicuously posted in common areas and interview areas to reinforce compliance with program rules and to warn about penalties for fraud and abuse

6. **Participant Certification.** All family representatives will be required to sign a "Participant Certification" form, as contained in HUD's Participant Integrity Program Manual.

B. DETECTION OF PROGRAM ABUSE AND FRAUD

The HA Staff will maintain a high level of awareness to indicators of possible abuse and fraud by assisted families.

1. Quality Control File Reviews

Prior to initial certification, and at the completion of all subsequent recertifications, 15% of files will be reviewed. Such reviews shall include, but are not limited to:

a. Assurance that verification of all income and deductions is present.
b. Authenticity of file documents.
c. Ratio between reported income and expenditures.
d. Review of signatures for consistency with previously signed file Documents.
e. All forms are correctly dated and signed.

2. Observation

The HACS staff will maintain high awareness of circumstances which may indicate program abuse or fraud, such as unauthorized persons residing in the household and unreported income.

a. Inspection observations will be documented in the family's file.

b. Public Record Bulletins may be reviewed by Management and Staff.

c. State Wage Data Record Keepers. Inquiries to State Wage and Employment record keeping agencies as authorized under Public Law 100-628, the Stewart B. McKinley Homeless Assistance Amendments Act of 1988, may be made annually in order to detect unreported wages or unemployment compensation benefits

d. Credit Bureau Inquiries. Credit Bureau inquiries may be made (with proper authorization by the participant) in the following circumstances:

1. When an allegation is received by the HA wherein unreported income sources are disclosed.

2. When a participant's expenditures exceed his/her reported income, and no plausible explanation is given.

C. CRITERIA FOR INVESTIGATION OF SUSPECTED ABUSE AND FRAUD

Under no circumstances will the HA undertake an inquiry or an audit of a participating family arbitrarily. The HA's expectation is that participating families will comply with HUD requirements, provisions of the certificate or voucher, and other program rules. The HA staff will make every effort (formally and informally) to orient and educate all families to prevent unintentional violations.

The HA will initiate an investigation of a participating family only in the event of one or more of the following circumstances:

1. Referrals, Complaints, or Tips. The HA will follow up on referrals from other agencies, companies or persons which are received by mail, by telephone or in person, which allege that a family is in non-compliance with, or otherwise violating the family obligations or any other program rules. Such follow-up will be made providing that the referral contains at least one item of information that is independently verifiable. A copy of the allegation will be retained in the family's file.

2. **Internal File Review.** A follow-up will be made if HA staff discovers (as a function of a certification or recertification, an interim redetermination, or a quality control review), information or facts which conflict with previous file data, the HA's knowledge of the family, or is discrepant with statements made by the family.

3. **Verification of Documentation.** A follow-up will be made if the HA receives independent verification or documentation which conflicts with representations in the family's file (such as public record information or credit bureau reports, reports from other agencies).

D. THE HA'S HANDLING OF ALLEGATIONS OF POSSIBLE ABUSE AND FRAUD

The HA staff will encourage all participating families to report suspected abuse to the HACS. All such referrals, as well as referrals from community members and other agencies, will be thoroughly documented and placed in the participant's file. All allegations, complaints and tips will be carefully evaluated in order to determine if they warrant follow-up. The Section 8 Department will not follow up on allegations which are vague or otherwise non-specific. They will only review allegations which contain one or more independently verifiable facts.

1. File Review

When a review of the case file or a complaint results in an allegation of abuse or fraud, an internal file review will be conducted to determine:

a. If the subject of the allegation is a client and to determine whether or not the information reported has been previously disclosed by the family.

b. It will then be determined if the HA is the most appropriate authority to do a follow-up (more so than police or social services). Any file documentation of past behavior as well as corroborating complaints will be evaluated.

2. Conclusion of Preliminary Review

If at the conclusion of the preliminary file review there is/are fact(s) contained in the allegation which conflict with file data, and the fact(s) are independently verifiable, the

Section 8 Department will initiate an investigation to determine if the allegation is true or false.

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E. HOW THE HA WILL INVESTIGATE ALLEGATIONS OF ABUSE AND FRAUD

If the HA determines that an allegation or referral warrants follow-up, the HACS will commence an investigation. The steps taken will depend upon the nature of the allegation and may include, but are not limited to, the items listed below. In all cases, the HA will secure the written authorization from the program participant for the release of income and credit information.

Sources and verification types include, but are not limited to:

a. Credit Bureau Agencies- In cases involving previously unreported income source

b. Verification of Credit. In cases where the financial activity conflicts with file data, a *Verification of Credit* form may be mailed to the creditor in order to determine the unreported income source.

c. Employers and Ex-Employers. Employers or ex-employers may be contacted to verify wages which may have been previously undisclosed or misreported.

d. Witnesses. Neighbors and/or other witnesses may be interviewed who are believed to have direct or indirect knowledge of facts related to the investigation

e. Other Agencies. Investigators, case workers or representatives of other benefit agencies may be contacted.

f. Public Records. If relevant, the HA will review public records kept in any jurisdic registration, judgments, court or police records, state wage records, utility records and postal records.

g. Interviews with Head of Household or Family Members. The HA will discuss the allegation (or details thereof) with the Head of Household or family member by scheduling an appointment at the appropriate HA office. A high standard of courtesy and professionalism will be maintained by the HA staff person who conducts such interviews. Under no circumstances will inflammatory language, accusation, or any unprofessional conduct or language be tolerated by the management. If possible, an additional staff person will attend such interviews.

F. PLACEMENT OF DOCUMENTS, EVIDENCE AND STATEMENTS OBTAINED BY THE HA

Documents and other evidence obtained by the HA during the course of an investigation will be considered "work product" and will either be kept in the participant's file, or in a separate "work file." In either case, the participant's file or work file shall be kept in the Section 8 Director's office. Such cases under review will not be discussed among HA Staff unless they are involved in the process, or have information which may assist in the investigation.

G. CONCLUSION OF THE HA'S INVESTIGATIVE REVIEW

At the conclusion of the investigative review, the reviewer will report the findings to the Section 8 Director. It will then be determined whether a violation has occurred, a violation has not occurred, or if the facts are inconclusive.

H. EVALUATION OF THE FINDINGS

If it is determined that a program violation has occurred, the HA will review the facts to determine:

1. The type of violation (procedural, non-compliance, fraud).
2. Whether the violation was intentional or unintentional.
3. What amount of money (if any) is owed by the family.
4. If the family is eligible for continued occupancy.

I. ACTION PROCEDURES FOR VIOLATIONS WHICH HAVE BEEN DOCUMENTED

Once a program violation has been documented, the HA will propose the most appropriate remedy based upon the type and severity of the violation.

1. Procedural Non-compliance

This category applies when the family “fails to” observe a procedure or requirement of the HA , but does not misrepresent a material fact, and there is no retroactive assistance payments owed by the family. Examples of non-compliance violations are: failure to appear at a pre-scheduled appointment or failure to return verification in time period specified by the HA.
In such cases a warning notice will be sent to the family which contains the following:

a. A description of the non-compliance and the procedure, policy or obligation which was violated.

b. The date by which the violation must be corrected, or the procedure complied with.

c. The action which will be taken by the HA if the procedure or obligation is not complied with by the date specified by the HA.

d. The consequences of repeated (similar) violations.

2. Procedural Non-compliance - Overpaid Assistance

When the family owes money to the HA for failure to report changes in income or assets, the HA will issue a Notification of Overpayment of Assistance. This Notice will contain the following:

a. A description of the violation and the date(s).
b. Any amounts owed to the HA .
c. The right to disagree and to request an informal hearing with instructions for the request of such hearing.

Participant Fails to Comply with HA’s Notice. If the Participant fails to comply with the HA’s notice, and a family obligation has been violated, the HA will initiate termination of assistance.

Participant Complies with HA’s Notice. When a family complies the HA’s notice, the staff person responsible will meet with him/her to discuss and explain the Family Obligation or program rule which was violated. The staff person will complete a Participant Counseling Report, give one copy to the family and retain a copy in the family’s file.

3. Intentional Misrepresentations

When a participant falsifies, misstates, omits or otherwise misrepresents a material fact which results (or would have resulted) in an overpayment of housing assistance by the HA, the HA will evaluate whether or not:

a. the participant had knowledge that his/her actions were wrong, and
b. the participant willfully violated the family obligations or the law.

Knowledge that the action or inaction was wrong. This will be evaluated by determining if the participant was made aware of program requirements and prohibitions. The participant's signature on various certification, briefing certificate, Personal Declaration and Things You Should Know are adequate to establish knowledge of wrong-doing.

The participant willfully violated the law. Any of the following circumstances will be considered adequate to demonstrate willful intent:

a. An admission by the participant of the misrepresentation.
b. That the act was done repeatedly.
c. If a false name or Social Security Number was used.
d. If there were admissions to others of the illegal action or omission.
e. That the participant omitted material facts which were known to him/her (e.g., employment of self or other household member).
f. That the participant falsified, forged or altered documents.
g. That the participant uttered and certified to statements at a interim (re)determination which were later independently verified to be false.

4. Dispositions of Cases Involving Misrepresentations

In all cases of misrepresentations involving efforts to recover monies owed, the HA may pursue, depending upon its evaluation of the criteria stated above, one or more of the following actions:

a. Criminal Prosecution: If the HA has established criminal intent, and the case meets the criteria for prosecution, the HA will:

   Refer the case to the local State or District Attorney, notify HUD's RIGI, and terminate rental assistance.

b. Administrative Remedies: The HA may either:

Terminate assistance and demand payment of restitution in full; or

Terminate assistance and execute an administrative repayment agreement in accordance with the HA's Repayment Policy; or

Terminate assistance and pursue restitution through civil litigation.

Continue assistance at the correct level upon repayment of restitution in full

Permit continued assistance at the correct level and execute an administrative repayment agreement in accordance with the HA's repayment policy.

5. The Case Conference for Serious Violations and Misrepresentations

When the HA has established that material misrepresentation(s) have occurred, a Case Conference will be scheduled with the family representative and the HA staff person who is most knowledgeable about the circumstances of the case.

This conference will take place prior to any proposed action by the HA. The purpose of such conference is to review the information and evidence obtained by the HA with the participant, and to provide the participant an opportunity to explain any document findings which conflict with representations in the family's file. Any documents or mitigating circumstances presented by the family will be taken into consideration by the HA . The family will be given 14 days to furnish any mitigating evidence.

A secondary purpose of the Participant Conference is to assist the HA in determining the course of action most appropriate for the case. Prior to the final determination of the proposed action, the HA will consider:

a. The duration of the violation and number of false statements.

b. The family's ability to understand the rules.

c. The family's willingness to cooperate, and to accept responsibility for his/her actions

d. The amount of money involved.

e. The family's past history
f. Whether or not criminal intent has been established.
g. The number of false statements.

6. Notification to Participant of Proposed Action

The HA will notify the family of the proposed action no later than 21 days after the case conference by certified mail.

Chapter 14

COMPLAINTS AND APPEALS

INTRODUCTION

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

A. COMPLAINTS TO THE HA

The HA will respond promptly to complaints from families, owners, employees, and members of the public. All complaints will be documented. The HA shall require that all complaints be put in writing. HQS complaints may be reported by telephone and followed up in writing.

The HA hearing procedures will be provided to families in the briefing packet.

B. INFORMAL REVIEW PROCEDURES FOR APPLICANTS

[24 CFR 982.54 (d) (12), 982.554]

Reviews are provided for applicants who are denied assistance prior to the effective date of a HAP Contract. NOTE: The exception to this rule is for decisions concerning denial of assistance for eligible immigrant status. Under these circumstances, the applicant is entitled to an informal hearing.

1. Notification to Applicants

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

a. The reason(s) they are ineligible; and

b. the time limit for requesting a review; and

c. the procedure for requesting a review if the applicant does not agree with the decision

2. Eligible Grounds for an Informal Review

The HA must provide applicants with the opportunity for an Informal Review of decisions denying:

a. Qualification for preference
b. Listing on the HA's waiting list
c. Issuance/Denial/Rescission of a Certificate or Voucher
d. Participation in the program
e. Refusal to enter into a HAP contract or approve a lease; and
f. Refusal to process or provide assistance under the Portability procedures

3. Ineligible Grounds for a Review

Informal Reviews are not required for established policies and procedures and HA determinations such as:

a. Discretionary administrative determinations by the HA
b. General policy issues or class grievances
c. A determination of the family unit size under the HA subsidy standards
d. Refusal to extend or suspend a Certificate or Voucher
e. Disapproval of lease
f. Determination that unit is not in compliance with HQS
g. Determination that unit is not in accordance with HQS due to family size or composition

4. Informal Review Process

A request for an Informal Review must be received in writing or by telephone by the close of the business day, no later than 30 days from the date of the HA's notification of denial of assistance. An “Informal Request Form” is then sent to the participant/applicant which must be returned within 10 days from the date sent. The informal review will be scheduled within 20 days from the date the “Informal Request Form” is received by the HACS.

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

The Review may be conducted by either a management staff person or an individual from outside the HACS and may be conducted by mail or telephone if acceptable to both parties.

The applicant will be given the option of presenting oral or written objections to the decision. Both the HA and the family may present evidence and witnesses. The family may use an attorney or other representative to assist them at their own expense.

A Notice of the Review findings will be provided in writing to the applicant within 14 days after the review. It shall include the decision of the review officer, and an explanation of the reasons for the decision.

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

C. INFORMAL HEARING PROCEDURES [24 CFR 982.555 (a-f), 982.54(d)(13)]

1. Participant Notification

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

a. The proposed action or decision of the HA;
b. The date the proposed action or decision will take place;
c. The family's right to an explanation of the basis for the HA's decision.
d. The procedures for requesting a hearing if the family disputes the action or decision;
e. The time limit for requesting the hearing.
f. To whom the hearing request should be addressed

2. Grounds for an Informal Hearing

The HA must provide participants with the opportunity for an Informal Hearing for decisions related to any of the following HA determinations:

a. Determination of the family's annual or adjusted income and the computation of the housing assistance payment
b. Appropriate utility allowance used from schedule
c. Family unit size determination under HA subsidy standards
d. Determination that Certificate program family is underoccupied in their current unit and a request for exception is denied
e. Determination to terminate assistance for any reason.
f. Determination to terminate a family's FSS Contract, withhold supportive services, or propose forfeiture of the family's escrow account.
g. Determination to pay an owner claim for damages, unpaid rent or vacancy loss.

The HA shall provide the opportunity for an informal hearing prior to termination of assistance.

3. Ineligible Grounds for an Informal Hearing

Informal Hearings are not required for established policies and procedures and HA determinations such as:

a. Discretionary administrative determinations by the HA
b. General policy issues or class grievances
c. Establishment of the HA schedule of utility allowances
d. An HA determination not to approve an extension or suspension of a

certificate or voucher term

e. An HA determination not to approve a unit or lease
f. An HA determination that an assisted unit is not in compliance with HQS (HA must provide hearing for family breach of HQS because that is a family obligation determination)
g. An HA determination that the unit is not in accordance with HQS because of the family size
h. An HA determination to exercise or not exercise any right or remedy against the owner under a HAP contract

4. Notification of Hearing

It is the HA's objective to resolve disputes at the lowest level possible, and to make every effort to avoid the most severe remedies. However, if this is not possible, the HA will ensure that applicants and participants will receive all of the protections and rights afforded by the law and regulations.

The program participant requesting a hearing must request the “Informal Hearing Request Form” within 30 days from the receipt of notification of action and return the form to the HACS within 10 days form the date of the form. When the HACS receives form, a hearing shall be scheduled within 20 days. The notification of the hearing will contain:

a. The date and time of the hearing
b. The location where the hearing will be held
c. The family's right to bring evidence, witnesses, legal or other representation at the family's expense
d. The right to view any documents or evidence in the possession of the HA upon which the HA based the proposed action and, at the family's expense, to obtain a copy of such documents prior to the hearing.
e. A notice to the family that the HA will request a copy of any documents or evidence the family will use at the hearing.

5. Rescheduling

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

If the family does not appear at the scheduled time, and did not make arrangements in advance, the HA will automatically reschedule the hearing. If a family does not appear at a scheduled hearing and has not rescheduled the hearing in advance, the family must contact the HA within 72 hours, excluding weekends and holidays. The HA will reschedule the hearing only if the family can show good cause for the failure to appear.

6. Families Rights

Families have the right to:

a. Present written or oral objections to the HA's determination.
b. Examine the documents in the file which are the basis for the HA's action, and all documents submitted to the Hearing Officer;
c. Copy any relevant documents at their expense;
d. Present any information or witnesses pertinent to the issue of the hearing;
e. Request that HA staff be available or present at the hearing to answer questions pertinent to the case; and
f. Be represented by legal counsel, advocate, or other designated representative at their own expense.

If the family requests copies of documents relevant to the hearing, the HA will make the copies for the family and assess a charge of $1.00 per copy. In no case will the family be allowed to remove the file from the HA's office.

7. Housing Authority Rights

In addition to other rights contained in this Chapter, the HA has a right to:

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

8. Informal Hearing Process

The Informal Hearing shall be conducted by the Hearing Officer appointed by the HA who is neither the person who made or approved the decision, nor a subordinate of that person. The HA appoints hearing officers who are HA management staff persons.

The hearing shall concern only the issues for which the family has received the opportunity for hearing. Evidence presented at the hearing may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

No documents may be presented which have not been provided to the other party before the hearing if requested by the other party. "Documents" includes records and regulations.

The family must request an audio recording of the hearing, if desired, no less than 3 days prior to the hearing date.

The Hearing Officer may ask the family for additional information and/or might adjourn

the Hearing in order to reconvene at a later date, before reaching a decision.

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

A notice of the Hearing Findings shall be provided in writing to the HA and the family within days and shall include:

a. A clear summary of the decision and reasons for the decision;
b. If the decision involves money owed, the amount owed; and
c. The date the decision goes into effect.
d. The Code of Civil Procedure applicable to a participant's seeking judicial review of the decision

9. Decisions For Which the HACS is Not Bound

The HA is not bound by hearing decisions:

a. Which concern matters in which the HA is not required to provide an opportunity for a hearing
b. Which conflict with or contradict to HUD regulations or requirements;
c. Which conflict with or contradict Federal, State or local laws; or
d. Which exceed the authority of the person conducting the hearing.

The HA shall send a letter to the participant if it determines the HA is not bound by the Hearing Officer's determination within 7 days. The letter shall include the HA's reasons for the decision.

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

D. CIRCUMSTANCES FOR APPS/PARTICIPANTS WITH DISABILITIES

When applicants are denied placement on the waiting list, or the HA is terminating assistance, the HACS will consider the presence of a disability as a mitigating circumstance during the informal review process.

Examples of possible mitigating circumstances: a) A person with a cognitive disorder may not have understood the requirement to report increases in income, b) A person may not understand the need to make regular repayments on a promissory note, c) Minor criminal records for public drunkenness may be due to medication; prior incarcerations for being disorderly may be emotional disorder.

E. HEARING AND APPEAL PROVISIONS FOR "RESTRICTIONS ON

ASSISTANCE TO NON-CITIZENS" [24 CFR Part 5, Subpart E]

Assistance to the family may not be delayed, denied or terminated on the basis of immigration status at any time prior to the receipt of the decision on the INS appeal.

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

INS Determination of Ineligibility

If a family member claims to be an eligible immigrant and the INS SAVE system and manual search do not verify the claim, the HA notifies the applicant or participant within ten days of their right to appeal to the INS within thirty days or to request an informal hearing with the HA either in lieu of or subsequent to the INS appeal.

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

The request for an HA hearing must be made within fourteen days of receipt of the notice offering the hearing or, if an appeal was made to the INS, within fourteen days of receipt of that notice.

After receipt of a request for an informal hearing, the hearing is conducted as described in section C of this chapter for both applicants and participants. If the hearing officer decides that the individual is not eligible, and there are no other eligible family members the HA will
deny the applicant or participant family.

If there are eligible members in the family, the HA will offer to prorate assistance or give the family the option to remove the ineligible members.

All other complaints related to eligible citizen/immigrant status:

If any family member fails to provide documentation or certification as required by the regulation, that member is treated as ineligible. If all family members fail to provide, the family will be denied or terminated for failure to provide.

Participants whose assistance is pro-rated (either based on their statement that some members are ineligible or due to failure to verify eligible immigration status for some members after exercising their appeal and hearing rights described above) are entitled to a hearing based on the right to a hearing regarding determinations of tenant rent and Total Tenant Payment.

Families denied or terminated for fraud in connection with the non-citizens rule are entitled to a review/hearing similar to the process of termination for any other type of fraud.

Resident's Comments:

We have held meetings with the Authority's Resident Advisory Board members during our development of our proposed Plan. These residents, through their comments, have provided input into the development of the Plan. Those comments, as well as our response, included the following:

In Process as of 5-24-05

AGREEMENT
FOR
INDEPENDENT CONTRACTOR SERVICES

This AGREEMENT FOR INDEPENDENT CONTRACTOR SERVICES (the “Agreement”) is made and entered into by and between the COUNTY OF STANISLAUS ("County") and **Housing Authority of the County of Stanislaus** ("Contractor") on January 1, 2005.

RECITALS

WHEREAS, the County has a need to provide a Security Deposit Loan program for StanWORKs recipients; and

WHEREAS, the Contractor is specially trained, experienced and competent to perform and has agreed to provide such services;

NOW, THEREFORE, in consideration of the mutual promises, covenants, terms and conditions hereinafter contained, the parties hereby agree as follows:

TERMS AND CONDITIONS

1. SCOPE OF WORK

1.1 The Contractor shall furnish to the County upon execution of this Agreement or receipt of the County's written authorization to proceed, those services and work set forth in **Exhibit A**, attached hereto and, by this reference, made a part hereof.

1.2 All documents, drawings and written work product prepared or produced by the Contractor under this Agreement, including without limitation electronic data files, are the property of the Contractor; provided, however, the County shall have the right to reproduce, publish and use all such work, or any part thereof, in any manner and for any purposes whatsoever and to authorize others to do so. If any such work is copyrightable, the Contractor may copyright the same, except that, as to any work which is copyrighted by the Contractor, the County reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, and use such work, or any part thereof, and to authorize others to do so.

1.3 Services and work provided by the Contractor at the County's request under this Agreement will be performed in a timely manner consistent with the requirements and standards established by applicable federal, state and County laws, ordinances, regulations and resolutions.

2. CONSIDERATION

2.1 County shall pay Contractor as set forth in Exhibit A.

2.2 Except as expressly provided in Exhibit A of this Agreement, Contractor shall not be entitled to nor receive from County any additional consideration, compensation, salary, wages or other type of remuneration for services rendered under this Agreement. Specifically, Contractor shall not be entitled by virtue of this Agreement to consideration in the form of overtime, health insurance benefits, retirement benefits, disability retirement benefits, sick leave, vacation time, paid holidays or other paid leaves of absence of any type or kind whatsoever.

2.3 County will not withhold any Federal or State income taxes or Social Security tax from any payments made by County to Contractor under the terms and conditions of this Agreement. Payment of all taxes and other assessments on such sums is the sole responsibility of Contractor. County has no responsibility or liability for payment of Contractor's taxes or assessments.

2.4 Pursuant to Penal Code section 484b and to Business and Professions Code section 7108.5, the Contractor must apply all funds and progress payments received by the Contractor from the County for payment of services, labor, materials or equipment to pay for such services, labor, materials or equipment. Pursuant to Civil Code section 1479, the Contractor shall direct or otherwise manifest the Contractor’s intention and desire that payments made by the Contractor to subcontractors, suppliers and materialmen shall be applied to retire and extinguish the debts or obligations resulting from the performance of this Agreement.

2.5 Payment of all services provided in accordance with the provisions of this contract contingent upon the availability of County, State and Federal funds.

3. TERM

3.1 The term of this Agreement shall be from the date of approval of this Agreement until completion of the agreed upon services unless sooner terminated as provided below or unless some other method or time of termination is listed in Exhibit A.

3.2 Should either party default in the performance of this Agreement or materially breach any of its provisions, the other party, at that party's option, may terminate this Agreement by giving written notification to the other party.

3.3 This Agreement shall terminate automatically on the occurrence of (a) bankruptcy or insolvency of either party, (b) sale of Contractor's business, (c) cancellation of insurance required under the terms of this Agreement, and (d) if, for any reason, Contractor ceases to be licensed or otherwise authorized to do business in the

State of California, and the Contractor fails to remedy such defect or defects within thirty (30) days of receipt of notice of such defect or defects.

3.4 The County may terminate this agreement upon 30 days prior written notice to the Contractor. Termination of this Agreement shall not affect the County's obligation to pay for all fees earned and reasonable costs necessarily incurred by the Contractor as provided in Paragraph 2 herein, subject to any applicable setoffs.

3.5 Either party may terminate this agreement, by giving thirty (30) days written notice to the other party.

4. WORK SCHEDULE

Contractor is obligated to perform in a timely manner those services and work identified in Exhibit A. It is understood by Contractor that the performance of these services and work will require the Contractor to perform the services and work in conformance with the schedule set forth in Exhibit A, if any, and, if there is no schedule, the hours and times for completion of said services and work are to be set by the Contractor; provided, however, that such schedule is subject to review by and concurrence of the County.

5. REQUIRED LICENSES, CERTIFICATES AND PERMITS

Any licenses, certificates or permits required by the federal, state, county or municipal governments for Contractor to provide the services and work described in Exhibit A must be procured by Contractor and be valid at the time Contractor enters into this Agreement. Further, during the term of this Agreement, Contractor must maintain such licenses, certificates and permits in full force and effect. Licenses, certificates and permits may include but are not limited to driver's licenses, professional licenses or certificates and business licenses. Such licenses, certificates and permits will be procured and maintained in force by Contractor at no expense to the County.

6. OFFICE SPACE, SUPPLIES, EQUIPMENT, ETC.

Unless otherwise provided in Exhibit A, Contractor shall provide such office space, supplies, equipment, vehicles, reference materials and telephone service as is necessary for Contractor to provide the services identified in Exhibit A to this Agreement. County is not obligated to reimburse or pay Contractor for any expense or cost incurred by Contractor in procuring or maintaining such items. Responsibility for the costs and expenses incurred by Contractor in providing and maintaining such items is the sole responsibility and obligation of Contractor.

7. INSURANCE

7.1 Contractor shall take out, and maintain during the life of this Agreement, insurance policies with coverage at least as broad as follows:

7.1.1 General Liability. Comprehensive general liability insurance covering bodily injury, personal injury, property damage, products and completed operations with limits of no less than One Million Dollars ($1,000,000) per incident or occurrence. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to any act or omission by Contractor under this Agreement or the general aggregate limit shall be twice the required occurrence limit.

7.1.2 Automobile Liability Insurance. If the Contractor or the Contractor's officers, employees, agents, representatives or subcontractors utilize a motor vehicle in performing any of the work or services under this Agreement, owned/non-owned automobile liability insurance providing combined single limits covering bodily injury, property damage and transportation related pollution liability with limits of no less than One Million Dollars ($1,000,000) per incident or occurrence.

7.1.3 Workers' Compensation Insurance. Workers' Compensation insurance as required by the California Labor Code. In signing this contract, the Contractor certifies under section 1861 of the Labor Code that the Contractor is aware of the provisions of section 3700 of the Labor Code which requires every employer to be insured against liability for workmen's compensation or to undertake self-insurance in accordance with the provisions of that code, and that the Contractor will comply with such provisions before commencing the performance of the work of this Agreement.

7.2 Any deductibles, self-insured retentions or named insureds must be declared in writing and approved by County. At the option of the County, either: (a) the insurer shall reduce or eliminate such deductibles, self-insured retentions or named insureds, or (b) the Contractor shall provide a bond, cash, letter of credit, guaranty or other security satisfactory to the County guaranteeing payment of the self-insured retention or deductible and payment of any and all costs, losses, related investigations, claim administration and defense expenses. The County, in its sole discretion, may waive the requirement to reduce or eliminate deductibles or self-insured retentions, in which case, the Contractor agrees that it will be responsible for and pay any self-insured retention or deductible and will pay any and all costs, losses, related investigations, claim administration and defense expenses related to or arising out of the Contractor’s defense and indemnification obligations as set forth in this Agreement.

7.3 The Contractor shall provide a specific endorsement to all required insurance policies, except Workers' Compensation insurance and Professional Liability insurance, if any, naming the County and its officers, officials and employees as additional named insureds regarding: (a) liability arising from or in connection with the performance or omission to perform any term or condition of this Agreement by or on behalf of the Contractor, including the insured's general supervision of the Contractor; (b) services, products and completed operations of the Contractor; (c) premises owned, occupied or used by the Contractor; and (d) automobiles owned, leased, hired or borrowed by the Contractor. For Workers' Compensation insurance, the insurance carrier shall agree to waive all rights of subrogation against the County and its officers, officials and employees for losses arising from the performance of or the omission to perform any term or condition of this Agreement by the Contractor.

7.4 The Contractor's insurance coverage shall be primary insurance regarding the County and County's officers, officials and employees. Any insurance or self-insurance maintained by the County or County's officers, officials and employees shall be excess of the Contractor's insurance and shall not contribute with Contractor's insurance.

7.5 Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the County or its officers, officials, employees or volunteers.

7.6 The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

7.7 Each insurance policy required by this section shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party except after thirty (30) days' prior written notice has been given to County. The Contractor shall promptly notify, or cause the insurance carrier to promptly notify, the County of any change in the insurance policy or policies required under this Agreement, including, without limitation, any reduction in coverage or in limits of the required policy or policies.

7.8 Insurance shall be placed with California admitted insurers (licensed to do business in California) with a current rating by Best's Key Rating Guide acceptable to the County; provided, however, that if no California admitted insurance company provides the required insurance, it is acceptable to provide the required insurance through a United States domiciled carrier that meets the required Best's rating and that is listed on the current List of Eligible Surplus Line Insurers maintained by the California Department of Insurance. A Best's rating of at least A-:VII shall be acceptable to the County; lesser ratings must be approved in writing by the County.

7.9 Contractor shall require that all of its subcontractors are subject to the insurance and indemnity requirements stated herein, or shall include all subcontractors as additional named insureds under its insurance policies.

7.10 At least ten (10) days prior to the date the Contractor begins performance of its obligations under this Agreement, Contractor shall furnish County with certificates of insurance and with original endorsements effecting coverage required by this Agreement, including, without limitation, those effecting coverage for subcontractors of the Contractor. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements shall be received and, in County's sole and absolute discretion, approved by County. County reserves the right to require complete copies of all required insurance policies and endorsements, at any time.

7.11 The limits of insurance described herein shall not limit the liability of the Contractor and Contractor's officers, employees, agents, representatives or subcontractors.

8. DEFENSE AND INDEMNIFICATION

8.1 To the fullest extent permitted by law, Contractor shall indemnify, hold harmless and defend the County and its agents, officers and employees from and against all claims, damages, losses, judgments, liabilities, expenses and other costs, including litigation costs and attorneys' fees, arising out of, resulting from, or in connection with the performance of this Agreement by the Contractor or Contractor's officers, employees, agents, representatives or subcontractors and resulting in or attributable to personal injury, death, or damage or destruction to tangible or intangible property, including the loss of use. Notwithstanding the foregoing, Contractor's obligation to indemnify the County and its agents, officers and employees for any judgment, decree or arbitration award shall extend only to the percentage of negligence or responsibility of the Contractor in contributing to such claim, damage, loss and expense.

8.2 Contractor's obligation to defend, indemnify and hold the County and its agents, officers and employees harmless under the provisions of this paragraph is not limited to or restricted by any requirement in this Agreement for Contractor to procure and maintain a policy of insurance.

8.3 To the fullest extent permitted by law, the County shall indemnify, hold harmless and defend the Contractor and its officers, employees, agents, representatives or subcontractors from and against all claims, damages, losses, judgments, liabilities, expenses and other costs, including litigation costs and attorney's fees, arising out of or resulting from the negligence or wrongful acts of County and its officers or employees.

9. STATUS OF CONTRACTOR

9.1 All acts of Contractor and its officers, employees, agents, representatives, subcontractors and all others acting on behalf of Contractor relating to the performance of this Agreement, shall be performed as independent contractors and not as agents, officers or employees of County. Contractor, by virtue of this Agreement, has no authority to bind or incur any obligation on behalf of County. Except as expressly provided in Exhibit A, Contractor has no authority or responsibility to exercise any rights or power vested in the County. No agent, officer or employee of the County is to be considered an employee of Contractor. It is understood by both Contractor and County that this Agreement shall not be construed or considered under any circumstances to create an employer-employee relationship or a joint venture.

9.2 At all times during the term of this Agreement, the Contractor and its officers, employees, agents, representatives or subcontractors are, and shall represent and conduct themselves as, independent contractors and not employees of County.

9.3 Contractor shall determine the method, details and means of performing the work and services to be provided by Contractor under this Agreement. Contractor shall be responsible to County only for the requirements and results specified in this Agreement and, except as expressly provided in this Agreement, shall not be subjected to County's control with respect to the physical action or activities of Contractor in fulfillment of this Agreement. Contractor has control over the manner and means of performing the services under this Agreement. Contractor is permitted to provide services to others during the same period service is provided to County under this Agreement. If necessary, Contractor has the responsibility for employing other persons or firms to assist Contractor in fulfilling the terms and obligations under this Agreement.

9.4 If in the performance of this Agreement any third persons are employed by Contractor, such persons shall be entirely and exclusively under the direction, supervision and control of Contractor. All terms of employment including hours, wages, working conditions, discipline, hiring and discharging or any other term of employment or requirements of law shall be determined by the Contractor.

9.5 It is understood and agreed that as an independent Contractor and not an employee of County, the Contractor and the Contractor's officers, employees, agents, representatives or subcontractors do not have any entitlement as a County employee, and do not have the right to act on behalf of the County in any capacity whatsoever as an agent, or to bind the County to any obligation whatsoever.

9.6 It is further understood and agreed that Contractor must issue W-2 forms or other forms as required by law for income and employment tax purposes for all of Contractor's assigned personnel under the terms and conditions of this Agreement.

9.7 As an independent Contractor, Contractor hereby indemnifies and holds County harmless from any and all claims that may be made against County based upon any contention by any third party that an employer-employee relationship exists by reason of this Agreement.

10. RECORDS AND AUDITS

10.1. Contractor shall prepare and maintain all writings, documents, and records prepared or compiled in connection with the performance of this agreement for a minimum of five (5) years from the termination or completion of this agreement, or until such records and their supporting documentation are released due to closure of Federal/State audit, whichever is longer. This includes any handwriting, typewriting, printing, photostatic, photographing, and every other means of recording upon any tangible thing, any form of communication or representation including letters, words, pictures, sounds, or symbols or any combination thereof.

10.2. Records shall be destroyed in accordance with California Department of Social Services (CDSS) Manual of Policy and Procedures (MPP) Division 23, Section 350.

10.3. Any authorized representative of County shall have access to any writings as defined above for the purposes of making audit, evaluation, examination, excerpts, and transcripts during the period such records are to be maintained by Contractor. Further, County has the right at all reasonable times to audit, inspect, or otherwise evaluate the work performed or being performed under this agreement.

10.4 County shall have the right to audit all billings and records of the Contractor related to this contract as required by State law. An independent public accountant can be appointed by County.

10.5 Contractor agrees that its financial records shall contain itemized records of all costs and be available for inspection in Stanislaus County within three (3) working days of the request by the County, State or Federal agencies.

10.6 Monitoring by County may be accomplished by the following means: field reviews, audit claims, monthly review of records, etc.

10.7 In the event of an audit exception or exceptions, the party responsible for not meeting the program requirement or requirements shall be responsible for the deficiency.

10.8 In the event of any State hearings, cash grant award or lawsuit award resulting from Contractor's failure to perform as required by this contract, reimbursement shall be made to the damaged party by Contractor.

10.9 Additional costs to County for maintaining any portion of the contract as a result of Contractor's failure to perform, as required by this agreement, are subject to recoupment by County through withholding from billings or any other form of legal action.

11. CONFIDENTIALITY

Contractor shall comply and require its officers and employees to comply with the provisions of Section 10850 of the Welfare and Institutions Code (WIC) and Division19 of the California Department of Social Services Manual of Policies and Procedures to assure that any and all information pertaining to the administration of public social services, for which grants in aid are received will be confidential and will not be open to examination for any purpose not directly connected with the administration of public social services.

12. NONDISCRIMINATION

During the performance of this Agreement, Contractor and its officers, employees, agents, representatives or subcontractors shall not unlawfully discriminate in violation of any federal, state or local law, rule or regulation against any employee, applicant for employment or person receiving services under this Agreement because of race, religion, color, national origin, ancestry, physical or mental handicap, medical condition (including genetic characteristics), marital status, age, political affiliation or sex. Contractor and its officers, employees, agents, representatives or subcontractors shall comply with all applicable Federal, State and local laws and regulations related to non-discrimination and equal opportunity, including without limitation the County's nondiscrimination policy; the Fair Employment and Housing Act (Government Code sections 12900 et seq.); California Labor Code sections 1101, 1102 and 1102.1; the Federal Civil Rights Act of 1964 (P.L. 88-352), as amended; and all applicable regulations promulgated in the California Code of Regulations or the Code of Federal Regulations.

13. ASSIGNMENT

This is an agreement for the services of Contractor. County has relied upon the skills, knowledge, experience and training of Contractor and the Contractor's firm, associates and employees as an inducement to enter into this Agreement. Contractor shall not assign or subcontract this Agreement without the express written consent of County. Further, Contractor shall not assign any monies due or to become due under this Agreement without the prior written consent of County.

14. WAIVER OF DEFAULT

Waiver of any default by either party to this Agreement shall not be deemed to be waiver of any subsequent default. Waiver or breach of any provision of this Agreement shall not be deemed to be a waiver of any other or subsequent breach, and shall not be construed to be a modification of the terms of this Agreement unless this Agreement is modified as provided below.

15. NOTICE

Any notice, communication, amendment, addition or deletion to this Agreement, including change of address of either party during the term of this Agreement, which Contractor or County shall be required or may desire to make shall be in writing and may be personally served or, alternatively, sent by prepaid first class mail to the respective parties as follows:

To County: County of Stanislaus
Community Services Agency
Attention: Contracts Administrator
PO Box 42
Modesto, CA 95353

To Contractor: Housing Authority of the County of Stanislaus
Attention: Rich Chuban, Director
PO Box 581918
Modesto, CA 95358-0033

16. CONFLICTS

Contractor agrees that it has no interest and shall not acquire any interest direct or indirect which would conflict in any manner or degree with the performance of the work and services under this Agreement.

17. SEVERABILITY

If any portion of this Agreement or application thereof to any person or circumstance shall be declared invalid by a court of competent jurisdiction or if it is found in contravention of any federal, state or county statute, ordinance or regulation the remaining provisions of this Agreement or the application thereof shall not be invalidated thereby and shall remain in full force and effect to the extent that the provisions of this Agreement are severable.

18. AMENDMENT

This Agreement may be modified, amended, changed, added to or subtracted from by the mutual consent of the parties hereto if such amendment or change is in written form and executed with the same formalities as this Agreement and attached to the original Agreement to maintain continuity.

19. ENTIRE AGREEMENT

This Agreement supersedes any and all other agreements, either oral or in writing, between any of the parties herein with respect to the subject matter hereof and contains all the agreements between the parties with respect to such matter. Each party acknowledges that no representations, inducements, promises or agreements, oral or otherwise, have been made by any party, or anyone acting on behalf of any

party, which are not embodied herein, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding.

20. ADVICE OF ATTORNEY

Each party warrants and represents that in executing this Agreement, it has received independent legal advice from its attorneys or the opportunity to seek such advice.

21. CONSTRUCTION

Headings or captions to the provisions of this Agreement are solely for the convenience of the parties, are not part of this Agreement, and shall not be used to interpret or determine the validity of this Agreement. Any ambiguity in this Agreement shall not be construed against the drafter, but rather the terms and provisions hereof shall be given a reasonable interpretation as if both parties had in fact drafted this Agreement.

22. GOVERNING LAW AND VENUE

This Agreement shall be deemed to be made under, and shall be governed by and construed in accordance with, the laws of the State of California. Any action brought to enforce the terms or provisions of this Agreement shall have venue in the County of Stanislaus, State of California.

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate on the day and year first hereinabove written.

COUNTY OF STANISLAUS	**HOUSING AUTHORITY OF THE**
COMMUNITY SERVICES AGENCY	**COUNTY OF STANISLAUS**
By:_____	By:
Title: Director	Title: Director
Dated:_____	Dated:
APPROVED AS TO FORM: **COUNTY COUNSEL** **MICHAEL H. KRAUSNICK**	**COUNTY PURCHASING DEPARTMENT**
By:_____	By:_____
Title: Deputy County Counsel	Title: Purchasing Agent
Dated:_____	Dated:

V:\CO WP\JPD\FORMS\IND-CON.AGM

EXHIBIT A

INDEPENDENT CONTRACTOR SERVICES
HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS
SECURITY DEPOSIT GUARANTEE LOAN PROGRAM
JANUARY 1, 2001 THROUGH JUNE 30, 2001

For Contractor to be reimbursed for these services, clients receiving services must be StanWORKs participants, not Welfare-to-Work sanctioned. Provider must include the full name, address, and social security number of the participant to verify eligibility. Any costs for clients not eligible will be disallowed.

I. Scope of Work:

Contractor agrees to provide a Security Deposit Guarantee Loan Program, initially to serve approximately 200 StanWORKs families.

A. Contractor will establish the "Security Deposit Fund Account".

B. StanWORKs families will apply to receive Section 8 Rental Assistance.

C. Upon securing a rental unit, the client will complete a request for Security Deposit Loan Program Application, Exhibit B.

D. The approved clients will sign the repayment agreement, Agreement to Reimburse the Housing Authority of the County of Stanislaus, Exhibit C. The maximum security deposit loan, will not exceed 50% of the required security deposit.

E. Contractor will send approved deposit loan amount directly to the property owner from the Security Deposit Fund Account.

F. Contractor will establish an accounts receivable account for the client in the amount of the security deposit loan. Contractor will track monthly reimbursement by individual client and deposit all client payments back into the Security Deposit Fund Account.

G. Clients will have twelve (12) months to repay their Security Deposit Loan.

H. If the client defaults, default notices, Exhibit D, will be sent out by Contractor within 30 days of the date of default, and their Section 8 Rental Assistance Program will be terminated.

II. Compensation:

Contractor shall be compensated for the services provided under this agreement as follows:

A. Contractor will be paid $79,400 to be deposited into the Security Deposit Fund Account. Security Deposit Loans will be made through this account to the property owner in amount not to exceed one half of the security deposits costs as follows:

# of Families	# of Bedrooms	Security Deposit	Maximum Loan Amount	Total
96	Two Bedroom Unit	$ 650	$325	$31,200
88	Three Bedroom Unit	900	$450	$39,600
14	Four Bedroom Unit	1,050	$525	$ 7,350
2	Five Bedroom Unit	1,250	$625	$ 1,250

B. In addition, an Administrative Fee will be paid, based on 10% of the individual client security deposit loan amount. The Administration Fee will not exceed a maximum of $7,940. The total contract amount shall not exceed $87,340.00 for the period January 1, 2001 through June 30, 2001.

C. Within thirty (30) days following month of service, the Contractor will submit a signed invoice for Loan Administrative Fees listing client name and social security number, number of bedrooms in the rental unit, loan amount and billing amount of administrative fees. In addition, Contractor shall submit a signed invoice to County detailing monthly loan transactions listed by individual client names, address, and social security numbers, loan amounts and loan payments.

D. County will not pay for unauthorized services rendered by Contractor nor for the claimed services which County monitoring shows have not been provided as authorized.

E. Upon termination of this contract Contractor will remit all funds in the Security Deposit Fund Account to County. Any subsequent funds received through the loan payment process will returned to the County after Contractor payment processing.

Resident Advisory Committee
Member List
2005

Low Rent

1. Pamela Ball
   1730 Ontario Ave.
   Modesto, CA 95351

2. John Daniels
   1735 Robertson Road
   Modesto, CA 95350

3. Efren Rodriguez
   3708 Coffee Rd. #M
   Modesto, CA 95355

Section 8

1. Charmaine Champagne
   2300 Oakdale Rd. #157
   Modesto, CA 95355

2. Joyce Guyton
   2800 W. Rumble Rd. #K-2
   Modesto, CA 95350

Attachment U

HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS

Board of Commissioners - Appointed by the Stanislaus County Board of Supervisors

Tenant Commissioners -

Frank Courtney Term Expires 12/31/06
3109 Conant Avenue #23
Modesto, California 95350

Jenice Sechler Term Expires 12/31/07

704 Imperial Avenue
Modesto, California 95358

Attachment W

Voluntary Conversion of Public Housing
Initial Assessment

1. **How many of the PHA's Developments are subject to the initial assessment?** The PHA has **17** development subject to this assessment.

2. How many of the PHA's developments are not subject to the required initial assessments based on exemptions? The PHA has **0** development not subject to this assessment.

3. How many assessments were conducted for the PHA's covered developments? 14 assessments were conducted for the covered developments.

4. Identify PHA developments that may be appropriate for conversion. No PHA development was determined to meet the criteria as being " appropriate for conversion".

The PHA of the County of Stanislaus therefore certifies to the following:

The **PHA of the County of Stanislaus therefore certifies** that it has reviewed each of it's development operations as public housing; considered the implications of converting the public housing to tenant based assistance; and concluded that conversion of the development is : **Inappropriate** because removal of the development would not meet the necessary conditions for voluntary conversion described at §972.200(c).

Section 8, Project Based Units

It is the intention of the Housing Authority of the County of Stansilaus to explore the feasibility of using Section 8 Project Based, Voucher Program to develop up to 100 units of Project Based, Voucher Program units in the Modesto Area. The Section 8 Project Based, Voucher Program is an appropriate option because units of tenant-based assistance are very limited and because Project Based Vouchers in conjunction with other HUD or federal programs would allow for the targeting of special populations in need of special services which could be provided in the projects so developed. In this light, the Housing Authority opened its first Project Based complex with a total of 16 units in September of 2005.

LEGAL NOTICE
PUBLIC HEARING

THE HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS

NOTICE IS HEREBY GIVEN that the Housing Authority of the County of Stanislaus will make available for public inspection the PHA's 5 Year Plan for Fiscal Years 2005 to 2009 and the Annual Plan for 2005. The Plan and other documents can be reviewed at the following locations:

Housing Authority - Patterson Office
506 Mayette
Patterson, CA 95363

Housing Authority - Westley Office
14B Wildemuth Circle
Westley, CA 95387

Riverbank Housing Authority
3309 Stanislaus St.
Riverbank, CA 95367

City of Modesto
1010 10th St.
Modesto, CA 95354

City of Ceres
2720 2nd St.
Ceres, CA 95307

City of Turlock
156 S. Broadway
Turlock, CA 95380

City of Oakdale
280 N. 3rd Ave.
Oakdale, CA 95361

City of Hughson
7018 Pine
Hughson, CA 95326

City of Patterson
33 S. Del Puerto
Patterson, CA 95363

City of Newman
1162 Main
Newman, CA 95360

County Library
1500 I St.
Modesto, CA 95354

The purpose of this Notice is to receive public comment and fulfill the federal requirements for review of this document. On the final day of the review period, a public meeting and a public hearing will be held to receive comment on July 18, 2005, at 5:30 PM at the following location:

Housing Authority of the County of Stanislaus
1701 Robertson Road
Modesto, CA 95351

Any and all persons having any comments on this document will be afforded an opportunity to state their comments. Written comments can be addressed to:

A.R. Chubon, Executive Director
P.O. Box 581918
Modesto, CA 95358

LEGAL NOTICE
PUBLIC HEARING
CHANGE

THE HOUSING AUTHORITY OF THE COUNTY OF STANISLAUS

NOTICE IS HEREBY GIVEN that the Housing Authority of the County of Stanislaus will make available for public inspection the PHA's 5 Year Plan for Fiscal Years 2005 to 2009 and the Annual Plan for 2005. The Plan and other documents can be reviewed at the following locations:

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33 S. Del Puerto
Patterson, CA 95363

City of Newman
1162 Main
Newman, CA 95360

County Library
1500 I St.
Modesto, CA 95354

The purpose of this Notice is to extend the public comment period and fulfill the federal requirements for review of this document. On the final day of the review period, a public meeting and a public hearing will be held to receive comment on July 26, 2005, at 5:30 PM at the following location:

Housing Authority of the County of Stanislaus
1701 Robertson Road
Modesto, CA 95351

Any and all persons having any comments on this document will be afforded an opportunity to state their comments. Written comments can be addressed to:

A.R. Chubon, Executive Director
P.O. Box 581918
Modesto, CA 95358