PHA Plans

Streamlined Annual Version

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

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

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

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Streamlined Annual PHA Plan for Fiscal Year: 2005-06 PHA Name: Housing Authority of the City of Lakewood

NOTE: This PHA Plan template (HUD-50075-SA) is to be completed in accordance with instructions contained in previous Notices PIH 99-33 (HA), 99-51 (HA), 2000-22 (HA), 2000-36 (HA), 2000-43 (HA), 2001-4 (HA), 2001-26 (HA), 2003-7 (HA), and any related notices HUD may subsequently issue.

Streamlined Annual PHA Plan
Agency Identification

PHA Name: *Housing Authority of the City of Lakewood*
PHA Number: *CA135*

PHA Fiscal Year Beginning: (mm/yyyy) *07/2005*

PHA Programs Administered:

☐ **Public Housing and Section 8** ☒ **Section 8 Only** ☐ **Public Housing Only**

Number of public housing units: Number of S8 units: **215** Number of public housing units:
Number of S8 units:

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

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

PHA Plan Contact Information:

Name: *Darlene Aikens* Phone: *(562) 347-4663, ext. 8162*
TDD: *(562) 906-4928* Email (if available): *darlene.aikens@lacdc.org*

Public Access to Information

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

☒ PHA's main administrative office ☐ PHA's development management offices

Display Locations For PHA Plans and Supporting Documents

The PHA Plan revised policies or program changes (including attachments) are available for public review and inspection. ☒ Yes ☐ No.
If yes, select all that apply:
☒ Main administrative office of the PHA
☐ PHA development management offices
☒ Main administrative office of the local, county or State government
☐ Public library ☐ PHA website ☐ Other (list below)

PHA Plan Supporting Documents are available for inspection at: (select all that apply)
☒ Main business office of the PHA ☐ PHA development management offices
☒ Other (list below)
City Hall

Streamlined Annual PHA Plan
Fiscal Year 2005-2006
[24 CFR Part 903.12(c)]

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[24 CFR 903.7(r)]

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ATTACHED: Section 8 Tenant-Based Administrative Plan (ca135a01)

B. SEPARATE HARD COPY SUBMISSIONS TO LOCAL HUD FIELD OFFICE

Form HUD-50076, *PHA Certifications of Compliance with the PHA Plans and Related Regulations*: *Board Resolution to Accompany the Streamlined Annual Plan* identifying policies or programs the PHA has revised since submission of its last Annual Plan, and including Civil Rights certifications and assurances the changed policies were presented to the Resident Advisory Board for review and comment, approved by the PHA governing board, and made available for review and inspection at the PHA's principal office;

For PHAs Applying for Formula Capital Fund Program (CFP) Grants:

Form HUD-50070, *Certification for a Drug-Free Workplace;*
Form HUD-50071, *Certification of Payments to Influence Federal Transactions*; and
Form SF-LLL &SF-LLLa, *Disclosure of Lobbying Activities*.

1. Site-Based Waiting Lists (Eligibility, Selection, Admissions Policies)

[24 CFR Part 903.12(c), 903.7(b)(2)]

Exemptions: Section 8 only PHAs are not required to complete this component.

A. Site-Based Waiting Lists-Previous Year

1. Has the PHA operated one or more site-based waiting lists in the previous year? If yes, complete the following table; if not skip to B.

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

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

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

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

B. Site-Based Waiting Lists – Coming Year

If the PHA plans to operate one or more site-based waiting lists in the coming year, answer each of the following questions; if not, skip to next component.

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

2. ☐ Yes ☐ No: Are any or all of the PHA's site-based waiting lists new for the upcoming year (that is, they are not part of a previously-HUD-approved site based waiting list plan)?
   If yes, how many lists?
3. ☐ Yes ☐ No: May families be on more than one list simultaneously
   If yes, how many lists?

4. Where can interested persons obtain more information about and sign up to be on the site-based waiting lists (select all that apply)?
   - ☐ PHA main administrative office
   - ☐ All PHA development management offices
   - ☐ Management offices at developments with site based waiting lists
   - ☐ At the development to which they would like to apply
   - ☐ Other (list below)

2. Capital Improvement Needs

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

Exemptions: Section 8 only PHAs are not required to complete this component.

A. Capital Fund Program

1. ☐ Yes ☐ No Does the PHA plan to participate in the Capital Fund Program in the upcoming year? If yes, complete items 7 and 8 of this template (Capital Fund Program tables). If no, skip to B.

2. ☐ Yes ☐ No: Does the PHA propose to use any portion of its CFP funds to repay debt incurred to finance capital improvements? If so, the PHA must identify in its annual and 5-year capital plans the development(s) where such improvements will be made and show both how the proceeds of the financing will be used and the amount of the annual payments required to service the debt. (Note that separate HUD approval is required for such financing activities.).

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

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

1. ☐ Yes ☐ No: Has the PHA received a HOPE VI revitalization grant? (if no, skip to #3; if yes, provide responses to the items on the chart located on the next page, copying and completing as many times as necessary).

2. Status of HOPE VI revitalization grant(s):

HOPE VI Revitalization Grant Status
a. Development Name: b. Development Number:
c. Status of Grant: ☐ Revitalization Plan under development ☐ Revitalization Plan submitted, pending approval ☐ Revitalization Plan approved ☐ Activities pursuant to an approved Revitalization Plan underway

3. ☐ Yes ☐ No: Does the PHA expect to apply for a HOPE VI Revitalization grant in the Plan year?
If yes, list development name(s) below:

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

5. ☐ Yes ☐ No: Will the PHA be conducting any other public housing development or replacement activities not discussed in the Capital Fund Program Annual Statement? If yes, list developments or activities below:

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

(if applicable) [24 CFR Part 903.12(c), 903.7(k)(1)(i)]

1. ☐ Yes ☒ No: Does the PHA plan to administer a Section 8 Homeownership program pursuant to Section 8(y) of the U.S.H.A. of 1937, as implemented by 24 CFR part 982 ? (If "No", skip to the next component; if "yes", complete each program description below (copy and complete questions for each program identified.)

2. Program Description:

a. Size of Program
☐ Yes ☐ No: Will the PHA limit the number of families participating in the Section 8 homeownership option?

If the answer to the question above was yes, what is the maximum number of participants this fiscal year?

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

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

3. Capacity of the PHA to Administer a Section 8 Homeownership Program:

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

☐ Establishing a minimum homeowner downpayment requirement of at least 3 percent of purchase price and requiring that at least 1 percent of the purchase price comes from the family's resources.

☐ Requiring that financing for purchase of a home under its Section 8 homeownership will be provided, insured or guaranteed by the state or Federal government; comply with secondary mortgage market underwriting requirements; or comply with generally accepted private sector underwriting standards.

☐ Partnering with a qualified agency or agencies to administer the program (list name(s) and years of experience below):
☐ Demonstrating that it has other relevant experience (list experience below):

4. Use of the Project-Based Voucher Program

Intent to Use Project-Based Assistance

☐ Yes ☒ No: Does the PHA plan to "project-base" any tenant-based Section 8 vouchers in the coming year? If the answer is "no," go to the next component. If yes, answer the following questions.

1. ☐ Yes ☐ No: Are there circumstances indicating that the project basing of the units, rather than tenant-basing of the same amount of assistance is an appropriate option? If yes, check which circumstances apply:

   ☐ low utilization rate for vouchers due to lack of suitable rental units
   ☐ access to neighborhoods outside of high poverty areas
   ☐ other (describe below:)

2. Indicate the number of units and general location of units (e.g. eligible census tracts or smaller areas within eligible census tracts):

5. PHA Statement of Consistency with the Consolidated Plan

[24 CFR Part 903.15]

For each applicable Consolidated Plan, make the following statement (copy questions as many times as necessary) only if the PHA has provided a certification listing program or policy changes from its last Annual Plan submission.

1. Consolidated Plan jurisdiction: (provide name here) *Lakewood*

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

☒ The PHA has based its statement of needs of families on its waiting lists on the needs expressed in the Consolidated Plan/s.
☒ The PHA has participated in any consultation process organized and offered by the Consolidated Plan agency in the development of the Consolidated Plan.
☒ The PHA has consulted with the Consolidated Plan agency during the development of this PHA Plan.
☐ Activities to be undertaken by the PHA in the coming year are consistent with the initiatives contained in the Consolidated Plan. (list below)
☐ Other: (list below)

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

6. Supporting Documents Available for Review for Streamlined Annual PHA Plans

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

List of Supporting Documents Available for Review		
Applicable & On Display	**Supporting Document**	**Related Plan Component**
	PHA Certifications of Compliance with the PHA Plans and Related Regulations and Board Resolution to Accompany the Standard Annual, Standard Five-Year, and Streamlined Five-Year/Annual Plans;	5 Year and Annual Plans
X	*PHA Certifications of Compliance with the PHA Plans and Related Regulations and Board Resolution to Accompany the Streamlined Annual Plan*	Streamlined Annual Plans
	Certification by State or Local Official of PHA Plan Consistency with Consolidated Plan.	5 Year and standard Annual Plans
	Fair Housing Documentation Supporting Fair Housing Certifications: Records reflecting that the PHA has examined its programs or proposed programs, identified any impediments to fair housing choice in those programs, addressed or is addressing those impediments in a reasonable fashion in view of the resources available, and worked or is working with local jurisdictions to implement any of the jurisdictions' initiatives to affirmatively further fair housing that require the PHA's involvement.	5 Year and Annual Plans
	Housing Needs Statement of the Consolidated Plan for the jurisdiction(s) in which the PHA is located and any additional backup data to support statement of housing needs for families on the PHA's public housing and Section 8 tenant-based waiting lists.	Annual Plan: Housing Needs
	Most recent board-approved operating budget for the public housing program	Annual Plan: Financial Resources
	Public Housing Admissions and (Continued) Occupancy Policy (A&O/ACOP), which includes the Tenant Selection and Assignment Plan [TSAP] and the Site-Based Waiting List Procedure.	Annual Plan: Eligibility, Selection, and Admissions Policies
	Deconcentration Income Analysis	Annual Plan: Eligibility, Selection, and Admissions Policies
	Any policy governing occupancy of Police Officers and Over-Income Tenants in Public Housing. ☐ Check here if included in the public housing A&O Policy.	Annual Plan: Eligibility, Selection, and Admissions Policies
X	Section 8 Administrative Plan	Annual Plan: Eligibility, Selection, and Admissions Policies
	Public housing rent determination policies, including the method for setting public housing flat rents. ☐ Check here if included in the public housing A & O Policy.	Annual Plan: Rent Determination
	Schedule of flat rents offered at each public housing development. ☐ Check here if included in the public housing A & O Policy.	Annual Plan: Rent Determination
X	Section 8 rent determination (payment standard) policies (if included in plan, not necessary as a supporting document) and written analysis of Section 8 payment standard policies. ☒ Check here if included in Section 8 Administrative Plan.	Annual Plan: Rent Determination
	Public housing management and maintenance policy documents, including policies for the prevention or eradication of pest infestation (including cockroach infestation).	Annual Plan: Operations and Maintenance
	Results of latest Public Housing Assessment System (PHAS) Assessment (or other applicable assessment).	Annual Plan: Management and Operations
	Follow-up Plan to Results of the PHAS Resident Satisfaction Survey (if necessary)	Annual Plan: Operations and Maintenance and Community Service & Self-

List of Supporting Documents Available for Review		
Applicable & On Display	**Supporting Document**	**Related Plan Component**
		Sufficiency
	Results of latest Section 8 Management Assessment System (SEMAP)	Annual Plan: Management and Operations
X	Any policies governing any Section 8 special housing types ☒ Check here if included in Section 8 Administrative Plan	Annual Plan: Operations and Maintenance
	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
	The Capital Fund/Comprehensive Grant Program Annual Statement /Performance and Evaluation Report for any active grant year.	Annual Plan: Capital Needs
	Most recent CIAP Budget/Progress Report (HUD 52825) for any active CIAP grants.	Annual Plan: Capital Needs
	Approved HOPE VI applications or, if more recent, approved or submitted HOPE VI Revitalization Plans, or any other approved proposal for development of public housing.	Annual Plan: Capital Needs
	Self-evaluation, Needs Assessment and Transition Plan required by regulations implementing Section 504 of the Rehabilitation Act and the Americans with Disabilities Act. See PIH Notice 99-52 (HA).	Annual Plan: Capital Needs
	Approved or submitted applications for demolition and/or disposition of public housing.	Annual Plan: Demolition and Disposition
	Approved or submitted applications for designation of public housing (Designated Housing Plans).	Annual Plan: Designation of Public Housing
	Approved or submitted assessments of reasonable revitalization of public housing and approved or submitted conversion plans prepared pursuant to section 202 of the 1996 HUD Appropriations Act, Section 22 of the US Housing Act of 1937, or Section 33 of the US Housing Act of 1937.	Annual Plan: Conversion of Public Housing
	Documentation for required Initial Assessment and any additional information required by HUD for Voluntary Conversion.	Annual Plan: Voluntary Conversion of Public Housing
	Approved or submitted public housing homeownership programs/plans.	Annual Plan: Homeownership
	Policies governing any Section 8 Homeownership program (Section _____of the Section 8 Administrative Plan)	Annual Plan: Homeownership
	Public Housing Community Service Policy/Programs ☐ Check here if included in Public Housing A & O Policy	Annual Plan: Community Service & Self-Sufficiency
	Cooperative agreement between the PHA and the TANF agency and between the PHA and local employment and training service agencies.	Annual Plan: Community Service & Self-Sufficiency
	FSS Action Plan(s) for public housing and/or Section 8.	Annual Plan: Community Service & Self-Sufficiency
	Section 3 documentation required by 24 CFR Part 135, Subpart E for public housing.	Annual Plan: Community Service & Self-Sufficiency
	Most recent self-sufficiency (ED/SS, TOP or ROSS or other resident services grant) grant program reports for public housing.	Annual Plan: Community Service & Self-Sufficiency
	Policy on Ownership of Pets in Public Housing Family Developments (as required by regulation at 24 CFR Part 960, Subpart G). ☐ Check here if included in the public housing A & O Policy.	Annual Plan: Pet Policy
	The results of the most recent fiscal year audit of the PHA conducted under the Single Audit Act as implemented by OMB Circular A-133, the results of that audit and the PHA's response to any findings.	Annual Plan: Annual Audit
	Other supporting documents (optional) (list individually; use as many lines as necessary)	(specify as needed)
	Consortium agreement(s) and for Consortium Joint PHA Plans Only: Certification that consortium agreement is in compliance with 24 CFR Part 943 pursuant to an opinion of counsel on file and available for inspection.	Joint Annual PHA Plan for Consortia: Agency Identification and Annual Management and Operations

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

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

PHA Name:	**Grant Type and Number** Capital Fund Program Grant No: Replacement Housing Factor Grant No:	**Federal FY of Grant:**

☐**Original Annual Statement** ☐**Reserve for Disasters/ Emergencies** ☐**Revised Annual Statement (revision no:)**
☐**Performance and Evaluation Report for Period Ending:** ☐**Final Performance and Evaluation Report**

Line No.	**Summary by Development Account**	**Total Estimated Cost**		**Total Actual Cost**	
		Original	**Revised**	**Obligated**	**Expended**
1	Total non-CFP Funds				
2	1406 Operations				
3	1408 Management Improvements				
4	1410 Administration				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Nondwelling Structures				
13	1475 Nondwelling Equipment				
14	1485 Demolition				
15	1490 Replacement Reserve				
16	1492 Moving to Work Demonstration				
17	1495.1 Relocation Costs				
18	1499 Development Activities				
19	1501 Collaterization or Debt Service				
20	1502 Contingency				
21	Amount of Annual Grant: (sum of lines 2 – 20)				
22	Amount of line 21 Related to LBP Activities				
23	Amount of line 21 Related to Section 504 compliance				
24	Amount of line 21 Related to Security – Soft Costs				
25	Amount of Line 21 Related to Security – Hard Costs				
26	Amount of line 21 Related to Energy Conservation Measures				

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

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

PHA Name:		**Grant Type and Number** Capital Fund Program Grant No: Replacement Housing Factor Grant No:				**Federal FY of Grant:**		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	

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

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

PHA Name:	**Grant Type and Number** Capital Fund Program No: Replacement Housing Factor No:	**Federal FY of Grant:**

Development Number Name/HA-Wide Activities	All Fund Obligated (Quarter Ending Date)			All Funds Expended (Quarter Ending Date)			Reasons for Revised Target Dates
	Original	Revised	Actual	Original	Revised	Actual	

8. Capital Fund Program Five-Year Action Plan

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

8. Capital Fund Program Five-Year Action Plan

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

8. Capital Fund Program Five-Year Action Plan

Capital Fund Program Five-Year Action Plan **Part II: Supporting Pages—Work Activities**					
Activities for Year :____ FFY Grant: PHA FY:			Activities for Year: ___ FFY Grant: PHA FY:		
Development Name/Number	**Major Work Categories**	**Estimated Cost**	**Development Name/Number**	**Major Work Categories**	**Estimated Cost**
Total CFP Estimated Cost		$			$

HOUSING AUTHORITY OF THE CITY OF LAKEWOOD

ADMINISTRATIVE PLAN

EFFECTIVE APRIL 12, 2005

ca135a01

Administrative Plan
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CHAPTER 1:
POLICIES AND OBJECTIVES

1.1 INTRODUCTION

The Housing Choice Voucher Program was enacted as part of the Quality Housing and Work Responsibility Act of 1998 (QHWRA). The Act has been amended from time to time, and its requirements, as they apply to the Housing Choice Voucher Program, are described in and implemented through this Administrative Plan.

The Section 8 Housing Choice Voucher Program for the Housing Authority of the City of Lakewood (hereinafter referred to as the Housing Authority) is administered by the Housing Authority of the County of Los Angeles (hereinafter referred to as the Program Administrator).

In accordance with the agreement between the two agencies, all functions and responsibilities of the staff of the Program Administrator, shall be in compliance with the Department of Housing and Urban Development's (HUD) Housing Choice Voucher Program regulations as well as Federal, State, and local Fair Housing laws and regulations.

1.2 PURPOSE OF THE PLAN [24 CFR §982.54]

The purpose of the Administrative Plan is to clearly outline the policies and procedures that govern the Program Administrator's administration of rental assistance programs. The plan includes program requirements established by the U.S. Department of Housing and Urban Development (HUD), as well as the discretionary policies established by the Program Administrator.

The policies and procedures in this Administrative Plan comply with applicable local, State, and HUD and other Federal regulations, relevant memos, notices and guidelines, including fair housing and equal opportunity requirements. If applicable regulatory changes conflict with this plan, regulations will have precedence.

The Program Administrator adheres to the Administrative Plan in administering all rental assistance programs. The original plan and any changes must be approved by the Housing Authority's Board of Commissioners, and a copy of the plan must be provided to HUD.

As much as possible, revisions and additions are published to coincide with published changes in the Housing Authority's Agency Plan. Interim changes, including Board mandates and administrative updates reflecting changes in law or regulatory requirements, will be made effective by memo from the Executive Director or designee.

1.3 LOCAL OBJECTIVES [24 CFR §982.1(a)]

The Housing Authority's rental assistance programs are designed to achieve three major objectives:

1. To provide improved living conditions and decent, safe, and sanitary housing for very low-income families while maintaining their rent payments at an affordable level;
2. To provide an incentive to private property owners to rent to lower income families by offering timely assistance payments; and
3. To promote freedom of housing choice and spatial deconcentration of lower income and minority families.

Additionally, the Program Administrator has adopted the following mission statement:

- To promote adequate and affordable housing, economic opportunity and a suitable living environment free from discrimination.

1.4 JURISDICTION [24 CFR §982.51 AND 24 CFR §982.4(B)]

HUD has authorized the Housing Authority to administer rental assistance programs within the corporate boundaries of the City.

1.5 RENTAL ASSISTANCE PROGRAMS

Section 8 of the Housing and Community Development Act of 1974 established the "Section 8 Program," the first permanent Federal program for rental assistance. The program authorized a basic certificate program, as well as targeted subprograms. As rental assistance programs developed, Congress authorized additional Section 8 programs, including a voucher program in 1987.

In 1998, the Quality Housing and Work Responsibility Act (QHWRA) required housing authorities to convert their certificates into vouchers and establish the Housing Choice Voucher Program as the primary rental assistance program. As a result of this conversion, the Housing Choice Voucher Program now encompasses all rental assistance administered by the Housing Authority.

As required by HUD regulations, the Program Administrator administers the Family Self-Sufficiency Program as a program option for participants in the Housing Choice Voucher Program. See Chapter 19 (Family Self-Sufficiency Program) for details.

1.6 FAIR HOUSING AND EQUAL OPPORTUNITY POLICY [24 CFR §982.53]

It is the policy of the Housing Authority 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.

The Program Administrator shall not deny any family or individual the opportunity to apply for or receive assistance under Housing Authority rental assistance programs on the basis of race, color, sex, religion, creed, national or ethnic origin, age, family status, handicap or disability.

The Program Administrator will provide Federal, State, and local information to voucher holders regarding discrimination, and the recourse available to them if they are victims of discrimination. Such information will be made available during the family briefing session, and all fair housing information and discriminatory complaint forms will be included in the voucher holder's briefing packet.

Except as otherwise provided in 24 CFR §8.21(c)(1), §8.24(a), §8.25 and §8.31, no individual with disabilities shall be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination because the Program Administrator's facilities are inaccessible to or unusable by persons with disabilities.

1.7 SERVICE POLICY [24 CFR §8.11]

This policy is applicable to all situations described in this Administrative Plan when a family initiates contact with the Program Administrator, when the Program Administrator initiates contact with a family including when a family applies, and when the Program Administrator schedules or reschedules any kind of appointments.

It is the policy of the Program Administrator to be service-directed in the administration of rental assistance programs, and to exercise and demonstrate a high level of professionalism while providing housing services to all families.

The Program Administrator's policies and practices are 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 the Program Administrator forms and letters to all families.

1.7.1 Requests for Accommodation

All requests for accommodation or modification will be verified with a reliable, knowledgeable professional so that the Program Administrator can properly accommodate the need presented by the disability.

Requests for reasonable accommodation from persons with disabilities will be granted upon verification that they meet the need presented by the disability.

Reasonable accommodation will be made for persons with disabilities that require an advocate or accessible offices. A designee will be allowed to provide information as needed, but only with the permission of the person with the disability.

1.8 FAMILY OUTREACH

Each time the Housing Authority enters into an Annual Contributions Contract (ACC) with HUD for new housing choice voucher existing units, it will be publicized in accordance with the specification in the criteria of the Equal Opportunity Housing Plan. The Housing Authority's waiting list will remain open on a continuous basis for the foreseeable future.

The Program Administrator will communicate the status of housing availability to other service providers in the community, advise them of housing eligibility factors and guidelines in order that they can make proper referrals for housing assistance.

Information regarding the program directed at prospective applicants/tenants will be disseminated in accordance with Equal Opportunity Housing Plan and HUD guidelines for fair housing.

1.9 OWNER OUTREACH [24 CFR §982.54(d)(5)]

The Housing Authority encourages owners of decent, safe and sanitary housing units to lease to families participating in Housing Authority rental assistance programs. The Program Administrator maintains and regularly updates a list of interested landlords and available units for Housing Authority rental assistance programs. When listings from owners are received, they are compiled by Program Administrator staff and made available through the phone hotline, by mail, or by Internet at www.hacola.org.

Ongoing marketing efforts to recruit suburban owners for participation include, but are not limited to:

1. Brochures for owners;
2. Realty Board presentations;
3. Apartment Owner Association presentations;
4. Community Center presentations; and
5. Presentation to organizations serving the disabled and other similar organizations.

The Program Administrator periodically evaluates the distribution of assisted families to identify areas within the jurisdiction where owner outreach should be targeted. Special outreach efforts will be used in order to encourage participation of those groups who would not normally apply or participate.

1.10 PRIVACY RIGHTS [24 CFR §5.212]

Applicants and participants, including all adults in each household, are required to sign the HUD-9886 Form (Authorization for the Release of Information). This document incorporates the Federal Privacy Act Statement and describes the conditions under which HUD will release family information.

A statement of the Program Administrator's policy on release of information to prospective landlords will be included in the briefing packet that is provided to the family.

The Program Administrator's practices and procedures are designed to safeguard the privacy of applicants and program participants. All applicant and participant files are stored in a secure location that is only to be accessed by authorized staff.

Program Administrator staff will not discuss family information contained in files unless there is a business or legal reason to do so. Inappropriate discussion of family information or improper disclosure of family information by will result in disciplinary action.

1.11 MONITORING PROGRAM PERFORMANCE [24 CFR §985]

In order to ensure quality control, supervisory staff will review the following functions:

1. 10 percent of new applicants/contracts, and
2. 100 percent of work completed by new staff for a minimum of 30 calendar days.

The Program Administrator's Quality Assurance Unit conducts audits of:

1. 5 percent of annual re-examinations/interim re-examinations, and
2. Minimum HQS quality control inspections as dictated by Section Eight Management Assessment Program (SEMAP) Indicator #5.

The Program Administrator's Program Integrity/Fraud Prevention Team will use credit checks, and other similar tools to confirm eligibility for:

1. 100 percent of all new applicants, and
2. A random sample of program participants.

1.12 TERMINOLOGY [24 CFR §982.4(b)]

The Housing Authority of the City of Lakewood is referred to as "the Housing Authority" throughout this document.

The Housing Authority of the County of Los Angeles is referred to as "the Program Administrator" throughout this document.

"Family" is used interchangeably with "applicant" or "participant" and can refer to a single person family. "Tenant" refers to participants in terms of their relation to landlords.

"Landlord" and "owner" are used interchangeably.

"Disability" is used where "handicap" was formerly used.

"Non-Citizen Rule" refers to the regulation effective on June 19, 1995 restricting assistance to U.S. citizens and eligible immigrants.

"HQS" means the Housing Quality Standards required by regulations as enhanced by the Program Administrator.

CHAPTER 2:
ADMISSION ELIGIBILITY FACTORS AND APPLICANT REQUIREMENTS

2.1 INTRODUCTION
[24 CFR §982.54(d)]

This chapter defines the criteria used by the Program Administrator to determine program eligibility, and the requirements that families and family members must meet in order to receive assistance under the program. This chapter also clarifies the circumstances that may lead to a denial of admission, and the process for notifying families if they are denied admission.

Family members being added to households that are currently receiving assistance are considered new applicants and are subject to the Housing Authority's admission and eligibility requirements.

The intent of these policies is to maintain consistency and objectivity in evaluating the eligibility of families who apply for the programs. The criteria listed in this chapter are the only factors used to review eligibility, to minimize the possibility of bias or discrimination. Selection shall be made without regard to race, color, creed, religion, sex, national origin, familial status, source of income, or disability/handicap.

2.2 ELIGIBILITY FACTORS AND REQUIREMENTS
[24 CFR §982.201 AND 24 CFR §982.552]

In accordance with HUD regulations, the Program Administrator has established the following eligibility criteria, which are detailed throughout this chapter. To be eligible for admission, an applicant family must:

1. Meet the definition of a "family;"
2. Be within the appropriate income limits;
3. Be a citizen, or a non-citizen with eligible immigration status [24 CFR §5.508]; and
4. Furnish and verify valid Social Security numbers for all family members age 6 and over [24 CFR §5.216].

The Program Administrator will also deny admission as follows:

1. If applicant fails to meet specified criteria regarding drug abuse and other criminal activity;
2. If applicant fails to submit required consent forms, or any other required information to verify family eligibility, composition, or income (including birth certificates and valid state identification);
3. If applicant is in violation of other criteria listed in Section 2.7 of this chapter; or
4. If the applicant is a member, officer or employee of the Program Administrator who formulates policy or influences decisions with respect to federally funded rental assistance programs or a public official or a member of the local governing body or member of Congress.

The Program Administrator's procedures regarding notification and informal reviews for applicants who are denied assistance can be found at the end of this chapter.

2.3 FAMILY COMPOSITION [24 CFR §982.201(C)]

The applicant must qualify as a family. The Program Administrator defines a family as a single person or a group of persons as follows.

1. **An elderly family**: A family whose head, spouse, or sole member is a person who is at least 62 years of age. It may include 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.
2. **A disabled family**: A family whose head, spouse, or sole member is a person with disabilities. It may include two or more persons with disabilities living together, or one or more persons with disabilities living with one or more live-in aides.
3. **The remaining member of a tenant family**: Includes a pregnant person whose pregnancy was terminated after admission to the program. However, if the pregnancy is terminated before admission to the program, the individual will no longer constitute a family. The remaining member of a tenant family will be reassigned another bedroom size voucher, provided there is funding available. The remaining member of a tenant family does not include a live-in attendant of the former family whose service was necessary to care for the well being of an elderly, disabled or handicapped head of household, or spouse and whose income was not included for eligibility purposes.
4. **A group of persons**: Two or more persons sharing residency, who are not categorized as an elderly or disabled family, whose income and resources are available to meet family needs. There must be a relation by blood, marriage or operation of law, or the group must provide evidence of a significant relationship determined to be stable by the Program Administrator. The following is to be considered as relation by blood: mother, father, children, cousin, niece, nephew, aunt, uncle, grandfather and grandmother. A group of two could also be a single person who is pregnant or in the process of adopting or securing legal custody of any individual under the age of 18.
5. **A single person**: A person who lives alone, or intends to live alone, who is not categorized as elderly, disabled, or the remaining member of a tenant family.

A child who is temporarily away from home due to placement in foster care is considered a member of the family.

2.3.1 Stable Relationship

When the applicant group is not related by blood, marriage, or operation of law, the Program Administrator will require that the applicant group provide evidence of a stable relationship.

The Program Administrator defines a stable relationship as:

1. A relationship that has been in existence for a minimum of 6 months, and
2. The parties provide financial support for each other.

Acceptable documentation of a stable relationship includes lease agreements indicating that the parties have lived together for at least 6 months, utility bills, other joint bills and/or bank account(s) (need to provide for a 6-month period), and, on a case-by-case basis, letters from a social service provider or religious organization confirming the relationship.

2.3.2 Head of Household [24 CFR §5.504]

The head of household is considered to be the adult designated by the family or the Program Administrator to sign program-related documents. However, since rental assistance is provided to the entire family, it is expected that every family member will uphold the Housing Authority's rules and regulations. Emancipated minors who qualify under State law will be recognized as head of household.

2.3.3 Spouse of Head

Spouse means the husband or wife of the head of household. The marriage partner who, in order to dissolve the relationship, would have to be divorced. This includes the partner in a common-law marriage.

2.3.4 Live-In Attendants [24 CFR §982.316 and 24 CFR §5.403]

A family may include a live-in attendant if the live-in attendant meets the following stipulations. The live-in attendant:

1. Is determined by the Program Administrator to be essential to the care and well being of an elderly person or a person with a disability;
2. Is not obligated for the support of the person(s);
3. Would not be living in the unit except to provide care for the person(s); and
4. Must submit a signed Criminal Background Consent Form.

A live-in attendant is different from a family member in the following:

1. An attendant's income will not be used to determine eligibility of family;
2. An attendant is not subject to the Non-Citizen Rule requirements;
3. An attendant is not considered a remaining member of the tenant family, which means that they are not entitled to retain the voucher if the eligible family member(s) voluntarily leave the program, are terminated from the program, or have a voucher that expires.

Relatives are not automatically excluded from being live-in attendants, but they must meet all the stipulations in the live-in attendant definition described above to qualify for the income exclusion as a live-in attendant. A relative who does not qualify for an income exclusion as a live-in attendant may qualify for other exclusions, including if a family receives income from a state agency to offset the cost of services and equipment needed to keep a developmentally disabled family member at home. For a complete list of income exclusions, refer to Chapter 7.

A live-in attendant may only reside in the unit with the approval of the Program Administrator. The Program Administrator will require written verification from a reliable, knowledgeable professional, such as a doctor, social worker, or caseworker. The verification provider must certify that a live-in attendant is needed for the care of the family member who is elderly, and/or disabled. The verification must include the hours of care that will be provided.

The live-in attendant will be subject to a criminal background check and must meet the same standard as an applicant. Please see Section 2.7 of this chapter for more information.

With authorization from the assisted family, the landlord and the Program Administrator, a live-in attendant may have a family member live in the assisted unit as long as it does not create overcrowding in the unit. The Program Administrator will not increase the family's subsidy to accommodate the family of a live-in attendant.

2.3.5 Split Households Before Voucher Issuance

When a family breakup occurs while a family is on the waiting list due to divorce or legal separation, it is the responsibility of the two families to decide which will take the placement on the waiting list. If no decision or court determination is made, the Program Administrator will make the decision, taking into consideration the following:

1. Which family member applied as head of household;
2. Which family member retains the children or any disabled or elderly members;
3. Any restrictions that were in place at the time the family applied;
4. Role of domestic violence or any other infraction; and
5. Recommendation of social service agencies or qualified professionals.

2.3.6 Multiple Families in the Same Household

When families consisting of two families living together, (such as a mother and father, and a daughter with her own husband or children), apply together as a family, they will be treated as one-family unit.

2.3.7 Joint Custody of Children

Children who are subject to a joint custody agreement but live with one parent at least 51 percent of the time will be considered members of that household. If both parents on the waiting list are trying to claim the child, the parent whose

address is listed in the school records will be allowed to claim the school-age child as a dependent.

Where court orders exist and provide guidance on custody issues, the Program Administrator will follow the directives outline in the court documents.

2.4 INCOME LIMITATIONS [24 CFR §982.201(b)]

In order to be eligible for assistance, an applicant must be:

1. An extremely low-income family (i.e.; the family's gross income may not exceed 30 percent of the Average Median Income [AMI] for Los Angeles County, as established by HUD); **or**
2. A low-income family whose gross income does not exceed more than 80 percent of the average median income for Los Angeles County.

In order to meet the income targeting requirements established by QHWRA, 75 percent of all new admissions will be required to meet the definition of an extremely low-income family. To achieve the required balance, it may be necessary to skip over otherwise eligible family. If this occurs, families that have been skipped over will retain the time and date of application and will be admitted as soon as an appropriate opening becomes available [24 CFR §982.201(b)(2)(i)].

The Program Administrator will admit eligible low-income families, whose incomes do not exceed 80 percent of the AMI, on a first-come, first-serve basis, according to their local preference ranking [24 CFR §982.207(e)(1) and 24 CFR §982.207(a)].

Families whose annual incomes exceed the income limit will be denied admission and offered an informal review.

2.5 CITIZENSHIP/ELIGIBLE IMMIGRATION STATUS [24 CFR §982.201(a) and §982.203(b)(4)and §5.508]

Eligibility for assistance is contingent upon a family's submission of evidence of citizenship or eligible immigration status. In order to receive assistance, a family member must be a U.S. citizen or eligible immigrant. Each family member, regardless of age, must submit a signed declaration of U.S. citizenship or eligible immigration status. The Program Administrator may request verification of the declaration by requiring presentation of alien resident card, birth certificate, social security card, naturalization document, or other appropriate documentation.

The citizenship/eligible immigration status of each member of the family is considered individually before the family's status is defined.

2.5.1 Mixed Families [24 CFR §5.504]

An applicant family is eligible for assistance as long as at least one member is a citizen or eligible immigrant. A family that includes eligible and ineligible individuals is called a "mixed family." Mixed family applicants will be given notice

that their assistance will be prorated and that they may request a hearing if they contest this determination.

2.5.2 No Eligible Members [24 CFR §982.552(b)(4)]

The Program Administrator is required to deny admission if no member of the family is a U.S. citizen or eligible immigrant. Families will be provided the opportunity to appeal the decision in an informal review.

2.6 SOCIAL SECURITY NUMBER REQUIREMENTS [24 CFR §5.216(a)]

Applicant families are required to provide verification of Social Security numbers for all family members prior to admission, if they have been issued a number by the Social Security Administration. This requirement also applies to persons joining the family after the admission to the program. Children age 5 and under, who have not been assigned a number, are exempt from this requirement.

Failure to furnish verification of Social Security numbers is grounds for denial of admission.

2.7 SCREENING FOR DRUG ABUSE AND OTHER CRIMINAL ACTIVITY [24 CFR §982.552 – §982.553]

This section describes the guidelines the Program Administrator has established for screening applicants for drug abuse and other criminal activity. The section includes HUD-required screening standards, as well as Program Administrator discretionary standards allowed by HUD. The Program Administrator will deny program admission if there is reasonable cause to believe that an applicant family has engaged in activity prohibited by these guidelines.

These guidelines apply to applicant families, and any new members being added to the household of a family currently participating in a rental assistance program. The Program Administrator also screens families transferring into the Housing Authority's jurisdiction from other housing authorities, as authorized at 24 CFR §982.355(c)(9) and §982.355(c)(10).

2.7.1 Drug Abuse and Criminal History Screening Standards [24 CFR §982.552(i) and §982.553(a)]

The Program Administrator will prohibit program admission to households if any household member is found to have engaged in activities listed in this screening standards section. Applicants convicted of an act listed in this section are ineligible to receive assistance. However, the Program Administrator will consider the household eligible for rental assistance if the household member who committed the criminal act will not be a part of the assisted household; as long as all other admission requirements are met. The family may be required to submit written certification that the ineligible family member(s) will not reside in and/or visit the household.

1. **Applicant(s) previously evicted from federally assisted housing for drug-related criminal activity.**

The Program Administrator is required to deny admission to the applicant or any household member evicted from public housing, Indian housing, Section 23, or any federally assisted housing program because of a drug-related criminal activity for a 3-year period beginning on the date of such eviction. However, the Program Administrator may waive the 3-year probation period if the person who committed the drug-related crime has successfully completed an approved supervised drug rehabilitation program after the date of the eviction or if the circumstances leading to the eviction no longer exist (i.e. the individual responsible for the original eviction is imprisoned or is deceased).

2. **Applicant(s) convicted for the manufacture of methamphetamine on the premises of federally assisted housing.**

   The Program Administrator is required to deny admission if the applicant or any household member has ever been convicted of drug-related criminal activity for manufacture or production of methamphetamine on the premises of federally assisted housing.

3. **Applicant(s) currently engaging in the illegal use of a drug.**

   The Program Administrator is required to deny admission to an applicant or any household member who the Program Administrator determines is currently engaging in illegal use of a drug.

   The Program Administrator is required to deny admission if the Program Administrator has reasonable cause to believe that there is a pattern of illegal use of a drug by the applicant or any household member and that this pattern may threaten the health, safety, or right to peaceful enjoyment of the premises by others, regardless of whether the household member has been arrested or convicted.

   The Program Administrator may approve admission if the person provides sufficient evidence that they are no longer engaging in illegal drug use and have successfully completed a supervised drug rehabilitation program.

4. **Applicant(s) subject to a lifetime sex offender registration requirement.**

   The Program Administrator is required to deny admission if the applicant or any household member is subject to lifetime registration as a sex offender under a state registration program, regardless of longevity of conviction or completion of any rehabilitative program.

5. **Applicant(s) with a pattern of alcohol abuse.**

   The Program Administrator is required to deny admission if the Program Administrator has reasonable cause to believe that there is a pattern of abuse of alcohol by the applicant or any household member and this pattern may threaten the health, safety, or peaceful enjoyment of the premises.

   The Program Administrator may approve admission if the person provides sufficient evidence that they are no longer engaging in the abuse of alcohol and has successfully completed a supervised alcohol rehabilitation program.

6. **Applicant(s) currently engaging in, or who have engaged in criminal activities.**

   The Program Administrator shall deny admission if the applicant or any household member has been convicted for **any** of the following activities, for a period of 3 years following the end of a conviction or incarceration (which ever is later), with no further arrest or convictions other than minor traffic violations:

   - Drug-related criminal activity;
   - Violent criminal activity (convicted perpetrators only);
   - Other criminal activity which may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity; and
   - Other criminal activity which may threaten the health or safety of the owner or Program Administrator staff, contractor or subcontractors or vendors.
   - The Program Administrator may waive the 3-year period for drug-related criminal activity if the person provides sufficient evidence that they are no longer engaging in the illegal use of a controlled substance and have successfully completed a supervised drug rehabilitation program.

7. **Applicant(s) engaging in fraud or bribery associated with any federal housing program.**

   The Program Administrator shall deny admission if the applicant or any household member has committed fraud, bribery, or any other corrupt or criminal act in connection with any Federal housing program. The Program Administrator may make an exception in determining admission if the family member(s) who participated or were culpable for the action do not reside in the assisted unit.

8. **Applicant(s) have not completed parole or probation.**

   The Program Administrator shall deny admission if the applicant or any household member has not completed parole or probation, including summary probation.

2.7.2 Criminal Background Checks [24 CFR §982.552 – §982.553, §5.903 – §5.905]

The Program Administrator requests a criminal background check for all applicant household members (including live-in aides) 18 years of age and older. The criminal background check is used as a factor in screening applicants for criminal activities that would prohibit admission to the Housing Authority's Section 8 rental assistance program.

All adult members of the applicant household must submit a signed Criminal Background Consent Form [24 CFR §5.903(b)], authorizing the release of criminal conviction records from law enforcement agencies. Failure to sign the consent form will result in the denial of assistance.

A criminal conviction alone may or may not result in the denial of assistance. Factors such as disclosure, completion of a drug or alcohol rehabilitative treatment program, type and longevity of the conviction may also be taken into consideration.

The Program Administrator is additionally authorized by HUD to obtain access to sex offender registration information, in order to prevent program admission to any household member (including live-in aides and minors) subject to a lifetime sex offender registration under a State sex offender registration program.

2.7.3 Requests for Criminal Records by Owners of Covered Housing for the Purposes of Screening [24 CFR §5.903(d)]

Owners of covered housing may request that the Program Administrator obtain criminal records, on their behalf, for the purpose of screening applicants. The Program Administrator will charge a fee in order to cover costs associated with the review of criminal records. These costs could include fees charged to the Program Administrator by the law enforcement agency and the Program Administrator's own related staff and administrative cost.

Owners must submit the following items in order for the Program Administrator to process criminal records. Owner requests must include:

1. A copy of a signed consent form from each adult household members, age 18 years and older. Included in the consent form must be a legible name, the date of birth, a California Identification Number, and a Social Security number. This information will be used for the sole purpose of distinguishing persons with similar names or birth dates.
2. An owner's criteria or standards for prohibiting admission of drug criminals in accordance with HUD regulations (§ 5.854 of 24 CFR Parts 5 et al.), and for prohibiting admission of other criminals (§ 5.855 of 24 CFR Parts 5 et al.).

Once the Program Administrator obtains criminal records, a determination will be made as to whether a criminal act, as shown by a criminal record, can be used as a basis for applicant screening. The Program Administrator will base its determination in accordance with HUD regulations and the owner criteria. If the owner's criteria conflicts with HUD regulations, the regulations will have precedence.

It is important to note that the Program Administrator will not disclose the applicant's criminal conviction record or the content of that record to the owner.

2.7.4 Request for Criminal Records by Section 8 Project-Based Owners for the Purposes of Lease Enforcement or Eviction

Section 8 project-based owners may request that the PHA in the location of the project obtain criminal conviction records of a household member on behalf of the owner for the purpose of lease enforcement or eviction. Owner's request must the following:

1. A copy of the consent form, signed by the household member.

2. Owner's standards for lease enforcement and evicting due to criminal activity by members of a household.

2.7.5 Confidentiality of Criminal Records [24 CFR §5.903(g)]

Criminal records received by the Program Administrator are maintained confidentially, not misused, nor improperly disseminated and kept locked during non-business hours. All criminal records will be destroyed no later than 30 calendar days after a final determination is made.

2.7.6 Disclosure of Criminal Records to Family

The applicant or family member requesting to be added to the household will be provided with a copy of the criminal record upon request and an opportunity to dispute the record. Applicants will be provided an opportunity to dispute the record at an informal review. Participants may contest such records at an informal hearing [24 CFR §982.553(d)].

2.7.7 Explanations and Terms [24 CFR §5.100]

The following terms are used to determine eligibility when an applicant or a family member is added to an already assisted household and is undergoing a criminal background check.

- ❑ "Covered housing" includes public housing, project-based assistance under Section 8 (including new construction and substantial rehabilitation projects), and tenant-based assistance under Section 8.
- ❑ "Drug" means a controlled substance as defined in Section 102 of the Controlled Substance Act (21 U.S.C. 802).
- ❑ "Drug related criminal activity" means the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with the intent to manufacture, sell, distribute or use the drug.
- ❑ "Pattern" is defined as the use of a controlled substance or alcohol if there is more than one incident during the previous 12 months. "Incident" includes but is not limited to arrests, convictions, no contest pleas, fines, and city ordinance violations.
- ❑ "Premises" is the building or complex or development in which the public or assisted housing dwelling unit is located, including common areas and grounds.
- ❑ "Sufficient evidence" may include all or a number of personal certification along with supporting documentation from the following sources 1) probation officer; 2) landlord; 3) neighbors; 4) social service workers; 5) review of verified criminal records.
- ❑ "Violent criminal activity" means any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage. Violent criminal activity also includes activity within the family, such as during domestic disputes.

2.8 OTHER CRITERIA FOR ADMISSION [24 CFR §982.552(C)]

The Program Administrator is authorized to apply the following criteria, in addition to the HUD eligibility criteria, as grounds for denial of admission to the program.

1. The family, or any household member, must not have violated any family obligations during a previous participation in a federally assisted housing program. The Program Administrator will review situations, on a case-by-case basis, for violations that are more than 5 years old.
2. The family, or any household member, must not have engaged in serious lease violations while a resident of federally assisted housing or within the past five years been evicted from a federally assisted housing program.
3. The family, or any household member, must not be a past participant of any Section 8 or public housing program who has failed to satisfy liability for rent, damages or other amounts to the Program Administrator or another housing agency, including amounts paid under a HAP contract to an owner for rent, damages, or other amounts owed by the family under the lease.
   - On a case-by-case basis, the Program Administrator may provide the applicant the opportunity to repay any such debt in full as a condition of admissions. The Program Administrator will not enter into a repayment agreement for this purpose.
4. No family household member may have engaged in or threaten abusive or violent behavior toward Program Administrator personnel.
   - "Abusive or violent behavior" 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 denial of admission.
   - "Threatening" refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.
   - Actual physical abuse or violence will always be cause for denial.
5. The family, or any household member, must not supply false, inaccurate or incomplete information on any application for federal housing programs, including public housing and Section 8. The family may be denied for a period not to exceed two years from the date of such a determination by the Program Administrator that information which was provided was false, inaccurate or incomplete, provided that no further cause for denial exists [24 CFR §982.552(c)(2)(i)].

2.9 SUITABILITY OF FAMILY [24 CFR §982.307(A)(2)]

The Program Administrator may take into consideration any admission criteria listed in this chapter in order to screen applicants for program eligibility; however,

it is the owner's responsibility to screen applicants for family behavior and suitability for tenancy.

The Program Administrator will assist and advise applicants on how to file a compliant if they have been discriminated against by an owner.

2.10 DENYING ADMISSION TO INELIGIBLE FAMILIES [24 CFR §982.201(F)(1) AND §982.552(A)(2)]

Denial of assistance for an applicant family may include denying placement on the waiting list; denying or withdrawing a voucher; refusing to enter into a HAP contract or approve a lease; and refusing to process or provide assistance under portability procedures.

Families from the Housing Authority's waiting list who are determined to be ineligible will be notified in writing of the reason for denial and given an opportunity to request an informal review if they do not agree with the decision. This policy also applies to incoming families from other housing authorities that have not yet received assistance in the Housing Authority's jurisdiction. Please refer to Chapter 16 for more information on the informal review process.

CHAPTER 3:
APPLICATIONS PROCESS

3.1 INTRODUCTION
[24 CFR §982.54(d)(1)]

This chapter describes the policies and procedures that govern the initial application, placement and denial of placement on the Housing Authority's waiting list, as well as limitations on whom may apply. The policies outlined in this chapter are intended to ensure that all families who express an interest in housing assistance are given an equal opportunity to apply. The primary purpose of the intake function is to gather information about the family so that an accurate, fair, and timely decision relative to the family's eligibility may be made. As such, applicants are placed on the waiting list in accordance with this plan.

3.2 HOW TO APPLY

Interested persons may apply online at www.hacola.org, or by calling the Program Administrator's special application telephone number. Families who wish to apply for rental assistance with the Housing Authority must complete a written application form. Applications will be made available in an accessible format to persons with disabilities upon their request.

The application process is composed of two phases.

3.2.1 Preliminary Registration Waiting List
[24 CFR §982.204(b)]

All families wishing to receive rental assistance are initially placed on the Preliminary Registration Waiting List. This is essentially an interest list. Families are placed on Preliminary Registration Waiting List according to the date and time of their call. Preliminary information regarding the family's address, income, family composition, and disability status is collected. However, this information is not verified until the family is placed on the active waiting list. Applicants receive a postcard to confirm that their name has been placed on the Preliminary Registration Waiting List.

3.2.2 Waiting List

When the Program Administrator determines that there is sufficient funding to issue additional vouchers, a pool of potential new applicants is drawn from the Preliminary Registration Waiting List. Families move onto the active waiting list according to the date and time of their initial call. Once a family has been placed on the active waiting list, they will be asked to complete a program application and provide all the necessary income forms. At this point, all information will be confirmed through a third party. Families must meet all admissions requirements to be issued a voucher.

3.3 OPENING AND CLOSING OF WAITING LIST [24 CFR §982.206]

The Housing Authority has maintained a continuously open waiting list for over 10 years. For the foreseeable future, the Housing Authority plans to continue this process indefinitely. However, should it become necessary to close and then reopen the waiting list, the Program Administrator will comply with the policies outlined in this chapter.

3.3.1 Opening the Waiting List [24 CFR §982.206(a)(2)]

When the Housing Authority opens the waiting list, it will advertise through public notice in the following newspapers, minority publications, and media entities.

- Los Angeles Times
- La Opinion
- The Daily News
- International Daily News
- L.A. Sentinel
- Long Beach Press Telegram
- Eastern Group Publications
- The Wave
- The Daily Breeze

The Program Administrator's public notification will contain:

- The dates, times, and locations where families may apply.
- The programs for which applications will be taken.
- A brief description of the program(s).
- A statement that public housing residents must submit a separate application if they want to apply to a rental assistance program.
- Any limitations on who may apply [24 CFR §982.206(a)(3)].
- The Fair Housing Logo.

The notices will be made in an accessible format to persons with disabilities if requested. The notices will provide potential applicants with information that includes the Program Administrator's telephone number and address, how to submit an application, information on eligibility requirements, and the availability of local preferences, if applicable.

Additional time for submission of an application after the stated deadline will be given as a reasonable accommodation at the request of a person with a disability.

3.4 LIMITS ON WHO MAY APPLY [24 CFR §982.307(b)(1)]

Upon opening the waiting list, the Program Administrator will disclose the criteria defining what families may apply for assistance under a public notice.

If there are sufficient applications from elderly families, disabled families, and displaced singles, applications will not be accepted from other singles.

3.5 CLOSING THE WAITING LIST [24 CFR §982.206(c)]

Should it become necessary to close the waiting list, the Program Administrator will use the same advertising methods described above.

Notification of impending closure will be provided to the public for a minimum of 30 calendar days.

3.6 TIME OF SELECTION [24 CFR §982.204(d)]

When funding is available, families will be selected from the waiting list in their preference-determined sequence, regardless of family size.

If there is ever insufficient funding to subsidize the unit size of the family at the top of the waiting list, the Program Administrator will not admit any other applicant until funding is available for the first applicant.

Families may be skipped over to meet the income targeting requirements mandated in QHWRA.

3.7 APPLICATION PROCEDURES [24 CFR §982.204(c)]

Once the applicant is transferred from the Preliminary Registration Waiting List to the Active Waiting List, an application will be mailed to the applicant. The application is due back within 10 calendar days from the date it was mailed. If the application is returned undeliverable, the applicant will be cancelled from the waiting list.

Periodically, registrants will call to check their status on the waiting list and learn that they have been cancelled because mail was returned undeliverable. In extenuating circumstances, such as a long-term illness, or other family emergency, the registrant may be reinstated. However, the registrant must be able to provide documentation of the circumstances. Such requests will be reviewed and approved (or denied) on a case-by-case basis by the Applications and Eligibility Unit Supervisor.

Once an application is returned, the information provided by the applicant will be used to determine if the applicant is eligible for a tenant selection preference, and used to help the Program Administrator determine which income forms the applicant must complete.

If an applicant is ineligible based on the information provided on the application, or because they fail to return the documents by the due date, the applicant will be provided written notice of the reason for their disqualification and their right to request an informal appeal hearing.

The application may capture the following information:

- Name of adult members and age of all members;
- Sex and relationship of all members;
- Street address and phone number;
- Mailing address;
- Amount(s) and source(s) of income received by household members;
- Information regarding disabilities relating to program requirements;
- Information related to qualification for preference(s);
- Social Security numbers;
- Race/ethnicity;
- Citizenship/eligible immigration status;
- Convictions for drug-related or violent criminal activity;
- Request for specific accommodation(s) needed to fully utilize program and services;
- Previous address;
- Current and previous landlords' names and addresses;
- Emergency contact person and address; and
- Program integrity questions regarding previous participation in HUD programs.

Applicants are required to inform the Program Administrator in writing within 30 calendar days of effective date of any changes in family composition, income, and address, as well as any changes in their preference status. Applicants must also comply with requests from the Program Administrator to update information. For information on preferences, see Chapter 4 (Establishing Preferences and Maintaining the Waiting List).

3.8 INTERVIEW SESSIONS/MAILINGS

The Program Administrator will use both mailing and interview sessions to obtain income, asset and family composition information from applicants.

3.8.1 Request for Information via Mail

During times of high activity, the Program Administrator will mail income and asset forms to applicants. Applicants will be given 10 calendar days to complete and return all required forms. If forms are not returned in a timely manner, the applicant will receive a final notice. The final notice will provide an additional five-day grace period. If the required forms are not returned, as specified, the

application will be cancelled. The Program Administrator will provide additional time, with appropriate documentation, as a reasonable accommodation and in special circumstances such as an illness and/or death in the family.

3.8.2 Application Interview Process

During times for regular activity (average volume), the Program Administrator utilizes a full application interview to discuss the family's circumstances in greater detail, to clarify information that has been provided by the applicant, and to ensure that the information is complete.

Applicants are given two opportunities to attend an interview session. If the applicant does not respond to the second invitation, the application is cancelled. The Program Administrator will allow for a third interview appointment as a reasonable accommodation and in special circumstances such as illness. An applicant may also request that the Applications and Eligibility Unit assign someone to conduct the interview at the applicant's home, as a reasonable accommodation.

All applicants must complete the following requirements [24 CFR §982.551(b)(1)(iii)].

1. At minimum, the head of household must attend the interview. The Program Administrator requests that all adult members of the applicant family attend when possible. This assures that all members receive information regarding their obligations and allows the Program Administrator to obtain signatures on critical documents quicker.
2. All adult members of the applicant family must sign the HUD-9886 Form (Authorization for the Release of Information), and all supplemental forms required by the Program Administrator.
3. Citizen declaration forms must be completed for all applicant family members, regardless of age.
4. All adult members of the applicant family must complete and sign a Criminal Background Consent Form.
5. Identification information for all members of the applicant family such as birth certificates, driver's licenses or California ID cards, whichever is applicable based on the age of the family member, must be submitted for all members of the household regardless of age.

Information provided by the applicant will be verified, including citizenship status, full time student status and other factors related to preferences, eligibility and rent calculation. Verifications must not be older than 60 calendar days old at the time of issuance.

If they are requested, exceptions for any of the above listed items will be reviewed on a case-by-case basis. Exceptions will be granted based upon hardship. Reasonable accommodations will be made for persons with disabilities. In these cases, a designee will be allowed to provide some information, but only with permission of the person with a disability.

Under both processes, all local preferences claimed on the application while the family is on the waiting list will be verified. Preference is based on current status,

so the qualifications for preference must exist at the time the preference is verified, regardless of the length of time an applicant has been on the waiting list. For information on preferences, see Chapter 4 (Establishing Preferences and Maintaining the Waiting List).

3.8.3 Secondary Reviews/Credit Reports [24 CFR §982.551(b)(1)]

Before issuing vouchers to applicant families, the Program Administrator will request a credit report for 100 percent of all new applicant families. All adults (persons 18 years of age and older) who will reside in the assisted household will have their credit report reviewed by Program Administrator staff.

The information contained in the credit report will be used to confirm the information provided by the family. Specifically, the credit report will be used to confirm:

- **Employment**: A credit report will list any employers that the applicant has listed in any recent credit applications. If the credit report reveals employment, for any adult household member, within the last 12 months that was not disclosed, the family will be asked to provide additional documents to clear up the discrepancy. Failure to disclose current employment may result in cancellation of the family's application.
- **Aliases**: A credit report can provide information on other names that have been used for the purposes of obtaining credit. Common reasons for use of other names include a recent marriage or a divorce. If an alias has not been disclosed to the Program Administrator, the family will be asked to provide additional evidence of the legal identity of adult family members.
- **Current and previous addresses**: A credit report can provide a history of where the family has lived. This is particularly important because the Program Administrator provides a residency preference. If the family has provided one address to the Program Administrator and the credit report indicates a different address, the family will be asked to provide additional proof of residency. This may include a history of utility bills, bank statements, school enrollment records for children, credit card statements or other relevant documents. Failure to provide adequate proof will result in the denial of a residency preference.
- **Credit card and loan payments**: A credit report will usually include a list of the family's financial obligations. Examples of the items that may show up include car loans, mortgage loans, student loans and credit card payments. The Program Administrator will review this information to confirm the income and asset information provided by the family. If the family's current financial obligations (total amount of current monthly payments) exceed the amount of income reported by the family, the Program Administrator will ask the family to disclose how they are currently meeting their financial obligations. Accounts that have been charged off or significantly delinquent are not included in this calculation. Failure to provide adequate proof of income will result in termination of the application.
- **Multiple Social Security numbers**: A credit report may list multiple Social Security numbers if an adult family member has used different Social Security

numbers to obtain credit. If the credit report information does not match the information provided by an adult member of the family, the family member will be required to obtain written confirmation of the Social Security number that was issued to him/her from the Social Security Administration.

A family will not be issued a voucher until all discrepancies between the information provided by the applicant family, and the information contained in the credit report have been cleared by the applicant family.

When discrepancies are found, the family will be contacted by telephone or by mail. In most cases, the family will be allowed a maximum of 10 calendar days to provide the additional documentation. On a case-by-case basis, as a reasonable accommodation, the family may be granted additional time. If additional time is granted, the family will receive a letter confirming the new deadline. No additional extension will be granted thereafter.

When the credit report reveals multiple discrepancies that are not easily communicated over the telephone, the Program Administrator will set up a face-to-face interview with the applicant. The Program Administrator will schedule up to two interview appointments. An additional interview may be scheduled as a reasonable accommodation. Failure to appear at the interview session will result in cancellation of the application.

Additionally, failure to provide the necessary information will result in cancellation of the application.

3.9 DENIAL OF ASSISTANCE [24 CFR §982.204(c)(1) and §982.204(f)(1) §982.552]

If an application is denied due to failure to attend an interview (initial or secondary), or for failure to provide eligibility related information, the applicant family will be notified in writing and offered an opportunity to request an informal review. It is the applicant's responsibility to reschedule the interview if they miss the appointment. If the applicant does not reschedule or misses two scheduled meetings, the Program Administrator will reject the application and remove the applicant's name from the waiting list.

The Program Administrator may at any time deny program assistance to an applicant family because of actions or failure to act by members of the family such as any member of the family to sign and submit consent forms for obtaining information.

3.10 FINAL DETERMINATION AND NOTIFICATION OF ELIGIBILITY [24 CFR §982.301]

If the applicant family is determined to be eligible after all applicable paperwork has been reviewed, they will be invited to attend a briefing session at which time they will receive information regarding their rights and responsibilities and they will be issued a voucher.

CHAPTER 4:
ESTABLISHING PREFERENCES AND MAINTAINING THE WAITING LIST

4.1 INTRODUCTION

It is the Housing Authority's objective to ensure that the families are placed on the waiting list in the proper order so that an offer of assistance is not delayed to any family, or made to any family prematurely.

By maintaining an accurate waiting list, the Program Administrator will be able to perform the activities which ensure that an adequate pool of qualified applicants will be available so that program funds are used in a timely manner.

4.2 APPLICATION POOL

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

1. The application will be a permanent file;
2. Applications equal in preference will be maintained by date and time; and
3. All applicants must meet income requirements outlined in Chapter 2 (Admission Eligibility Factors).

4.3 LOCAL PREFERENCES [24 CFR §982.207]

The Program Administrator will apply a system of local preferences in determining admissions for the program. All preferences will be subject to the availability of funds and all applicants will be required to meet all eligibility requirements. Local preferences are weighted highest to lowest, in the following order:

1. **Jurisdictional Preference**: Families who live and/or work in the Housing Authority's jurisdiction will be admitted before families outside of the Housing Authority's jurisdiction.
2. These preferences are subject to the approval of the Executive Director:
   - **Victims of Declared Disasters**: An admissions preference may be given to bona fide victims of declared disasters, whether due to natural calamity (e.g. earthquake), civil disturbance, or other causes recognized by the federal government. Victims must provide documentation to receive an admissions preference. Admissions preference may only be given within the allotted timeframe established by the federal government. If HUD provides specific funding, the Housing Authority will not exceed the allocated amount.
   - **Displacement Due to Government Actions:** Families or individuals who are certified as displaced due to the action of a federal government agency or local government agencies may be given an admissions preference.
   - **Referrals from law enforcement agencies:** The Program Administrator may distribute application forms and may issue a

voucher to families or single persons that are referred by law enforcement agencies. The following are examples of the types of referrals that will be considered but will not be limited to:

- Victims of domestic violence,
- Involuntarily displaced to avoid reprisals or
- Displaced due to being a victim of a hate crime.

Law enforcement referrals must be made in writing, on law enforcement agency letterhead, and signed by the requesting officer and his or her immediate supervisor. Eligibility, including background checks will be confirmed for all members.

3. **Date and Time of Registration**: When the family placed their name on the Section 8 Preliminary Waiting List.
4. **Other preferences**: The following preferences will be weighted equally:
   - Veterans: State law requires the Housing Authority to give preference to veterans.
   - Elderly and permanently disabled singles or families that have elderly or permanently disabled members.

Treatment of Single Applicants: All families with children, elderly families, and disabled families will have an admission preference over "Other Singles."

4.3.1 Verification of Preferences [24 CFR §982.207(b)]

Residency Preference: For families who are residing in, or have at least one adult member who works or has been hired to work, or is a full-time participant in an educational or training program in the jurisdiction of the Housing Authority, and who are not currently nor have been living in subsidized or low income housing during the previous 6 months.

- In order to verify that an applicant is a resident, the Program Administrator will require a minimum of 3 months residency as shown by the following documents: current rent receipts, leases, utility bills, employer or agency records, school records, drivers licenses or credit reports.
- In cases where the family's head of household or spouse works or has been offered a job in the jurisdiction of the Housing Authority, a statement from the employer will be required.
- For families whose adult household member is a full-time participant in an educational or training program in the jurisdiction of the Housing Authority, a statement from the program officials will be required.
- For families previously living in subsidized or low-income housing, a statement from the agency's official verifying the date of termination of participation/residence will be required.

Veteran's Preference: Acceptable documentation regarding veteran's status will include a DD-214 (discharge documents), proof of receipt of veteran's benefits, or documentation from the Veteran's Administration.

4.4 SPECIAL ADMISSIONS [24 CFR §982.203]

Applicants admitted under special admissions, rather than from the waiting list, are identified by codes in the automated system and are not maintained on separate lists.

If HUD awards the Housing Authority program funding that is targeted for specifically named families, the Program Administrator will admit these families under a special admission procedure. Special admissions families will be admitted outside of the regular waiting list process. They do not have to qualify for any preferences, nor are they required to be on the program waiting list. They are not counted in the limit on non-Federal preference admissions. The Program Administrator maintains separate records of these admissions. The following are examples of types of program funding that may be designated by HUD for families living in a specified unit:

1. A family displaced because of demolition or disposition of a public or Indian housing project;
2. A family residing in a multifamily rental housing project when HUD sells forecloses or demolishes the project;
3. For housing covered by the Low Income Housing Preservation and Resident Homeownership Act of 1990;
4. A family residing in a project covered by a project-based Section 8 HAP contract at or near the end of the contract term; and
5. A non-purchasing family residing in a HOPE 1 or HOPE 2 project.

4.5 CHANGE IN CIRCUMSTANCES [24 CFR §982.204(b)]

Changes in an applicant's circumstances while on the waiting list may affect the family's entitlement to a preference. Applicants are required to notify the Program Administrator in writing, within 30 calendar days, when their circumstances change, including any change of address, income or family composition.

4.6 FINAL VERIFICATION OF PREFERENCES [24 CFR §982.207(e)]

Preference information on applications will be updated as applicants are selected from the waiting list. At that time, the Program Administrator will obtain necessary verifications of preference at the interview and by third party verification.

4.7 PREFERENCE DENIAL

If the Program Administrator denies a preference, the Program Administrator will notify the applicant in writing of the reasons why the preference was denied and offer the applicant an opportunity for a review. If the preference denial is upheld as a result of the review, the applicant will be placed on the waiting list without benefit of the preference. Applicants may exercise other rights if they believe they have been discriminated against.

If the applicant falsifies documents or makes false statements in order to qualify for any preference, or for any other reason, they will be removed from the waiting list.

4.8 REMOVAL FROM WAITING LIST AND PURGING [24 CFR §982.204(c)(1) and §982.201(f)(1)]

If an applicant fails to respond to a mailing from the Program Administrator within the time frame indicated, they will be removed from the waiting list. An extension may be considered an accommodation if requested in advance by a person with a disability. If a letter is returned by the Post Office, the applicant will be removed without further notice and the envelope and letter will be maintained in the file.

If an applicant is removed from the waiting list for failure to respond, they will not be entitled to reinstatement unless the Program Administrator verifies family/health/work emergency.

The waiting list will be purged by a mailing to all applicants to ensure that the waiting list is current and accurate. The mailing will ask for current information and confirmation of continued interest.

The same guidelines will be used for failure to respond to this mailing. Notices will be made available in accessible format upon the request of a person with a disability.

CHAPTER 5:
SUBSIDY STANDARDS

5.1 INTRODUCTION
[24 CFR §982.402(a)]

Program regulations require that the Housing Authority establish subsidy standards that determine the number of bedrooms needed for families of different sizes and compositions. Such standards must provide for a minimum commitment of subsidy while avoiding overcrowding. The standards in determining the voucher size must be within the minimum unit size requirements of HUD's Housing Quality Standards (HQS).

This chapter lays out the factors used in determining the voucher size issued to a family initially and when there is a move to a new unit, as well as the Program Administrator's procedures for handling changes in family size, selection of unit size that are different from the voucher size and requests for waivers.

5.2 DETERMINATION OF VOUCHER SIZE
[24 CFR §982.402]

Subsidy standards and determination of voucher bedroom size are based upon the number of family members who will reside in the assisted dwelling unit. All standards in this section relate to the number of bedrooms on the voucher, not the family's actual living arrangements.

The unit size on the voucher remains the same as long as the family composition remains the same.

As required by HUD, the subsidy standards for determining voucher size shall provide for the smallest number of bedrooms needed to house a family without overcrowding. They will be applied consistently for all families of like size and composition, in a manner consistent with fair housing guidelines and HQS.

In accordance with HUD regulations, the unit size designated on the voucher should be assigned using the following standards:

1. As of June 13, 2000, at issuance or re-issuance, the head of household (and spouse, if applicable) will be allowed one bedroom and one bedroom will be assigned to each two additional persons thereafter. Prior to June 13, 2000, subsidy standards were based on two-persons per bedroom.

Number of Bedrooms	# of Household Members (Single HoH)	# of Household Members (HoH and Spouse)
1- bedroom	1	2
2- bedroom	2-3	3-4
3- bedroom	4-5	5-6
4- bedroom	6-7	7-8
5- bedroom	8-9	9-10
6- bedroom	10-11	11-12

2. At issuance, the bedroom size assigned should not require more than two persons to occupy the same bedroom. The family may choose and live within a suitable unit in any grouping that is acceptable to the family, including using the living room for sleeping purposes.
3. Every family member is to be counted as a person in determining the family unit size. Under this definition, family members include the unborn child of a pregnant woman, any live-in attendants (approved by the Program Administrator to reside in the unit to care for a family member who is disabled or is at least 50 years of age), and a child who is temporarily away from the home because of placement in foster care. A family that consists of a pregnant woman (with no other persons) must be treated as a two-person family. [24 CFR §982.402(a)(4) - §982.402(a)(6)].
4. A one-bedroom unit will be issued to a single-person family.
5. An additional bedroom may be assigned if a family member must use a separate bedroom due to medical reasons, if approved under a waiver by the Program Administrator (see below).
6. If the family decides to move, the Program Administrator will issue a voucher based on the family's current composition.

5.2.1 Continuing Assistance

Continuing assistance refers to cases where an additional person(s) joins the family and the family will continue to occupy the same rental unit, i.e. no move is involved.

The Program Administrator may require the family to use the living room for sleeping purposes for no more than one person provided that the unit meets other HQS. The family may be required to move into a larger size dwelling unit if the Program Administrator determines that the family is overcrowded.

Acceptable living situations for continued assistance include:

Number of Bedrooms	# Of Persons in Household (Single HOH)	# Of Persons in Household (HOH and Spouse)
1- bedroom	2	3
2- bedroom	4	5
3- bedroom	6	7
4- bedroom	8	9
5- bedroom	10	11
6- bedroom	12	13

5.3 OCCUPANCY STANDARDS WAIVER [24 CFR §982.402(b)(8)]

The standards discussed above should apply to the vast majority of assisted families. However, in some cases, the health or disability of one or more family

members may warrant the assignment of a larger or smaller unit size than the unit size that would result from a strict application of the standards. A departure from the standards is permissible to the extent that it is based on the health or disability of the family member(s).

Examples of possible exceptions include but are not limited to:

1. Persons who cannot occupy the same bedroom because of a verified medical or health reason.
2. Elderly persons or persons with disabilities who may require a live-in attendant.

Requests based on health related reasons must be verified, in writing, by a doctor or other medical professional. The request must specify the reason for the request and how providing a larger bedroom would improve or accommodate the medical condition.

A Unit Supervisor who has not been involved in the initial determination will review the request, any prior determination and make a decision based on the specifics of the individual case (on a case-by-case basis). After the decision is made, a letter notifying the applicant or participant of the decision regarding the waiver will be sent by the reviewing supervisor.

5.4 EXCEPTIONS FOR FOSTER CHILDREN [24 CFR §982.402(b)(4)]

Exceptions will be made to accommodate foster children. The Los Angeles County Department of Family and Children Services (DCFS) has very specific housing guidelines that must be meet by foster families. In order to assure that foster children are able to remain with designated Section 8 foster families, the Program Administrator will utilize the guidelines published by the Los Angeles County DCFS, or specified in a court order, in situations involving foster children.

5.5 CHANGES FOR PARTICIPANTS [24 CFR §982.551(h)(2) AND 24 CFR §982.516(c)]

Under program regulations, the Program Administrator has the right and responsibility to approve whom can and cannot be a part of the assisted household. The family must obtain approval of any additional family member before that person occupies the unit. Exceptions to this rule include additions by birth, adoption, or court-awarded custody. In these cases, the family must inform the Program Administrator of the changes within 30 calendar days. The family should provide written notification to the owner or management of the property.

The family may request a larger voucher size than indicated by the Program Administrator's subsidy standards. This request must be made in writing within 15 calendar days of the Program Administrator's determination of bedroom size. The request must explain the need or justification for a larger bedroom size.

The Program Administrator will not increase the family's voucher size due to additions unless the addition creates an overcrowding situation for the family.

All new household members who are 18 years of age and older will go through a credit and criminal background check before receiving approval to join the assisted household. Criminal records will only be used to screen new household members. They will not be used for lease enforcement or eviction of residents already receiving tenant-based rental assistance.

5.6 UNIT SIZE SELECTED

The family may select a different size dwelling than that listed on the voucher. There are three criteria to consider in this situation:

- The Program Administrator uses the **payment standard** for the voucher size or the unit size selected by the family, whichever is less [24 CFR §982.402(c)(3)].
- **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 voucher.
- **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).

5.7 FLEXIBILITY OF UNIT SIZE ACTUALLY SELECTED [24 CFR §982.402(d)]

In accordance with regulations, a family may rent a larger dwelling unit than designated, provided that the rent for the unit is comparable and the family's total rent contribution (rent to the owner plus any applicable utility costs) does not exceed 40 percent of the family's adjusted monthly income (applies only if the gross rent for the unit exceeds the payment standard). Regardless of the number of bedrooms stated on the voucher, the Housing Authority shall not prohibit a family from renting an otherwise acceptable unit because it is too large for the family.

The family may also rent smaller units, if the unit meets other HQS and the unit is appropriate for the family size. The Program Administrator recognizes that it is particularly hard for larger families to located appropriate housing given local market conditions. Therefore, the Program Administrator will allow families to request a waiver to move into a smaller unit as long as the unit complies with all HQS requirements, including space requirements.

CHAPTER 6:
DETERMINING THE TOTAL TENANT PAYMENT AND HOUSING AUTHORITY ABSENCE POLICY

6.1 INTRODUCTION

This chapter explains how the Total Tenant Payment (TTP) is calculated at admission and during annual re-examinations. It covers Housing Authority and HUD standards used to calculate income inclusions and deductions.

This chapter also provides the Program Administrator's definition of absence of household members and explains how the presence or absence of household members can affect the TTP.

The policies outlined in this chapter address those areas, which allow the Program Administrator discretion to define terms and to develop standards in order to assure consistent application of the various factors that relate to the determination of TTP.

6.2 INCOME DEFINITIONS

- **Total Tenant Payment (TTP)**: TTP is calculated for each household based on family income. It is used to determine the tenant contribution toward rent. The TTP is affected by who is included in the family composition. Accurate calculation of annual income and adjusted income ensures that families do not pay more or less for rent than obligated and required by the regulations.
- **Income**: The Program Administrator will include income from all sources, unless otherwise specifically exempted [24 CFR §5.609(c)] through program regulations, for the purposes of calculating the TTP. In accordance with this definition, income from all sources of each member of the household is counted.
- **Annual Income [24 CFR §5.609(a)]**: The gross amount of income anticipated to be received by the family during the 12 months after certification or re-examination. Gross income is the amount of income prior to any HUD allowable expenses or deductions, and does not include income that has been excluded by HUD. Annual income is used to determine whether or not applicants are within the applicable income limits.
- **Adjusted Income [24 CFR §5.611]**: The annual income minus any HUD allowable deductions.

6.3 INCOME DEDUCTIONS [24 CFR §5.611(a)]

The following deductions will be applied in the TTP calculation:

- **Dependent Allowance**: $480 each for family members (other than the head or spouse), who are minors, and for family members who are 18 and older who are full-time students or who are disabled. This allowance does not apply to foster children.

- **Elderly Family or Disabled Family Allowance**: $400 for families whose head or spouse is 62 or over or disabled.
- **Childcare Expenses**: Deducted for children under 13, including foster children, when childcare is necessary to allow an adult member to work, search for work, or attend school (see below for details).
- **Allowable Medical Expenses**: Deducted for unreimbursed medical expenses for members of any elderly family or disabled family.
- **Attendant Care and Auxiliary Apparatus Expenses**: Deducted for persons with disabilities if needed to enable the individual or an adult family member to work.

6.3.1 Childcare Expenses [24 CFR §5.603(d) and 24 CFR §5.611(e)]

Childcare expenses for children under 13 years of age may be deducted from annual income if they enable an adult to work, search for work, or attend school full time.

In the case of a child attending school, only care during non-school hours can be counted as childcare expenses.

Families will be given a childcare allowance based on the following guidelines:

- **Childcare to Work**: The maximum childcare expense allowed must be less than the amount earned by the person enabled to work. The "person enabled to work" will be the adult member of the household who earns the least amount of income from working.
- **Childcare to Search for Work**: Childcare expenses cannot exceed the current amount of income received.
- **Childcare for School**: The number of hours claimed for childcare may not exceed the number of hours the family member is attending school (including one hour travel time to and from school).
- **Amount of Expense**: The Program Administrator will determine local average costs as a guideline. If the hourly rate materially exceeds the guideline, the Program Administrator may calculate the allowance using the guideline.

6.3.2 Medical Expenses [24 CFR §5.611(d)(1)]

When it is unclear in the HUD rules as to whether or not to allow an item as a medical expense, IRS Publication 502 will be used as a guide.

The Program Administrator will allow as medical expense the actual out-of-pocket amounts which are owed and anticipated to be paid by the family during the re-examination period. Expenses from the previous year may be analyzed to determine the amount to anticipate when other verification is not available.

Nonprescription medicines will be counted toward medical expenses for families who qualify if the family furnishes legible receipts.

Acupressure, acupuncture and related herbal medicines, and chiropractic services will be considered allowable medical expenses.

6.4 INCOME INCLUSIONS AND EXCLUSIONS

6.4.1 Income Inclusions [24 CFR §5.609(b)]

The Program Administrator considers the following to be included in the family's annual income, as required by HUD:

(1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;

(2) The net income from operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;

(3) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in No. 2 of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of $5,000, annual income shall include the greater of the actual income derived from net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;

(4) The full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, lotteries, disability or death benefits, and other similar types of periodic receipts, including a lump-sum payment for the delayed start of a periodic payment (but see No. 13 under Income Exclusions);

(5) Payments in lieu of earnings, such as unemployment, worker's compensation, and severance pay (but see No. 3 under Income Exclusions);

(6) Welfare Assistance.

a. Welfare assistance received by the household.

b. The amount of reduced welfare income that is disregarded specifically because the family engaged in fraud or failed to comply with an economic self-sufficiency or work activities requirement.

c. If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustments by the welfare assistance agency in accordance with the actual cost of shelter

and utilities, the amount of welfare income to be included as income shall consist of:

(i) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus

(ii) 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 paragraph shall be the amount resulting from one application of the percentage;

(7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling;

Regular Contributions and Gifts [24 CFR §5.609(b)(7)]

Any contribution or gift received every 3 months or more frequently will be considered a "regular" contribution or gift. This includes payments made on behalf of the family such as payments for a car, credit card bills, rent and/or utility bills and other cash or non-cash contributions provided on a regular basis. It does not include casual contributions or sporadic gifts.

If the family's expenses exceed its known income, the Program Administrator will question the family about contributions and gifts. If the family indicated that it is able to meet the extra expenses due to gifts or contributions from persons outside the household, the amount provided will be included in the family's TTP.

Alimony and Child Support [24 CFR §5.609(b)(7)]

If the amount of child support or alimony received is less than the amount awarded by the court, the Program Administrator must use the amount awarded by the court unless the family can verify that they are not receiving the full amount. Acceptable verification in such cases may include:

1. Verification from the agency responsible for enforcement or collection, and
2. Documentation of child support or alimony collection action filed through a child support enforcement/collection agency, or has filed an enforcement or collection action through an attorney.

It is the family's responsibility to supply a certified copy of the divorce decree.

(8) All regular pay, special pay, and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is head of the family, spouse, or other person whose dependents are residing in the unit (but see paragraph (7) under Income Exclusions).

6.4.2 Income Exclusions [24 CFR §5.609(c)]

The Program Administrator considers the following to be excluded from the family's annual income, as required by HUD:

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

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

> Benefits received through the Kin GAP program, a California program designed specifically for foster children who have been place in the home of a relative are considered foster care and should be excluded.

(3) 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 (but see No. 5 under Income Inclusions);

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

(5) Income of a live-in aide (as defined by regulation);

(6) The full amount of student financial assistance paid directly to the student or to the educational institution;

(7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;

(8) (a) Amounts received under training programs funded by HUD;

(b) Amounts received by a person with disabilities 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);

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

(d) A resident service stipend. This is a modest amount (not to exceed $200 per month) received by a resident for performing a service for the owner, on a part-time basis, that enhances the quality of life in the development. This may include, but is not limited to fire patrol, hall monitoring, lawn maintenance, and resident initiatives coordination and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time; or

(e) Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training programs not affiliated with a local government) and training of a family member as 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.

(9) Temporary, nonrecurring, or sporadic income (including gifts). For example, amounts earned by temporary census employees whose terms of employment do not exceed 180 days (Notice PIH 2000-1).

(10) Reparations 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;

(11) Earnings in excess of $480 for each full-time student 18 years or older (excluding the head of household and spouse);

(12) Adoption assistance payments in excess of $480 per adopted child;

(13) Deferred periodic payments of supplemental security income and social security benefits that are received in a lump-sum payment or in prospective monthly payments;

(14) 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;

(15) Amounts paid by a state agency to a family with a developmentally disabled family member living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; and

(16) Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the 1937 Act. A notice will be published in the Federal Register and distributed to PHAs identifying the benefits that qualify for this exclusion. Updates will be distributed when necessary. The following is a list of income sources that qualify for that exclusion:

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

b) Payments to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058);

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

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

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

f) Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552(b); (effective July 1, 2000, references to Job Training Partnership Act shall be deemed to refer to

the corresponding provision of the Workforce Investment Act of 1998 (29 U.S.C. 2931);

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

h) The first $2000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first $2000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408);

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

j) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f));

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

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

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

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

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

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

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

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

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

(17) Earned Income Disallowance for persons with disabilities [24CFR5.617]

(a) Initial Twelve Month Exclusion [24CFR5.617(C)(1)]

(b) Second Twelve Month Exclusion and Phase-In [24CFR5.617(C)2)

(c) Maximum Four Year Disallowance [24 CFR 5.617(c)(3)]

6.5 FAMILY ASSETS [24 CFR §5.603(b)]

6.5.1 Lump-Sum Receipts

Lump-sum additions to family assets, such as inheritances, insurance payments (including lump-sum payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses, are not included as income but may be included in assets.

Lump-sum payments caused by delays in processing periodic payments (unemployment or welfare 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.

6.5.2 Attorney Fees

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.

6.5.3 Contributions to Retirement Funds – Assets [24 CFR §5.603(d)]

Contributions to company retirement/pension funds are handled as follows:

1. While an individual is employed, include as assets only amounts the family can withdraw without retiring or terminating employment.
2. After retirement or termination of employment, include any amount the individual elects to receive as a lump sum.

6.5.4 Assets Disposed of for Less than Fair Market Value [24 CFR §5.603(d)]

The Program Administrator must count assets disposed of for less than fair market value during the two years preceding certification or re-examination. The Program Administrator 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, separation or divorce are not considered to be assets disposed of for less than fair market value.

The Program Administrator's minimum threshold for counting assets disposed of for less than Fair Market Value is $5,000. If the total value of assets disposed of within a one-year period is less than $5,000, they will not be considered an asset.

6.6 CALCULATING INCOME AND FAMILY CONTRIBUTION

6.6.1 "Minimum Rent" and Minimum Family Contribution [24 CFR §5.630(a)(3)]

Minimum family contribution in Housing Authority rental assistance programs is $25.

The Program Administrator will waive the minimum rent requirement in cases where the family documents that they do not currently have any source of income such as in the case of some homeless families. In such cases, the family will be re-evaluated in 6 months. All families are required to report changes in income within 30 calendar days.

6.6.2 Minimum Income

There is no minimum income requirement. Families who report zero income may be required to attend an interim re-examination periodically, up to once a quarter, at the Program Administrator's discretion. A credit review will automatically be requested for families claiming zero income.

6.6.3 Averaging Income [24 CFR §982.516(B)(2) and 24 CFR §5.609(D)]

When annual income cannot be anticipated for a full 12 months, the Program Administrator may annualize current income and conduct an interim re-examination if income changes.

If there are bonuses or overtime which the employer cannot anticipate for the next 12 months, bonuses and overtime received the previous year may be used.

Income from the previous year may be analyzed to determine the amount to anticipate when third-party or check-stub verification is not available.

If by averaging, an estimate can be made for those families whose income fluctuates from month to month, this estimate will be used so that the housing payment will not change from month to month.

The method used depends on the regularity, source and type of income.

6.6.4 Utility Allowance and Utility Reimbursement Payments [24 CFR §982.517]

The utility allowance is intended to help defray the cost of utilities not included in the rent and is subtracted from TTP to establish the family's rent to the owner. The allowances are based on rates and average consumption studies, not on a family's actual consumption. The Program Administrator will review the Utility Allowance Schedule on an annual basis and revise it if needed (10 percent increase or decrease).

The approved utility allowance schedule is given to families along with the voucher. The utility allowance is based on the actual unit size selected.

Where families provide their own range and refrigerator, the Program Administrator will establish an allowance adequate for the family to purchase or rent a range or refrigerator, even if the family already owns either appliance.

Allowances for ranges and refrigerators will be based on the lesser of the cost of leasing or purchasing the appropriate appliance over a 12-month period.

If the utility allowance exceeds the family's TTP, the Program Administrator will provide a utility reimbursement payment for the family each month. The check will be made out directly to the family's head of household on record.

6.6.5 Reduction in Benefits

If the family's benefits, such as Social Security, Social Supplemental Insurance or CalWORKs grant, are reduced through no fault of the family, the Program Administrator will use the net amount of the benefit.

In certain very specific instances families may have welfare benefits reduced and still not be eligible for a rent reduction. Families affected include those that receive welfare assistance or other public assistance benefits (e.g. transportation or child care) under a governmental program that requires the family to participate in an economic self-sufficiency program as a condition for such assistance.

The amount that the welfare benefit has been reduced because of fraud or a sanction for noncompliance with requirements to participate in an economic self-sufficiency program is identified as the "imputed welfare income." The family's annual income includes the amount of the imputed welfare income plus the total amount of other annual income.

6.7 PRORATION OF ASSISTANCE FOR "MIXED" FAMILIES

6.7.1 Applicability [24 CFR §5.520(a)]

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 that were participants on June 19, 1995, and that do not qualify for continued assistance must be offered prorated assistance. Mixed family applicants are entitled to prorated assistance. Families that become mixed after June 19, 1995 by addition of an ineligible member are entitled to prorated assistance.

6.7.2 Prorated Assistance Calculation [24 CFR §5.520(c)]

Prorated assistance is calculated by determining the amount of assistance payable if all family members were eligible and multiplying by the percent of the family members who actually are eligible. TTP is the gross rent minus the prorated assistance.

6.8 ABSENCE POLICY [24 CFR §982.312(d)]

The Program Administrator must compute all applicable income of every family member who is on the lease, including those who are temporarily absent. In

addition, the Program Administrator must count the income of the spouse or the head of household if that person is temporarily absent, even if that person is not on the lease.

Income of persons permanently absent will not be counted. 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 any other exceptions to military pay HUD may define) is counted as income.

It is the responsibility of the household to report absences and changes in family composition. The Program Administrator will evaluate absences from the unit using this policy [24 CFR §982.551(i)].

6.8.1 Absence of Entire Family [24 CFR §982.312]

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 Program Administrator will terminate assistance in accordance with appropriate termination procedures contained in this plan.

Families are required both to notify the Program Administrator before they move out of a unit and to give the Program Administrator information about any family absence from the unit.

Families must notify the Program Administrator if they are going to be absent from the unit for more than 30 consecutive calendar days.

If the family fails to notify the Program Administrator of an absence of longer than 30 consecutive calendar days, or if the entire family is absent from the unit for more than 60 consecutive calendar days, the unit will be considered to be vacated and the assistance will be terminated. The Program Administrator at all times shall reserve the right to exercise its judgment regarding extensions on family absence from the unit on a case-by-case basis. However, HUD regulations require the Program Administrator to terminate assistance if the entire family is absent from the unit for a period of more than 180 consecutive calendar days.

"Absence" means that no family member is residing in the unit, and the unit has not been vacated. In order to determine if the family is absent from the unit, the Program Administrator may:

- Write letters to the family at the unit
- Telephone the family at the unit
- Interview the owner
- Interview neighbors
- Verify if utilities are in service
- Conduct an interim HQS Inspection

If the absence which resulted in termination of assistance was due to a person's disability, and the Program Administrator can verify that the person was unable to notify the Program Administrator in accordance with the family's responsibilities,

and if funding is available, the Program Administrator may reinstate the family as an accommodation if requested by the family.

6.8.2 Absence of Any Member [24 CFR §982.312(a)]

Any member of the household will be considered permanently absent if s/he is away from the unit for 180 consecutive calendar days except as otherwise provided in this chapter.

6.8.3 Absence Due to Medical Reasons [24 CFR §982.312(e)(1)]

If any family member leaves the household to enter a facility such as a hospital, nursing home, or rehabilitation center, the Program Administrator 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 return in less than 180 calendar days, the family member will not be considered permanently absent.

If the verification indicates that the family member will be permanently confined to a nursing home, the family member will be considered to be permanently absent – out of the home and removed from the family composition.

If the person who is determined to be permanently absent is the sole member of the household, assistance will be terminated in accordance with the Program Administrator's "Absence of Entire Family" policy.

6.8.4 Absence Due to Incarceration [24 CFR §982.312(e)(1)]

If the sole member of the household is incarcerated for more than 30 calendar days, s/he will be considered permanently absent and the Program Administrator will initiate proposed termination procedures to terminate assistance.

Any member of the household, other than the sole member, will be considered permanently absent if s/he is incarcerated for 60 calendar days. Once a family member is removed from the family composition, the family must seek Program Administrator approval prior to allowing the family member to re-join the assisted household. Failure to adhere to this policy can result in termination of assistance.

The Program Administrator will determine if the reason for any family member's incarceration is for drug-related or violent criminal activity and, if appropriate, will pursue termination of assistance for the family if deemed appropriate.

6.8.5 Foster Care and Absences of Children [24 CFR §982.551(h)(4)]

If the family includes a child or children temporarily absent from the home due to placement in foster care, the Program Administrator will request information from the appropriate agency to determine when the child/children will be returned to the home.

If the time period is to be greater than 180 calendar days from the date of removal of the child/children, the voucher size may be temporarily reduced. If children are removed from the home permanently, the voucher size will

permanently reduced in accordance with the Program Administrator's subsidy standards.

6.8.6 Absence of Adult [24 CFR §982.312(e)]

If neither parent remains in the household and the appropriate agency has determined that another adult is to be brought into the assisted unit to care for the children for an indefinite period, the Program Administrator will treat that adult as a visitor for up to the first 180 calendar days.

If during or by the end of that period, court-awarded custody or legal guardianship has been awarded to the caretaker, the voucher will then be transferred to the caretaker.

If custody or legal guardianship has not been awarded by the court, but the action is in process, the Program Administrator will secure verification from social services staff or the attorney as to the status.

If the appropriate agency cannot confirm the guardianship status of the caretaker, the Program Administrator will review the status at 120-day intervals.

The caretaker will be allowed to remain in the unit, as a visitor, until a determination of custody is made or up to 12 months total.

The Program Administrator will transfer the voucher to the caretaker, in the absence of a court order, if the caretaker has been in the unit for more than 12 months and it is reasonable to expect that custody will be granted.

When the Program Administrator approves a person to reside in the unit as caretaker for the children, this person’s income will be counted in the TTP for the family pending a final disposition. The Program Administrator will work with the appropriate service agencies and the owner to provide a smooth transition in these cases.

If a member of the household is subject to a court order that restricts him/her from the home for more than 180 calendar days, the person will be considered permanently absent.

If an adult family member leaves the household for any reason, the family must report the change in family composition to the Program Administrator within 30 calendar days.

The family will be required to notify the Program Administrator in writing within 30 calendar days when a family member leaves the household for any reason or moves out. The notice must contain a certification by the family as to whether the member is temporarily or permanently absent. The family member will be determined permanently absent if verification is provided.

If an adult child goes into the military and leaves the household, they will be considered permanently absent.

Time extensions may be granted as an accommodation upon request by a person with a disability.

6.8.7 Students
[24 CFR §982.312(e)]

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. These family members will continue to be counted for the purpose of determining the family's appropriate voucher size.

6.8.8 Visitors
[24 CFR §982.312(e)]

Any person not included on the HUD-50058 who has been in the unit more than 30 calendar days, or a total of 60 calendar days in a 12-month period, will be considered to be living in the unit as an unauthorized household member.

Absence of evidence of any other address will be considered verification that the visitor is a family member.

Statements from neighbors and/or the owner will be considered in making the determination.

Use of the unit address as the visitor's current residence for any purpose that is not explicitly temporary shall be construed as permanent residence.

The burden of proof that the individual is a visitor rests on the family. In the absence of such proof, the individual will be considered an unauthorized member of the family and the Program Administrator will terminate assistance since prior approval was not requested for the addition.

In a joint custody arrangement, if the minor is in the household less than 180 calendar days per year, the minor will be considered to be an eligible visitor and not a family member.

6.9 REPORTING CHANGES IN HOUSEHOLD COMPOSITION
[24 CFR §982.516(c)]

Reporting changes in household composition is both a HUD and Housing Authority requirement.

6.9.1 Reporting Additions to Owner and The Program Administrator
[24 CFR §982.551(h)(2)]

The family obligations require the family to receive advance Program Administrator approval to add any other family member as an occupant of the unit. The Program Administrator shall notify the family of its determination (approve or deny addition) in writing. No persons should move in to the unit until approval from the Program Administrator has been received. If the family does not obtain prior written approval from the Program Administrator, any person the family has permitted to move in will be considered an unauthorized household member.

Families are required to report any additions to the household resulting from the birth, adoption or court-awarded custody of a child in writing to the Program Administrator within 30 calendar days of the move-in date.

An interim re-examination will be conducted for any additions to the household.

In addition, the lease may require the family to obtain prior written approval from the owner when there are changes in family composition.

The Program Administrator will conduct a credit and criminal background check on all new potential family members, 18 years of age and older, as part of the approval process.

6.9.2 Reporting Absences to The Program Administrator [24 CFR §982.551(h)(3) and §982.551(i)]

If a family member leaves the household, the family must report this change to the Program Administrator, in writing, within 30 calendar days of the change and certify as to whether the member is temporarily absent or permanently absent. When available to do so, an adult family member who is leaving the household should remove him/herself in writing from the lease and voucher family composition.

The Program Administrator will conduct an interim evaluation for changes, which affect the TTP in accordance with the interim policy.

CHAPTER 7:
VERIFICATION PROCEDURES

7.1 INTRODUCTION
[24 CFR §5.240(c), 24 CFR §5.210, 24 CFR §982.551(b)]

HUD regulations require that the factors of eligibility be verified by the Housing Authority. Applicants and program participants must furnish proof of their statements whenever required by the Program Administrator, and the information they provide must be true and complete. The Program Administrator's verification requirements are designed to maintain program integrity. This chapter explains the Housing Authority's procedures and standards for verification of preferences, income, assets, allowable deductions, family status, and when there are changes in family members. The Program Administrator will ensure that proper authorization from the family is always obtained before making verification inquiries.

7.2 METHODS OF VERIFICATION AND TIME ALLOWED

The Program Administrator will verify information through the five methods of verification acceptable to HUD in the following order:

1. Third-party written verification will be used first.
2. Third-party oral verification will be used when written verification is delayed or not possible.
3. Review of documents will be used if third-party written or oral is unavailable, or the information has not been verified by the third-party within two weeks.
4. Certification/self-declaration will be used if third-party verification or review of documents cannot be made.
5. Credit reports will be used if documents are not available.

The Program Administrator will allow two weeks for return of third-party verifications and two weeks to obtain other types of verifications before going to the next method.

For applicants, verifications may not be more than 60 calendar days old at the time of voucher issuance [24 CFR §982.201(e)]. For participants, income forms are valid for 120 calendar days from date of receipt.

7.2.1 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 for the information source to release the specified information.

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

The Program Administrator will not accept verifications delivered by the family except computerized printouts from the following agencies:

- Social Security Administration
- Veterans Administration
- Welfare Assistance
- Unemployment Compensation Board
- City or County Courts
- Child Support Enforcement Agencies

7.2.2 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 document both the paper and computer file, noting with whom they spoke, the date of the conversation, and the facts provided. If oral third party verification is not available, the Program Administrator will compare the information to any documents provided by the family. If provided by telephone, the Program Administrator must originate the call.

7.2.3 Review of Documents

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

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

The Program Administrator will accept the following documents from the family provided that the document is such that tampering would be easily noted:

- Printed wage stubs
- Computer print-outs from the employer
- Signed letters (provided that the information is confirmed by phone)
- Other documents noted in this chapter as acceptable verification

The Program Administrator will accept faxed documents, however a hard copy must also be provided.

The Program Administrator will accept photocopies, however original documents may be requested for verification.

If third-party verification is received after documents have been accepted as provisional verification, and there is a discrepancy, the Program Administrator will utilize the third party verification.

7.2.4 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/affidavit/certification/statement under penalty of perjury and must be witnessed.

7.3 RELEASE OF INFORMATION [24 CFR §5.230]

The family will be required to sign specific authorization forms when information is needed that is not covered by the HUD-9886 Form (Authorization for the 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 Program Administrator or HUD.

7.4 COMPUTER MATCHING [24 CFR §5.210(a)]

Where allowed by HUD and/or other State or local agencies, computer matching will be done.

7.5 ITEMS TO BE VERIFIED [24 CFR §982.551(b)]

- ❑ All income not specifically excluded by the regulations.
- ❑ Zero-income status of household.
- ❑ Full-time student status including high school students who are age 18 or over.
- ❑ Current assets including assets disposed of for less than fair market value in preceding two years.
- ❑ Childcare expense where it allows an adult family member to be employed or to further his/her education.
- ❑ Total medical expenses of all family members in households whose head or spouse is elderly or disabled.
- ❑ Disability assistance expenses to include only those costs associated with attendant care or auxiliary apparatus which allow an adult family member to be employed.
- ❑ Identity.
- ❑ U.S. citizenship/eligible immigrant status.
- ❑ Social Security Numbers for all family members 6 years of age or older.

- ❑ Preference status, based upon local preferences.
- ❑ Displacement status of single applicants who are involuntarily displaced through no fault of their own.
- ❑ Familial/marital status when needed for head or spouse definition.
- ❑ Disability for determination of preferences, allowances or deductions.

7.6 VERIFICATION OF INCOME [24 CFR §982.516(a)(2)(i)]

This section defines the methods the Program Administrator will use to verify various types of income.

7.6.1 Employment Income [24 CFR §5.609(b)(1))]

Verification forms request the employer to specify the:

- ➢ Dates of employment
- ➢ Amount and frequency of pay
- ➢ Date of the last pay increase
- ➢ Likelihood of change of employment status and effective date of any known salary increase during the next 12 months
- ➢ Year-to-date earnings
- ➢ Estimated income from overtime, tips, bonus pay expected during next 12 months

Acceptable methods of verification include, in this order:

1. Employment verification form completed by the employer.
2. Check stubs or earning statements which indicate the employee's gross pay, frequency of pay or year-to-date earnings.
3. W-2 forms plus income tax return forms.
4. Income tax returns signed by the family may be used for verifying self-employment income, or income from tips and other gratuities.

In cases where there are questions about the validity of information provided by the family, the Program Administrator will require the most recent federal income tax statements.

7.6.2 Social Security, Pensions, Disability, Supplementary Security Income [24 CFR §5.609(b)(4)]

Acceptable methods of verification include, in this order:

1. Benefit verification form completed by agency providing the benefits.
2. Award or benefit notification letters prepared and signed by the providing agency.
3. Computer report electronically obtained or in hard copy.

7.6.3 Unemployment Compensation [24 CFR §5.609(b)(5)]

Acceptable methods of verification include, in this order:

1. Verification form completed by the unemployment compensation agency.
2. Computer printouts from unemployment office stating payment dates and amounts.
3. Payment stubs.

7.6.4 Welfare Payments or General Assistance [24 CFR §5.609(b)(6)]

Acceptable methods of verification include, in this order:

1. The Housing Authority verification form completed by payment provider.
2. 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.
3. Computer-generated Notice of Action.
4. The Program Administrator may also verify this information by accessing the Los Angeles County Department of Public Social Services (DPSS) computer system.

7.6.5 Alimony or Child Support Payments [24 CFR §5.609(b)(7)]

Acceptable methods of verification include, in this order:

1. Copy of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules.
2. Computerized official printout of payments made if through a state agency.
3. A notarized letter from the person paying the support.
4. Copy of latest check and/or payment stubs from Court Trustee. The Program Administrator must record the date, amount, and number of the check.
5. 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.
6. If payments are irregular, the family must provide:
   - A copy of the separation or settlement agreement, or a divorce decree stating the amount and type of support and payment schedules.
   - A statement from the agency responsible for enforcing payments to show that the family has filed for enforcement.
   - A welfare notice of action showing amounts received by the welfare agency for child support.

- A written statement from the District Attorney's office or other appropriate agency certifying that a collection or enforcement action has been filed.

7.6.6 Net Income from a Business [24 CFR §5.609(b)(2)]

In order to verify the net income from a business, the Program Administrator will view IRS and financial documents from prior years and use this information to anticipate the income and expenses for the next 12 months.

Acceptable methods of verification include:

1. IRS Form 1040, including:
   - Schedule C (Small Business)
   - Schedule E (Rental Property Income)
   - Schedule F (Farm Income)
2. 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.
3. Audited or unaudited financial statement(s) of the business.
4. Third party verification forms for each customer/contract indicating the amounts of income received in a specified time period.

Expenses for rent and utilities will not be allowed for operations or businesses based in the subsidized unit, as these expenses are a required family contribution in the Housing Choice Voucher Program and are calculated based upon the family's income.

7.6.7 Child Care Business

If an applicant/participant is operating a licensed day care business, income and expenses 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 Program Administrator 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 childcare services were terminated, a third-party verification will be sent to the parent whose child was receiving childcare.

7.6.8 Recurring Gifts [24 CFR §5.609(b)(7)]

The family must furnish a self-certification containing 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

7.6.9 Zero-Income Status

Families claiming to have no income will automatically undergo a credit review. The information contained in the credit report will be used to confirm the information provided by the family. The Program Administrator will also utilize records provided by the Department of Public Social Services (DPSS).

Moreover, the Program Administrator may check records of other departments in the jurisdiction that have information about income sources of customers.

7.6.10 Full-Time Student Status [24 CFR §5.609(c)(11)]

Only the first $480 of the earned income of full time students 18 years or older (including those who are temporarily absent), other than head or spouse, will be counted towards family income.

Financial aid, scholarships and grants received by full time students are not counted towards family income.

Verification of full time student status includes:

1. Written verification from the registrar's office or other school official, and
2. School records indicating enrollment for sufficient number of credits to be considered a full-time student by the educational institution.

7.7 INCOME FROM ASSETS

Acceptable methods of verification include, in this order:

7.7.1 Savings Account Interest Income and Dividends [24 CFR §5.609(b)(3)]

Will be verified by:

1. Account statements, passbooks, certificates of deposit, or Housing Authority verification forms completed by the financial institution.
2. Broker's statements showing value of stocks or bonds and the earnings credited the family. Earnings can be obtained from current newspaper quotations or oral broker's verification.
3. IRS Form 1099 from the financial institution, provided that the Program Administrator must adjust the information to project earnings expected for the next 12 months.

7.7.2 Interest Income from Mortgages or Similar Arrangements [24 CFR §5.609(b)(7)]

1. 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.)

2. Amortization schedule showing interest for the 12 months following the effective date of the certification or re-examination.

7.7.3 Net Rental Income from Property Owned by Family [24 CFR §5.609(b)(3)]

1. IRS Form 1040 with Schedule E (Rental Income).
2. Copies of latest rent receipts, leases, or other documentation of rent amounts.
3. 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.

7.8 VERIFICATION OF ASSETS [24 CFR §982.516(a)(2)(ii)]

7.8.1 Family Assets

The Program Administrator will require the necessary information to determine the current cash value, (the net amount the family would receive if the asset were converted to cash).

1. Verification forms, letters, or documents from a financial institution or broker.
2. Passbooks, checking account statements, certificates of deposit, bonds, or financial statements completed by a financial institution or broker.
3. Quotes from a stockbroker or realty agent as to net amount family would receive if they liquidated securities or real estate.
4. Real estate tax statements if the approximate current market value can be deduced from assessment.
5. Financial statements for business assets.
6. Copies of closing documents showing the selling price and the distribution of the sales proceeds.
7. Appraisals of personal property held as an investment.

7.8.2 Assets Disposed of for Less than Fair Market Value (FMV) [24 CFR §5.603(b)(3)]

This includes assets disposed of during two years preceding effective date of certification or re-examination:

1. For all certifications and re-examinations, the Program Administrator will obtain the family's certification as to whether any member has disposed of assets for less than fair market value during the two years preceding the effective date of the certification or re-examination.

2. If the family certifies that they have disposed of assets for less than fair market value, verification [or certification] is required that shows:
   - All assets disposed of for less than FMV;
   - The date they were disposed of;
   - The amount the family received; and
   - The market value of the assets at the time of disposition. Third party verification will be obtained wherever possible.

7.9 VERIFICATION OF ALLOWABLE DEDUCTIONS FROM INCOME [24 CFR §5.11]

7.9.1 Childcare Expenses [24 CFR §5.611(a)(4)]

1. Written verification from the person who receives the payments is required. If the childcare provider is an individual, s/he must provide a statement of the amount they are charging the family for their services and whether any of the amounts owed have been or will be paid by sources outside the family.
2. Verifications must specify the child care provider's name, address, telephone 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.

7.9.2 Medical Expenses [24 CFR §5.611(a)(3)]

Families who claim medical expenses or expenses to assist a person(s) with a 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:

1. Written verification by a doctor, hospital or clinic personnel, dentist, pharmacist, of
   - The anticipated medical costs to be incurred by the family and regular payments due on medical bills, and
   - Extent to which those expenses will be reimbursed by insurance or a government agency.
2. Written confirmation by the insurance company or employer of health insurance premiums to be paid by the family.
3. 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.
4. For attendant care:

- 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.
- 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.

5. Receipts, canceled checks, or pay stubs that verify medical costs and insurance expenses likely to be incurred in the next 12 months.
6. 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.
7. Receipts or other record of medical expenses incurred during the past 12 months that can be used to anticipate future medical expenses. The Program Administrator 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.
8. The Program Administrator 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.

7.9.3 Assistance to Persons with Disabilities [24 CFR §5.611(a)(3)(ii)]

1. In all cases:
   - Written certification from a reliable, knowledgeable professional that the person with disabilities requires the services of an attendant and/or the use of auxiliary apparatus to permit him/her to be employed or to function sufficiently independently to enable another family member to be employed.
   - Family's certification as to whether they receive reimbursement for any of the expenses of disability assistance and the amount of any reimbursement received.
2. 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.
3. 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.

7.10 VERIFYING NON-FINANCIAL FACTORS [24 CFR §982.551(b)(1)]

7.10.1 Verification of Legal Identity

In order to prevent program abuse, the Program Administrator 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 invalid or otherwise questionable, more than one of these documents may be required.

- Certificate of Birth, naturalization papers
- Church issued baptismal certificate
- Current, valid Driver's license
- U.S. military discharge (DD 214)
- U.S. passport
- Board approved Consulate General identification cards, which are currently Mexico's and Argentina's "Matricula Consular" identification cards
- Company/agency Identification Card
- Department of Motor Vehicles Identification Card
- Hospital records

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

7.10.2 Verification of Marital Status

- ❑ Verification of divorce status will be a certified copy of the divorce decree, signed by a Court Officer.
- ❑ Verification of a separation may be a copy of court-ordered maintenance or other records.
- ❑ Verification of marriage status is a marriage certificate.

7.10.3 Familial Relationships

The following verifications may be required if applicable:

- Verification of relationship:
  - Official identification showing names
  - Birth Certificates
  - Baptismal certificates
- Verification of guardianship:
  - Court-ordered assignment
- Verification from social services agency
- School records
  - Affidavit of parent
- 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

7.10.4 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 Program Administrator may require one or more of the following as verification:

1. Husband or wife institutes divorce action.
2. Husband or wife institutes legal separation.
3. Order of protection/restraining order obtained by one family member against another.
4. Proof of another home address, such as utility bills, canceled checks for rent, drivers license, or lease or rental agreement, if available.
5. Statements from other agencies such as social services or a written statement from the owner or manager that the adult family member is no longer living at that location.
6. If the adult family member is incarcerated, a document from the Court or prison should be obtained stating how long they will be incarcerated.
7. A notarized statement by the adult member of the household removing him/herself from the lease and voucher household and providing a forwarding address and effective date of the move.

7.10.5 Verification of Change in Family Composition [24 CFR §982.516(c)]

The Program Administrator may verify changes in family composition (either reported or unreported) through letters, telephone calls, utility records, inspections, owners, neighbors, credit data, school or DMV records, and other sources.

7.10.6 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, rehabilitation specialist, or licensed social worker, using the HUD language as the verification format.

7.10.7 Verification of Citizenship/Eligible Immigrant Status [24 CFR §5.508(a)]

To be eligible for assistance, individuals must be U.S. citizens or eligible immigrants. Individuals who are neither may elect not to contend their status. Eligible immigrants must fall into one of the categories specified by the regulations and must have their status verified by Immigration and Naturalization Service (INS). Each family member must declare their status once. Assistance cannot be delayed, denied, or terminated while verification of status is pending except that assistance to applicants may be delayed while the Housing Authority hearing is pending.

1. Citizens or nationals of the United States are required to sign a declaration under penalty of perjury [24 CFR §5.608(b)(1)].
2. 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 [24 CFR §5.608(b)(2)].
3. 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 [24 CFR §5.508(d)(1)]. The Program Administrator verifies the status through the INS SAVE system. If this primary verification fails to verify status, the Program Administrator must request within 10 calendar days that the INS conduct a manual search [24 CFR §5.512(c)].
4. 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 [24 CFR §5.508(e)].
5. 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 [24 CFR §5.522].

- ❑ **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 [24 CFR §5.508(i)].
- ❑ **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 re-examination after June 19, 1995. For family members added

after other members have been verified, the verification occurs at the first re-examination 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 Program Administrator must conduct the determination [24 CFR §5.508(g)].

- **Extensions of Time to Provide Documents**: Extensions must be given for persons who declare their eligible immigration status but need time to obtain the required documents. The length of the extension shall be based on individual circumstances. The Program Administrator will generally allow up to 30 calendar days to provide the document or a receipt issued by the INS for issuance of replacement documents [24 CFR §5.508(h)].
- **Acceptable Documents of Eligible Immigration**: The regulations stipulate that only the following documents are acceptable unless changes are published in the Federal Register [24 CFR §5.508(b) and 24 CFR §5.510(b)].
  - 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.
- **Determination of Ineligibility**: After the Program Administrator has made a determination of ineligibility, the family will be notified of the determination and the reasons and informed of the option for prorated assistance (if applicable).

7.10.8 Verification of Social Security Numbers [24 CFR §5.216(a)]

Social Security numbers must be provided as a condition of eligibility for all family members, except for children age 5 and under, who have not been assigned a number, and family members who are not eligible to obtain a Social Security number. Social Security numbers will be verified through a Social Security card issued by the Social Security Administration. If a family member cannot produce a Social Security card, only the documents listed below showing his or her Social Security number may be used for verification. The family is also required to certify in writing that the document(s) submitted in lieu of the Social Security card information provided is/are complete and accurate [24 CFR §5.216(f)]:

- A driver's license
- Identification card issued by a Federal, state or local agency

- Identification card issued by a medical insurance company or provider (including Medicare and Medicaid)
- An identification card issued by an employer or trade union
- An identification card issued by a medical insurance company
- Earnings statements or payroll stubs
- Bank statements
- IRS Form 1099
- Benefit award letters from government agencies
- Retirement benefit letter
- Life insurance policies
- Court records such as real estate, tax notices, marriage and divorce, judgment or bankruptcy records
- Verification of benefits or Social Security Number from Social Security Administration

All new family members, except children age 5 and under, who have not been assigned a number, will be required to produce their Social Security card or provide the substitute documentation described above together with their certification that the substitute information provided is complete and accurate. This information is to be provided at the time the change in family composition is reported to the Program Administrator [24 CFR §5.216(a)].

If an applicant or participant is able to disclose the Social Security number but cannot meet the documentation requirements, the applicant or participant must sign a certification to that effect provided by the Program Administrator. The applicant/participant or family member will have an additional 60 calendar days to provide proof of the Social Security number. If they fail to provide this documentation, the family's assistance will be terminated [24 CFR §5.216(g)].

If the family member states they have not been issued a number, the family member will be required to sign a certification to this effect.

7.10.9 Medical Need for Larger Unit

A written certification that a larger unit is medically necessary must be obtained from a reliable, knowledgeable medical professional.

7.10.10 Secondary Review/Credit Checks

The Program Administrator uses credit reports obtained from reliable sources to conduct secondary verifications of applicants and participants. The Program Administrator obtains credit reports for 100 percent of new families, and a randomly selected portion of ongoing program participants.

The methodology used to evaluate the information obtained from the credit report in relation to new applicants is outlined in Chapter 3 (Applications Process).

For continuously assisted families, the Program Administrator will routinely select, at random, a pre-identified number of families to undergo a secondary verification. The secondary review includes a comparison between the information contained in the credit report, for each adult household member, and the information provided by the family to the Program Administrator for eligibility purposes. Specifically, the Program Administrator reviews the credit report to verify:

- **Employment**: If the credit report reveals employment during the subsidized period that was not disclosed to the Program Administrator, the family will be required to provide documentation that the employment did not occur or provide information regarding the amount of earnings received during the employment period.

  If the family contends that the employment was made up for the purposes of obtaining credit or was erroneously placed on the credit report, the family must supply a letter from the employers listed confirming such information. On a case-by-case basis, the Program Administrator may accept a certified statement from the family.

  If the family failed to disclose employment for a period longer than 6 months, the Program Administrator will propose termination of the family's assistance and seek repayment of any overpayment.

  If the family failed to disclose employment for less than 6 months, the family will be required to attend a counseling interview and re-sign all program documents re-enforcing the family's obligations. The family will also be required to repay any overpayment amount. A second violation of this nature will result in a proposed termination.

- **Assets**: The credit report information will be used to verify assets, particularly, large items such as real estate property. If the credit report reveals that the family owns property, the family will be required to provide the appropriate documentation regarding the property.

  If all documentation confirms that the family (any family member) owns real estate property that was purposely concealed, the Program Administrator will propose termination of assistance and seek repayment of any overpayment amount.

- **Aliases**: A credit report can provide information on other names that have been used for the purposes of obtaining credit. Common reasons for use of other names include a recent marriage or a divorce. If an alias has not been disclosed to the Program Administrator, the family will be asked to provide additional evidence of the legal identity of adult family members.

- **Current and Previous Addresses**: For a continuously assisted family, it is assumed that the family's primary residence is the assisted address. If the credit report indicates the continuous use of an address, other than that of the assisted unit during the subsidized period, the family will be asked to provide documentation that the assisted address is being used as the family's primary residence. This may include a history of utility bills, bank statements, school enrollment record for children, credit card statements or other relevant documents. Failure to provide adequate proof may result in termination of assistance.

If the family is not using the subsidized unit as their primary residency and/or is subletting the assisted unit, the file will be referred for proposed termination and the Program Administrator will seek full repayment of any overpayment amount.

- **Credit Card and Loan Payments**: A credit report will usually include a list of the family's financial obligations. Examples of the items that may show up include car loans, mortgage loans, student loans and credit card payments. The Program Administrator will review this information to confirm the income and asset information provided by the family. If the family's current financial obligations (total amount of current monthly payments) exceed the amount of income reported by the family, the Program Administrator will ask the family to disclose how they are currently meeting their financial obligations. Accounts that have been charged off or significantly delinquent are not included in this calculation. Failure to provide adequate proof of income will result in the file being referred for proposed termination. Additionally, the Program Administrator will seek full repayment of any overpayment amount.
- **Multiple Social Security Numbers**: A credit report may list multiple Social Security numbers if an adult family member has used different Social Security numbers to obtain credit. If the credit report information does not match the information provided by an adult member of the family, the family member will be required to obtain written confirmation of the Social Security number that was issued to him/her from the Social Security Administration.

Whenever a violation results in a proposed termination, the family is entitled to request an informal hearing. Procedures governing the informal hearing process are outlined in Chapter 16 (Informal Hearings and Complaints).

CHAPTER 8:
VOUCHER ISSUANCE AND BRIEFINGS

8.1 INTRODUCTION

The Housing Authority's objectives are to assure that families selected to participate are successful in obtaining an acceptable housing unit, and that they have sufficient knowledge to derive maximum benefit from the program and to comply with program requirements. When families have been determined to be eligible, the Program Administrator will conduct a mandatory briefing to ensure that families know how the program works. The briefing will provide a broad description of owner and family responsibilities, the Program Administrator procedures, and how to lease a unit. The family will also receive a briefing packet that provides more detailed information about the program. This chapter describes how briefings will be conducted, the information that will be provided to families, and the policies for how changes in the family composition will be handled.

8.2 ISSUANCE OF HOUSING CHOICE VOUCHERS

When funding is available, the Housing Authority will issue vouchers to applicants whose eligibility has been determined.

The number of vouchers issued must ensure that the Housing Authority stays as close as possible to 100 percent lease-up. The Program Administrator performs a calculation to determine whether applications can be processed, the number of vouchers that can be issued, and to what extent the Housing Authority can over-issue.

The Program Administrator may over-issue vouchers only to the extent necessary to meet leasing goals. All vouchers that are over-issued must be honored. If the Program Administrator finds it is over-leased, it must adjust future issuance of vouchers in order not to exceed the ACC budget limitations for the fiscal year.

8.3 BRIEFING TYPES AND REQUIRED ATTENDANCE [24 CFR §982.301(a)]

8.3.1 Initial Applicant Briefing

A full HUD-required briefing will be conducted for applicant families who are determined to be eligible for assistance. The briefings will be conducted in groups or individual meetings. Families who attend group briefings and still have the need for individual assistance will be referred to the appropriate staff person.

Briefings will be conducted in English.

The purpose of the briefing is to explain the documents in the voucher holder's packet to families so that they are fully informed about the program. This will enable them to utilize the program to their advantage, and it will prepare them to discuss it with potential owners and property managers.

The Program Administrator will not issue a voucher to a family unless the household representative has attended a briefing and signed the voucher. Applicants who provide prior notice of inability to attend a briefing will automatically be scheduled for the next briefing. Applicants who fail to attend scheduled briefings, without prior notification and approval from the Program Administrator, may be denied admission based on failure to supply information needed for certification. The Program Administrator will conduct individual briefings for families with disabilities at their home, upon request by the family, if required for reasonable accommodation.

8.3.2 Briefing Packet [24 CFR §982.301(b)]

The Program Administrator will provide the family with a briefing packet of materials. The packet includes forms and information required by HUD, as well as additional resources, as follows:

1. **Voucher instructions** that explain the term of the voucher, and policies on extensions and suspensions.
2. **Payment Standards** for Los Angeles County and Small Cities: Provides the calculated payment standards for the Housing Authority's jurisdiction by unit size (number of bedrooms).
3. **Estimated Rent Calculation/Subsidy Profile**: A worksheet on rent calculations, including a description of the method used to calculate the assistance payment, how the minimum and maximum allowable rent is determined, payment standard determination, and an estimated calculation of the maximum rent to suit the tenant's budget.
4. **Information on where the family can lease a unit**, including portability procedures for tenants looking to relocate, a list of local and nationwide housing authorities, and a form for participants who are requesting to transfer.
5. The HUD-required "tenancy addendum" (**HUD-53641**) that must be included in the lease.
6. The **Request for Tenancy Approval (RTA)** form, which the family uses to request PHA approval of the assisted tenancy. This document explains the new contracts process, including how to request approval.
7. **Information on Subsidy and Requests for Waivers**: Explains how the number of bedrooms allowed (unit size) relates to family composition, and when and how exceptions are made in regards to requests for additional bedrooms.
8. The HUD brochure, **A Good Place to Live,** on how to select a unit that complies with HQS.
9. Information on federal, State and local **equal opportunity laws**, and a copy of **HUD-906-3**, the housing discrimination complaint form.
10. A list of **properties available for rent**. Owners or other parties willing to lease to assisted families submit unit listings which the Program

Administrator compiles and distributes. The list includes any available information on units that are accessible to persons with disabilities.

11. Guidance on **searching for a rental home** and submitting a successful rental application.
12. A **statement of the family obligations** under the program, and consequences including termination of assistance if the family fails to comply.
13. Information on the Housing Authority's **informal hearing procedures**, including explanations of when participant families have the opportunity for an informal hearing, and how to request a hearing.
14. The **Utility Allowance Schedule**, which provides utility allowance amounts for rental units, by unit size and utility type, for cities and unincorporated areas within the Housing Authority's jurisdiction.
15. **Protect Your Family From Lead In Your Home**, a brochure on the hazards of lead-based paint and resources for additional information.
16. The Housing Authority's policy on conducting **credit and background checks**.

The packet may also include the following materials:

- ❑ **Fact sheet** or information on the Section 8 Program.
- ❑ A Section 8 **program overview** for owners.
- ❑ Owner forms, such as:
  - **IRS Form W-9** (Request for Taxpayer Identification Number and Certification).
  - **Letter of Authorization**.
  - Authorization Agreement for **Automatic Deposit Form**.

8.3.3 Other Information to be Provided at the Briefing [24 CFR §982.301(a)]

The person conducting the briefing will also describe how the program works and the relationship between the family and the owner, the family and the Housing Authority, and the Housing Authority and the owner.

The briefing presentation emphasizes:

- ➢ Family and owner responsibilities;
- ➢ Where a family may lease a unit inside and outside the Housing Authority's jurisdiction;
- ➢ How portability works for families eligible to exercise portability;
- ➢ Advantages to moving to areas with low concentration of poor families if family is living in a high poverty census tract in the Housing Authority's jurisdiction;
- ➢ The Family Self-Sufficiency program and its advantages; and

- If the family includes a person with disabilities, the Program Administrator will ensure compliance with 24 CFR §8.6 to ensure effective communication.

8.3.4 Re-Issuance Briefing

A briefing will be held for participants who will be re-issued vouchers to move, if they have been re-certified within the last 60 calendar days, and have given proper notice of intent to vacate to their owner. This briefing may include incoming and outgoing portable families. Families whose re-examinations are older than 60 calendar days must be re-certified in order to be briefed to move.

Families failing to attend a scheduled briefing twice will be denied a new voucher based on failure to provide required information.

8.3.5 Owner Briefing

Briefings are held for owners at least annually. All owners receive a mailed invitation. Prospective owners are also welcome. The purpose of the briefing is to assure successful owner participation in the program.

8.4 ENCOURAGING PARTICIPATION IN AREAS WITHOUT LOW INCOME OR MINORITY CONCENTRATION [24 CFR §982.301(a)(3)

At the briefing, families are encouraged to search for housing in non-impacted areas and the Program Administrator will provide assistance to families who wish to do so.

The assistance provided to such families includes:

- Direct contact with owners;
- Counseling with the family;
- Providing information about services in various non-impacted areas;
- Meeting with neighborhood groups to promote understanding;
- Formal or informal discussions with owner groups;
- Formal or informal discussions with social service agencies;
- Meeting with rental referral companies or agencies; and
- Meeting with fair housing groups or agencies.

The Program Administrator will maintain a database of available housing submitted by owners in all neighborhoods within its jurisdiction to ensure greater mobility and housing choice to very low-income households. The Marketing List will be made available to voucher holders who are actually seeking housing.

8.5 SECURITY DEPOSIT REQUIREMENTS [24 CFR §982.313]

Security deposits charged by owners may not exceed those charged to unassisted families (nor the maximum prescribed by State or local law.)

For lease-in-place families, responsibility for first and last month's rent is not considered a security deposit issue. In these cases, the owner should settle the issue with the family prior to the beginning of assistance.

8.6 TERM OF VOUCHER [24 CFR §982.301(b)(1)]

During the briefing session, each household will be issued a voucher which represents a contractual agreement between the Housing Authority and the family, specifying the rights and responsibilities of each party. It does not constitute admission to the program, which occurs when the lease and contract become effective.

8.6.1 Expirations [24 CFR §982.303(a)]

The voucher is valid for a period of 60 calendar days from the date of issuance. The family must submit a Request for Tenancy Approval and Lease within the 60 calendar day period unless an extension has been granted by the Program Administrator.

If the voucher has expired, and has not been extended by the Program Administrator or expires after an extension, the family will be denied assistance. The family will not be entitled to a review or hearing. If the family is currently assisted, they may remain as a participant in their unit if there is an assisted lease/contract in effect.

8.6.2 Policy on Suspensions (Tolling) [24 CFR 982.303(c)]

When a Request for Tenancy Approval is received, the Program Administrator will not deduct the number of calendar days required to process the request from the term of the voucher.

8.6.3 Extensions [24 CFR §982.303(b)]

The Program Administrator may grant extensions to vouchers.

A family may request an extension of the voucher time period. All requests for extensions must be received prior to the expiration date of the voucher.

Extensions may be granted in 30, 60, or 120-day increments, up to a maximum term of 180 calendar days, if necessary for the tenant to locate a unit.

Housing Supervisors may authorize extensions up to a maximum term of 270 calendar days for extenuating circumstances or as a reasonable accommodation. Such matters will be considered on an individual basis and must be supported by verifiable third party documentation.

8.6.4 Assistance to Voucher Holders [24 CFR §982.301(b)]

Families who require additional assistance during their search may call the Marketing List for a listing of available units. Information regarding the Marketing List will be presented at the briefing session.

The Program Administrator will assist families with negotiations with owners and provide other assistance related to the families' search for housing.

8.7 VOUCHER ISSUANCE DETERMINATION FOR SPLIT HOUSEHOLDS [24 CFR §982.315]

In those instances when a family assisted under the Housing Choice Voucher Program becomes divided into two otherwise eligible families due to divorce, legal separation, or the division of the family, and the new families cannot agree as to which new family unit should continue to receive the assistance, and there is no determination by a court, the Program Administrator shall consider the following factors to determine which of the families will continue to be assisted:

1. Which of the two new family units has custody of dependent children.
2. Which family member was the head of household when the voucher was initially issued (listed on the initial application).
3. The composition of the new family units, and which unit contains elderly or disabled members.
4. Whether domestic violence was involved in the breakup.
5. Which family members remain in the unit.
6. Recommendations of social service professionals.

Documentation of these factors will be the responsibility of the requesting parties.

If documentation is not provided, the Program Administrator will terminate assistance on the basis of failure to provide information necessary to complete the annual re-examination.

Where the breakup of the family also results in a reduction of the size of the voucher, the family will be required to move to a smaller unit if the current owner is unwilling to accept the rent level of the smaller sized certificate.

8.8 REMAINING MEMBER OF FAMILY – RETENTION OF VOUCHER

To be considered the remaining member of the family, the person must have been previously approved by the Program Administrator to be living in the unit.

A live-in attendant, by definition, is not a member of the family and will not be considered a remaining member of the Family.

In order for a minor child to continue to receive assistance as a remaining family member:

1. The court has to have awarded emancipated minor status to the minor, or

2. The Program Administrator has to have verified that social services and/or the Juvenile Court has arranged for another adult to be brought into the assisted unit to care for the child/children for an indefinite period.

A reduction in family size may require a reduction in the voucher size.

8.9 FAMILY VOLUNTARILY RELINQUISHES HOUSING CHOICE VOUCHER

The family may voluntarily relinquish their voucher at any time. In such cases, the Program Administrator will provide the owner of the property with a 30 calendar days notice indicating that rental assistance will terminate based on the family's request. The family will become fully liable for the contract rent after 30 calendar days.

Generally, the Program Administrator will not re-instate a family once a request for voluntary termination has been received. However, as a reasonable accommodation, the Program Administrator will review requests for reinstatements received within 6 months and make a determination on a case-by-case basis.

If a family voluntarily relinquishes their voucher in lieu of facing termination, the Program Administrator will continue to seek to recover any monies that may be due to the Program Administrator as a result of misrepresentation or other breach of program regulations.

CHAPTER 9:
THE NEW CONTRACT PROCESS REQUEST FOR TENANCY APPROVAL AND CONTRACT EXECUTION

9.1 INTRODUCTION
[24 CFR §982.302(b) and 24 CFR §982.353(b)]

After families are issued a voucher, they may search for a unit anywhere within the Housing Authority's jurisdiction, or outside of the Housing Authority's jurisdiction if they qualify for portability. The family must find an eligible unit under the program rules, with an owner who is willing to enter into a Housing Assistance Payments (HAP) contract with the Housing Authority. This chapter defines the types of eligible housing, the Housing Authority's policies which pertain to lease requirements, owner disapproval, and the processing of Requests for Tenancy Approval (RTA).

9.2 REQUEST FOR TENANCY APPROVAL
[24 CFR §982.302(c)]

The family must submit the RTA and a copy of the proposed lease during the term of the voucher. Both the owner and the voucher holder must sign the RTA.

The Program Administrator will not permit the family to submit more than one RTA at a time.

The RTA will be approved if [24 CFR §982.302(d)]:

1. The unit is an eligible type of housing;
2. The unit passes an inspection (based on HUD's Housing Quality Standards and the Housing Authority's requirements, detailed in Chapter 10);
3. The rent is reasonable;
4. The security deposit amount is approvable;
5. The proposed lease complies with HUD and the Housing Authority requirements, and State and local law;
6. The owner is approvable, and there are no conflicts of interest; and
7. All applicable lead-based paint disclosure requirements have been met. See Chapter 10, Section 10.4 for more information on lead-based paint.

9.2.1 Disapproval of RTA
[24 CFR §982.302(d)]

If the Program Administrator determines that the RTA cannot be approved for any reason, the owner and the family will be notified in writing. The Program Administrator will instruct the owner and family of the steps that are necessary to approve the Request.

The owner will be given five calendar days to submit an approvable RTA from the date of disapproval unless the reason for the disapproval is the result of multiple failed inspections (three or more failed HQS inspections).

When, for any reason, an RTA is not approved, the Program Administrator will furnish another RTA form to the family along with the notice of disapproval so that the family can continue to search for eligible housing.

The Program Administrator will suspend the term of the voucher while the RTA is being processed. Therefore, the length of time allotted to a family for the purpose of locating another unit will be based on the number of days left on the term of the voucher at the time the RTA was submitted to the Program Administrator [24 CFR §982.303(b)].

9.3 ELIGIBLE TYPES OF HOUSING [24 CFR §982.352]

The Program Administrator will approve the following types of housing in the voucher program:

- Single-family dwellings, including condos and townhouses.
- Manufactured homes where the family leases the mobile home and the pad [24 CFR §982.620(a)(2)].
- Manufactured homes where the family owns the mobile home and leases the pad [24 CFR §982.620(a)(3)].
- Multifamily dwellings (apartment buildings).
- Units owned but not subsidized by the Housing Authority (HUD-prescribed requirement).

A family can own a rental unit but cannot reside in it while being assisted, except in the cases involving manufactured homes when the family owns the mobile home and leases the pad. A family may lease in and have an interest in a cooperative housing development.

The Program Administrator may not permit a voucher holder to lease a unit which is receiving project-based Section 8 assistance or any duplicative rental subsidies.

9.3.1 Ineligible Housing Types [24 CFR §982.352(a)]

The Program Administrator will not approve:

- A unit occupied by the owner or by any person with an interest in the unit, other than manufactured homes described above.
- Nursing homes or other institutions that provide care.
- School dormitories and institutional housing.
- Structures that have not been properly converted. Owners will be required to provide finalized permits for all conversion work when the integrity and/or soundness of a structure is in question.
- Converted garages or other structures not intended to be living areas.
- Any other types of housing prohibited by HUD.

9.3.2 Restrictions On Renting To Relatives [24 CFR §982.306(d)]

In accordance with HUD policy, the family may not rent a unit from an owner (including a principal or other interested party) who is the parent, child, grandparent, grandchild, sister or brother of any member of the family. This restriction applies to all new contracts entered into after June 16, 1998.

Exceptions may be made to this policy as a reasonable accommodation for persons with a disability. The Program Administrator will review all such requests on a case-by-case basis. The family will be required to provide documentation of disability and how the particular unit, owned by the relative, could benefit the disabled person. 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's address.

Owners must provide an Employer Identification Number or Social Security number, and may also be required to provide a copy of their driver's license or other photo identification. In addition, the Program Administrator may request a copy of the owner's current utility bills and bank statement.

Failure to provide adequate documentation, within the specified time period (two weeks), will be grounds for denial of such request.

In all cases, the owner of the assisted unit may not reside in the unit with the assisted household, at any time during the term of the Housing Assistance Payment (HAP) Contract between the Housing Authority and the owner.

9.4 LEASE AGREEMENTS [24 CFR §982.308 - §982.309]

The tenant and the owner must enter a written lease for the unit. If the owner uses a standard lease form for rental to unassisted tenants in the locality or the premises, the lease must be in such standard form, plus the required HUD Tenancy Addendum, which the Program Administrator will provide to the owner.

The Program Administrator will review the lease for compliance with regulations. At minimum, the lease must specify the following information:

- ❑ The names of the owner and tenant;
- ❑ The address of the unit rented;
- ❑ The term of the lease including the initial term and any provisions for renewal;
- ❑ The amount of the monthly rent to owner; and
- ❑ A specification of which utilities and appliances will be supplied by the owner, and which by the family.

The lease must provide the following are grounds for the owner to terminate tenancy [24 CFR §982.310(c)]:

- ❑ Drug- related criminal activity engaged in, on or near the premises by any tenant, household member, or guest, or such activity engaged in on the premises by any other person under the tenant's control. In addition, the

lease must provide that the owner may evict a family when the owner determines that a household member is illegally using a drug or when the owner determines that a pattern of illegal use of a drug interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.

- Any of the following types of criminal activity by a covered person:
  - Any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents (including property management staff residing on the premises);
  - Any criminal activity that threatens the health, safety, or right to peaceful enjoyment of their residences by persons residing in the immediate vicinity of the premises; or
  - Any violent criminal activity on or near the premises by a tenant, household member, or guest, or any such activity on the premises by any other person under the tenant's control.
- If a tenant is:
  - Fleeing to avoid prosecution, or custody or confinement after conviction, for a crime, or attempt to commit a crime, that is a felony under the laws of the place from which the individual flees, or
  - Violating a condition of probation or parole imposed under Federal or State law.

If the owner does not have a standard lease form, the owner may request a sample lease.

When needed, the Program Administrator may require the owner and family to execute a lease rider that changes the rent amount and/or effective date on the owner's original lease.

The effective date of the lease and the HAP contract will be based on the date the unit passed inspection or the family took possession of the unit, whichever is later. For this purpose, the family is considered to be in possession of the unit when the family has a key to the unit and the unit is fully available for the family's exclusive use [24 CFR §982.305(b)].

9.4.1 Separate Agreements [24 CFR §982.510(c)]

Separate agreements are not necessarily prohibited. 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 (parking space), appliances (other than range and refrigerator) and other items that are not included in the lease if the agreement is in writing and approved by the Program Administrator.

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 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 Program Administrator is not liable for unpaid charges for items covered by separate agreements and nonpayment of these agreements cannot be cause for eviction.

If the family and owner have come to a written agreement on the amount of allowable charges for a specific item, so long as those charges are reasonable and not a substitute for higher rent, they will be allowed.

All agreements for special items or services must be attached to the lease approved by the Program Administrator. If agreements are entered into at a later date, they must be approved by the Program Administrator and attached to the lease.

9.5 INITIAL INSPECTIONS

See Chapter 10 (Housing Quality Standards and Inspections).

9.6 RENT LIMITATIONS [24 CFR §982.508]

In accordance with HUD regulations, at the time the family initially receives assistance for a new unit, the family's share of the rent for the unit (includes utilities and the rent to the owner) may not exceed more than 40 percent of the family's adjusted monthly income if the gross rent for the unit exceeds the payment standard.

If the gross rent (rent plus utilities) does not exceed the payment standard, the family may contribute more than 40 percent of their monthly income towards rent.

Although HUD does not place limits on the amount that a family may contribute towards rent (if the family is a continuing family or the gross rent for an initial lease does not exceed the payment standard), the Program Administrator is concerned about affordability. Therefore, whenever a family is contributing more than 60 percent of their adjusted family income towards rent, the family will be required to attend an affordability counseling session with the Program Administrator. Trained staff will review the family's financial situation and review the family's ability to meet their rental obligation. If the family discloses that they are concerned about their ability to meet their rental obligation, the Program Administrator will work with the family to help them locate another affordable unit. If the family indicates that they are able to meet all of their current financial obligations, the family will be allowed to proceed with their request to move into the unit. A notation will be made in the family's file.

9.7 RENT REASONABLENESS [24 CFR §982.507(a)(1)]

A rent reasonable test will be used to determine if the rent amount request by the owner can be approved. The Program Administrator's rent reasonableness

policy, including appeals process, is covered in Chapter 11 (Setting Payment Standards and Determining Rent Reasonableness).

9.8 INFORMATION TO OWNERS [24 CFR §982.307(b)]

The Program Administrator is required to provide prospective owners with the address of the applicant and the names and addresses of the current and previous owner if known. The Program Administrator will make an exception to this requirement if the family's whereabouts must be protected due to domestic abuse or witness protection. The Program Administrator will not release any other information regarding the family.

The Program Administrator will inform owners that it is the responsibility of the owner to determine the suitability of 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 [24 CFR §982.307(a)].

Information regarding the Program Administrator's policy on this subject is included in the briefing packet and as an attachment to the Request for Tenancy Approval. This policy will apply uniformly to all families and owners.

In addition to the information listed above, the Program Administrator provides owner workshops at least twice a year. At the workshops, current and prospective owners are given an overview of the program and information about any significant program changes. There is also ample time for a question and answer session.

9.9 OWNER DISAPPROVAL [24 CFR §982.306(a) - §982.306(c)(4)]

For purposes of this section, "owner" includes a principal or other interested party.

The Housing Authority is required to disapprove an owner for the following reasons:

- HUD has informed the Housing Authority that the owner has been disbarred, suspended, or subject to a limited denial of participation under 24 CFR Part 24.
- HUD has informed the Housing Authority 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.
- HUD has informed the Housing Authority that a court or administrative agency has determined that the owner violated the Fair Housing Act or other Federal equal opportunity requirements.

The Program Administrator also maintains the discretion to disapprove an owner for the following reasons:

- The owner has violated obligations under a housing assistance payments contract under Section 8 of the 1937 Act (42 U.S.C. 1437f).
- The owner has committed fraud, bribery or any other corrupt act in connection with any Federal housing program.
- The owner has engaged in drug trafficking.
- 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.

Additionally, in accordance with the policy outlined in Section 9.3.2 (Renting to Relatives), the Program Administrator will not approve an owner who is the parent, child, grandparent, grandchild, sister or brother of any member of the assisted family.

9.10 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. If the family does not report any change, the Program Administrator need not obtain new verifications before signing the HAP contract, even if verifications are more than 60 calendar days old.

9.11 CONTRACT EXECUTION PROCESS [24 CFR §982.305(c)]

Provided that the unit passes inspection, the Program Administrator will prepare the HAP contract for execution. The family and the owner will execute the lease agreement, and the owner and the Housing Authority will execute the HAP contract. Copies of the documents will be furnished to the parties who signed the respective documents.

The Program Administrator makes every effort to execute the HAP contract before the commencement of the lease term. The HAP contract may not be executed more than 60 calendar days after commencement of the lease term and no payments will be made until the contract is executed.

The following Program Administrator representatives are authorized to execute a contract on behalf of the Program Administrator: Assisted Housing's Division Director, Assistant Director, Assistant Managers and Housing Supervisors.

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's address.

Owners must provide an Employer Identification Number or Social Security number, and may also be required to provide a copy of their driver's license or other photo identification.

9.11.1 Determining the Contract Effective Date

The effective date and the amount of the rental payment is communicated in writing to both the owner and family.

If the owner and the family have entered into a lease and provide a copy of the lease with the RTA, the effective date of the contract will be either:

1. The date the unit passed inspection (for families residing in the unit prior to the inspection date), or
2. The date that the Housing Authority authorized the owner to allow the family to take possession of the unit.

The contract effective date will be based on the later of these two dates. If the owner and the family have not executed a lease prior to the HAP contract negotiation process, then the HAP contract will become effective once the lease has been properly executed by both parties.

9.11.2 Prorating First Month's Rent

When the effective date of a new contract begins on a day other than the first of the month, the Program Administrator will determine a prorated contract rent amount. For consistency with rental industry standards, prorated amounts will be calculated by using 30 days to establish a daily rate. Please refer to memo dated 3/3/05.

9.11.3 Proof Of Ownership

In addition to the items listed above, the Program Administrator also requires owners to provide proof of ownership of the assisted unit. Acceptable documents include a recorded grant deed, a property tax bill, property insurance documentation and/or if the property was recently acquired, copies of closing escrow documents.

The Program Administrator also uses property profile information obtained from a private vendor to confirm ownership.

Generally, the Program Administrator will only require one form of proof of ownership. However, if ownership is questionable, additional documentation will be requested and must be provided prior to executing a HAP contract. Failure to provide the requested information within a reasonable period of time, generally not more than 30 calendar days, will result in a cancellation of the RTA.

9.11.4 Establishing Eligibility To Execute HAP Contract And Related Documents

In cases involving multiple owners, the Program Administrator will accept the signature of a designee on all contracts and related paperwork if all the legal owners have jointly agreed on the person/persons who may act on their behalf.

To establish signature and/or payment authority, the Program Administrator requires that all persons who have interest in the property sign a letter of authorization giving one or more parties the right to sign contracts, other program documents and/or receive payments on behalf of the owners.

In cases involving a partnership, the Program Administrator may request the partnership agreement or incorporation documents to determine who is designated to act on the group's behalf.

The Housing Authority will not execute a HAP Contract until all the proper authorization, from all the appropriate parties, has been provided. Failure to provide information needed to establish authority to execute the HAP contract within a reasonable time, generally 30 calendar days, may result in a cancellation of the RTA.

Once the Program Administrator has established proper authorization, the letter of authorization will remain in effect until superceded by another authorization or the HAP contract is terminated. All changes or modification to the instructions provided in the current letter of authorization must be provided in writing.

9.11.5 Payment To The Owner [24 CFR §982.311(a)]

Once the HAP Contract is executed, the Program Administrator begins processing payments to the owner. Because the Program Administrator's sole method of payment to owners is direct deposit, new and existing owners must provide the necessary information for enrollment in the Program Administrator's direct deposit program. Payments will be made via direct deposit by the first of each month. Owners must notify the Program Administrator of any missing payments as soon as possible. The Program Administrator will accept report of missing payment both via a telephone call and/or in writing.

9.12 CHANGE IN OWNERSHIP

A change in ownership does not require execution of a new contract.

The Program Administrator will process a change of ownership only upon the written request of the previous or new owner and only if accompanied by a copy of the escrow statement or other document showing the transfer of title and the Employee Identification Number or Social Security number of the new owner.

In order to complete a change of ownership, the new owner must complete an Assumptions of Obligations and Benefits contract. This form obligates the new owner to the HAP contract. The Program Administrator will provide this document once a written request for a change is received.

When the assumption contract has been executed, the Program Administrator will send a copy of it, along with a copy of the original HAP contract and lease, to the new owner.

New owners are subject to the Program Administrator's owner disapproval policy as outlines in Section 9.9 of this chapter.

CHAPTER 10:
HOUSING QUALITY STANDARDS AND INSPECTIONS

10.1 INTRODUCTION

This chapter describes the Housing Authority's procedures for implementing Housing Quality Standards (HQS), conducting different inspections, and setting standards for the timeliness of repairs. It also explains the responsibilities of the owner and family, and the consequences for noncompliance with HQS by the owner and family.

10.2 TYPES OF INSPECTIONS [24 CFR §982.405]

The Program Administrator conducts the following inspections, which will be explained in greater detail throughout the chapter:

- **New Contracts Inspection**: A unit must pass this HQS inspection before the Housing Authority enters into a HAP Contract with the owner.
- **Inspections at Other Times as Needed**:
  - Interim Inspection: HQS inspection conducted upon request of the owner, family or agency.
  - Emergency Inspection: HQS inspection conducted for life-threatening violations.
- **Annual Inspection**: A unit must pass its annual HQS inspection.
- **Quality Control Inspection**: the Housing Authority is required to conduct supervisor quality control HQS inspections.

10.3 HOUSING QUALITY STANDARDS (HQS) [24 CFR §982.401]

HQS is the minimum quality standards set forth by HUD for tenant-based programs. These standards are in place to ensure that assisted housing is decent, safe and sanitary. All program housing must meet the HQS performance requirements both at commencement of assisted occupancy, and throughout the assisted tenancy.

Efforts will be made at all times to encourage owners to provide housing above the HQS minimum standards.

HQS applies to the building and premises, as well as the unit. In order for a unit to pass an HQS inspection, the following standards must be met.

10.3.1 Unit Space and Size [24 CFR §982.401(d)(2)(i)]

At minimum, a living room, kitchen area, and bathroom must be located in the unit.

10.3.2 Living Room / Sleeping Room [24 CFR §982.401(d)(2)(ii)], [24 CFR §982.401(h)(2)(iv)], [24 CFR §982.401(f)]

- ❑ The dwelling unit must have at least one bedroom or living/sleeping room for each two persons. Children of opposite sex, other than very young children, may not be required to occupy the same bedroom or living/sleeping room.
- ❑ There must be at least one window in the living room and in each sleeping room. If the window is designed to be openable, the window must open and close properly, and be large enough to provide emergency egress.
- ❑ The living room and each bedroom must have at least two electrical outlets in proper operating condition. Permanent overhead or wall-mounted light fixtures may count as one of the required electrical outlets.
- ❑ Bedrooms must also have a built-in closet or wardrobe, be located within the unit (e.g., no garages), and be private (have a closing door separating it from the rest of the unit). Bedrooms should also be finished in a quality similar to other bedrooms in the home.
- ❑ In cases where an owner has modified the rental unit without obtaining the proper city and/or County building permits, the Program Administrator may rely on the legal property description for the purposes of negotiating the rent and determining how many actual sleeping rooms are in the rental unit.

10.3.3 Sanitary Facilities (Bathroom) [24 CFR §982.401(b)], [24 CFR §982.401(h)(2)(iii)], [24 CFR §982.401(f)(2)(ii)]

- ❑ The bathroom must be located in a separate private room and contain a working flush toilet.
- ❑ Bathroom areas must have one openable window or other adequate exhaust ventilation.
- ❑ The unit must have a sink, and shower or tub in proper operating condition, with hot and cold running water.
- ❑ All walls in a tub or shower area must be covered with ceramic tile or other material that is impervious to water to prevent water damage and deterioration.
- ❑ Sinks and commode water lines must have shut off valves, unless faucets are wall-mounted. All sinks in the unit must have functioning stoppers.
- ❑ The bathroom must have a permanent ceiling or wall light fixture in proper operating condition.
- ❑ All bathrooms in the unit must be in proper operating condition.

10.3.4 Food Preparation (Kitchen) [24 CFR §982.401(c)], [24 CFR §982.401(f)(2)(ii)]

- ❑ The dwelling unit must have suitable space and equipment to store, prepare, and serve foods in a sanitary manner (i.e., kitchen).
- ❑ The dwelling unit must have an oven, and a stove or range, and a refrigerator of appropriate size for the family. All of the equipment must be in proper

operating condition. The equipment may be supplied by either the owner or the family.

- ❑ If the tenant is providing the stove and/or refrigerator, those appliances do not need to be present during the new contract inspection in order to pass; however, they must be in place and operable when the tenant moves in. If the owner is providing the appliances, they must be in place and operable during the new contract inspection in order to pass.
- ❑ A microwave oven may be substituted for a tenant-supplied oven and stove or range. A microwave oven may be substituted for an owner-supplied oven and stove or range if the tenant agrees and microwave ovens are furnished instead of an oven and stove or range to both subsidized and unsubsidized tenants in the building or premises.
- ❑ The kitchen area must have a permanent ceiling or wall light fixture in proper operating condition, and at least one electrical outlet in proper operating condition.
- ❑ The dwelling unit must have a kitchen sink in proper operating condition, with a sink trap and hot and cold running water. The sink must have a shut off valve, unless faucets are wall-mounted, and must drain into an approvable public or private system. All sinks in the unit must have functioning stoppers.
- ❑ There must be facilities and services for the sanitary disposal of food waste and refuse, including temporary storage facilities where necessary (e.g., garbage cans).

10.3.5 Ceilings, Walls, Floors and Roof [24 CFR §982.401(g)]

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

Ceilings, walls, floors and fences must not have any serious defects such as severe bulging or leaning, large holes, loose surface materials, severe buckling, missing parts, or other serious damage.

- ❑ Wood floors must be sanded to a smooth surface and sealed. Any loose or warped boards must be re-secured and made level. If the boards cannot be leveled, they must be replaced.
- ❑ The exterior wall structure and surface must not have any serious defects such as serious leaning, buckling, sagging, large holes, or defects that may result in air infiltration or vermin infestation.
- ❑ In areas where plaster or drywall is sagging, severely cracked, or otherwise damaged, it must be repaired or replaced.
- ❑ The condition and equipment of interior and exterior stairs, halls, porches, walkways, etc., must not present a danger of tripping and falling. For example, broken or missing steps or loose boards are unacceptable.
- ❑ The roof must be structurally sound and weather tight.

10.3.6 Windows
[24 CFR §982.401(f)(1)(ii)], [24 CFR §982.401(d)(2(iii)]

All window sashes must be in good condition, solid, intact, and fit properly in the window frame. Damaged or deteriorated sashes must be replaced.

Windows must be weather-stripped as needed to ensure a weather tight seal.

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

Dwelling unit windows that are accessible from the outside, such as basement, first floor, and fire escape windows, must be lockable (such as window units with sash pins or sash locks, and combination windows with latches).

Windows that are nailed shut are acceptable only if these windows are not needed for ventilation or as an alternate exit in case of fire.

10.3.7 Doors and Unit Access
[24 CFR §982.401(d)(2)(iv)], [24 CFR §982.401(k)]

All exterior doors must be solid core and weather tight to avoid any air or water infiltration, have no holes, and have all trim intact.

All interior doors must have no holes, have all trim intact, and be openable without the use of a key.

All exterior doors must have dead bolt locks.

The unit must be able to be used and maintained without unauthorized use of other private properties. The building must provide an alternate means of exit in case of fire (such as fire stairs or egress through windows).

10.3.8 Thermal Environment
[24 CFR §982.401(e)]

There must be a safe system for heating the unit, in proper operating condition. The heating unit must be affixed to the unit and be able to provide adequate heat, either directly or indirectly, to each room. The dwelling unit must not contain unvented room heaters that burn gas, oil, or kerosene. Electric heaters are acceptable. Portable heaters are not acceptable.

10.3.9 Smoke Detectors
[24 CFR §982.401(n)]

Each assisted unit must be equipped with at least one properly working battery-operated or hard-wired smoke detector on each level of the unit.

Whenever possible, smoke detectors should be installed in a hallway adjacent to a bedroom.

If an assisted unit is occupied by a household with hearing-impaired persons, a permanently installed smoke detector designed for people with hearing-impairments must be located in each bedroom that is occupied by a hearing-impaired person.

10.3.10 Site and Sanitation [24 CFR §982.401(l)], [24 CFR §982.401(m)]

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

The unit and its equipment must be in sanitary condition, and free from vermin and rodent infestation.

10.3.11 Additional Housing Quality Standards [24 CFR §982.401(a)(4)(ii)(a)]

The Program Administrator is authorized to enhance HQS, provided that by doing so the Program Administrator does not overly restrict the number of units available for leasing. The enhancements adopted by the Program Administrator are meant to ensure that assisted units are safe in relation to other units rented throughout Los Angeles County.

HUD has identified the items listed above. In addition to these items, all assisted units must also be in compliance with the following local building code regulations in order to pass an HQS inspection.

- **Double Cylinder Locks**: Under the Building Code Regulations for Los Angeles County, double-keyed deadbolts, or any other lock requiring special knowledge or a tool to open, are prohibited in a residential unit. All doors that provide an exit from the residence must be openable from the inside without the need of a key or any other special knowledge, effort or tool.
- **Swimming Pools**: Under the Building Code Regulations for Los Angeles County, all swimming pools must be enclosed by a gate from 48 inches to 60 inches tall. The gate must be self-closing with a self-closing latch and a protected panel must surround the latch. The Program Administrator will enforce this ordinance in multifamily structures.
- **Hot Water Heater**: Hot water heater, TPR and drainpipe 6 inches above the floor must be present. PVC type drainpipes are not acceptable.
- **Earthquake Straps for Water Heaters**: Under the Building Code regulations for Los Angeles County, all water heaters must be strapped at 1/3 intervals from the top to the bottom of the heater, for seismic stability.
- **Garages**: Garages, whether attached or detached, must be accessible. Garages are not to be used as a living space.

10.3.12 Serious Deficiencies

Assisted units must meet all HQS performance requirements in order to pass an inspection. The Program Administrator has compiled the following list of specific conditions that are considered serious deficiencies that may cause a unit to fail an inspection. This list assists inspectors in making a determination regarding the condition of an assisted unit; however, deficiencies are not limited to this list:

1. No TPR/Drainpipe on water heater
2. Clogged toilets/sinks/wash basins/bathtubs
3. Torn carpet or linoleum flooring posing a tripping hazard
4. Stretched carpet when a potential hazard exists
5. Broken mirrors, cabinets, etc.
6. Missing smoke detectors
7. Vermin infestation (fleas, roaches, termites, mice, and rats)
8. Double cylinder locks
9. Exterior/common grounds rubbish/debris/overgrown grass/weeds
10. Large holes/cracks/uneven concrete in walkway
11. Building with major peeling of wood trim/paint (directly affecting family's unit)
12. Large porcelain chips or peeling paint in bathtubs/sinks/wash basin exposing black surfaces/rust
13. Burner knobs missing on stove
14. Inoperable stove/refrigerator
15. Bathrooms where no windows are present and exhaust fans are missing/inoperable
16. Flammable products stored near water heaters
17. Signs of leaking/water damage on ceiling/roof
18. Broken windows and larger cracks which pose a potential hazard
19. Algae/debris in swimming pool
20. Loose hand rails/guard rails
21. Missing/cracked switch cover plates
22. Closet doors off track
23. Bedroom window security bar release mechanism is inoperable
24. Inoperable window locks

10.4 LEAD-BASED PAINT [24 CFR §982.401(j)]

The Housing Authority's rental assistance programs are subject to the requirements of the Lead-Based Paint Poisoning Prevention Act and the Residential Lead-Based Paint Hazard Reduction Act of 1992. Applicable regulations are detailed in 24 CFR §35.

The Program Administrator will be responsible for the collection of LBP disclosure information; conducting Visual Assessment inspections; assuring that Clearance Examinations are conducted; collect data regarding Elevated Intervention Blood Lead Level (EIBLL) cases, and informing owners of their responsibilities.

10.4.1 Disclosure [24 CFR §35(A)]

Owners of units built before 1978 are required to disclose to lessees all available information about the presence of lead-based paint or lead-based paint hazards and provide any available record or reports pertaining to the presence of lead-based paint or lead-based paint hazards, before the lease is enacted.

Lessees must also receive a copy of the lead hazard information pamphlet, "Protect Your Family From Lead in Your Home."

For all new contracts, the Program Administrator will require owners to certify on the RTA that they have met all applicable lead-based paint disclosure requirements. If applicable, the Program Administrator will require owners to submit a copy of the lead-based paint disclosure statement, and any inspection reports.

The Program Administrator will include a sample lead-based paint disclosure form and a lead hazard information pamphlet in voucher issuance packets for participants. Materials will be made available directly to owners upon request.

For units built before 1978, the Program Administrator will not approve an owner lease without receiving all applicable lead-based paint disclosure information.

10.4.2 Lead-Based Paint Visual Assessment [24 CFR §35(M)]

The Program Administrator is required to conduct lead-based paint visual assessments for all units built prior to 1978 that house or will house a child or children under 6 years of age, at the time of the new contract inspection and at annual inspections.

Program Administrator inspectors conducting lead-based paint visual assessments will be trained according to HUD requirements.

The purpose of the visual assessment is to identify any deteriorated paint. Deteriorated paint is paint that is peeling, chipping, chalking or cracking, or any paint or coating located on an interior or exterior surface or fixture that is otherwise damaged or separated from the substrate. Inspectors will check the condition of painted surfaces. If deteriorated paint exceeds the de minimis thresholds as defined by HUD, the unit will fail the lead-based paint visual assessment. The de minimis thresholds are defined as 20 sq. ft. (2 sq. meters) on exterior surfaces; 2 sq. ft. (0.2 sq. meters) in any one interior room or space; or 10% of the total surface area on an interior or exterior type of component with a small surface area (such as window sills, baseboards, and trim.

10.4.3 Stabilization and Clearance [24 CFR §35(M)]

Owners of units that fail the lead-based paint visual assessment will be required to stabilize deteriorated paint in order for the unit to pass.

The Program Administrator will send a letter to owners of failed units that provides guidance on stabilizing paint and other required activities. Owners will have 30 calendar days from the letter date to complete the following:

- **Repair the deteriorated paint**. Work must be performed by certified lead workers using lead-safe work practices. The Program Administrator will provide owners with resources and information on meeting these guidelines.
- **Obtain a Clearance Report**. A contractor certified by the Environmental Protection Agency (EPA) must inspect the unit and prepare a Clearance Report summarizing the work completed and the inspection results.
- **Complete the Housing Authority's Lead-Based Paint Owner Certification form**. The owner must certify that all applicable requirements have been met.
- **Submit the Clearance Report and Signed Certification to the Program Administrator**. The Program Administrator will accept paperwork by mail, fax, and hand delivery.

The owner is responsible for informing tenants of all lead hazard reduction work and evaluations, in a manner consistent with HUD regulations.

If the unit has been previously certified free of lead-based paint by a certified inspector, the owner may submit a copy of the inspector's report, along with the certification form, to the Program Administrator.

The Program Administrator will review the Clearance Report and certification form for completeness. The Clearance Report must contain all information required by HUD. If the Clearance Report passes, the unit will receive a pass on the visual assessment; no further inspection visit is required.

On new contracts, the passing Clearance Report and valid certification form must be received by the Program Administrator before the Program Administrator can enter into a HAP Contract with the owner. If this does not take place within 30 calendar days, the Program Administrator will cancel the RTA.

For annual inspections, if the owner fails to submit the passing Clearance Report and valid certification form within 30 calendar days, the Housing Assistance Payments (HAP) will be placed on hold (abated) for the unit and the participant will be issued a voucher. The owner will have an additional 60 calendar days to obtain and submit a valid Clearance Report before the HAP Contract is terminated. See Section 10.11.1 for more information on abatement.

The Program Administrator's Director of Assisted Housing will review reasonable cause requests for extension. Extension requests must be submitted in writing within the first 30 calendar days of the failed lead-based paint visual assessment. An extension shall not extend beyond 90 days after the date of notification to the owner of the results of the visual assessment. If an extension is approved, the HAP will not be abated during this extension period. Reasonable cause circumstances include prohibitive weather conditions, financial hardship, and rehabilitation in progress.

10.4.4 Children with Environmental Intervention Blood Lead Levels (EIBLL) [24 CFR §35.325]

On a quarterly basis, the Division will send the Los Angeles County Department of Health Services Childhood Lead Poisoning Prevention (CLPP) Program the addresses of assisted families with children under the age of 6. CLPP Program staff will check the addresses for matches with identified EIBLL cases. If a match

is found, CLPP Program staff will conduct a Risk Assessment of the occupied unit and forward a report to the Division. A Risk Assessment is a comprehensive evaluation for LBP hazards that goes beyond the Visual Assessment component including paint testing, and dust and soil sampling. The Risk Assessment Report identifies lead hazards and appropriate lead hazard reduction methods.

A copy of the Risk Assessment Report must immediately be forwarded to the participating owner once received by the Division. The owner must post a Notice of Lead Hazard Evaluation within 15 calendar days and complete lead hazard reduction and clearance activities as advised in the Report within 30 calendar days. The Housing Authority is not allowed to assist *any* other participant in the unit until the owner complies with the Report.

If informed about an EIBLL case from a source other than the CLPP Program, the Division must submit the information to the CLPP Program within five calendar days. The CLPP Program will conduct a Risk Assessment of the occupied unit if required.

10.5 INSPECTIONS SCHEDULE

Inspections are conducted on business days between the hours of 7:00 a.m. and 5:00 p.m. An individual over 18 years of age must be present to allow entry for the inspector.

10.6 NEW CONTRACT INSPECTIONS [24 CFR §982.305(B)(2))]

Under normal circumstances, new contract (initial) inspections are conducted 7 to 10 calendar days following the receipt of a Request for Tenancy Approval. The new contract inspection is conducted in order to:

1. Determine if the unit, including common areas, meets housing quality standards.
2. Document the current condition of the unit. This will serve as the basis to evaluate the future condition of the unit, i.e. excessive wear and tear.

10.6.1 When HQS Deficiencies Must Be Corrected

If the unit fails the initial inspection, the unit will be scheduled for a follow-up inspection within 10 calendar days. The owner will be given 30 calendar days to correct the deficiencies. The owner can request an inspection sooner if repairs have been made prior to the scheduled follow-up inspection date.

If the time period given by the Program Administrator to correct the deficiencies has lapsed, or the maximum of three failed inspections has occurred, the family must select another unit.

The Program Administrator will not enter into a HAP Contract with the owner until the unit passes the inspection. However, the family may already be in the unit when the new contract inspection is conducted. If the family lives in the unit at the time of the new contract inspection, they are responsible for meeting their HQS obligations. See Section 10.8 for details of the family's HQS obligations.

10.7 ANNUAL AND INTERIM INSPECTIONS [24 CFR §982.405]

10.7.1 Annual Inspections

In order to assure that units meet housing quality standards throughout the assisted tenancy, the Program Administrator conducts inspections at least annually.

As stated in the family obligations, the family must allow the Program Administrator to inspect the unit at reasonable times and after reasonable notice. The Program Administrator will notify the family and/or owner of the date and time of the scheduled inspection appointment in writing at least 10 calendar days prior to the inspection.

Appointments may be rescheduled for emergency situations. If the family fails to contact the Program Administrator to reschedule the inspection, or if the family misses two inspection appointments, the Program Administrator will consider the family to be in violation of the Certified Statement of Family Obligation agreement and will initiate termination procedures in accordance with the Program Administrator's policy for proposed termination.

10.7.2 Interim Inspections

Interim inspections are conducted at the request of the owner, family, or agency (usually as a result of a violation of HQS or violation of the lease). Interim inspections may be scheduled and conducted at any time of the year.

10.8 FAILED INSPECTIONS: DETERMINATION OF RESPONSIBILITY [24 CFR §982.404(b)]

If deficiencies cause an assisted unit to fail an inspection, the Program Administrator's inspectors will determine who is responsible at the time of inspection.

In accordance with family obligations, the following deficiencies are considered the responsibility of the family:

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

The owner is responsible for all other HQS violations. In cases such as vermin infestation, where burden of responsibility is not immediately clear, the Program Administrator's inspector will determine the responsible party.

HQS deficiencies that cause a unit to fail must be corrected by the owner, unless the family is responsible for the deficiencies.

10.9 FAILED INSPECTIONS: WHEN DEFICIENCIES MUST BE CORRECTED [24 CFR §982.404(A)(3)]

10.9.1 Emergency Fail Deficiencies

Items that endanger the family's health or safety are considered emergency fails. These deficiencies must be corrected within 24 hours of inspection or verbal/written notification but no longer than 48 hours total from the time of inspection.

In cases where the owner or responsible party cannot be notified verbally, i.e. weekends, the Program Administrator will have a written notification mailed the day of the inspection.

The following deficiencies are considered life-threatening, emergency fails, and will cause a unit to be labeled uninhabitable:

- Gas leaks
- Major plumbing problems
- Utilities not in service
- No running water
- No functioning toilet
- Unstable roof/structure

In cases where the unit is deemed uninhabitable, the family will be issued a voucher within 24 hours so that they can make arrangements to secure another residence if necessary.

If an emergency fail deficiency is not corrected in the time period required by the Program Administrator, and the owner is responsible, the housing assistance payment will be abated immediately and the contract will be terminated.

If repairs are completed and the family wishes to move back into the unit, a new RTA will need to be submitted for that unit and the New Contract Process will need to be completed again.

If the emergency fail deficiency is not corrected in the time period required by the Program Administrator, and the family is responsible, the Program Administrator will terminate the family's assistance for violating family obligations (see Chapter 15: Family Obligations), but will not abate the payment to owner for that month.

10.9.2 Non-Emergency Fail Deficiencies

Non-emergency deficiencies that cause a unit to fail the inspection must be corrected within a 30 calendar-day cycle. The family and owner will be notified of the failed items in writing. Within the 30 calendar days from the notification letter, the owner and family must make the appropriate corrections and notify the Program Administrator so that a follow-up inspection can be scheduled.

If the necessary repairs have been completed prior to the next scheduled inspection, the owner or tenant may request an earlier inspection date. Requests for earlier repair dates will be reviewed and accommodated in a case-by-case basis.

For major repairs, the Inspections Housing Unit Supervisor or Housing Supervisor may approve an extension beyond 30 calendar days. However, this extension cannot exceed 60 calendar days.

If the family is not at home for the follow-up inspection appointment, a card will be left at the unit with instructions. A second follow-up inspection will be scheduled automatically and the owner and family will be notified by mail.

If owner-caused deficiencies are not corrected in the time period required by the Program Administrator, housing assistance payments will be abated and the contract may be terminated. If family-caused deficiencies are not corrected in the time period required by the Program Administrator, housing assistance may be terminated. See Sections 10.10 and 10.11 for more information.

10.10 CONSEQUENCES OF VERIFIED FAMILY-CAUSED DEFICIENCIES [24 CFR §982.552(a)]

The family has a responsibility to maintain the assisted unit in good condition and to notify the owner of needed repairs. If non-emergency violations of HQS are determined to be the responsibility of the family, the Program Administrator will require the family to make any repair(s) or corrections within the 30 calendar-day cycle. Housing assistance will be terminated if an assisted unit continues to fail housing inspections for family-caused deficiencies or the family fails to keep scheduled appointment(s). See Chapter 15 (Family Obligations) for more information.

Extensions will be granted on a case-by-case basis and must be approved by the Unit Supervisor.

If it has been concluded that all deficiencies are family-caused, the owner's rent will not be abated for such items.

10.11 CONSEQUENCES OF VERIFIED OWNER-RELATED DEFICIENCIES [24 CFR §982.404(a), 24 CFR §982.452 and 24 CFR §982.453]

The owner is responsible for maintaining the unit in accordance with HQS. When it has been determined that an assisted unit fails to meet HQS, the owner of that unit is responsible for completing the necessary repair(s) in the time period specified by the Program Administrator. If the owner fails to correct deficiencies within the specified time period, the Program Administrator is obligated to withhold (abate) housing assistance payments.

10.11.1 Abatement [24 CFR §982.453(b) and 24 CFR §982.404(a)(3)]

Abatement is defined as withholding Housing Assistance Payments (HAP) to the owner for the period of time the unit is out of compliance with HQS requirements.

HAP will be abated if:

1. **The assisted unit fails the first and second housing inspections due to owner-related deficiencies.**

If a unit fails the first inspection due to owner-related deficiencies, the notice sent to the owner stating the deficiencies, repairs that need to be made, and the date of the next inspection will also serve as notice that HAP will be abated if the unit fails a second inspection due to owner-related deficiencies.

If, after the 30-day correction period, the unit then fails the second inspection due to owner-related deficiencies, the Program Administrator will stop payment on the first day of the month following the expiration of the 30-day correction period.

The owner will be notified of the date of a final inspection. Under normal circumstances, the Program Administrator will inspect an abated unit 30 calendar days after the abatement notification has been issued.

If the owner makes repairs during the abatement period, HAP payments will resume on the day the Program Administrator's inspector has verified the corrections and the unit passes inspection.

A 30-day calculation standard will be used to reconcile abatement payments. Please refer to memo dated 3/3/05.

No retroactive payments will be made to the owner for the period of time the rent was abated and the unit did not comply with HQS. The notice of abatement states that the family is not responsible for the Housing Authority's portion of rent that is abated. However, the family is responsible to pay its portion of the rent while abatement is in effect.

If an assisted unit fails the third and final housing inspection for owner-caused deficiencies, the Program Administrator will terminate the HAP Contract. The Program Administrator will notify the owner of the termination in writing 30 calendar days before it becomes effective. Abatement will remain in effect until the effective date of the termination.

The Housing Authority is prohibited from implementing rent abatement for family-caused deficiencies. However, abatement will apply if family-caused and owner-related deficiencies exist together.

2. **The Housing Authority has verified that the assisted unit has emergency fail deficiencies, and the owner did not complete the necessary repairs within the required timeframe**.

3. **A unit built before 1978 that houses or will house a child under 6 years of age fails the lead-based paint visual assessment, and the owner fails to submit a complete, passing clearance report and certification within 30 calendar days.** Owners will receive notice by mail if a unit fails the lead-based paint visual assessment. They will have 30 calendar days from the date of the notice to perform clearance and submit passing paperwork. If the owner fails to meet these requirements (see Section 10.4 for more information on lead-based paint), HAP will be abated and the Program Administrator will stop payment on the first day of the month following. The participant will be issued a voucher. The owner will have an additional 60 calendar days to obtain and submit a valid Clearance Report before the HAP Contract is terminated.

Families that reside in units that have been abated will be issued a voucher and will have the option to move even if the assisted unit passes inspection at the third and final inspection (this excludes participants of the Moderate Rehabilitation Program).

10.11.2 Termination of Contract [24 CFR §982.453(b)]

When the HAP Contract has been terminated, the family will be required to move in order to continue receiving rental assistance.

RTA submitted for units that have been terminated due to abatement will be reviewed on a case-by-case basis. In cases where the RTA is accepted, the family will be brought in for counseling on their situation.

10.12 QUALITY CONTROL INSPECTIONS [24 CFR §982.405(B)]

To ensure efficient program operations, it is essential for management to apply sound quality control practices. The purpose of quality control inspections is to objectively ascertain that each inspector is conducting accurate and complete inspections, and to ensure that there is consistency among inspectors in application of HQS.

Quality control inspections will be performed by a Quality Assurance Representative according to SEMAP Indicator #5 which meets the minimum quality control sample size for the number of units under HAP contract during the last completed Housing Authority fiscal year for SEMAP.

CHAPTER 11:
SETTING PAYMENT STANDARDS AND DETERMINING RENT REASONABLENESS

11.1 INTRODUCTION
[24 CFR §982.503]

The Housing Authority is responsible for ensuring that the rents charged by owners are reasonable based upon objective comparables in the rental market. When the Housing Authority has determined that the unit meets the minimum HQS, that the lease is approvable, and that the rent is reasonable, it will make timely payments to the owner and notify the owner of the procedures for rent adjustments in the rental assistance programs. This chapter explains the Program Administrator's procedures for setting and adjusting the payment standards and conducting rent reasonableness surveys.

11.2 PAYMENT STANDARDS FOR THE VOUCHER PROGRAM
[24 CFR §982.503(b)(1)]

HUD regulations allow the Housing Authority to set Payment Standards at a level that is between 90 percent to 110 percent of the Fair Market Rent for Los Angeles County. The Housing Authority must set the payment standard at a level that is high enough to ensure that families are able to afford quality housing while also balancing the need to provide assistance to as many families on the waiting list as possible.

The Program Administrator will review the payment standards at least annually to determine whether an adjustment should be made for some or all unit sizes. The following provides a list of the factors that will be used to evaluate the adequacy of the payment standard and/or be used to make a determination to adjust standards, as appropriate.

11.2.1 Assisted Families' Rent Burdens

The Program Administrator 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 50 percent of income.

If more than 40 percent of program families in the overall program, or for a specific unit size, are contributing in excess of 50 percent of their adjusted monthly income towards rent, the Program Administrator will consider increasing the voucher payment standards. The payment standard will not be raised if:

- The payment is already at the maximum level HUD will allow (110%).
- The Housing Authority would have to reduce the number of new admissions by 20 percent or more for the upcoming year in order to fund the increase.

11.2.2 Success Rate of Voucher Holders

The Program Administrator will periodically review the success rate of voucher holders. If 25 percent or more of new admissions and/or families wishing to move are unable to use the vouchers due to current rental rates in Los Angeles

County, the Program Administrator will consider increasing the payment standard for particular unit sizes and/or the entire program, as appropriate.

The payment standard will not be increased if:

- The payment is already at the maximum HUD will allow (110%)
- The Housing Authority would have to reduce the number of new admissions by 20 percent or more for the upcoming year in order to fund the increase

11.2.3 Rent Reasonableness Database

The Program Administrator will review the rent information in the rent reasonableness data bank and compare it to the payment standards established for the Housing Choice Voucher Program. If the rent reasonableness review indicated that the payment standards are higher than the average rental unit in Los Angeles County, the payment standard for the specific unit size, or all payment standards, will be lowered to reflect the current market rents.

11.2.4 Quality of Units Selected

The Program Administrator 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.

11.2.5 File Documentation

A file will be retained by the Program Administrator's Administrative Support Unit for at least 3 years to document the analysis and findings to justify whether or not the Payment Standard was changed.

11.3 RENT REASONABLENESS DETERMINATIONS [24 CFR §982.507]

Rent reasonableness determinations are made when units are placed under HAP contract for the first time and when an owner requests a rent increase. The Program Administrator will determine and document on a case-by-case basis that the approved rent [24 CFR §982.507(b) and §982.507 (c)]:

1. Does not exceed rents currently charged on new leases by the same owner for an equivalent assisted or unassisted unit in the same building or complex, and
2. Is reasonable in relation to rents currently charged by other owners for comparable units in the unassisted market.

Three comparable units will be used for each rent determination. Of these, one may be from the first category, and the remaining two should be from the second category. In cases where three comparable units are not available, due either to the unit's location, age or other special features, two comparables may be used to determine the appropriate rent, one from each category identified above.

All comparables must be based on the rent that the unit would command if leased in the current market. Leased in the current market means that the unit has been leased within the last 12 months.

The data for other unassisted units will be gathered from newspapers, realtors, professional associations, inquiries of owners, market surveys, and other available sources.

The Program Administrator will consider the census tract in which the unit is located to be the market area for the purposes of obtaining rent comparables. If a unit is located in a census tract that is primarily industry, or where no comparable units can be found, The Program Administrator will seek rent comparables in neighboring census tracts. In such cases, may require an inspector to go out to do a visual check of the two neighborhoods to ensure comparability.

The following items will be used for rent reasonableness documentation:

- Number of Bedrooms (see Chapter 10 for definition of bedroom)
- Facilities
- Location
- Quality
- Amenities
- Date Built
- Unit Type

11.3.1 Management and Maintenance Services

The Program Administrator maintains a computer 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 it is more than 12 months old.

In order for a unit to be considered comparable to another, the units must:

- Be located in the same census tract;
- Have been built within 10 years of each other;
- Have three or more similar services and/or amenities;
- Have the same number of bedrooms; and
- Be the same unit type. Single-family structures will generally not be compared to multifamily structures. However, the Program Administrator may make an exception in unique cases where no other selection of rental units exists in the area.

11.3.2 Appealing a Rent Reasonableness Determination

If the owner of the property disagrees with the rent reasonable determination, the owner may appeal the decision in writing by submitting an appeal that includes a list of comparable rental units that the owner has found to justify their requested rent amount.

Before using a list of rental units submitted by the owner, the Program Administrator would confirm that the units are indeed comparable using the criteria outlined above. If the units are not comparable, the Program Administrator will not use these units in the rent comparability survey and the owner will be notified of the decision.

At the owner's request, the Program Administrator will release information on the unit addresses used in the rent comparability survey. If the owner finds that the information used by the Program Administrator is incorrect, the Program Administrator will re-verify the rental comps used and re-determine the rent comparability for the unit.

11.3.3 Rent Increases [24 CFR §982.519]

The Program Administrator will use the same criteria defined above to determine if a request for a rent increase meets the rent comparability requirement. If the new rent is not rent comparable, the Program Administrator will advise both the owner and the family that the increase cannot be approved. If a partial rent increase can be approved, the Program Administrator will notify the owner, and process the partial increase upon owner approval. The approval amount for rent increases is the lesser of reasonable rent, the amount determined by the annual adjustment factor, or the amount requested by the owner.

If the owner disagrees with the determination, s/he may then exercise any of the following options:

- Appeal the rent comparability determination using the steps outlined above.
- Adjust his/her request for a rent increase.
- Serve the family with a proper termination notice.

CHAPTER 12:
RE-EXAMINATION

12.1 INTRODUCTION
[24 CFR §982.516(a)]

To assure that tenancy is restricted to participants meeting the eligibility requirements for continued occupancy and are charged appropriate rents; the eligibility status of each participant is re-examined on an annual basis per HUD requirements.

At the initial, first interim or annual re-examination on or after June 19, 1995, participants must report and verify their U.S citizenship/eligible immigration status by signing and submitting a declaration of eligibility, verification of consent form (if necessary), and appropriate immigration documentation (resident alien card, naturalization, etc.).

When families move to another dwelling unit, a re-examination is completed and the anniversary date changed.

12.1.1 Procedure

To maintain program efficiency and integrity, the Program Administrator at its own discretion may conduct re-examination interviews by mail or in-person. The Program Administrator will attempt to conduct all annual re-examinations interviews through the mail. Annual re-examinations not completed through the mail process will be conducted in person.

12.2 RE-EXAMINATION NOTIFICATION TO THE FAMILY

Participating families are advised of the annual re-examination requirement and the importance of reporting income and family composition changes as they occur during the initial re-examination.

12.2.1 Persons with Disabilities
[24 CFR §8.24(a)]

Persons with disabilities who are unable to come in to the Program Administrator's office will be granted an accommodation of conducting the interview at the person's home or by mail, upon verification (physician or medical documentation) that the accommodation requested meets the need presented by the disability.

12.2.2 Requirements to Attend

If it is determined that a participant (family) will need to come to the Program Administrator's office then all adult household members 18 years and older will be required to attend the re-examination interview.

12.2.3 Failure to Respond

If a family fails to complete or return the required re-examination documents within the specified timeframe, the Program Administrator will schedule the family for a mandatory appointment. The appointment letter will provide the date and

time of the appointment and a list of items that family will need to bring. Additionally, the appointment letter will service as a proposed termination notice and will contain the date of termination as well as a specified timeframe to request an informal hearing.

If the family fails to attend the appointment or fails to bring all the required information and has not requested an informal hearing, Housing Assistance Payments will be stopped.

If the family is able to provide documentation of an emergency situation that prevented them from completing the required re-examination documents or attending the mandatory appointment, the Unit Supervisor at his/her own discretion may, on a case-by-case basis reschedule the appointment.

12.2.4 Documents Required from the Family

The re-examination documents will include instructions and appropriate forms that need to be submitted to complete the re-examination. The required forms and documentation are the following:

1. Documentation of income for all family members;
2. Documentation of assets;
3. Documentation of medical or child care expenses;
4. Certified statement of family obligations; and
5. Consent for Release of Information (signed by all household members over 18 years of age).

Verification of these documents will be conducted in accordance with Housing Authority procedures and guidelines described in this plan.

12.2.5 Tenant Rent Increases

If the tenant rent increases, a 30-day notice of increase in rent is mailed to the family before the anniversary date.

If less than 30 calendar days are remaining before the anniversary date, the new tenant rent will be effective on the first of the month following the 30-day notice. If the Program Administrator was unable to process the re-examination on a timely basis due to the family's failure to provide re-examination documents, then the rent increase will be effective retroactive to the appropriate anniversary date.

If the family causes a delay in the re-examination processing, there will be a retroactive increase in rent to the anniversary date. In this particular case, the owner will receive a retroactive HAP payment and every effort will be made to recover lost rent from the tenant.

12.2.6 Tenant Rent Decreases

If the tenant rent decreases, it will be effective on the anniversary date.

If the family causes a delay so the processing of the re-examination is not completed by the anniversary date, the rent change will be effective on the first day of the month following the completion of the re-examination processing.

12.3 INTERIM RE-EXAMINATION [24 CFR §982.516(b)(3)]

No TTP adjustments will be affected between dates of periodic re-examination or pre-scheduled re-examinations except as noted below:

Tenants are required to submit information affecting eligibility income at all re-examinations. Additionally, tenants are required to report the following changes in family circumstances:

1. Changes in family composition, including loss or addition of one or more family members through death, divorce, birth, or adoption [24 CFR §982.516(c)], and
2. Changes in family income including increases and decreases for income received by the family.

A family is required to report these changes to the Program Administrator within 30 calendar days after the change has occurred. Once notified, the changes that affect the eligibility income will be verified.

The U.S. citizenship/eligible immigrant status of additional family members must be declared and verified as required at the first interim or regular re-examination after moving into the unit.

12.3.1 Increases in Income

If the information provided results in an increase in tenant rent, HACoLA will flag the file and make adjustments at the annual re-examination. The tenant will be notified in writing at least 30 calendar days in advance of the increase.

However, if the participant failed to provide the necessary information when the change(s) occurred, the increase will be effective retroactive to the date it would have been effective had the participant supplied the required information in a timely manner.

12.3.2 Decreases in Income

If the information provided results in a decrease in tenant rent, a modification to the HAP Contract is executed to be effective the first of the month following the month in which the required documentation is supplied by the participant.

12.4 SPECIAL ADJUSTMENTS

If, at the time of re-examination, a family is clearly of low-income, and it is not possible to make an estimate of the family's income for the next 12-month period; A special re-examination will be scheduled to accommodate the family's circumstances. This includes cases where:

1. A tenant is unemployed and there are no anticipated prospects of employment, or
2. The conditions of employment and/or receipt of income are too unstable to validate usual and normal standards for determination. An interim re-examination will be scheduled for families with zero or unstable income every 3 months.

Families whose past employment has been sporadic or who are on welfare, become employed, then are unemployed, or are self-employed, will not be given special re-examination. If such an income pattern has been established and is expected to continue, then a reasonable 12-month estimate of the income may be based upon past income and present rate of income.

Furthermore, special re-examinations must be clearly set for a definite time to assure compliance.

12.5 CHANGES IN FAMILY COMPOSITION [24 CFR §982.516(c)]

The family must report all changes in family composition to the Program Administrator within 30 calendar days of the occurrence.

12.5.1 Increases in Family Size [24 CFR §982.551(h)(2)]

Increases other than by birth, adoption or court awarded custody must have prior approval of the owner and the Program Administrator.

If an addition would result in overcrowding in the unit according to HQS maximum occupancy standards the Program Administrator will issue a larger voucher (if needed under the subsidy standards) for additions to the family in the following cases:

1. Addition of marriage/or marital type relation;
2. Addition of a minor who is member of the nuclear family who had been living elsewhere;
3. Addition of a Program Administrator-approved live-in attendant; or
4. Addition due to birth, adoption or court awarded custody.

If an approved change requires a larger size unit due to overcrowding, the change in voucher size will be made effective immediately. The Program Administrator will determine the assistance, based on funding availability.

12.5.2 Decreases in Family Size

If a change in family composition results in a decrease of the voucher size, the Program Administrator may exercise the option to downsize the family's voucher size and require the family to move.

Generally, families will be asked to move if the unit is two bedrooms or larger than the family is eligible to rent. When this is necessary, the family will be granted 120 calendar days to locate another suitable unit. Extensions will be granted in accordance with the policy outlined in Chapter 8 (Voucher Issuance and Briefings).

However, if the families Total Tenant Payment unit does not exceed more than 50 percent of the family's monthly-adjusted income, the family will be allowed to remain in the unit.

12.6 CONTINUATION OF ASSISTANCE FOR "MIXED" FAMILIES [24 CFR §5.504(b)]

Under the non-citizen rule, "mixed" families are families that include at least one citizen or eligible immigrant and any number of ineligible members.

"Mixed" families that were participants on or before June 19,1995, shall continue full assistance if they meet the following criteria:

1. The head of household or spouse is a U.S. citizen or has eligible immigrant status, **and**
2. All members of the family other than head, spouse, parents of head, parents of spouse, children of head or spouse are citizens or eligible immigrants. The family may change the head of household designation to another adult member of the family to qualify under this provision.

If they do not qualify for continued assistance, the member(s) that cause the family to be ineligible for continued assistance may move, or the family may choose prorated assistance.

CHAPTER 13:
ALLOWABLE MOVES/PORTABILITY

13.1 INTRODUCTION

This chapter defines the procedures, restrictions and limitations for moving, for new applicants and current participants.

As stated in HUD regulations, eligible families participating in the Housing Choice Voucher Program have the right to receive tenant-based voucher assistance anywhere in the United States, in the jurisdiction of a housing authority administering a Housing Choice Voucher program. This program feature is called "portability." This chapter includes the Housing Authority's procedures for new applicants and current participants that "port out" of the Housing Authority's jurisdiction.

Additionally, this chapter specifies the Program Administrator's policies for receiving "incoming ports" from other housing authorities.

13.2 ALLOWABLE MOVES AND RESTRICTIONS

13.2.1 Restrictions on Moves

The Program Administrator may deny families permission to move if:

- There is insufficient funding for continued assistance;
- The family has violated a family obligation;
- The family is in the initial term of the lease (see 13.2.4 for exceptions); or
- The family owes money to the Program Administrator or another housing authority. See Chapter 17, Section 17.2, for more information on allowable moves for families with repayment agreements.

13.2.2 Allowable Moves for New Applicants [24 CFR §982.353]

A family who lives and/or works in the Housing Authority's jurisdiction at the time they are admitted to the Housing Choice Voucher Program may choose, as their initial housing:

- To remain in their current unit (this is referred to as leasing-in-place);
- A unit anywhere within the Housing Authority's jurisdiction; or
- A unit outside of the Housing Authority's jurisdiction. For more information, see the Outgoing Portability section of this chapter.

A family who does not live or work in the Housing Authority's jurisdiction at the time they are admitted to the Housing Choice Voucher Program must initially locate a unit within the Housing Authority's jurisdiction in order to receive assistance. The family does not have any right to portability until they have resided in the Housing Authority's jurisdiction for at least 12 months [24 CFR §982.353(c)].

- Under limited conditions, the Program Administrator may waive this requirement. Examples of situations that may warrant an exception to this rule include life-threatening situations or as a reasonable accommodation. However, in all cases both the Program Administrator and the receiving jurisdiction must agree to allow the move. If the receiving housing authority does not agree, the Program Administrator will not approve a transfer [24 CFR §982.353(c)(3)].

13.2.3 Allowable Moves for Current Participants [24 CFR §982.314]

A family that initially receives assistance for a unit leased in the Housing Authority's jurisdiction may request to move to another unit and receive continued assistance. Families in good standing may move with continued assistance if:

1. The assisted lease for the old unit has ended because the Program Administrator has terminated the HAP contract for owner breach [24 CFR §982.314(b)(1)(i)];
2. The lease was terminated by mutual agreement of the owner and the family [24 CFR §982.314(b)(1)(ii)]. The Program Administrator must receive a copy of this notice;
3. The owner has given the family a notice to vacate for reasons other than a lease violation [24 CFR §982.314(b)(2)]. The Program Administrator must receive a copy of this notice; or
4. The family has given proper written notice of lease termination after the initial lease term and in accordance with State law. This generally requires a 30-day notice; however, the Program Administrator recommends that families provide a 60-day notice in order to ensure a smooth transition to the new unit [24 CFR §982.314(b)(3)]. The Program Administrator must receive a copy of this notice.

A family is considered to be in good standing if they have not violated the terms of the lease, any program regulations and do not owe any money to the Program Administrator or another housing authority.

Families that are eligible to move with continued assistance may choose to move to a unit that is:

- **Within the Housing Authority's jurisdiction**. This type of a move is called a "reserve vacate." This means that the family is moving from a unit, which could result in a temporary vacancy in the program until another unit is secured; however, the slot remains reserved for the family until the time they lease another unit.
- **Outside the Housing Authority's jurisdiction**. See the Outgoing Portability section of this chapter for more information.

13.2.4 Restrictions on Moves During the Initial Lease [24 CFR §982.314(c) and §982.314(e)]

Generally, families will not be permitted to move during the initial lease (12 months), or more than once in any 12-month period except as noted below:

1. **Life-Threatening Situations** (witness to or victim of a crime, HQS emergency items, natural disaster, unsafe environment, etc.)
2. **Reasonable Accommodation**: A family may request to move to accommodate a disability. The Program Administrator may approve the move as a reasonable accommodation and grant the request to move. However, the owner of the property must agree to release the tenant from the lease.
3. **Mutual Termination**: The family and the owner agree to mutually terminate the contract. If a family requests to terminate a HAP contract based on a mutual termination more than once in a 12-month period, the Program Administrator may review the reason for the mutual termination. If the owner is requesting a mutual termination in lieu of enforcing tenant obligations under the lease, and there is evidence that the family has committed violations of the lease, the Program Administrator may terminate the family for non-compliance with family obligations.

13.3 PROCEDURES FOR MOVES FOR CURRENT PARTICIPANTS [24 CFR §982.314(d)]

Eligible families who wish to move must first provide the Program Administrator and the property owner with proper written notice. Once the Program Administrator has received the notice, the family may be required to provide current income information, if income verification is more than 60 calendar days old. This information is needed in order for the family to be issued a new voucher.

At the same time the voucher is issued, the family will receive a Request for Tenancy Approval (RTA). The family should begin looking for housing immediately in order to ensure a smooth transition to the new unit.

- Requests to move for families wishing to port to another jurisdiction must be submitted in writing.

Families in the Housing Authority's jurisdiction that are unable to locate a new unit by the time they are supposed to vacate the old unit are responsible for contacting the owner and negotiating to stay in the current unit longer. In order for an extension to be approved by the Program Administrator, both parties must sign and complete the required contract extension form, indicating the revised effective expiration date, and submit it to the Program Administrator before the contract is set to expire. Once the request has been received, the Program Administrator will release payments to the owner as appropriate. If the owner does not agree to extend the notice, the family may be required to seek alternative housing, at their own expense, in the interim.

13.4 OUTGOING PORTABILITY PROCEDURES [24 CFR §982.355(c)]

Both new applicants and current participant families must first identify the new jurisdiction where they will be moving. Once the Program Administrator has received this information, the Program Administrator will:

1. Notify the receiving housing authority that the family wishes to relocate into its jurisdiction [24 CFR §982.355(c)(3)];
2. Advise the family how to contact and request assistance from the receiving housing authority [24 CFR §982.355(c)(2)]; and
3. Provide the following documents and information to the receiving housing authority [24 CFR §982.355(c)(4)]:
   - A copy of the family's voucher, with issue and expiration dates, formally acknowledging the family's ability to move under portability.
   - The most recent HUD 50058 form and verifications.
   - The Family Portability form (HUD-52665).

New applicant families will be subject to the income eligibility requirements of the jurisdiction in which they will be receiving assistance [24 CFR §982.353(d)].

13.4.1 Briefing for Families Wishing to Exercise Portability

Since families wishing to move to another jurisdiction must understand that the policies and procedures of the receiving housing authority prevail, the Program Administrator will provide counseling for those families who express an interest in portability. This will include a discussion of difference in payment standards, subsidy standards, and income limits, if applicable.

13.4.2 Payment to the Receiving Housing Authority [24 CFR §982.355(d) and §982.355(e)]

If the receiving housing authority chooses to administer and bill assistance on the Program Administrator's behalf, the Program Administrator will reimburse the receiving housing authority for costs associated with administering the voucher, as specified in HUD regulations.

The receiving housing authority must submit to the Program Administrator the initial billing no later than 60 days following the expiration date of the family voucher issued or within 10 days of an executed contract.

The Program Administrator will ensure that the receiving PHA receives all subsequent monthly payments no later than the fifth working day of each month.

13.5 INCOMING PORTABILITY PROCEDURES [24 CFR §982.355]

Eligible participants in the Housing Choice Voucher Program in other housing authorities may be assisted in the Housing Authority's jurisdiction.

For a family to port in to the Housing Authority's jurisdiction, the Program Administrator must receive, from the initial housing authority:

- The Family Portability form (HUD-52665) with Part I completed.
- A copy of the family's voucher with a valid expiration date.
- The most recent HUD 50058 form and required income verifications supporting the form.

13.5.1 Policies on Absorption and Administration [24 CFR §982.355(d) and §982.355(e)]

For incoming ports, the Program Administrator may, if funding permits, accept a family with a valid voucher from another jurisdiction and absorb the voucher. The Program Administrator may also exercise the option to administer the initial housing authority's voucher and bill the initial housing authority as authorized in the regulations.

If the Program Administrator chooses to administer, it will submit to the initial PHA an initial billing no later than 60 days following the expiration date of the family voucher issued or within 10 days of an executed contract to ensure timely receipt of payment.

All subsequent monthly billing payments are to be received by the Program Administrator no later than the fifth working day of each month.

13.5.2 Income and Total Tenant Payment Review [24 CFR §982.355(c)]

The Program Administrator will conduct an initial review of all incoming port families. The Program Administrator will:

- Conduct criminal background and registered sex offender registration checks of family members, as authorized by 24 CFR §982.355(c)(9) and 24 CFR §982.355(c)(10) (refer to Chapter 2 for additional information).
- Verify identifying documents, family income and composition.
- As necessary, the Program Administrator will change the bedroom size of a family's voucher to comply with the Housing Authority's subsidy standards. If this occurs, the family will be notified in writing of the change.
- If family income documents are missing or there has been a change in the family's circumstances, the Program Administrator may re-determine the family's TTP.
- For incoming port families who have not yet leased a unit under the Housing Choice Voucher Program (initial applicants), the Program Administrator must verify that the family meets the Housing Authority's income limits.

If a re-determination is necessary, the Program Administrator will not delay issuing the family a voucher or otherwise delay approval of a unit unless the re-determination reveals that the family is not eligible for assistance in the Housing Authority's jurisdiction. In such cases, the family will be referred to the initial housing authority for further assistance [24 CFR §982.355(c)(4)].

In general, all families porting into the Housing Authority's jurisdiction will be issued a Housing Authority voucher. The term of the voucher may not expire before the expiration date noted on the voucher issued by the initial housing authority. The Program Administrator will determine whether to extend the voucher term, if necessary, based on the Program Administrator's policy for extension. The Program Administrator will notify the initial housing authority if such an extension is granted [24 CFR §982.355(c)(6)].

If a family that has ported into the Housing Authority's jurisdiction is unable to locate a unit within the allotted time authorized on the voucher, the Program Administrator will notify the issuing housing authority that the voucher did not result in a HAP contract.

Approval of any unit is subject to rent reasonableness and a passed inspection [24 CFR §982.401(a)(3)].

13.5.3 Terminations

In cases where the Program Administrator is administering a contract on behalf of another housing authority, the Program Administrator will notify the initial housing authority in writing of any termination of assistance within 30 calendar days of the termination.

13.5.4 Informal Hearings/Reviews [24 CFR §982.555]

If an informal hearing is required and requested by the family, the Program Administrator will conduct the hearing only if the participant has been assisted within the Housing Authority's jurisdiction. Such hearings will be conducted using the regular hearing procedures included in this plan. Families who have not yet received assistance in the Housing Authority's jurisdiction are eligible for informal reviews, as detailed elsewhere in this administrative plan.

The initial housing authority will be responsible for collecting amounts owed to that housing authority by the family for claims paid and for monitoring repayment. If the initial housing authority notifies the Program Administrator that the family is in arrears or the family has refused to sign a Repayment Agreement, the Program Administrator will terminate assistance to the family.

CHAPTER 14:
CONTRACT TERMINATIONS

14.1 INTRODUCTION

The chapter identifies the key documents/contracts that set forth the responsibilities of each party involved in the rental assistance relationship and outlines the policies and procedures under which these contracts can be terminated.

14.2 DESCRIPTION OF DOCUMENTS

There are three parties involved in the rental relationship: the assisted family, the owner and the Housing Authority.

The rights and responsibilities of the assisted family are defined in the voucher or certificate and the Certified Statement of Family Obligations. A copy of the voucher or certificate is provided to the family at admission and each time a new voucher is issued. The family signs the Certified Statement of Family Obligations annually.

The relationship between the family and the owner is outlined in the rental lease. Generally, the term of the lease is for one year and then turns into a month-to-month tenancy. Although the Housing Authority is not a part of the lease, HUD regulations allow housing authorities to act against the family for serious or repeated violations of the lease.

The terms of the relationship between the owner and the Housing Authority are outlined in the Housing Assistance Payments (HAP) contract. The term of the HAP contract is the same as the term of the lease.

14.3 TERMINATION OF THE LEASE BY THE FAMILY: MOVES [24 CFR §982.309(c)]

For continued tenant assistance, the family cannot terminate the lease until after the initial term of the lease except for material breach of the lease by the owner. The lease determines the notice period for termination to the owner. Most leases require, at minimum, a 30-day notification. However, the Program Administrator recommends that families provide a minimum of a 60-day notice in order to allow enough time for a smooth transition of assistance from the old unit to the new unit. To initiate the lease termination, the family must send a written notice to the owner and the Program Administrator no less than 30 calendar days before the vacate date.

14.4 TERMINATION OF THE LEASE BY THE OWNER

14.4.1 Terminating the Lease During the Initial Term of the Lease [24 CFR §982.310(a)]

During the term of the lease, the owner may not terminate the tenancy except for good cause which includes serious or repeated violations of the lease and/or

violations of federal, state or local law that imposes obligations on the family in connection with the use of the unit.

Under such conditions, the owner must provide both the family and the Program Administrator with a copy of any notice to move or eviction action. An eviction action is defined as a notice to vacate, or a complaint, or other initial pleading used under State or local law to commence an eviction action. Any eviction notice served to a family must specify the grounds for the termination of the tenancy.

An owner may commence termination of a tenancy for good cause by serving a legal notice of termination on the family for the following reasons:

1. Serious or repeated violation of the terms and conditions of the lease [24 CFR §982.310(a)(1)];
2. Violation of Federal, State or local law that imposes obligations on the tenant in connection with the occupancy or use of the premises [24 CFR §982.310(a)(2)]; and
3. Other good cause, [24 CFR §982.310(a)(3)] including:
   - Criminal activity by the tenant, any member of the household, a guest or another person under the tenant's control that threatens the health, safety or right to peaceful enjoyment of the premises by the other residents, or persons residing in the immediate vicinity of the premises [24 CFR §982.310(d)];
   - Any drug-related criminal activity on or near the premises; or
   - Tenant disturbance of neighbors, destruction of property, or behavior resulting in damage to the premises.

14.4.2 Terminating the Lease After the Initial Term of the Lease

After the initial term of the lease, the owner may terminate the lease for other good cause. Examples of other good cause include:

- Business or economic reason for regaining possession of the unit;
- Owner's desire to repossess the unit for personal or family use or for a purpose other than residential property;

When terminating the lease for business or economic reasons, the owner is required to provide a 90-day notice to both the family and the Program Administrator.

14.4.3 Requests for Criminal Records by Project-Based Section 8 Owners [24 CFR §5.903(d)]

Project-based Section 8 owners (excludes housing choice voucher owners), that have contracts with the Housing Authority, may request that the Program Administrator obtain criminal records, on their behalf, for the purpose of eviction or lease enforcement. The Program Administrator will, however, charge a fee in order to cover costs associated with the review of criminal records.

Project-based owners must submit the following items in order for the Program Administrator to process criminal records. Owner requests must include:

1. A copy of a signed consent form from each adult household members, age 18 years and older. Included in the consent form must be a legible name, the date of birth, a California Identification Number, and a Social Security number. This information will be used for the sole purpose of distinguishing persons with similar names or birth dates.
2. An owner's criteria or standards for evicting drug criminals in accordance with HUD regulations (§ 5.857 of 24 CFR Parts 5 et al.); or criteria for evicting other criminals (§ 5.858 of 24 CFR Parts 5 et al.); or criteria for lease enforcement.

Once the Program Administrator obtains the criminal records, a determination will be made as to whether a criminal act, as shown by a criminal record, can be used as a basis for eviction or lease enforcement. The Program Administrator will base its determination in accordance with HUD regulations and the owner criteria.

It is important to note that the Program Administrator will not disclose the participant's criminal conviction record nor the content of that record to the owner unless the owner is proceeding with a judicial eviction process. In the case of a judicial eviction, the owner must provide the Program Administrator with a certification that the criminal records are necessary to proceed with the eviction.

14.5 MUTUAL TERMINATION OF THE LEASE

In cases where the owner and the family agree to terminate the lease, both parties have an obligation to notify the Program Administrator in writing at least 30 calendar days in advance of the vacate date in order that the Program Administrator may avoid overpayment to the owner. If the family has properly notified the Program Administrator and is in good standing, they will be scheduled for an issuance session where they will receive a voucher and all the necessary documents to search for a new unit.

14.6 TERMINATION OF THE HAP CONTRACT BY THE PROGRAM ADMINISTRATOR [24 CFR §982.453]

The Program Administrator will terminate the HAP contract as follows:

1. When the Program Administrator terminates program assistance for the family.
2. When the owner has breached the HAP contract. Any of the following actions will be considered a breach of the HAP contract by the owner:
   - The owner has violated any obligation under the HAP contract for the dwelling unit, including the owner's obligation to maintain the unit according to housing quality standards, including any standards the Program Administrator has adopted in this policy [24 CFR §982.453(a)(1)].
   - The owner has violated any obligation under any other HAP contract under Section 8 of the 1937 Act (42 U.S.C. 1437f) [24 CFR §982.453(a)(2)].

- The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program [24 CFR §982.453(a)(3)].
- The owner has failed to comply with regulations, the mortgage or note, or the regulatory agreement for projects with mortgages insured by HUD or loans made by HUD [24 CFR §982.453(a)(4)].
- The owner has engaged in drug trafficking [24 CFR §982.453(a)(5)].

3. If the family is required to move from a unit which is overcrowded based on the Housing Authority's current subsidy standards [24 CFR §982.403(a)].

The Program Administrator may also terminate the HAP contract if funding is no longer available under the ACC [24 CFR §982.454].

14.7 HAP PAYMENTS AND CONTRACT TERMINATIONS [24 CFR §982.311]

When a HAP contract terminates, the Program Administrator will make payments in accordance with the HAP contract and depending on the reason for the contract termination.

In cases involving a tenant notice to move or a mutual termination, not involving an eviction action, the Program Administrator will pay the owner for the entire last month that the family was in the unit regardless of the actual day of the month that the family moved out. The Program Administrator may also pay a HAP on behalf of the family for the new unit in the same month. However, while the Program Administrator can pay a subsidy for two units in a given month under these conditions, the family may only have physical possession of one unit at a time. A family will be considered to have physical possession of a unit if they still have belongings in the unit and the key to the unit. Under such cases, the family will be required to pay the full rent for one of the units in its possession and the family's portion for the other unit [24 CFR §982.311(d)].

In cases involving evictions, the Program Administrator will continue to pay the HAP until the day the family moves out or is evicted [24 CFR §982.311(b)].

In cases involving termination of assistance, the Program Administrator will provide the owner and the family of the proposed termination date. If the family does not request a hearing or the hearing is decided in the Program Administrator's favor, the HAP payments will terminate in accordance with the notification. If a family continues to occupy the unit after assistance is terminated, the family is responsible for the total amount of rent due to the owner.

If HAP payments are released to the owner for periods of time beyond the dates set forth above, the owner will be required to return all monies to the Program Administrator within 30 calendar days or within the time specified in any approved repayment agreement. The Program Administrator also reserves the right to deduct any monies from other HAP payments being made to the owner by the Program Administrator. If the owner fails to repay the HAP, the account will be forwarded for further action.

CHAPTER 15:
FAMILY OBLIGATIONS

15.1 INTRODUCTION [24 CFR §982.552(a)]

The Housing Authority may terminate assistance for a family because of the family's action or failure to act. The Program Administrator will provide families with a written description of the family obligations under the program, the grounds under which the Housing Authority can terminate assistance, and the Housing Authority's informal hearing procedures. This chapter describes when the Housing Authority is required to terminate assistance, and the Program Administrator's policies for the termination of assistance.

15.2 GROUNDS FOR DENIAL/TERMINATION [24 CFR §982.552(c)(2)(ii)]

If termination is based upon behavior resulting from a disability, the Program Administrator will delay the termination in order to determine if there is a reasonable accommodation, pursuant to law, that would cure the grounds for the termination.

15.2.1 Form of Termination

Termination of assistance for a participant may include any or all of the following [24 CFR §982.552(a)(3)]:

1. Refusal to enter into a HAP contract or approve a lease
2. Termination of HAP under an outstanding HAP contract
3. Refusal to process or provide assistance under portability procedures

15.2.2 Mandatory Termination

The Program Administrator must terminate assistance for participants under the following conditions:

1. If any member of the family fails to sign and submit to HUD or Program Administrator required consent forms for obtaining information [24 CFR §982.552(b)(3)].
2. If no member of the family is an U.S. citizen or eligible immigrant [24 CFR §982.552(b)(4)].
3. If 180 calendar days have elapsed since the Program Administrator's last housing assistance payment was made.

15.2.3 Grounds for Termination of Assistance [24 CFR §982.552(c)(1)]

The Program Administrator may at any time terminate program assistance to 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 [24 CFR §982.552(c)(1)(i)].

2. Any member of the family has ever engaged in serious lease violations while a resident of federally assisted housing or within the past five years has been evicted from a federally assisted housing program [24 CFR §982.552(c)(1)(ii)].
3. Any family member engages in drug-related or violent criminal activity [24 CFR §982.553(a) and §982.551(k)-(l)].
4. The family currently owes rent or other amounts to the Program Administrator or to another housing agency in connection with Section 8 or public housing assistance under the 1937 Act [24 CFR §982.552(c)(1)(v)].
5. The family has not reimbursed the Program Administrator or any housing agency for amounts paid under a HAP contract to an owner for rent, damages to the unit, or other amounts owed by the family under the lease [24 CFR §982.552(c)(1)(vi)].
6. The family breaches an agreement with any housing agency to pay amounts owed to any housing agency, or amounts paid to an owner by any housing agency [24 CFR §982.552(c)(1)(vii)].
7. A family participating in the family self-sufficiency (FSS) program fails to comply, without good cause, with the family's FSS contract of participation (COP) [24 CFR §982.552(c)(1)(viii)].
8. The family has engaged in or threatened abusive or violent behavior toward Program Administrator personnel [24 CFR §982.552(c)(1)(ix)].
   - "Abusive or violent behavior" 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.
   - "Threatening" refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.
   - Actual physical abuse or violence will always be cause for termination.

15.2.4 Registered Sex Offenders

If it is brought to the attention of the Housing Authority that a current program participant is on the sex offender registration list, the Program Administrator will review on a case-by-case basis. The Program Administrator will consult with law enforcement and legal counsel and take appropriate actions based on findings.

15.3 FAMILY OBLIGATIONS [24 CFR §982.551]

1. The family must supply any information that Housing Authority or HUD determines is necessary in the administration of the program [24 CFR §982.551(b)]. Information includes any requested certification, release or other documentation. Requirements include:
   - Submission of required evidence of citizenship or eligible immigration status (as provided by 24 CFR part 5);

- Disclosure and verification of social security numbers (as provided by 24 CFR part 5);
- Providing any information requested by the Program Administrator or HUD for use in a regularly scheduled or interim determination of family income and composition, including income, assets, and accurate family composition.

2. The family must report all changes in family income and composition in writing immediately as they occur. The owner of the unit and the Program Administrator must approve changes in composition of the assisted family [24 CFR §982.551(b) and §982.551(h)(2)]. The family must:

   - Report the birth, adoption or court-awarded custody of a child;
   - Request Program Administrator approval to add any other family member;
   - Notify the Program Administrator when a family member no longer lives in the unit.

   If the Program Administrator gives approval, a live-in attendant or a foster child may live in the unit. Failure to report changes, making false reports and/or allowing unauthorized people in the unit is cause for termination from the program.

3. All information supplied by the family must be true and complete [24 CFR §982.551(b)].
4. Maintain the rental unit [24 CFR §982.551(c)]. The family is responsible for any violation of Housing Quality Standards resulting from:

   - Failure to pay for tenant-paid utilities;
   - Failure to furnish required stove and or refrigerator if to be provided by family; or
   - Damage to the unit or grounds by the family or its guests beyond normal wear and tear.

5. The family must allow the Program Administrator to inspect the unit at reasonable times and after reasonable notice [24 CFR §982.551(d)].
6. The family may not commit any serious or repeated violation of the lease [24 CFR §982.551(e)].
7. The family must notify the owner and, at the same time, notify the Program Administrator before the family moves out of the unit or terminates the lease on notice to the owner. The family must promptly give the Program Administrator a copy of any owner eviction notice [24 CFR §982.551(f) – (g)].
8. The family must use the assisted unit for residence by the family. The unit must be the family's only residence. The family must not sublease or let the unit [24 CFR §982.551(h)(1), (6)].
9. The family must not assign the lease or transfer the unit. In cases where there is a change in the head of household, the lease may be transferred

to the new Head but only with the consent of the owner of the property and the Program Administrator [24 CFR §982.551(h)(7)].

10. 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 [24 CFR §982.551(h)(5)].
11. The family must supply any information or certification requested by the Program Administrator 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 Program Administrator for this purpose. The family must promptly notify the Program Administrator of absence from the unit [24 CFR §982.551(i)].
12. The family must not own or have any interest in the unit [24 CFR §982.551(j)].
13. The members of the family must not commit fraud, bribery or any other corrupt or criminal act in connection with the programs [24 CFR §982.551(k)].
14. The members of the family may not engage in drug-related criminal activity or violent criminal activity.
15. 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 [24 CFR §982.551(l)].
16. The family must pay only the amount authorized by the Program Administrator on the approved lease. Any amount paid by the family other than the authorized amount is considered an illegal side payment and is cause for termination of the housing assistance subsidy. The Program Administrator may authorize additional payments for other amenities [24 CFR §982.451(b)(4)(ii)].

15.3.1 Housing Authority Discretion [24 CFR §982.552(c)(2)]

In deciding whether to terminate assistance because of action or failure to act by members of the family, the Program Administrator 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, and
- 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 Program Administrator 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 and/or visit in the unit. The

Program Administrator may permit the other members of a family to continue in the program.

15.3.2 Enforcing Family Obligations

Explanations and Terms

- **HQS Breach**: The 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 correct HQS breaches as explained in Chapter 10.
- **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 [24 CFR §982.310]:
  - If the owner terminates tenancy through court action for serious or repeated violation of the lease.
  - If the owner notifies the family of intention to terminate tenancy for serious or repeated lease violations, and the family moves from the unit prior to the completion of court action, and the Program Administrator determines that the cause is a serious or repeated violation of the lease based on available evidence.
  - If there are police reports, neighborhood complaints or other third party information, and the Program Administrator has verified the information. Lack of receipts or other proof of rent payments by the family may also be considered verification of lease violations.
- **Family Member Moves Out**: Families are required to notify the Program Administrator within 30 calendar days if any family member leaves the assisted household [24 CFR §982.551(h)(3)]. When the family notifies the Program Administrator, they must furnish the following information:
  - The date the family member moved out.
  - The new address, if known, of the family member.
  - A statement as to whether the family member is temporarily or permanently absent.
  - Related income, asset or deduction changes resulting from the member moving.
- **Limitation on Profit-making Activity in Unit [24 CFR §982.551(h)(5)]**: If the business activity area results in the inability of the family to use any of the critical living areas, such as a bedroom utilized for a business which is not available for sleeping, it will be considered a violation.

  If the Program Administrator determines that the use of the unit as a business is not incidental to its use as a dwelling unit, it will be considered a violation of family obligations.
- **Interest in Unit [24 CFR §982.551(j)]**: The owner may not reside in the assisted unit, under any circumstances, including as a live-in aide, regardless of whether the owner is a member of the assisted family, unless assistance is being provided for a mobile home and the family owns the mobile home and rents the pad under the Certificate or Housing Choice Voucher Program.

- **Fraud [24 CFR §982.551(k)]**: In each case, the Program Administrator will consider which family members were involved, the circumstances, and any hardship that might be caused to innocent members.

15.3.3 Drug Related Criminal Activity [24 CFR §982.553(a) and (b)(1) and (2)]

Drug-related criminal activity refers to the illegal manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute or use a controlled substance [24 CFR §5.100].

Drug-related criminal activity does not include the prior use or possession of a controlled substance if the family member had an addiction to the substance and has recovered, or is recovering from the addiction and does not currently use or possess the substance and has demonstrated successful completion of a rehabilitation program [24 CFR §982.553(b)].

- The Program Administrator may propose termination against the family for drug-related criminal activity on or off the premises, not just on or near the premises. An arrest or conviction is not required to deny or terminate assistance.
- Participants may be terminated if they have been arrested, convicted or whose tenancy is being terminated due to drug-related criminal activity or whose activities have created a disturbance in the building or neighborhood.
- If the family violates the lease for drug-related criminal activity, the Program Administrator will terminate assistance.

In appropriate cases, the Program Administrator may permit the family to continue receiving assistance provided that family members determined to have engaged in the prescribed activities will not reside and/or visit in the unit. If the violating member is a minor, the Program Administrator may consider individual circumstances with the advice of Juvenile Court officials.

15.3.4 Violent Criminal Activity [24 CFR §982.553(a) and (b)(1) and (2)]

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. Violent criminal activity also includes activity which occurs within the family, such as during domestic disputes.

- Participants may be terminated if they have been arrested, convicted or whose tenancy is being terminated due to violent criminal activity or whose activities have created a disturbance in the building or neighborhood.
- If the family violates the lease for violent criminal activity, the Program Administrator will terminate assistance.

In appropriate cases, the Program Administrator may permit the family to continue receiving assistance provided that family members determined to have engaged in the prescribed activities will not reside and/or visit in the unit. If the

violating member is a minor, the Program Administrator may consider individual circumstances with the advice of Juvenile Court officials.

15.3.5 Required Evidence [24 CFR §982.553(c)]

In determining whether to terminate assistance based on criminal activity, the Program Administrator may terminate assistance if the preponderance of evidence indicates that a family member has engaged in such activity, regardless of whether the family member has been arrested or convicted.

The Program Administrator may consider arrests, convictions, no contest pleas, fines, city ordinance violations or other credible preponderance of evidence in determining if a violation has occurred.

Preponderance of evidence: 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.

15.3.6 Confidentiality of Criminal Records [24 CFR §5.903(g)]

Criminal records received by the Program Administrator shall be maintained confidential, not misused, nor improperly disseminated and kept locked during non-business hours. Also, all criminal records will be destroyed no later than 30 calendar days after a final determination is made.

15.3.7 Disclosure of Criminal Records to Family [24 CFR §5.903(f) and §982.553(d)]

The applicant or household member requesting to be added to the lease will be provided with a copy of the criminal record upon request and an opportunity to dispute the record. Applicants will be provided with the opportunity to dispute the record at an informal review. Participants may contest such records at an informal hearing.

15.4 NOTICE OF TERMINATION OF ASSISTANCE

In any instance where the Program Administrator decides to terminate assistance to the family, the Program Administrator must give the family a written notice that includes:

1. The reason(s) for the proposed termination;
2. The effective date of the proposed termination;
3. Information regarding the family's right to request an Informal Hearing to be held before termination of assistance; and
4. The date by which a request for an informal hearing must be received by the Program Administrator.

A final notice of determination and date of termination will then be sent to the participant if no hearing is requested within the allowable time or if the Informal Hearing confirms the termination.

The Program Administrator 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.

15.5 PROCEDURES FOR NON-CITIZENS [24 CFR §982.552(b)(4) and 24 CFR §5.514]

The Program Administrator is required to terminate assistance for participant families in which no members are U.S. citizens or eligible immigrants. If a family member does not establish citizenship or eligible immigration status as required, the Program Administrator will prorate the assistance, or if there are no eligible family members remaining, the Program Administrator will propose program termination and provide the opportunity for an informal hearing, as explained in Chapter 16.

15.5.1 False or Incomplete Information (No Eligible Members)

Families are required to submit evidence and sign declarations of their citizenship or eligible immigration status. If the Program Administrator obtains substantive documentation (such as a permanent resident card or information fromanother agency) that contradicts a family member's declaration of citizenship, an investigation will be conducted and the individual given an opportunity to present relevant information.

- 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 Housing Authority either after the INS appeal or in lieu of the INS appeal.
- If the family member is unable to verify their citizenship, the Program Administrator may give the individual an opportunity to provide a new declaration as an eligible immigrant or to elect not to contend their status. The Program Administrator will then verify eligible status, and terminate, or prorate as applicable.
- Assistance may not be terminated while verification of the participant family's eligible immigration status is pending.

After the Program Administrator has made a determination of ineligibility, the family will be notified of the determination and the reasons, and informed of the option for prorated assistance (if applicable) or the proposed termination.

The Program Administrator will terminate assistance for misrepresentations or submission of false information.

15.6 $0 ASSISTANCE TENANTS (END OF PARTICIPATION) [24 CFR §982.455]

The Program Administrator is required to automatically terminate the HAP contract 180 calendar days after the last housing assistance payment is made to the owner. A family receiving no ($0) assistance may remain in the unit for up to 180 calendar days after the last HAP payment. If the family is still in the unit after 180 calendar days, assistance is terminated. If within the 180-day period, an owner rent increase or a decrease in the TTP causes the family to be eligible for a housing assistance payment, the Program Administrator will resume assistance payments for the family.

In order for a family to move to another unit during the 180 calendar days, the rent for the new unit would have to be high enough to necessitate a housing assistance payment.

15.7 OPTION NOT TO TERMINATE FOR MISREPRESENTATION OF INCOME

If the family has misrepresented any facts that caused the Program Administrator to overpay assistance, the Program Administrator may choose not to terminate and may offer to continue assistance provided that the family agrees to pay the Program Administrator the amount owed and either pays the Program Administrator in full or executes a Repayment Agreement and makes payments in accordance with the agreement.

15.8 MISREPRESENTATION IN COLLUSION WITH OWNER

If the family willingly and knowingly commits fraud or is involved in any other illegal scheme with the owner, the Program Administrator will deny or terminate assistance.

15.9 MISSED APPOINTMENTS AND DEADLINES [24 CFR §982.551]

It is a family obligation to supply information, documentation, and certifications as needed for the Program Administrator to complete required processes. The Program Administrator schedules appointments and sets deadlines in order to obtain the required information. Failure to supply requested information can result in termination of assistance. Examples of failing to supply requested information can include: failing to sign necessary documents, failing to return documents or returning incomplete or altered documents, failing to complete all information requested on documents, etc.

The obligations also require that the family keep all appointments and allow the Program Administrator to inspect the assisted unit. All scheduled inspections are considered “appointments.”

The family will receive information about the requirement to keep appointments, and the number of times that appointments are rescheduled as specified below. Appointments are scheduled and time requirements imposed for the following events and circumstances:

1. Eligibility for Admissions;
2. Verification Procedures;
3. Voucher Issuance and Briefings;
4. HQS Inspections;
5. Re-examinations; and
6. Appeals (Informal Hearing/Reviews).

Examples of good cause for missing appointments or failing to provide information by deadlines are medical and/or family emergencies. In such cases, the family may be requested to provide verification of such circumstances.

An applicant or participant who fails to keep appointments, or to supply information required by a deadline without notifying the Program Administrator may be sent a notice of termination of assistance for failure to comply with program regulations.

The family may be granted up to two opportunities before they receive a notice of denial or termination for breach of a family obligation. After issuance of the denial or termination notice, if the family offers to correct the breach within the time allowed to request a review or hearing, the notice may be rescinded after the family corrects the breach, if the family does not have a history of non-compliance. For families with a history of non-compliance, the Program Administrator may elect to hold the review or hearing.

CHAPTER 16:
INFORMAL HEARINGS AND COMPLAINTS

16.1 INTRODUCTION

This chapter will cover the Housing Authority's policy and procedures for informal reviews and informal hearings. This chapter defines the Program Administrator's responsibilities to applicants and participants.

16.2 APPLICANTS – PREFERENCE DENIALS [24 CFR §982.554]

If the Program Administrator determines that an applicant is not eligible for a preference, the applicant will be informed of the decision in writing. Although such a determination does not render the applicant ineligible to receive assistance, the applicant's file is considered low priority.

If the applicant disagrees with the decision, the applicant must in writing request to review the decision to the Applications and Eligibility Unit Supervisor within 10 calendar days of the date of the notification. The request should also provide all information and documents supporting the applicant's request. The supervisor will review the file and determine if the decision was proper or if new information provided by the family warrants a change in the original determination. The Unit Supervisor will notify the applicant of their decision.

If the determination was properly made, the applicant's file will remain low priority until the family notifies the Program Administrator of a change in circumstance that qualifies the family for a preference.

16.3 INFORMAL REVIEW PROCEDURES FOR APPLICANTS [24 CFR §982.554(a)]

Under certain circumstances, the Program Administrator offers informal reviews for applicants. Applicants are defined as families who are on the Section 8 waiting list and are awaiting the issuance of a voucher or families who have been issued a voucher but have not yet been assisted under a Housing Assistance Payment (HAP) Contract.

When the Housing Authority denies assistance to an applicant, the family is notified in writing. The notice contains:

- The reason(s) for the decision;
- The procedure for requesting an informal review if the applicant does not agree with the decision; and
- The time limit for requesting a review.

The Program Administrator must provide applicants with the opportunity for an Informal Review of Decisions denying issuance of a voucher or participation in the program.

Applicants who are denied assistance based on ineligible immigration status are entitled to an informal hearing (rather than an informal review).

16.3.1 When an Informal Review is Not Required [24 CFR §982.554(c)]

Informal reviews are not required for established policies, procedures, and Housing Authority determinations such as:

1. Discretionary administrative determinations by the Program Administrator;
2. General policy issues or class grievances;
3. A determination of the family unit size under Housing Authority subsidy standards;
4. Refusal to extend or suspend a certificate or voucher;
5. Disapproval of lease;
6. Determination that the unit is not in compliance with HQS; or
7. Determination that the unit is not in accordance with HQS due to family size or composition.

16.3.2 Procedure for Review [24 CFR §982.554(b)]

A request for an informal review must be received in writing by the close of the business day, no later than 10 calendar days from the date of the Program Administrator's notification of denial of assistance. The informal review will be scheduled within 30 calendar days from the date the request is received.

The informal review will 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:

- A staff person who is not the person who made the decision or his/her subordinate, or
- An individual from outside the Housing Authority.

If the applicant fails to appear for the informal review and has not contacted the Program Administrator in advance to reschedule, the Program Administrator's proposed disposition of the grievance will become final. The Program Administrator may reschedule the review but only if the family can show good cause for the failure to appear.

At the informal review, the applicant may present oral or written objections to the decision. Both the Housing Authority 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 decision will be provided in writing to the applicant within 30 calendar 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 applicant's file.

16.4 INFORMAL HEARING FOR PARTICIPANTS [24 CFR §982.555]

16.4.1 When an Informal Hearing May Be Requested [24 CFR §982.555(a)(1)]

A participant family must be given an opportunity for an informal hearing to consider whether certain Housing Authority decisions are in accordance with the law, HUD regulations and Housing Authority policies.

In the following cases, the Program Administrator must give the participant an opportunity for an informal hearing before the Program Administrator terminates HAP for the family under an existing HAP contract.

1. A determination of the family's annual or adjusted income, and the use of the income to compute the housing assistance payment.
2. A determination of the appropriate utility allowance (if any) for tenant-paid utilities from the Housing Authority's utility allowance schedule.
3. A determination of the family unit size under Housing Authority subsidy standards.
4. A determination that a certificate program family is residing in a unit with a larger number of bedrooms than appropriate for the family unit size under Housing Authority subsidy standards, or the Program Administrator determination to deny the family request for a waiver from the standards.
5. A determination to terminate assistance for a participant family because of the family's action or failure to act.
6. A determination to terminate assistance because the participant family has been absent from the assisted unit for longer than the maximum period permitted under Housing Authority policy and HUD rules.
7. A decision to deny a voucher re-issuance, to refuse to agree to a new Contract with the participant, or to terminate assistance on behalf of the participant. **Exception**: No further hearing is required prior to denial of assistance if:
   - The ground for denial of re-issuance is the tenant's failure to pay an owner's claim for damages, vacancy loss or unpaid rent, and
   - A prior informal hearing on the validity and amount of that claim has been held (or was not requested by the participant).
   - However, the participant must be afforded a reasonable opportunity to supply proof of payment of such owner's claim.

16.4.2 Notification [24 CFR §982.555(c)]

❑ When the matter in question is:

1. The determination of the family's annual or adjusted income or computation of the housing assistance payment;
2. Appropriate utility allowance (if any) for tenant-paid utilities; or

3. Family unit size.

The Program Administrator must notify the family that they may ask for an explanation of the basis of the Program Administrator determination. The family must also be notified that if the family does not agree with the explanation, the family may request in writing an informal hearing on the decision.

- ❑ When the matter in question is:

  1. Certificate family residing in too large a unit, or the Program Administrator's refusal to issue a waiver to subsidy standards;
  2. Termination due to the family's action or failure to act; or
  3. Absence from the assisted unit for longer than the maximum period permitted,

  The Program Administrator must give the family prompt written notice that the family may request in writing an informal hearing on the decision.

- ❑ When the Program Administrator has made a decision to:

  1. Terminate HAP on behalf of a participant under an active Contract;
  2. Refuse to re-issue a voucher; or
  3. Refuse to execute a new contract with a program participant,

  The family must be given written notice of the opportunity for an informal hearing before the termination of Housing Assistance Payments.

- ❑ The notice must:

  - Contain a brief statement of reasons for the decision;
  - Inform the participant regarding his/her right to an informal hearing;
  - Advise the participant that a request for an informal hearing must be in writing;
  - Advise the participant that the Program Administrator must receive the request within 10 calendar days of the date of the letter; and
  - Explain the basic elements of the informal hearing, i.e., right of the participant to present evidence, question witnesses, to have representation, Program Administrator designated impartial hearing officer a written decision.

16.4.3 Prior to Hearing [24 CFR §982.555(e)(2)]

Before the informal hearing, the family may request an appointment to examine any documents in the family's portion of the file that are directly relevant to the hearing. The family must be allowed to copy any such document at the family's expense. If the Program Administrator does not make the document available for examination on request of the family, the Program Administrator may not use the document at the hearing.

The Program Administrator requires that the family submit any documents that are directly relevant to the hearing either before or at the time of the hearing.

The Program Administrator must be allowed to copy any such documents at the Program Administrator's expense. If the family does not make the document available for examination on request of the Program Administrator, the family may not rely on the document at the hearing.

During the course of the hearing, if the family offers to submit evidence, the Hearing Officer is not required to, but may exercise the discretion to allow the family to submit a document within a specified period.

16.4.4 Hearing Process [24 CFR §982.555(d)]

When a participant family has timely requested a hearing, the Program Administrator will proceed within 15 calendar days of receipt of the request to notify the participant of the date, time and location of the hearing. There may be one postponement of the hearing date by the participant. A request to reschedule must be requested before the scheduled date and may not extend beyond the proposed termination date. Any additional postponements may only be for good cause such as, but not limited to hospitalization, illness or injury. Second postponement requests must be supported by verification of the cause.

16.4.5 Hearing Officer [24 CFR §982.555(e)(4)]

The Hearing Officer may be either a Program Administrator employee or an outside third party contracted by the Program Administrator. The Hearing Officer must not have made or approved the decision under review nor be a subordinate of the person who made the decision. The Hearing Officer will audio record the hearing and follow the format set forth below.

16.4.6 Opening

The Hearing Officer will convene the informal hearing with both parties and their representatives present. (If the participant is represented, the participant will have provided the Program Administrator written authorization for the representative to do so.)

The Hearing Officer will explain the informal hearing procedures, state the purpose of the hearing, and inform the participant that the hearing will be recorded. The Hearing Officer may request clarification or ask questions of either side or witnesses at anytime during the Informal Hearing. Each person present will introduce himself or herself.

16.4.7 Presentations

Each side will have an opportunity to present its case and be allowed to present witnesses and submit relevant evidence as determined by the Informal Hearing Officer. (Witnesses may be cross-examined at this time.) The Program Administrator begins the hearing by presenting the Notice of Hearing. The Program Administrator will then present a copy of the original notification to the participant regarding the matter, followed by the evidence, including testimony of witnesses, which supports the allegations in the notification.

16.4.8 Rebuttals

Each side will have an opportunity to present rebuttal to the evidence presented.

16.4.9 Final Summary

Each side is then allowed to summarize its arguments.

16.4.10 Conclusion of Hearing

The Hearing Officer may continue a hearing if additional information from either party is requested. Otherwise, the Hearing Officer will advise each side that the testimony and evidence will be reviewed, a final decision made and a determination letter issued stating the decision and the reasons for the decision within 10 calendar days. The decision of the Hearing Officer is final.

The Hearing Officer will use the following principles for the Informal Hearings and decisions:

1. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.
2. Determinations on the matter being reviewed shall be based on the evidence presented at the hearing.
3. If the issues and differences can properly be resolved at the hearing, the Hearing Officer should attempt to resolve them through mutual consent as long as the resolution is not contrary to applicable law, HUD regulations and/or the Housing Authority 's policies.
4. The purpose of the hearing is to determine if the original decision made in the case is in accordance with the law, HUD regulations and the Housing Authority's policies.
5. The Hearing Officer may not make a finding contrary to HUD regulations or requirements, contrary to federal, state or local law or exceeding the authority of the Hearing Officer.

16.5 WHEN AN INFORMAL HEARING IS NOT REQUIRED [24 CFR §982.555(b)]

The Program Administrator is not required to provide a participant family an opportunity for an informal hearing for the following:

1. To review discretionary administrative determinations by the Program Administrator, or to consider general policy issues or class grievances;
2. To review the Program Administrator's determination that a unit does not comply with HQS, **except** when the breach of HQS was determined to be tenant-caused;
3. To review decision by the Program Administrator to exercise or not exercise any remedy against the owner under an outstanding Contract, including the termination of HAP to the owner;
4. To review the Program Administrator's decision not to approve a family's request for an extension or suspension of the term of the voucher;

5. Determination that the unit is not accordance with HQS due to family size;
6. Establishment of the Housing Authority's schedule of utility allowances for families in the program; or
7. Program Administrator determination not to approve a unit or lease.

CHAPTER 17:
OWNER OR FAMILY DEBTS TO THE PROGRAM ADMINISTRATOR

17.1 INTRODUCTION
[24 CFR §982.163 and §792]

This chapter describes the Housing Authority's policies and guidelines for the recovery of debts and the use of repayment agreements. Before a debt is assessed against a family or owner, the file must contain documentation to support the Program Administrator's claim that the debt is owed. The file must further contain written documentation of the method of calculation, in a clear format for review by the owner or the family, as appropriate.

When families or owners owe money to the Program Administrator, every effort will be made to collect the debt. A variety of collection tools to recover debts may be used including, but not limited to:

- Requests for lump sum payments
- Repayment agreements
- Abatements
- Deductions
- Collection agencies
- Credit bureaus
- Civil suits

17.2 REPAYMENT AGREEMENT FOR FAMILIES
[24 CFR §792.103]

A Repayment Agreement as used in this plan is a document entered into between the Program Administrator and the person who owes a debt to the Program Administrator. The Repayment Agreement contains an acknowledgment by the person of the debt in a specific amount, the terms of repayment, any special provisions of the agreement, and the remedies available to the Program Administrator upon default of the agreement.

If a repayment agreement is to be entered into, the Program Administrator will usually require that the family pay an initial lump sum (in an amount determined by the Program Administrator) with the remaining balance to be paid in equal payments over a period of time not to exceed 12 months for amounts under $2,400 or 24 months for any amount in excess of $2,400.

In determining the initial lump sum, the Program Administrator will consider the total amount owed, the ability of the person to make the remaining payments and the percentage of the total sum owed. In most cases, the Program Administrator will require a significant initial lump sum as part of entering into a Repayment Agreement to help ensure full payment to the Program Administrator and to reduce the monthly payment.

17.2.1 Late Payments

A payment will be considered to be in arrears if the payment has not been received by the close of the business day on which the payment was due.

- If the due date is on a weekend or holiday, the due date will be at the close of the next business day.

If the family's repayment agreement is in arrears, the Program Administrator may do one or more of the following:

- Require the family to pay the entire arrearage plus current month's payment in order avoid loss of assistance;
- Require the family to pay the balance in full in order to avoid losing assistance;
- Pursue civil collection of the balance due; or
- Terminate the housing assistance.

17.2.2 Requests To Move

If the family requests a move to another unit and has a repayment agreement in place and the repayment agreement is not in arrears, the family will be required to pay the balance in full prior to the issuance of a voucher.

If the family requests a move to another unit and is in arrears on a repayment agreement unless, they pay the balance in full, the request will be denied.

Under special circumstances, the Program Administrator may make an exception and allow a family to move without paying the entire balance of the debt if the family is current with its payments. The Program Administrator may also allow a family who is in arrears to become current in order to process a move if the move is for one of the following reasons:

- HAP contract is terminated due to owner non-compliance
- A natural disaster
- The unit is uninhabitable or has major HQS deficiencies that are not the result of a family action or inaction.
- A life-threatening situation such as the family is a witness to or a victim of a crime and must move for safety reasons. The family will be required to provide proof in such cases.

The Program Administrator may not agree to a repayment agreement if the family already has a Repayment Agreement in place, or if the family has breached previous Repayment Agreements.

17.2.3 Guidelines for Repayment Agreements

The Program Administrator, at its sole discretion, will determine on a case-by-case basis whether or not to offer a family a repayment agreement for monies owed to the Program Administrator.

Repayment Agreements will be executed between the Program Administrator and the head of household or other adult family member.

Monthly payments may be decreased in cases of hardship with the prior notice of the family, verification of hardship, and the approval of a Program Administrator Housing Supervisor.

- **Additional Debt Incurred**: If the family has a Repayment Agreement in place and incurs an additional debt to the Program Administrator:
  - The Program Administrator may choose, at its discretion, to agree to more than one Repayment Agreement at a time with the same family.
  - If a Repayment Agreement is in arrears more than 30 calendar days, any new debts must be paid in full.

17.3 FAMILY DEBTS OWED FOR CLAIMS

If a family owes money to the Program Administrator for claims paid to an owner:

- The Program Administrator may require the family to repay the amount in full.
- The Program Administrator may agree to a Repayment Agreement.

17.4 FAMILY DEBTS DUE TO FRAUD/NON-REPORTING OF INFORMATION [24 CFR §792.103]

HUD's Definition of Program Fraud and Abuse: A single act or pattern of actions that constitutes false statement, omission, or concealment of a substantive fact, made with intent to deceive or mislead, and that results in payment of Housing Choice Voucher Program funds in violation of Housing Choice Voucher Program requirements.

17.4.1 Family Error/Late Reporting

Families who owe money to the Program Administrator due to the family's failure to report increases in income or change in allowances or deductions will be required to repay in accordance with the guidelines set forth in Section 17.2 (Repayment Agreement for Families) of this chapter.

17.4.2 Program Fraud

At the Program Administrator's discretion, families who owe money to the Program Administrator due to program fraud may be required to repay in accordance with the guidelines set forth in Section 17.2 (Repayment Agreement for Families) of this chapter.

In addition, the case may be referred to the Inspector General and/or the Program Administrator may refer the case for criminal prosecution.

17.5 FAMILY DEBTS PAID IN FULL

If the Program Administrator determines not to enter into a repayment agreement, or if the repayment agreement is breached and the Program Administrator demands payment of the balance in full, the family must pay the full amount due and owing in one lump sum. If the family fails to pay, the Program

Administrator may pursue collection through a collection agency or a civil action and may notify credit agencies of the debt. Whether or not the amount is paid, the Program Administrator does not waive its right to take other action including termination of assistance or referral for criminal prosecution in appropriate cases.

17.6 OWNER DEBTS TO THE PROGRAM ADMINISTRATOR

If the Program Administrator determines that the owner has retained Housing Assistance or Claim Payments the owner is not entitled to, the Program Administrator may deduct the amounts owed 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 Program Administrator may do one or more of the following:

- Require the owner to pay the amount in full within 30 calendar days;
- Agree to a repayment agreement with the owner for the amount owed. Repayment period may not exceed 12 months;
- Pursue collections through the local court system;
- Pursue collections through a collection agency; or
- Restrict the owner from future participation.

17.7 WRITING OFF DEBTS

Debts may be written off if:

- The debtor's whereabouts are unknown and the debt is more than 3 years old.
- A determination is made that the debtor is judgment proof.
- The debtor is deceased and has an insufficient estate.
- The debtor is confined to an institution indefinitely or for more than 3 years.
- The amount is less than $100 and the debtor cannot be located.

CHAPTER 18:
OWNER DISAPPROVAL AND RESTRICTION

18.1 INTRODUCTION [24 CFR §982.306]

In order to ensure the viability of the Housing Choice Voucher Program, the Housing Authority continuously strives to adopt policies that will encourage new and existing owners to participate in the program and to provide owners with prompt and professional service in order to maintain an adequate supply of available housing throughout the entire jurisdiction. However, in cases of owner non-compliance, the Program Administrator must act accordingly in order to protect families and the program. The regulations herein contained define when the Housing Authority must disallow an owner participation in the program, and when the Program Administrator will exercise its discretion to disapprove or otherwise restrict the participation of owners in certain categories.

18.2 DISAPPROVAL OF OWNER

The owner does not have a right to participate in the program [24 CFR §982.306(e)]. For purposes of this section, "owner" includes a principal or other interested party.

The Program Administrator shall disapprove the owner for the following reasons:

- HUD or other agency directly related has informed the Program Administrator that the owner has been disbarred, suspended, or subject to a limited denial of participation under 24 CFR part 24 [24 CFR §982.306(a)].
- HUD has informed the Program Administrator 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 are pending [24 CFR §982.306(b)(1)].
- HUD has informed the Program Administrator that a court or administrative agency has determined that the owner has violated the Fair Housing Act or other Federal Equal Opportunity Requirements [24 CFR §982.306(b)(2)].

The Program Administrator may disapprove an owner for the following reason:

- The owner has violated obligations under a housing assistance payments contract under Section 8 of the 1937 Act (42 U.S.C. 1437f) [24 CFR §982.306(c)(1)].
- The owner has committed fraud, bribery or any other corrupt act in connection with any Federal housing program [24 CFR §982.306(c)(2)].
- The owner has engaged in any drug-related criminal activity or any violent criminal activity [24 CFR §982.306(c)(3)].
- 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 [24 CFR §982.306(c)(4)].

- The owner has a history or practice of renting units that fail to meet State or local housing codes [24 CFR §982.306(c)(6)].
- The owner has not paid State or local real estate taxes, fines or assessments [24 CFR §982.306(c)(7)].

18.3 OTHER REMEDIES FOR OWNER VIOLATIONS

18.3.1 Abatement [24 CFR §982.404(a)(3)]

For non-compliance with HQS, the Program Administrator may abate rental payments if the assisted unit remains out of compliance for more than 30 calendar days.

In cases involving serious health and/or safety violations, the Program Administrator may begin abating rental payments if the violation is not cured within 24 hours.

18.3.2 Overpayments [24 CFR §792.101]

If the landlord has been overpaid because of fraud, misrepresentation or violation of the contract, the Program Administrator may terminate the contract and arrange for restitution to the Program Administrator and/or family as appropriate.

The Program Administrator will make every effort to recover any overpayments made as a result of landlord fraud or abuse. Possible remedies available to the Program Administrator include: recovering monies owed from payments otherwise due to the owner, setting up a repayment agreement, referring the debt to a collection agency, or pursuing the matter in a civil court. A determination on the course of action to be taken will be based on the nature of the violation and the amount of the money owed. Generally, if the owner is cooperative, is willing to pay back all monies owed, and all monies will be repaid within 12 months, the Program Administrator will offer the owner a chance to enter into a repayment agreement. However, in cases where the owner knowingly and willfully violated program rules, the Program Administrator may seek full repayment in one lump sum.

CHAPTER 19:
FAMILY SELF-SUFFICIENCY PROGRAM

19.1 INTRODUCTION
[24 CFR §984.101(a)]

Family Self-Sufficiency (FSS) promotes the development of local strategies to enable families to achieve economic independence and self-sufficiency. The program is designed to provide supportive services for families who are residents within the Housing Authority's jurisdiction. Supportive services include but are not limited to childcare, education, transportation, counseling, job preparation, vocational training and home ownership workshops.

Upon becoming employed, FSS participants continue to pay rent in accordance with the Housing Authority's housing choice voucher procedures. Whenever the participants rent increases, the Program Administrator establishes an interest bearing Escrow Account in their name. If the family successfully completes the contract obligations within 5 years, the family can apply to graduate from the program and receive the accrued portion of their escrow account.

19.2 FSS APPLICATION PROCESS

An application is mailed to the applicant and is due back within 10 calendar days from the date it was mailed. If the application is returned undeliverable, the Program Administrator will make one more attempt to contact the applicant by mail. If the second application is returned undeliverable, the file will be documented as such. Tenants will not be penalized for not participating in the FSS Program since it is a voluntary program for voucher holders.

Once an application is returned to the FSS office, eligibility is determined. If accepted, a Contract of Participation (CoP) is developed and an Individual Training and Services Plan (ITSP) is created. Following the CoP and ITSP being executed, participants are referred to an FSS case manager or to a contracted Community-Based Organization (CBO) to administer the case. If the application is not accepted, the tenant will be notified in writing within 5 calendar days. This applies to housing choice voucher applications only.

19.2.1 FSS Eligible Families
[24 CFR §984.203]

FSS eligible families are housing choice voucher holders in the Housing Authority's jurisdiction.

- ❑ "FSS family" or "participating family" means a family that receives assistance under the Housing Choice Voucher Program and elects to participate in the FSS Program and whose designated head of FSS family has signed the Contract of Participation.
- ❑ "Head of the FSS family" means the adult member of the FSS family who is the head of household for purposes of determining income eligibility and rent.

19.2.2 Denial of Participation [24 CFR §984.302]

If a family previously participated in the FSS Program but did not meet its obligations and was terminated, the family may be denied future participation.

Families may be denied participation in the program if they owe the Program Administrator or another housing authority money in connection with the Housing Choice Voucher Program or Public Housing assistance.

19.3 FSS CONTRACT OF PARTICIPATION (COP) [24 CFR §984.303]

Upon receipt of the application the Program Administrator will prepare a Contract of Participation within 5 to 10 calendar days. The contract will contain the effective date as well as the expiration date. It will execute the resources and supportive service and outline the starting base for determining the escrow account. In addition, the contract will outline the guidelines for administering and disbursing the escrow funds [24 CFR §984.303(b)(1)].

Each family participating in FSS must execute a Contract of Participation with The Program Administrator. The effective date of the contract will be the first of the month after the contract is executed. The limited term is five years. The contract may be extended in writing and at the family's request, for up to two year for good cause [24 CFR §984.303(c)].

The Program Administrator will only grant an extension in rare circumstances that are beyond the control of the family, and which prevent completion of the training and services plan [24 CFR §984.304(d)].

Termination of employment for nonperformance by the FSS head is not justification for a contract extension.

The Program Administrator may extend the CoP to allow families to meet the interim goal of being welfare-free at least 12 consecutive months prior to the expiration of the contract.

During an extension to the contract, the family continues to have FSS amounts credited to the escrow account.

The Program Administrator may set milestones for employment and other activities leading to self-sufficiency early in the five-year contract term in accordance with the family's abilities.

The family's obligations may terminate before the end of the five-year contract term, and the family's participation in FSS and entitlement to the escrow may be less than five years.

Three items of information must be entered into the contract to be valid:

- Gross Annual Income
- The amount of earned income in the gross annual income
- Family Rent (TTP or 30 percent of Monthly Adjusted Income for vouchers)

The CoP establishes an agreement between the family and the Program Administrator as to the responsibilities of each party. The contract is to be signed by the head of the FSS family, which is the head of household for purposes of determining eligibility. Copies of the documents will be furnished to the head of household.

The CoP may be modified in the following areas, if the Program Administrator and the family mutually agree [24 CFR §984.303(f)]:

- Individual Training and Services Plan
- The contract term (extension)
- Designation of the FSS head of the family in cases where the FSS head is deceased or becomes unassisted

A change in the designated FSS head must be included as an attachment to the Contract. It must contain the following:

- Name of new designated FSS head
- The signatures of the new FSS head and a Program Administrator representative
- The date signed

19.3.1 Compliance With The Lease [24 CFR §984.303(b)(3)]

The Contract provides that the family must comply with the assisted lease. Therefore, noncompliance with the lease with the owner in the Housing Choice Voucher Program, is grounds for termination of the FSS Contract of Participation.

In the Housing Choice Voucher Program, if the violation of the lease is “serious or repeated,” the housing authority may also terminate program assistance.

The following representative(s) is/are authorized to execute a contract on behalf of the Program Administrator: Special Programs Administrator, FSS Coordinator, and FSS Program Specialist.

19.4 INDIVIDUAL TRAINING AND SERVICE PLAN (ITSP) [24 CFR §984.303(b)(2)]

The contract must contain an ITSP for the FSS head of household. Other adult family members who wish to receive services must also have an individual training and services plan to participate in the FSS program. The resources and services to be provided must be contained in the plan. It must contain the milestones, interim goals and final goal for suitable employment.

19.4.1 Needs Assessment

The Program Administrator will perform a needs assessment with the family using various needs assessment tools. Upon completion of the assessment, FSS will be able to establish the milestones, and short- and long-term goals designated for the head of household on the ITSP and any other participating family members with an executed ITSP.

19.4.2 The Individual Training and Services Plan (ITSP) [24 CFR §984.303]

Each individual FSS contract must contain an ITSP for the FSS head of household and any participating family member. The items included on the ITSP will include:

- The resources and services to be provided by the Program Administrator and contracted supportive services provider;
- The individual milestones, interim goals and final goal for suitable employment;
- Completion dates for each individual interim goals will be included on or before the contract expiration date;
- A mandatory interim goal for families receiving welfare is that all family members must be free of welfare assistance for 12 consecutive months prior to the expiration of the contract (including extensions) [24 CFR §982.306(b)(2)];
- The requirement for the head of the FSS family to seek and maintain suitable employment throughout the term of the contract; and
- Each ITSP plan must be signed by the participant and a Program Administrator representative.

Any changes to the ITSP must be included as a revision to the original plan. The revision may be based on the following reasons: factors keeping the client from effectively becoming suitably employed, lack of supportive services, and unforeseen circumstances/barriers. The revision must include:

- The item changed;
- Signature of the participant and a Program Administrator representative; and
- The date signed.

19.5 ESCROW ACCOUNTS [24 CFR §984.305]

The general concept of the escrow account is that FSS families continue to pay rent in accordance with their incomes (even as their incomes increase due to employment income). As a rule, the amount of the increase in earned income is escrowed. Because there are other factors that affect the family rent, it will not necessarily be dollar for dollar. The amount escrowed for the family will depend on whether the family is considered a very low- or low-income family.

- **Disbursing the FSS Escrow Account**: The amount in an FSS account, in excess of any amount owed to the Program Administrator by the FSS family, is paid to the head or designated remaining family member of the FSS family [24 CFR §984.305(c)(1)]:
  - When the contract of participation has been completed; and
  - When, at contract completion, the head of the family certifies that family member receives Federal or state welfare assistance.

- **Interim Disbursement**: The Program Administrator may, at its sole option, disburse a portion of the funds from the family's escrow account during the contract period for contract-related expenses if the family has fulfilled certain interim goals and needs a portion of the FSS account funds for purposes consistent with contract such as [24 CFR §984.305(c)(2)]:
  - School tuition;
  - Business start-up expenses;
  - Car when public transportation is unavailable or inaccessible to the family; or
  - Job training expenses.

The family may use the final disbursement of escrow account funds without restriction.

The Program Administrator cannot restrict a family's use of FSS escrow account funds withdrawn by the family unless the funds are withdrawn to aid in the completion of an interim goal.

- If a family receives an advance payment from their escrow account prior to completing the Contract, the advance payment does not have to be repaid to the Program Administrator if the family drops out of the FSS program, unless the payment was due to fraud or misinformation by the family.

If the family moves outside of the Housing Authority's jurisdiction under the Housing Choice Voucher Program portability procedures, The Program Administrator may transfer the balance of the family's FSS escrow account to another housing authority [24 CFR §984.306(e)].

19.5.1 Forfeiting the FSS Escrow Account [24 CFR §984.305(f)]]

Amounts in the FSS escrow account will be forfeited if:

- The Contract of Participation is terminated;
- The Contract of Participation is completed but the family is receiving welfare assistance when the contract expires, including extensions; or
- The head of the family dies and the remaining members of the family choose not to continue participating in the program, and the contract obligations have not been met.

If families do not pay their rent to the owner, the funds may be forfeited because:

- Compliance with the housing choice voucher and lease is a family obligation under the Contract, and
- Nonpayment of rent is grounds for terminating a family's FSS participation and forfeiture of the escrow.

In the housing choice voucher program, FSS account funds forfeited by the family will be treated as program receipts for payment of program expenses under the Housing Authority's Housing Choice Voucher Program budget.

Escrow funds may be used by the Program Administrator for HUD-approved expenses; such expenses may include rental assistance payments.

19.6 CHANGE IN FAMILY COMPOSITION

If the head of the FSS family no longer resides with other family members in the assisted unit, the remaining family members of the family will have the right to designate another family member to receive the funds. The Program Administrator must be consulted and must approve this change.

If a family with two adults splits up, the Program Administrator will determine if the escrow should be paid. The family may be paid if the family member that retains the rental assistance through the Housing Choice Voucher Program:

- Is already head of the FSS family, or
- Was not designated as head of the FSS family but now designate himself or herself to receive the escrow account.

19.7 FSS TERMINATION/CANCELLATION/PORTABILITY [24 CFR §984.303(h)]

The Program Administrator is responsible for determining whether the family has violated the FSS contract and whether the family's rental assistance should be terminated.

19.7.1 FSS Termination Due To Portability [24 CFR §984.306(f)]

Where the family is relocating and is not absorbed by the receiving housing authority under the portability regulations, and is participating in the receiving housing authority's FSS Program, the Program Administrator must abide by the termination decision of the receiving housing authority.

If a relocating FSS family is unable to fulfill its obligation under the FSS contract, the Program Administrator or the receiving housing authority, whoever is party to the FSS Contract of Participation may terminate the family from the FSS Program and the family's FSS account will be forfeited.

If the family's FSS account is forfeited, the funds in the account will revert to the housing authority maintaining the FSS account for the family and will be treated as program receipts.