

PHA Plans

Streamlined Annual Version

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

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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.

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

Streamlined Annual PHA Plan

Fiscal Year 2006

PHA Name: Augusta Housing Authority

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: [Augusta Housing Authority](#) **PHA Number:** [ME030](#)

PHA Fiscal Year Beginning: [01/2006](#)

PHA Programs Administered:

Public Housing and Section 8
 Section 8 Only
 Public Housing Only
 Number of public housing units:
 Number of S8 units: [600](#)
 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: [Victoria Watkins](#) Phone: [207-626-2357 ext. 202](#)
 TDD: [207-626-2357](#) Email : vwatkins@adelphia.net

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)

**Streamlined Annual PHA Plan
Fiscal Year 2006**

[24 CFR Part 903.12(c)]

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[24 CFR 903.7(r)]

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REQUIRED DOCUMENTS (Separate Hard Copy Mailed to Local Field Office)

Form # 50076 PHA Certification of Compliance with the PHA Plans

Form # 50075 Certification by State and Local Official of PHA Plans Consistency

ATTACHMENT/S

Attachment A Homeownership Capacity Statement (new program for 2006)
(MEO30a01)

Attachment B Homeownership Option Policy in Administrative Plan (Addendum D)

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

[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 (N/A)

[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:	
	<input type="checkbox"/> Revitalization Plan under development
	<input type="checkbox"/> Revitalization Plan submitted, pending approval
	<input type="checkbox"/> Revitalization Plan approved
	<input type="checkbox"/> 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?

- Tenant must have participated in an HCV Program for at least an initial one-year lease term and be in good standing with AHA or the porting PHA
- There are no known Section 8 Program violations
- There are no known serious or repeated lease violations

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

- Attend NeighborWorks Voucher Homeownership Training
- Develop working partnerships with businesses and agencies that will serve this program
- Continue reviewing “Best Practices” in Homeownership Programs across the country and maintain on-going communication with Maine State and other Local PHAs
- Draft Admin Plan Addendum for Homeownership Option
- Develop outreach, orientation and briefing materials
- Develop forms/database reports for support of the program
- Train staff in rules and policy for Homeownership Option
- Begin recruitment and initiate Homeownership Option activities

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 down payment 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. (No new PBV-currently approved vouchers only)

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):
Response to community need for projects serving specific populations

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

AHA will not project-base any new vouchers in 2006. We remain committed to assisting a dedicated number of units with Housing Choice Vouchers at:

- Inn at City Hall (15 units for assisted living) Approved 2002
- Bread of Life Ministries (4 units for transitional homeless) Approved 2004

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)

State of Maine

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)
Expand Homeownership Opportunities for Low-Income and Very Low Income Families by initiating a Voucher Homeownership Program
- Other: (list below)

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

The State Housing Authority (MSHA) guarantees low-income loans for homeownership, down payment help and home repair.

MSHA supports the HoMEworks, a Homeownership Counseling program required for all subsidized loan applicants.

MSHA and AHA have agreed to a jurisdictional waiver for qualified homeowners holding a valid AHA voucher until AHA's Voucher Homeownership Program is in operation.

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
X	<i>PHA Certifications of Compliance with the PHA Plans and Related Regulations and Board Resolution to Accompany the Standard Annual, Standard Five-Year, and Streamlined Five-Year/Annual Plans;</i>	5 Year and Annual Plans
X	<i>PHA Certifications of Compliance with the PHA Plans and Related Regulations and Board Resolution to Accompany the Streamlined Annual Plan</i>	Streamlined Annual Plans
X	<i>Certification by State or Local Official of PHA Plan Consistency with Consolidated Plan.</i>	5 Year and standard Annual Plans
X	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
X	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
N/A	Most recent board-approved operating budget for the public housing program	Annual Plan: Financial Resources
N/A	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
N/A	Deconcentration Income Analysis	Annual Plan: Eligibility, Selection, and Admissions Policies
N/A	Any policy governing occupancy of Police Officers and Over-Income Tenants in Public Housing. <input type="checkbox"/> Check here if included in the public housing A&O Policy.	Annual Plan: Eligibility, Selection, and Admissions Policies
X	Section 8 Administrative Plan	Annual Plan: Eligibility, Selection, and Admissions Policies
N/A	Public housing rent determination policies, including the method for setting public housing flat rents. <input type="checkbox"/> Check here if included in the public housing A & O Policy.	Annual Plan: Rent Determination
N/A	Schedule of flat rents offered at each public housing development. <input type="checkbox"/> Check here if included in the public housing A & O Policy.	Annual Plan: Rent Determination
X	Section 8 rent determination (payment standard) policies (if included in plan, not necessary as a supporting document) and written analysis of Section 8 payment standard policies. <input checked="" type="checkbox"/> Check here if included in Section 8 Administrative Plan.	Annual Plan: Rent Determination
N/A	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
N/A	Results of latest Public Housing Assessment System (PHAS) Assessment (or other applicable assessment).	Annual Plan: Management and Operations
N/A	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
X	Results of latest Section 8 Management Assessment System (SEMAP)	Annual Plan: Management and Operations
X	Any policies governing any Section 8 special housing types <input checked="" type="checkbox"/> Check here if included in Section 8 Administrative Plan	Annual Plan: Operations and Maintenance
N/A	Public housing grievance procedures <input type="checkbox"/> Check here if included in the public housing A & O Policy	Annual Plan: Grievance Procedures
X	Section 8 informal review and hearing procedures. <input checked="" type="checkbox"/> Check here if included in Section 8 Administrative Plan.	Annual Plan: Grievance Procedures
N/A	The Capital Fund/Comprehensive Grant Program Annual Statement /Performance and Evaluation Report for any active grant year.	Annual Plan: Capital Needs
N/A	Most recent CIAP Budget/Progress Report (HUD 52825) for any active CIAP grants.	Annual Plan: Capital Needs
N/A	Approved HOPE VI applications or, if more recent, approved or submitted HOPE VI Revitalization Plans, or any other approved proposal for development of public housing.	Annual Plan: Capital Needs
N/A	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
N/A	Approved or submitted applications for demolition and/or disposition of public housing.	Annual Plan: Demolition and Disposition
N/A	Approved or submitted applications for designation of public housing (Designated Housing Plans).	Annual Plan: Designation of Public Housing
N/A	Approved or submitted assessments of reasonable revitalization of public housing and approved or submitted conversion plans prepared pursuant to section 202 of the 1996 HUD Appropriations Act, 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
N/A	Documentation for required Initial Assessment and any additional information required by HUD for Voluntary Conversion.	Annual Plan: Voluntary Conversion of Public Housing
N/A	Approved or submitted public housing homeownership programs/plans.	Annual Plan: Homeownership
X	Policies governing any Section 8 Homeownership Program <input checked="" type="checkbox"/> Check here if included in Section 8 Administrative Plan	Annual Plan: Homeownership
N/A	Public Housing Community Service Policy/Programs <input type="checkbox"/> Check here if included in Public Housing A & O Policy	Annual Plan: Community Service & Self-Sufficiency
X	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
X	FSS Action Plan(s) for public housing and/or Section 8.	Annual Plan: Community Service & Self-Sufficiency
N/A	Section 3 documentation required by 24 CFR Part 135, Subpart E for public housing.	Annual Plan: Community Service & Self-Sufficiency
N/A	Most recent self-sufficiency (ED/SS, TOP or ROSS or other resident services grant) grant program reports for public housing.	Annual Plan: Community Service & Self-Sufficiency
N/A	Policy on Ownership of Pets in Public Housing Family Developments (as required by regulation at 24 CFR Part 960, Subpart G). <input type="checkbox"/> Check here if included in the public housing A & O Policy.	Annual Plan: Pet Policy
X	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
N/A	Other supporting documents (optional) (list individually; use as many lines as necessary)	(specify as needed)
N/A	Consortium agreement(s) and for Consortium Joint PHA Plans <u>Only</u> : 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 N/A

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:
<input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/ Emergencies <input type="checkbox"/> Revised Annual Statement (revision no:)					
<input type="checkbox"/> Performance and Evaluation Report for Period Ending: <input type="checkbox"/> Final Performance and Evaluation Report					
Line 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 Collateralization or Debt Service				
20	1502 Contingency				
21	Amount of Annual Grant: (sum of lines 2 – 20)				
22	Amount of line 21 Related to LBP Activities				
23	Amount of line 21 Related to Section 504 compliance				
24	Amount of line 21 Related to Security – Soft Costs				
25	Amount of Line 21 Related to Security – Hard Costs				
26	Amount of line 21 Related to Energy Conservation Measures				

8. Capital Fund Program Five-Year Action Plan [N/A](#)

Capital Fund Program Five-Year Action Plan Part I: Summary					
PHA Name		<input type="checkbox"/> Original 5-Year Plan <input type="checkbox"/> Revision No:			
Development Number/Name/HA-Wide	Year 1	Work Statement for Year 2	Work Statement for Year 3	Work Statement for Year 4	Work Statement for Year 5
		FFY Grant: PHA FY:	FFY Grant: PHA FY:	FFY Grant: PHA FY:	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 N/A

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			\$			\$

VOUCHER HOMEOWNERSHIP PROGRAM
Capacity Statement

Augusta Housing Authority proposes to start a Section 8 Voucher Homeownership Program in 2006. Actions being taken in 2005 to implement the program are outlined in Section 3 (2c) of this Plan. An Addendum to the Administrative Plan will outline AHA eligibility, preferences and policy for this program.

The housing authority will employ the services of its current FSS Coordinator, in extended hours, for Development and Program Management. AHA will collaborate with local agencies to provide Financial Planning, Credit Repair Assistance and Homeownership Counseling. AHA will also recruit other partners who provide direct loans/grants/assistance to prospective buyers such as USDA (Rural Development), Maine State Housing Authority, NeighborWorks members and mutual self-help construction programs.

AHA will restrict homebuyers using the Section 8 Voucher Homeownership Program to contract with reliable loan providers whose financing 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,” as stated in Section 3 (3) of this Plan.

Section 8 Homeownership Option
Policy Addendum to the Section Administrative Plan, Addendum D
Effective date: January 1, 2006

Authorization

In the September 12, 2000 publication of the Section Homeownership Program Final Rule, HUD authorized PHAs to use Housing Choice Vouchers for Homeownership assistance. Under this rule, Augusta Housing Authority will offer eligible families the opportunity to use their Housing Choice Voucher for homeowner assistance payments when they purchase a home. Augusta Housing Authority will be guided by the regulations set forth in that Rule at 24 CFR 982.625 - 982.643 and/or any other Rulemaking, Guidance or Notice related to Voucher Homeownership published after the above date.

The PHA has indicated its Capacity to Administer the Homeownership Option, per HUD guidance, in Addendum A of the 2006 Annual Plan submitted to HUD in October 2005.

This Addendum does not re-state HUD policy. The following Sections set forth Augusta Housing Authority's permissible Discretionary Policy for its HCV Homeownership Option.

Eligibility Requirements 24 CFR 982.626 and 982.627

Any family who has been issued a Housing Choice Voucher may utilize their subsidy to purchase a home if qualified under the HUD regulations at 24 CFR 982.627.

Additional Criteria for Eligibility:

- Tenant must have participated in an HCV Program for at least an initial one-year lease term and be in good standing with AHA or the porting PHA
- There are no known Section 8 Program violations
- There are no known serious lease violations
- A family must be "pre-qualified" by a MSHA approved lender or direct-federal loan program

Qualified participants who meet all the above criteria will attend a Briefing and initiate a housing search as the capacity of staff permits.

During the 2006 calendar year, Augusta Housing will serve the first 5 families who present a pre-qualifying letter. If those families are successful in finding affordable homes during 2006, AHA will expand the number of families served and if funding for a Homeownership Counselor is awarded by HUD.

Maximum Time Allowed to Locate and Purchase a House 24 CFR 982.629

A family will have a maximum of 180 days to find an affordable home and enter in to a "Contract of Sale" after their Homeownership Briefing. Extensions for the search will be considered at AHA's discretion for reasons beyond the participant's control. AHA may require proof of search at any time.

Financing Options 24 CFR 982.632

AHA will prohibit the following forms of financing:

- Balloon payment mortgages
- Variable Rate Mortgages (ARMS)
- Seller Financing
- Interest-only/interest first mortgages

Rates and terms of the mortgage are subject to approval by AHA. The first mortgage lender should be a federally-regulated financial institution or federal direct-loan agency. Any other lenders must be specifically approved by AHA.

Continuation of Assistance in the HCV Rental Program 24 CFR 982.629

Any family in good standing who has failed to find and purchase a home during the specified time limit will be able to continue using their voucher for rental assistance.

Minimum Family Equity Required 24 CFR 982.632

AHA will honor the minimum equity amounts established by approved lenders.

Family Obligations 24 CFR 982.633

The family must comply with the family obligations as stated at 24 CFR 982.633 and at 24 CFR 982.551 and on HUD's *Statement of Homeownership Obligations*, Form HUD-52649.

AHA will conduct Annual HQS Inspections.

AHA may require post-homeownership counseling with AHA or default counseling with the lender if AHA determines that the family needs intervention to maintain homeownership.

Determining Homeownership Expenses 24 CFR 982.635

When calculating the HAP, AHA is required to use the lower of (1) the Section 8 Voucher Payment Standard minus the Total Tenant Payment or (2) the monthly Homeownership Expenses minus the Total Tenant Payment. For purposes of this program, the Homeownership Expenses will include:

- Mortgage principal and interest
- Mortgage insurance, if applicable
- Real estate taxes
- Homeowner's insurance
- Principal and interest on any other debt to finance repairs, closing costs, down payments, or accessibility changes for a person with disabilities
- Utility allowance amounts, including routine condo/cooperative fees, if applicable

Affordability of Purchase 24 CFR 982.632

The family's final monthly payment for homeownership expenses cannot exceed **40%** of the family's monthly adjusted income.

Payment Policy for HAP 24 CFR 982.635

Housing Assistance Payments will be made directly to the lender or deposited into a "sweep account" at the lending institution.

If the financial institution does not permit direct payment or sweep accounts, AHA will pay the HAP directly to the owner.

Moving Restriction 24 CFR 982.637

Participants must retain ownership of a home for at least a 12 month period if they wish to transfer their subsidy to another unit, whether owned or rented. Extenuating circumstances that may preclude this policy will include, but is not limited to:

- Death of a family member
- Serious illness of a family member that may affect the earning power of the family

AHA reserves the right to make the decision to continue the subsidy if the family sells a house, without default, before a one-year residency in that home.

Mortgage Default 24 CFR 982.638

If a family participating in the Homeownership Option defaults on a home mortgage loan or on supportive loans for down payment assistance or repairs, the family will lose their voucher assistance. The family may re-apply for a voucher and get back on the HCV Waiting List.