

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.

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Streamlined Annual PHA Plan

for Fiscal Year: 2008

PHA Name: Municipality of Lares RQ065

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: Municipality of Lares

PHA Number: RQ 065

PHA Fiscal Year Beginning: (mm/yyyy) 07/2008

PHA Programs Administered:

Public Housing and Section 8

Number of public housing units:
Number of S8 units:

Section 8 Only

Number of S8 units:

Public Housing Only

Number of public housing 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: Marisol Muñiz López
TDD:

Phone: 787-897-5860
Email (if available): fedprog8@hotmail.com

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 2008
[24 CFR Part 903.12(c)]

Table of Contents
[24 CFR 903.7(r)]

Provide a table of contents for the Plan, including applicable additional requirements, and a list of supporting documents available for public inspection.

A. PHA PLAN COMPONENTS

- 1. Site-Based Waiting List Policies
903.7(b)(2) Policies on Eligibility, Selection, and Admissions
- 2. Capital Improvement Needs
903.7(g) Statement of Capital Improvements Needed
- 3. Section 8(y) Homeownership
903.7(k)(1)(i) Statement of Homeownership Programs
- 4. Project-Based Voucher Programs
- 5. PHA Statement of Consistency with Consolidated Plan. Complete only if PHA has changed any policies, programs, or plan components from its last Annual Plan.
- 6. Supporting Documents Available for Review
- 7. Capital Fund Program and Capital Fund Program Replacement Housing Factor, Annual Statement/Performance and Evaluation Report
- 8. Capital Fund Program 5-Year Action Plan

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-LLL a, Disclosure of Lobbying Activities.

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

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

N/A

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)]

N/A

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?
If yes, list criteria:

- c. What actions will the PHA undertake to implement the program this year (list)?
PHA prepared Homeownership Plan to be submitted to HUD for its approval.

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)
Puerto Rico

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 |
| 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 |
| | <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 |
| | 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. <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 |
| | Public housing rent determination policies, including the method for setting public housing flat rents. <input type="checkbox"/> Check here if included in the public housing A & O Policy. | Annual Plan: Rent Determination |
| | Schedule of flat rents offered at each public housing development. <input type="checkbox"/> Check here if included in the public housing A & O Policy. | Annual Plan: Rent Determination |
| 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 |
| | 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 |
| X | Results of latest Section 8 Management Assessment System (SEMAP) | Annual Plan: Management and Operations |
| | Any policies governing any Section 8 special housing types <input type="checkbox"/> Check here if included in Section 8 Administrative Plan | Annual Plan: Operations and Maintenance |
| | 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 type="checkbox"/> Check here if included in Section 8 Administrative Plan. | Annual Plan: Grievance Procedures |
| | The Capital Fund/Comprehensive Grant Program Annual Statement /Performance and Evaluation Report for any active grant year. | Annual Plan: Capital Needs |
| | Most recent CIAP Budget/Progress Report (HUD 52825) for any active CIAP grants. | Annual Plan: Capital Needs |
| | 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 <input type="checkbox"/> Check here if included in Public Housing A & O Policy | Annual Plan: Community Service & Self-Sufficiency |
| | Cooperative agreement between the PHA and the TANF agency and between the PHA and local employment and training service agencies. | Annual Plan: Community Service & Self-Sufficiency |
| X | FSS Action Plan(s) for public housing and/or Section 8. | Annual Plan: Community Service & Self-Sufficiency |
| | Section 3 documentation required by 24 CFR Part 135, Subpart E for public housing. | Annual Plan: Community Service & Self-Sufficiency |
| | Most recent self-sufficiency (ED/SS, TOP or ROSS or other resident services grant) grant program reports for public housing. | Annual Plan: Community Service & Self-Sufficiency |
| | Policy on Ownership of Pets in Public Housing Family Developments (as required by regulation at 24 CFR Part 960, Subpart G). <input type="checkbox"/> Check here if included in the public housing A & O Policy. | 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 <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 |

EXHIBIT A

“PROHIBITION SEX OFFENDERS POLICY”

The Municipality of Lares has established standards that prohibit admission to the program if any member of the household is subject to a lifetime registration under a State sex offender registration program (24 CFR 982.553 (2)). The Municipality of Lares (RQ065) will screen the family by performing a criminal history background check necessary to determine whether any household member is subject to a lifetime sex offender registration requirement in the State where the dwelling unit is located and in other States where the household members are known to have resided. The screening is to be carried-out through the Puerto Rico Police Department, which issues a Certificate of Conduct.

The Municipality of Lares will deny admission if any member of the household is subject to a lifetime registration requirement under a State sex offender registration program. Sex offenders, not subject to lifetime registration, will be denied assistance for the entire period they are subject to registration as sex offenders.

EXHIBIT B

Domestic Violence Statement – Housing Choice Voucher Program

The Violence against Women Act (VAWA), Public Law 109-162 was signed into law on January 5, 2006. Section 603 of the law amends Section 5A of the U.S. Housing Act (42 U.S.C. 1437c-1) to require PHAs' five-year annual PHA Plans to contain a Domestic Violence Policy Statement regarding any goals, activities, objectives, policies, or programs of the PHA that are intended to support or assist victims of domestic violence, dating violence, sexual assault, or stalking. Sections 606 and Section 607 amend the Section 8 and public housing sections of the U.S. Housing Act (42 U.S.C. 1437f and 1437d) to protect certain victims of criminal domestic violence, dating violence, sexual assault, or stalking – as well as members of the victims' immediate families – from losing their HUD- assisted housing as a consequence of the abuse of which they were the victim. While awaiting new guidelines from the Department of Housing and Urban Development for implementing VAWA the Municipality of Lares (RQ065) has adopted the following goals and objectives, for Domestic Violence Policy:

- *The VAWA applies to the Housing Choice Voucher Program*
- *The applicant/tenant/victim will be treated with respect and dignity.*
- *The Municipality of Lares will notify Housing Choice Voucher owners and managers of VAWA.*
- *The Municipality of Lares will notify voucher holders of their rights under VAWA including the possible portability of vouchers between jurisdictions to escape an imminent threat of further domestic violence or stalking.*
- *VAWA will be incorporated into the landlord and tenant orientation process.*
- *Necessary conforming amendments to Housing Choice Voucher Program rules, regulations and paperwork will be further addressed after receipt of guidelines from the Department of Housing and Urban Development (HUD).*

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: |
| <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

| 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 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 | | | | |
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| CFP Funds Listed for 5-year planning | | | | | |
| | | | | | |
| Replacement Housing Factor Funds | | | | | |

TABLE OF CONTENTS

| | <u>page #</u> |
|--|---------------|
| PROGRAM OBJECTIVE | 01 |
| PROGRAM MANAGEMENT | 04 |
| I. FAMILY DEMOGRAPHICS | 05 |
| II. ESTIMATE OF PARTICIPATING FAMILIES | 05 |
| III. FSS FAMILY SELECTION PROCEDURES | 06 |
| PROGRAM REQUIREMENTS | 06 |
| APPLICATION PROCESS | 06 |
| IV. INCENTIVES TO ENCOURAGE PARTICIPATION | 07 |
| V. OUTREACH EFFORTS | 08 |
| VI. FSS ACTIVITIES AND SUPPORTIVE SERVICES | 09 |
| PROGRAM STRUCTURE | 09 |
| A. Remediation Stage | 10 |
| B. Transitional Stage | 12 |
| VII. ACTIVITIES AND SUPPORTIVE SERVICES | 14 |
| VIII. METHOD FOR IDENTIFICATION OF FAMILY SUPPORT NEEDS | 16 |
| IX. PROGRAM TERMINATION; WITHHOLDINGS OF SERVICES; AND AVAILABLE GRIEVANCE PROCEDURES | 17 |
| X. TIMETABLE FOR PROGRAM IMPLEMENTATION | 18 |
| XI. CERTIFICATION OF COORDINATION | 18 |
| XII. OPTIONAL ADDITIONAL INFORMATION | 18 |

MUNICIPALITY OF LARES HOUSING AGENCY
RQ065
SECTION 8 PROGRAM
FAMILY SELF-SUFFICIENCY ACTION PLAN

The Municipality of Lares Public Housing Agency RQ065 (PHA) is committed to establishing and implementing a Family Self-Sufficiency (FSS) Program to help families who receive housing assistance, achieve economic independence by utilizing an array of public and private resources. By coordinating housing assistance with needed support, Lares PHA will assist Section 8 participant's reach their goals of economic independence and self-sufficiency.

The objective of the FSS program is to reduce the dependency of low-income families on welfare assistance and on Section 8 Housing Assistance or any Federal, State or Local rent subsidies. Under the FSS program, low-income families are provided opportunities for education, job training, counseling and other forms of social service assistance, while living in assisted housing, so that they may obtain the education, employment, business and social skills necessary to achieve self-sufficiency.

Any Section 8 Program participant with a sincere desire to achieve self-sufficiency is assisted to perform a self-assessment to identify personal motivating factors as well as the family's strengths and barriers relative to achieve self-sufficiency. Lares PHA then assists participants to work their plan, providing emotional support during challenging times. At each step in the process, Lares PHA helps participants to motivate themselves and to improve their self-esteem.

Assisted housing is envisioned as serving two divergent populations. First, it provides a safety net for elderly, handicapped and disabled whose biological, physical, or mental conditions will not permit entry into the labor market. Second, assisted housing was, and still is, intended as a temporary resource for families who temporarily remain outside the workforce. Lares PHA has targeted the female-head of family with small children at home; those faced with temporary dislocation from the labor market; those who are involuntarily without the means to provide housing for their families; and, those who present incomes are inadequate to otherwise provide decent, safe, and sanitary housing in the existing housing market.

The purpose of FSS Program is to promote the development of local strategies to coordinate the use of housing assistance under the Housing Choice Voucher Programs with public and private

resources, to enable families to receive assistance under these programs to achieve economic independence and self-sufficiency. Under FSS, families are required to sign a **Contract of Participation**, which includes an **Individual Training and Services Plan** entered into between Housing Agency and those members of the family who will be participating in the FSS program.

The Contract of Participation is usually effective for a period of five years but could be extended for two years more for “good cause”. A major benefit to joining FSS is that families are allowed to establish an escrow account based upon the increase in earned income resulting from being employed. The funds saved can be used by the families for expenses such as homeownership or advanced educational opportunities. A key component of FSS is to establish the **Program Coordinating Committee** (PCC). The PCC is responsible for overall implementation of the program including assistance in developing the Family Self-Sufficiency Program Action Plan and securing commitments of public and private resources for the operation of the program.

The FSS program will be administrated at Lares PHA by staff of the Department of Section 8 working in close collaboration with the Program Coordinating Committee representing key community institutions; many that will be providing services to FSS participants. A cornerstone of this program is its multi-disciplinary review and coordination of family strategies through the PCC and the leveraging of community resources such as Social Service Programs, human resources and the financial resources from both the public and private sectors to support family goals.

The basic objectives of Lares PHA’s Family Self-Sufficiency Program are as follows:

- Provide low-income families with basic life skills, educational advancement, academic and vocational counseling, job training/search activities which leads to successful employment referral and placement.
- Assist families to make the transition from “welfare to work” by providing job training, support and employment search services.
- Decrease the length of time family’s stay in assisted Housing.
- Provide adequate social and support services, as client needs dictate.

There are also certain basic programmatic assumptions that must be considered when implementing an FSS program.

- Except for those who cannot be expected to work full-time due to circumstances

beyond their control (i.e. age, health or physical ability), every family in subsidized housing will be made aware of FSS and encouraged to undertake the transition to the private housing market within a reasonable period of time after entering assisted housing.

- Every family accepted in the FSS program accepts responsibility for seeking to achieve the objective of preparing themselves for the return to unsubsidized living arrangements.
- In implementing the FSS program, the service provider makes a commitment through a Memorandum of Agreements to assist the participating family in preparing themselves for the transition to unsubsidized housing.
 - Such a commitment implies that sufficient jobs are, or will be, available to consistently employ people at wages adequate to support families at a standard of living above the maximum allowable for receiving assistance.
- Each family will demonstrate a uniquely different set of needs and concerns, which will demand unique strategies for addressing those needs.
- Local agencies administrating need-based programs are able to determine how best to respond to the unique needs of the families within their jurisdiction and should be given flexibility in applying the rules and regulations in order to meet the unique needs of individual families.

It is for former public assistance recipients to fail in their attempts to secure employment, which means the FSS program must provide intensive focus on both job retention issues and facilitating multiple placements (**career pathways**) for residents until the job “fit” is right.

PROGRAM MANAGEMENT

Lares PHA's Department of Section 8 Staff manages the family Self-Sufficiency Program. The Staff will coordinate the day-to-day activities of the program, reporting to the Director of Federal Programs of the Lares PHA. The overall mission of this office is to provide support and address the job readiness, job training and placement, and human service needs of Section 8 participants. Through these expanded efforts Lares PHA, aims to improve the economic self-sufficiency of working adults, promote the academic achievement and career development of youths and maximize the extent to which seniors can live healthy and independent lives.

To support the Agency's FSS efforts, Lares PHA has three staffs: two Technicians and an Accountant. The first Technician is responsible for identifying and assessing family skills and needs by utilizing interviews, written assessment tools and home visits. The individual Training and Services Plans will be developed as a part of the Contract of Participation. The second Technician will make the FSS contract between the PHA and the participant. Both technicians will provide ongoing monitoring and support to families in meeting their goals and advocate for services as needed. They will also work with other Lares PHA staff to insure an FSS family complies with their housing assistance. The Accountant will be responsible for each family Escrow Accounts.

Although the technicians will assume responsibility for organizing the Family Self-Sufficiency Program, the Program Coordinating Committee (PCC) will link housing, job training and apprenticeships, family and individual counseling, drug and alcohol treatment and counseling and career development with subsidies for food stamps, Medicaid, child care and other transfer payments in a more consistent and coordinated manner. Those serving on the PCC are listed in **Attachment A**.

The PCC, along with the Family Self-Sufficiency staff, will make recommendations concerning policy and regulatory adjustments in the administration of the program. The Committee will be involved with the implementation in the following manner:

- Assist in securing educational advancement, supportive services and employment opportunities in the public and private sectors.
- Provide linkages with regard to homeownership for the participants.

The Lares PHA enjoys cooperative relationship with variety of agencies and has been able to enlist commitments from a number of the mayor providers of services to low-income families as well as those currently on public assistance. Support from such providers is essential if Lares PHA is to assist FSS families meet their goals. Those service agencies committed to implementing the FSS program along with their level of service is provided in Section V.

I. FAMILY DEMOGRAPHICS

The Lares PHA's Family Self-Sufficiency Program is designed to increase the availability for those most in need of subsidized housing by assisting families already receiving housing assistance in making the transition back into the private housing market. FSS seeks to accomplish this by providing the opportunity for low-income families to achieve their goals of economic and social independence through employment and homeownership or some other non-subsidized living arrangement.

ANALYSIS OF REQUIRED SUPPORTIVE SERVICES

To identify the ever-changing needs of Lares PHA potentials FSS families, the Lares PHA intends to periodically send survey letters to all section 8 participants. The section 8 families will be asked to answer questions soliciting information why they are interested in the program and what supportive services they feel are needed.

II. ESTIMATE OF PARTICIPATING FAMILIES

Lares PHA intends to provide supportive service to 14 Section 8 (HUD minimum established program size). This figure is based upon available resources including section 8 Administrative fees, HOME program funds, federal operating reserves as well as the scope of supportive services needed to assist potential FSS families that have already been secured.

Based upon the results of the survey letters sent to all eligible Section 8 families, Lares will continue to expand its base of services and agency involvement to service additional families who have other identified needs.

In addition, one of the major functions of the PCC is to determine what resources are needed and available in the community that can be mobilized to service FSS participants. As the Lares PHA and the PCC recruit new providers, additional families may be served.

FSS recruitment efforts will be directed towards Section 8 residents and Section 8 Waiting List applicants.

III. FSS FAMILY SELECTION PROCEDURES

PROGRAM REQUIREMENTS

FSS is a voluntary program for Section 8 participants. However, FSS Staff will be aggressive in their recruitment efforts and will attend all Section 8 briefings.

To qualify for the FSS Program Participants must comply with the following:

- Participants must complete a Needs Assessment Questionnaire.
- Participants must complete an Individual Training and Services Plan (ITSP) and agree to fulfill all requirements of the families needs assessment in any areas identified.
- The head of household to have an ninth grade reading level and be already to complete high school, Technical Course or GED requirements.
- Participants must agree to sign authorizations for release of children's school records and agree to services in any areas identified.
- All family members over 18 must be willing to participate in educational and employment assessments.
- Participants shall demonstrate commitment by keeping all scheduled appointments.

APPLICATION PROCESS

Families in the Lares PHA Section 8 Program will be asked to complete an **FSS Application Form**, which indicates their interest in providing household information necessary to initiate consideration. The Form also acts as a release of information document in order that staff may initiate discussions with other needs-based programs regarding benefits the family may be receiving or be eligible for under the program. The FSS Application also permits FSS Staff to review the family's tenant folder in order to complete the Contract of Participation. A Technician Staff Person is assigned to the applicant at this time.

Once a family has submitted the Application, staff reviews all available information concerning family composition, income, service needs, and other relevant factors. After this review, the family head of household will complete a Needs Assessment Questionnaire. This Assessment will allow the family and the FSS Staff to shape and develop needs and interests. The FSS Staff, in conjunction with the family, then begins to complete the Individual Training and Services Plan and the family specific Contract of Participation (HUD Form 52650-S). At this stage, the adult members may also participate in educational testing and jobs skills identification exercises to assess the employability level of the designated head of household, individual service needs of each family member and what services and agencies, if any, the family will need.

The completion of the Contract of Participation and Individual Training and Services Plan will be finalized with the approval of the Second Technician. Upon approval, the case manager and FSS participant discuss the final goals and the Contract is signed.

If all available slots are filled before the list of families interested is exhausted, those remaining will be placed on a waiting list and will be afforded a slot if the participating family leaves the program or, if Lares PHA determines it has the capacity to increase program size. Family selection from the waiting list shall be accomplished (1) based upon the length of time the family has been a Section 8 participant or (2) date the family expressed an interest in the FSS program.

Lares PHA believes that motivation is the key in ensuring the family's participation and interest in the FSS program. A family must attend an FSS orientation or briefing as well as pre-selection interviews and submit to a home visit. By requiring the family to complete certain tasks, such as the FSS Application and family assessment, Lares PHA is providing an opportunity to measure the family's willingness to undertake the obligations, which will be required under the Contract of Participation.

IV. INCENTIVES TO ENCOURAGE PARTICIPATION

Developing a comprehensive incentive plan key to selling the benefits of FSS to housing assisted families during recruitment efforts. As a result, Lares PHA has integrated the following incentives:

- Assignment of a FSS Case Manager that will oversee the family's progress

towards successfully completing the program. Intensive case management is the single most important element of the successful self-sufficiency program.

- Establishment of participant escrow accounts so that families can save money for homeownership, further education or other specified purposes. Funds from the escrow account are normally disbursed to the family upon completion of the Contract of Participation.
- Priority placement in other Lares PHA funded supportive services programs such as those provided by the HOME Program.
- Access to a wide range of supportive services such as the computer training, adult education and training, jobs database and family health programs.
- Customized needs assessment and skills aptitude assessments so that the family members can develop realistic, attainable employment goals.
- Intensive support and counseling job readiness, search and initial employment phases. Ongoing activities include resume development, interviewing skills, time management and other skills identified as necessary for the individual participant to secure employment.
- Peer support groups and mentors shall be available.
- Monthly public relations/media stories shall be used to give the program a positive identify for participants.
- Other incentives will continue to be identified and added to Lares PHA's Family Self-Sufficiency Program.

V. OUTREACH EFFORTS

Program outreach and recruitment is an ongoing component of FSS and will be conducted in the following manner. All eligible families in assisted housing will be informed of the FSS program through media campaign, newsletters and direct mailings. After exhausting the list of existing

Section 8 participants, Lares PHA intends to notify applicants on the waiting lists that are near receiving their housing subsidy.

Lares PHA Occupancy Technicians will inform section 8 participants of the program at their annual recertification. FSS Staff will make follow up contract.

FSS Staff will review all Section 8 participants' records annually to conduct an analysis of income to identify those families that received earned income that are not currently participating in the FSS Program. Those families will be contacted for recruitment.

FSS Staff will conduct FSS informational meetings on a regular basis to current, future and prospective Section 8 participants as well as attend Section 8 Briefing sessions for new program participants. Residents will also be able to schedule individual meetings with FSS staff to answer family specific questions. During these informational meetings, potential applicants will be informed of program incentives and requirements. Staff will try to interest and motivate residents about FSS by emphasizing the connection between changes in federal and state welfare rules and the potential benefits of FSS participation including escrow savings and individual family support services.

The informational meetings will give families an insight into the program. Applications will be available for potential applicants at the meetings. FSS staff will also encourage families to participate in educational, job training and employment opportunities being offered regardless of their status in the FSS program.

One of the most successful methods of FSS recruitment into the self-sufficiency program occurs through peer networking/counseling. As families begin to reap the benefits of FSS, they will share their experience with other residents, which increase the credibility of the program.

VI. FSS ACTIVITIES AND SUPPORTIVE SERVICES

PROGRAM STRUCTURE

The family Self-Sufficiency Program is intended to assist low-income families achieve the American Dream of the true upward mobility. The application needs assessment and selection steps, previously detailed are designed to ensure that each FSS participant has a solid achievable

plan for economic self-sufficiency backed up by appropriate supportive services. The FSS Program seeks to accomplish this through two different levels of assistance to each family who participates in the program.

The first of those levels (**Remediation Stage**), seeks to address barriers to successful achievement resulting from educational and training deficiencies. The second level (**Transitional Stage**) seeks to build upon the first level by providing opportunities for financial and investment counseling, homeownership and budgeting seminars, minor repair and maintenance training and other experiences which enhance their probability of success once they have made the transition.

A. Remediation Stage

The first phase of FSS is characterized as the **Remediation Stage** during which time an Individual Training and Service Plan (ITSP) is established for each adult member of the household. This phase may last up to two years (this stage may be extended provided MSJHA finds good cause exists for granting such extension). This extension ensures that each participant is ready to move on the **Transitional Stage**. No participant should fail due to lack of time allowed in the early stages of their educational/training plan. During this extension, all members of the household will work towards completing the Individual Training and Service Plan. These commitments, plus those of the Lares PHA to the family, will be finalized as part of ITSP between the family and the agency.

The provisions of the individual Training and Service Plan are as follows:

- Commitments by Lares PHA to make available the resources and services described in the Individual Training and Services Plan.
- Agreement by the family to participate in the programs and activities prescribed by the ITSP.
- A statement indicating the participant's rights to request an extension of the Remediation Stage if Lares PHA finds that good cause exists for granting the extension.
- A termination statement indicating that failure to complete the commitments in

the ITSP will cause the family to be terminated from the FSS program at the end of the Remediation Stage.

In order to assist the family in identifying and overcoming the barriers to re-try into labor and private housing markets, diagnostic and employability analyses will be undertaken during the waiting period and prior to formal participation in the program. The Individual Training and Services Plan will be developed by the program staff, in conjunction with the head of household, prior to formal program participation. This plan will serve as a contract between the program and the family regarding each party's responsibilities and understandings regarding the implementation of the plan and shall be attached as an Exhibit to the Contract of Participation at the start of the program. The Individual Training and Services Plan may be modified at any time by written agreement of all parties.

During the **Remediation Stage**, program staff, in conjunction with staff from other needs based or state federally funded programs, shall work with the family to implement the plan. Activities to assist the family might include:

- Remedial education and literacy classes
- High school completion or equivalency
- Job Training and preparation
- Pre-employment/personality development
- Health/dental
- Child care
- Transportation
- Life management skills
- Substance abuse treatment and counseling
- Family Services
- Homemaking skills and parenting
- Money management
- Investment counseling

The **Remediation Stage** is include to provide an opportunity for families to receive the kinds of services, education and training which would move them from a marginal employment situation to one in which there is an opportunity for career advancement. Some families may have genuine ambition, but have been kept from obtaining an education or job training experience due to circumstances beyond their control. Section 8

tenants will pay rent increases, as calculated Lares PHA will make escrow payments on their behalf as defined in **24 CFR Part 984.305**. Some families may need minimal assistance and will be ready to enter the **Transitional Stage** within only a brief time after entry into the program and placement in the **Remediation Stage**.

The Lares PHA will implement a mentor program that pairs FSS families with the program graduates so that the family will have someone to turn to for advice outside of the realm of the Lares PHA or the supportive services community formally involved with the family. It is the hope of Lares PHA that the mentor program will promote a level of trust between family members and the mentor that may not be attainable within the structure of Lares PHA and FSS program Staff, and that this trust will allow families to more candidly discuss their reservations and fears about the program and the steps necessary to move from remediation to transition and eventual independence from assisted housing.

After a family has successfully completed the FSS program, PHA will attempt to enlist those families to serve as mentor for new participants, thereby providing a tangible example of the program's ability to assist families in attaining their goals of economic independence and self-sufficiency.

B. Transitional Stage

At the end of the **Remediation Stage**, the family will undergo reassessment and counseling to determine the probabilities of successful completion of the **Transitional Stage**. The family will sign a Contract Addendum spelling out the conditions under this next phase, including:

- A five year limitation on participation in the program, unless an extension has been granted from Lares PHA, and their residency in assisted housing;
- A description of the manner in which rental payments will be calculated and the accumulations under an escrow savings account, as well as a description of the escrow savings account and the participant's access to such account at the end of the program consistent with the **24 CFR 984.305**.
- The participant's and Lares PHA's obligations during the **Transitional Stage**;

and,

- The conditions under which a family or person may terminate or be terminated from FSS program.

The contract with the family will end if the family has completed their obligations under the Contract of Participation, including the requirement of each Individual Training and Services Plan and the condition that the head of each FSS family has obtained and maintained suitable employment and, for each participating FSS family that is recipient of welfare assistance, a certification that they have been independent from such assistance at least one year before the expiration date of the term of the contract.

The **Transitional Stage** is designed to permit the family to accumulate sufficient savings so that it will be able to either make a substantial down payment on a home or, otherwise, prepare for long-term housing in the private rental market. During this stage, the program staff will continue providing counseling and supportive services to ensure participant success once they leave the program. This stage will cover a period not to exceed (5) years (unless an extension is granted under the terms explained under the Contract of Participation), during which time following will occur:

1. The head of household and/or adult family members will be expected to be engaged in full-time employment over the life of the contract. If unemployed at any time during the terms of the FSS Contract, the head of household should be expected to meet with Lares PHA's FSS Staff.
2. Counseling and assistance in homeownership, money management, work habits, employee-employer relations, and other areas of problem solving will be provided to families at monthly workshops and through individual counseling sessions, if necessary. Assistance and longevity on the job through training programs.
3. FSS Section 8 families pay rent to the owners in accordance with the normal procedures and Lares PHA's housing assistance funds, paid by HUD, will be utilized for the FSS escrow deposit.

- a. During the term of the FSS Contract of Participation, Lares PHA

calculates the escrow amount for each family using HUD's escrow credit worksheet. The amount of escrow varies depending upon the income of the family and is only initiated when earned increases after execution of the Contract of Participation.

b. "Escrow savings account" credits reflect the difference between earned Income at the beginning of the contract of Participation and any increase in earned after this date.

4. If a family member becomes temporarily disabled or ill which results in a loss of income during the Transitional Stage, or if a family member loses his or her job as a result of general layoffs or plant closings or other reasons beyond the control of the individual, the Contract of Participation may be extended up to two years to reflect these circumstances beyond the family's control.
5. If a Section 8 family decides that it does not wish to honor the terms of the Contract of Participation and drops out of the FSS program, for reasons other than disability, if the family is terminated from the program for good cause as specified in the Contract, the escrow account will not be refunded.
6. Participating FSS families may request an Informal Hearing, in accordance with the Administrative Plan, be held by Lares PHA, to consider whether the Housing Agency's decision to terminate supportive services and/or Section 8 Assistance.
7. It is anticipated that the PCC, in conjunction with local financial institutions and the Lares PHA, will advocate with local government the availability of low-interest loans for persons to purchase homes in the private market, and will advocate for the provisions incentives to ensure the availability of moderately period housing in the private market.

VII. ACTIVITIES AND SUPPORTIVE SERVICES

To complement FSS services provided by Lares PHA, Lares PHA relies on a number of cooperative relationships with a variety of agencies experienced with providing services to low-income families. Support from such private and public agencies is essential if Lares PHA is to assist FSS Families reach their goals. A complete list of services agencies committed to working

with FSS families is provided in **Attachment B**.

The FSS program has solicited support from federal, state and local governmental agencies and human service organizations in the Lares Area.

The following is a sample of programs available to FSS families:

Community Outreach: Community organizing, resident orientation, technical assistance, and organizational support to resident councils.

Family Support Services/Economic Development Programs: Family support programs, counseling, adult education, employment and training programs, Adult basic Education (ABE), childcare, transportation, employment opportunities and homeownership activities.

Youth Development: Child care, on-site educational and recreational programs, teen peer leadership focusing on health issues, after-school health programs, adolescent health education programs, parenting classes, teen pregnancy prevention programs, adolescent violence prevention, youth job training and education, group and individual therapy, summer youth employment opportunities.

Drug Prevention, Education and Treatment: Community organizing, outreach and counseling programs, off-site intervention and treatment programs, substance abuse prevention training and family support services.

Major services to be provide by service Providers are:

- “Programa de adiestramiento y Empleo”
Provide training and employment
- “Programa HOME”
Program assessment, homeownership training and qualification for a mortgage loan
- “Departamento del Trabajo” - Department of Labor Provides case management, assessment, pre-employment instruction (first step), Vocational skill training, job seeking instruction, placement assistance, retention services, and placement with JOBS and JTPA programs.

- Consumer Credit
Provides credit repair and counseling
- Department of Education
ABE/GED preparation, computer training, adult education
- “Consortio Norte Central”
WIA Service

VIII. METHOD FOR IDENTIFICATION OF FAMILY SUPPORT NEEDS

There are several methods that will be used to assist FSS staff identify the social service needs of the participants as well as deliver those services and activities to the families. First, the Housing Agency intends to send a survey letter to all Section 8 participants. The Section 8 families will be asked to answer soliciting information about why they are interested in the program and what supportive services they feel are needed. Based upon results of the survey letter, Lares PHA will seek to expand its base of services and agency involvement. As previously discussed under **V. Outreach efforts**, Lares PHA will also actively recruit for the program through a media campaign, newsletter and direct mailings. Additional information will be gathered during the completion of the FSS Application Form as well as during the testing that occurs when staff and potential FSS families complete assessment tools that are used to determine family goals as well as barriers to achieving self-sufficiency.

Identification of initial needs are identified in the Individual Training and Services Plan, which is incorporated in the Contract of Participation. Finally, FSS staff and the Program Coordinating Committee continue to gain an understanding of family needs as the program grows and they see first hand how each family has specific issues that must be addressed.

The delivery of services by Lares PHA will determine the success of the self-sufficiency program efforts. The Agency’s self-sufficiency program will be administrated by the two Technicians, accountant and supervised by the Federal Program Director. It is the responsibility of the above staff to ensure that services, which were committed by Lares PHA, are available and delivered. Staff will be responsible for identifying and assessing family skills and needs utilizing interviews and written assessment tools. They will develop the Individual Training and Services Plan (ITSP) and the Contract of Participation. Outside agencies such as Department of

Labor and HOME Program may also provide assessment, development of the ITSP and case management services. The FSS Staff will maintain regular contact with their FSS families, which helps build trust between the participants and Housing Agency.

The Second Technician shall execute the Contract after receiving the assessment and ITSP from the family's caseworker. The provides periodic monitoring and tracking of each FSS family. FSS staff will provide ongoing monitoring and support to families in meeting their goals and advocate for services as needed. In addition, a 30-day initial case review up to 120 days case review system as been established to insure families are on the track and meeting their obligations. FSS cases Manager maintain a working relationship with the service providers and take appropriate action if service delivery is not appropriate. They must update and revise the service provider network if they are not meeting the needs of the FSS families. Lares PHA will utilize both internal, including FSS participants and external resources to monitor program effectiveness.

IX. PROGRAM TERMINATION; WITHHOLDINGS OF SERVICES; AND AVAILABLE GRIEVANCE PROCEDURES

The Contract of Participation may be terminated before the expiration of the term by any of the following:

- Section 8 assistance terminated
- When Lares PHA determines that the Head of Household or other participating family member has failed to fulfill the terms of the Contract of Participation, including compliance with the Section 8 lease, and any extension thereof
- Failure of a Section 8 family to comply with the contract requirements
- Withdrawal of the family from FSS Program
- Mutual consent of both parties
- Do such other act as is deemed inconsistent with the purpose of the FSS program
- By operation of Law

The FSS Contract of Participation provides that the family must comply with the assisted lease. In Section 8, serious and repeated violations of the lease are grounds for termination of assistance. Therefore, serious and repeated violations of the lease would be grounds for termination of the FSS contract as well as termination of housing assistance.

The decision to terminate a Section 8 family from their housing assistance will be made by the Technician or the Section 8 Director in accordance with the program regulations. It is important to note that Section 8 is not required to terminate Section 8 assistance because of removal from the FSS Program. Lares PHA may suspend participation in the program to allow the family to become compliant.

X. TIMETABLE FOR PROGRAM IMPLEMENTATION

Lares PHA's Family Self-Sufficiency Program began within 12 months of the receipt of the FY '93 FSS Incentive Award for Section 8 units. Within this period, Lares PHA Section 8 Coordinator began outreach, participant selection and enrollment activities.

It is understood that the Lares PHA must complete enrollment of the total numbers of families required to be served under the FSS program (minimum program size), and must have begun delivery of supportive services within two years from the date of notification of approval of the application for Section 8 FSS voucher. **Currently, Lares PHA's minimum Section FSS Program size is 14 slots.**

XI. CERTIFICATION OF COORDINATION

The family Self-Sufficiency Program will be operated under the direction of the Municipality of Lares Public Housing Agency's Section 8 Program, which will help insure close coordination and effective utilization of services.

The Lares PHA certifies that the development of the services and activities under the Family Self-Sufficiency Program has been coordinated with the job Opportunities and Basic Skills (JOB) Training Program under Part F of the Title IV of the Social Security Act. The programs provided under the Job Training Partnership Act (JTPA); and other relevant employment, childcare, transportation, training and education programs in the Lares area. Lares PHA further certifies that implementation will continue to be coordinated in order to avoid duplication of services and activities.

XII. OPTIONAL ADDITIONAL INFORMATION

RECORD KEEPING AND PROGRAM EVALUATION

The key to determining whether the concepts and philosophies underlying the Family Self-Sufficiency Program outlined in this Action Plan are accurate and the program effective is found in the design of the project and the record keeping which will take place.

The Lares PHA's intent is to insure that adequate baseline and process information will be available, through which the program can be monitored and evaluated by the Federal Program Director and operated in accordance with the Municipality of Lares Public Housing Agency's Administrative Plan.

TABLE OF CONTENTS

| | <i>page #</i> |
|---|---------------|
| A. GENERAL PROVISIONS | 01 |
| B. FAMILY ELIGIBILITY AND PARTICIPATION REQUIREMENTS | 04 |
| 1. Selection and Admission of Applicants to the Program | 02 |
| 2. Portability | 02 |
| 3. Affordability Standards | 02 |
| 4. Employment Requirements | 02 |
| 5. First-Time Homeowner | 03 |
| 6. Minimum Down Payment | 03 |
| 7. Credit Requirements | 03 |
| 8. Application Process and Review Criteria | 03 |
| 9. Other Eligibility Restrictions | 04 |
| 10. Counseling Participation Requirement | 04 |
| 11. First Home Clubs | 04 |
| C. THE HOUSING UNIT REQUIREMENT | 04 |
| 1. Timeframe to Locate | 05 |
| 2. Type of Home | 05 |
| 3. Seller cannot be debarred | 05 |
| 4. Extension of Jurisdiction | 05 |
| 5. HQS Inspection by PHA | 05 |
| 6. Independent Initial Inspection Conducted | 05 |
| D. FINANCING REQUIREMENTS | 06 |
| E. ASSISTANCE LIMITS | 06 |
| 1. Assistance Limits | 06 |
| 2. Exceptions to elderly and Handicapped Applicants | 06 |
| 3. Reexaminations Requirements | 06 |
| 4. HAP Payments | 06 |
| F. TERMINATION OF SECTION 8 HOMEOWNERSHIP | 08 |
| 1. Grounds for Termination | 08 |
| 2. Occupancy of Home | 08 |
| 3. Changes in Income Eligibility | 08 |
| 4. Reaching Maximum Term | 08 |
| 5. Procedure for Termination | 08 |
| 6. Right to Informal Hearing Procedures | 09 |
| 7. Continued Participation in Section 8 HCV | 09 |
| 8. Administrative Fee | 09 |
| 9. Waiver or Modification of Homeownership Policies | 09 |

**Section 8 Homeownership Action Plan
[24 CFR Part 982, Subpart M]**

A. GENERAL PROVISIONS

The Section 8 Homeownership Program (HOP) allows recipients of Section 8 Housing Choice Voucher rental assistance the option to purchase a home and use the Section 8 Housing Assistance Payment (HAP) towards mortgage payments and other allowable housing costs, including participants with portable vouchers. Two options are available for this assistance: monthly homeownership assistance payment on behalf of a family, and to provide homeownership assistance for the family in the form of a single grant to be used toward the down payment required in connection with the purchase of the home. Until HUD publishes the regulations for down payment assistance, only monthly homeownership assistance is available. The Homeownership option is limited to five percent (5%) of the total Section 8 voucher program administered by the Municipality of Lares Housing Authority (MLHA) in any fiscal year, provided that disabled families shall not be subject to the 5% limit. If applications exceed such 5% limit, participants in the Family Self Sufficiency (FSS) program shall receive a priority for participation in the Homeownership Program.

The MLHA will not offer the single down payment assistance program.

Eligible applicants for the Section 8 Homeownership Program must have completed an initial Section 8 lease term, may not owe the Municipality of Lares or any other Housing Authority an outstanding debt, and must meet the eligibility criteria set forth herein.

Section 8 homeownership assistance may be used to purchase the following type of homes within the Municipality; new or existing single-family, condominium, planned use developments, cooperatives, lofts, live/work units, or manufactured homes. The Municipality will permit portability of Section 8 homeownership assistance to another jurisdiction, provided the receiving jurisdiction operates a Section 8 Homeownership Program for which the Section 8 homeownership applicant qualifies or authorizes the Municipality to administer the homeownership assistance in their jurisdiction.

In order to effectively develop the Municipality of Lares Homeownership Program, the agency has agreed upon a set of policy for the administration and implementation of the program. This covers the applicant eligibility for the program, the application process, the financial and participatory requirements and the responsibilities of the housing agency and the counseling organizations in the administration of the program. Program participants will also be informed of their rights as homebuyers. Upon purchasing a home, families are required to sign a *Statement of Homeownership Obligations*, agreeing to comply with the mortgage, maintain the property, and pay the taxes, utilities, and insurance.

The MLHA will work with banking/financial institutions and non-profit organizations that have indicated interest in working with the program and that offer loan products and other concessions that further the affordability of mortgages for program participants. Many Section 8 participants will be eligible for subsidy funds providing down payment and closing cost assistance complemented with funds from the HOME program and any private corporation and foundation that pursue affordable housing. The Municipality will assist and coordinate the post purchase counseling and educational support and any proactive efforts on behalf of the homeowners so as to provide a safety net against defaults.

Applicants for the Section 8 Homeownership Program must meet all HUD requirements for Section 8 Homeownership in addition to eligibility criteria established by the MLHA. Admission of applicants to the Section 8 Homeownership Program is at the discretion of the MLHA.

B. FAMILY ELIGIBILITY AND PARTICIPATION REQUIREMENTS

1. Selection and Admission of Applicants to the Program
 - a. Section 8 Tenants: Participation in the Section 8 Homeownership program is voluntary. Each Section 8 Homeownership participant must meet the general requirements for admission to the Section 8 Housing Choice Voucher Program, as set forth in the Municipality of Lares Administrative Plan. Such Section 8 family also must be "eligible" to participate in the Homeownership Program.
 - b. Preference for Participation in FSS Program: Applicants for the Homeownership Program are not required to participate in the Municipality of Lares Family Self Sufficiency (FSS) program in order to participate in the Homeownership program. However, in the event the applications for Homeownership assistance exceed five percent (5%) of the Municipality of Lares total voucher program in any fiscal year, FSS participants shall have a preference for participation in the Homeownership program. Participants in an Individual Development Account (IDA) program administered by an agency other than the Municipality of also will receive a preference for Homeownership assistance in the event applicants for Homeownership assistance exceed the 5% limitation.
2. Portability

Participants with portable vouchers may purchase a home in a jurisdiction other than the Municipality of Lares, provided the Housing Authority in the receiving jurisdiction operates a Section 8 Homeownership program for which the Section 8 Homeownership applicant qualifies or authorizes the Municipality of Lares to administer the Homeownership assistance in their jurisdiction. In the former case, a family's participation in the Section 8 Homeownership program will be subject to the Section 8 Homeownership program and policies of the receiving jurisdiction.
3. Affordability Standards

No affordability standards are issued other than the mortgage payment of the homebuyer should not exceed the payment standard authorized to the family at the time of recertification.
4. Employment Requirements
 - a. Amount of Income: At the time the family begins receiving Homeownership assistance, the head of household, spouse, and/or other adult household members who will own the home, must have a gross annual income at least equal to the Federal minimum hourly wage multiplied by 2000 hours.
 - b. Employment history: With the exception of disabled and elderly households, each family must demonstrate that one or more adult members of the family who will own the home at commencement of Homeownership assistance is employed full-time (an average of 30 hours per week) and has been so continuously employed for one year prior to execution of the sales agreement. In order to reasonably accommodate a family's participation in the program, the Municipality of Lares will exempt families that include a person with disabilities from this requirement. The Municipality may also consider whether and to what extent an employment interruption is considered permissible in satisfying the employment requirement. It may also consider successive employment during the one-year period and self-employment in a business.
 - c. Exclusion of Welfare Assistance Income: With the exception of elderly and disabled families, the Municipality of Lares will disregard any "welfare assistance" income in determining whether the family meets the minimum income requirement. Welfare assistance includes assistance from Temporary Assistance for Needy Families (TANF);

food stamps; general assistance; or other welfare assistance specified by HUD. The disregard of welfare assistance income under this section affects the determination of minimum monthly income in determining initial qualification for the Homeownership program. It does not affect the determination of income-eligibility for admission to the Section 8 housing choice voucher program, calculation of the family's total tenant payment, or calculation of the amount of Homeownership assistance payments.

5. First-Time Homeowner

Each Section 8 family, except families with a disabled member, must be a first-time homeowner. A "first-time homeowner" means that no member of the household has had an ownership interest in any residence during the three years preceding commencement of Homeownership assistance. However a single parent or displaced homemaker who while married, owned a home with a spouse (or resided in a home owned by a spouse) is considered a "first-time homeowner" for purposes of the Section 8 Homeownership option; and the right to purchase title to a residence under a lease-purchase agreement is not considered an "ownership interest". A member of a cooperative (as defined in §982.4) also qualifies as a "first-time homeowner".

6. Minimum down payment

For the down payment option, the family must:

- a. The family has a sufficient resource to pay a down payment equal to 3% of the purchase price of a typical home that meets their family household size and closing costs. No less than 1% will come from the participant's equity.
- b. The family has demonstrated to the Municipality that its gross income is sufficient to meet Homeownership and other family expenses. The Municipality reserves the right to determine whether a family can or cannot afford the proposed financing before making the recommendation for assistance participation.
- c. The family has accrued at least \$500.00 in an escrow account.

7. Credit Requirements

In compliance with the Fair Credit Act, the lending institution will make credit worthiness of the participant. In case the participant is unable to meet this initial criterion, he/she will be referred to credit counseling and the reconsidered for the program.

8. Application Process and Review Criteria

Once a family is determined to be eligible to participate in the program, it must comply with the following additional requirements:

- a. Complete a Homeownership counseling program approved by the Municipality prior to commencement of Homeownership assistance
- b. Within a specified time, locate the home it proposes to purchase
- c. Submit a sales agreement containing specific components to the Municipality for approval
- d. Allow the Municipality to inspect the proposed Homeownership dwelling to assure that the dwelling meets appropriate housing quality standards
- e. Obtain an independent inspection covering major building systems
- f. Obtain the Municipality approval of the proposed mortgage (which must comply with generally accepted mortgage underwriting requirements)
- g. Enter into a written agreement with the Municipality to comply with all of its obligations under the Section 8 program.

9. Other Eligibility Restrictions

- a. Repayment of Any Housing Authority Debts: Participants in the Section 8 housing choice voucher program shall be ineligible for participation in the Section 8 homeownership program in the event any debt or portion of a debt remains owed to the Municipality or any other Housing Authority. Nothing in this provision will preclude Section 8 participants that have fully repaid such debt(s) from participating in the Section 8 homeownership program.
- b. Completion of Initial Lease Term: Applicants for and new participants in the Section 8 housing choice voucher program shall be ineligible for participation in the Section 8 homeownership program until completion of an initial Section 8 lease term and the participant's first annual recertification in the Section 8 housing choice voucher program. Nothing in this provision will preclude Section 8 participants that have completed an initial lease term in another jurisdiction from participating in the Section 8 home program.
- c. Elderly and Disabled Households: Elderly and disabled families are exempt from the employment requirements set forth in Paragraph 4 (b) above. In the case of an elderly or disabled family, the Municipality will consider income from all sources, including welfare assistance in evaluating whether the household meets the minimum income required to purchase a home through the Section 8 Homeownership program.
- d. Prior Mortgage Defaults: If a head of household, spouse or other adult household member who will execute the contract of sale, mortgage and loan documents has previously defaulted on a mortgage obtained through the Section 8 homeownership program, the family will be ineligible to participate in the homeownership program.

10. Counseling Participation Requirement

A family's participation in the homeownership program is conditioned on the family attending and successfully completing a homeownership and housing counseling program provided or approved by the Municipality of Lares prior to commencement of homeownership assistance. The homeownership and counseling program will cover home maintenance; budgeting and money management; credit counseling; negotiating purchase price; securing mortgage financing and finding a home.

The counseling agency providing the counseling program shall HUD approve either or the program shall be consistent with the homeownership counseling provided under HUD's Housing Counseling program. The Municipality may require families to participate in an approved homeownership-counseling program on a continuing basis.

11. First Home Clubs

A new initiative could be coordinated with lending institutions members of the Federal Home Loan Bank of New York; they provide a grant to sponsor the program "First Home Club" (FHC). This program is for first-time homebuyers and provides subsidy funds to assist very low-, low-, and moderate- income households overcome the financial difficulties of purchasing a home. The program is a non-competitive set-aside of the Affordable Housing Program (AHP) and is administered through approved members of the Federal Home Loan Bank of New York (Bank).

The FHC provides down payment and closing cost assistance by granting three dollars in matching funds for each dollar saved to qualified first-time homebuyers who follow a systematic savings plan and participate in an approved homeownership-counseling program. Up to \$5,000 in matching funds will be awarded to qualified households based on the total savings deposited in a dedicated account with an approved member bank. OCAM, STATE PROGRAMS, HOME FUNDS, ECT.

C. THE HOUSING UNIT REQUIREMENT

1. Timeframe to Locate

Upon approval for the Section 8 homeownership program, a family shall have one hundred eighty (180) days to locate a home to purchase. A home shall be considered located if the family submits a proposed sales agreement with the requisite components to the Municipality of Lares. For good cause, the Municipality of Lares may extend a Section 8 family's time to locate the home for additional thirty (30) day increments. During a Section 8 participant's search for a home to purchase, their Section 8 rental assistance shall continue pursuant to the Administrative Plan. If a Section 8 participant family is unable to locate a home within the time approved by the Municipality of Lares, their Section 8 rental assistance through the Section 8 housing choice voucher program shall continue.

Once a home is located and a sales agreement is approved by the Municipality of Lares and is signed by the family, the family shall have up to three (3) months, or such other time as is approved by the Municipality of Lares or set forth in the approved sales agreement, to purchase the home.

If a Section 8 participant is unable to purchase the home within the maximum time permitted by the Municipality, it shall continue the family's participation in the Section 8 housing choice voucher program. The family may not re-apply for the Section 8 homeownership program until they have completed an additional year of participation in the Section 8 housing choice voucher program following the initial determination of their eligibility for the homeownership option.

2. Type of Home

A family approved for Section 8 homeownership assistance may purchase the following type of homes within the Municipality of Lares: a new or existing home, a single-family home, a condominium, a home in a planned use development, a cooperative, a loft or live/work unit, or a manufactured home. The home must already exist or under construction at the time the Municipality determines the family eligible for homeownership assistance to purchase the unit [§ 982.628 (a)(2)].

3. Seller cannot be debarred, suspended or Subject to LDP by HUD.

The seller could not be posted in the Limited Denial of Participation (LDP). The listing is normally issued by a HUD Field Office and is an action that excludes a specific individual(s) or firm(s) from participating in a specific program, or programs, within that HUD Field Office's geographic jurisdiction, for a specific period of time. In limited instances HUD Headquarters may also issue LDP's.

4. Extension of Jurisdiction

The municipal territory of Lares is the main location for the homeownership program. Nevertheless, extension of this jurisdiction could be granted to participants with portable vouchers that may purchase a home in a jurisdiction other than the Municipality of Lares, provided the Housing Authority in the receiving jurisdiction operates a Section 8 homeownership program for which the Section 8 homeownership applicant qualifies or authorizes the Municipality of Lares to administer the homeownership assistance in their jurisdiction.

5. HQS Inspection by PHA

To assure the home complies with the housing quality standards of the Section 8 program, homeownership assistance payments may not commence until the Municipality first inspects the home.

HQS inspection will be conducted in compliance to HUD requirements.

6. Independent Initial Inspection Conducted

An independent inspection of existing homes covering major building systems also must be completed by a professional selected by the family. The Municipality will not pay for the

independent inspection. The independent inspection report must be provided to the Municipality, which may disapprove the unit due to information contained in the report or for failure to meet federal housing quality standards.

D. FINANCING REQUIREMENTS

The proposed financing terms must be submitted to and approved by the Municipality of Lares prior to close of escrow.

In first instance, the lending institution should submit to the Municipality of Lares the Good Faith Estimate for the option to purchase contract, in order to determine the affordability of the family's proposed financing. In making such determination, the Municipality may take into account other family expenses, including but not limited to child care, unreimbursed medical expenses, education and training expenses and the like. Once completed the loan application, copy of the Settlement Statement should be presented to the Municipality for final approval.

Certain types of financing, including but not limited to, balloon payment mortgages, unless convertible to a variable rate mortgage, are prohibited and will not be approved by the Municipality.

The Municipality on a case-by-case basis shall consider seller-financing mortgages. If a mortgage is not FHA-insured, the Municipality of Lares will require the lender to comply with generally accepted mortgage underwriting standards consistent with those of HUD/FHA, Ginnie Mae, Fannie Mae, Freddie Mac, Puerto Rico Housing Finance Agency (PRHFA), USDA Rural Housing Services, the Federal Home Loan Bank, or other private lending institution.

E. ASSISTANCE LIMITS

1. Assistance Limits

Notwithstanding the provisions except for disabled and elderly families, family may receive Section 8 homeownership assistance for not longer than ten (10) years from the date of close of escrow unless the initial mortgage incurred to finance purchase of the home has a term that is 20 years or longer, in which case the maximum term is 15 years.

2. Exceptions to elderly and Handicapped Applicants

Families that qualify as elderly at the commencement of homeownership assistance are not subject to a maximum term limitation. Families that qualify as disabled families at the commencement of homeownership assistance or at any time during the provision of homeownership assistance are not subject to a maximum term limitation. If a disabled family or elderly family ceases to qualify as disabled or elderly, the appropriate maximum term becomes applicable from the date homeownership assistance commenced; provided, however, that such family shall be eligible for at least six additional months of homeownership assistance after the maximum term becomes applicable. The time limit applies to any member of the household who has an ownership interest in the unit during any time that homeownership payments are made, or is a spouse of any member of the household who has an ownership interest.

3. Reexaminations Requirements

A participant in the Section 8 Homeownership Program shall meet the reexaminations (Recertifications) requirements

4. HAP Payments

The amount of the monthly assistance payment will be based on three factors: the voucher payment standard for which the family is eligible; the monthly homeownership expense;

and the family's household income. The Municipality will pay the lower of either the payment standard minus the total family contribution (TFC) or the family's monthly homeownership expenses minus the TFC. The Section 8 family will pay the difference.

- a. Determining the Payment Standard: The voucher payment standard is the fixed amount the Municipality of Lares annually establishes as the "fair market" rent for a unit of a particular size located within the Municipality jurisdiction. In the homeownership program, the initial payment standard will be the lower of either:
 - (i) the payment standard for which the family is eligible based on family size;
 - (ii) the payment standard which is applicable to the size of the home the family decides to purchase.

The payment standard for subsequent years will be based on the higher of:

- (i) the payment standard in effect at commencement of the homeownership assistance; or
- (ii) the payment standard in effect at the most recent regular reexamination of the family's income and size.

The initial payment standard, for purposes of this comparison, shall not be adjusted even if there is a subsequent decrease in family size. The Municipality will request HUD approval of a higher payment standard, up to 120% of the published Fair Market Rent limit, where warranted as a reasonable accommodation for a family that includes a person with disabilities.

- b. Determining the Monthly Homeownership Expense: Monthly homeownership expense includes all of the following: principal and interest on the initial mortgage or any mortgage insurance premium (MIP) incurred to finance the purchase and any refinancing of such debt; real estate taxes and public assessments; homeowner's insurance; maintenance expenses per the Municipality allowance; costs of major repairs and replacements per the Municipality allowance (replacement reserves); utility allowance per the Municipality schedule of utility allowances; principal and interest on mortgage debt incurred to finance major repairs, replacements or improvements for the home including changes needed to make the home accessible; and homeowner association dues, fees or regular charges assessed, if any.
- c. Determining the Total Family Contribution: The TFC is that portion of the homeownership expense that the family must pay. It is generally 30% percent of the family's adjusted income, plus any gap between the payment standard and the actual housing cost. All family income (including public assistance), will be counted to determine the family's adjusted monthly income for purposes of determining the amount of assistance.
- d. HAP Payment: the MLHA will provide the lender with notice of the amount of the HAP and amount of the family's portion of the total homeownership expenses prior to close of escrow.
- e. Procedure for termination of homeownership assistance: The family shall be entitled to the same termination notice and informal hearing procedures set forth in this Administrative Plan for participants in the Section 8 rental assistance program.
- f. Automatic termination of HAP: Homeownership assistance for a family terminates automatically 180 calendar days after the last HAP paid on behalf of the family. The MLHA has the discretion to grant relief from this requirement in those cases where automatic termination would result in extreme hardship for the family.

- g. Payment to Family or Lender: The Municipality of Lares will provide the lender with notice of the amount of the housing assistance payment prior to close of escrow and will pay the Municipality contribution towards the family's homeowner expense directly to the family, unless otherwise required by the lender. The family will be responsible to submit the entire mortgage payment to the lender unless the lender requires direct payment of the Municipality of Lares' contribution.

F. TERMINATION OF SECTION 8 HOMEOWNERSHIP ASSISTANCE

1. Grounds for Termination of Homeownership Assistance

Failure to comply with family obligations under Section 8 Program or the Municipality of Lares Homeownership Policies.

A family's homeownership assistance may be terminated if the family fails to comply with its obligations under the Section 8 program, the Municipality homeownership policies, or if the family defaults on the mortgage. If required, the family must attend and complete ongoing homeownership and housing counseling course. The family must provide the Municipality with written notice of any sale or transfer of any interest in the home; any plan to move out of the home prior to the move; the family's household income and homeownership expenses on an annual basis; any notice of mortgage default received by the family; and any other notices which may be required pursuant to the Municipality homeownership policies. Except as otherwise provided in this Section, the family may not convey or transfer the home to any entity or person other than a member of the assisted family while receiving homeownership assistance.

2. Occupancy of Home

Homeownership assistance will only be provided while the family resides in the home. If the family moves out of the home, the Municipality will not continue homeownership assistance commencing with the month after the family moves out.

3. Changes in Income Eligibility

A family's homeownership assistance may be changed in the month following annual recertification of the household income, but participation in the Section 8 Homeownership program shall continue until such time as the assistance payment amounts \$0 for a period of six (6) consecutive months.

4. Reaching Maximum Term of Homeownership Assistance

Once the family is reaching the maximum term of homeownership assistance, the Municipality will notify 90 days before the date of such occurrence, that no further assistance will be disbursed to the family once the date of termination arrives.

5. Procedure for Termination of Homeownership Assistance

A participant in the Section 8 Homeownership program shall be entitled to the same termination notice, rights set forth in Conditions and Procedures for Termination of Assistance, of the Municipality Administrative Plan.

6. Right to Informal Hearing Procedures

A participant in the Section 8 Homeownership program shall be entitled to the same informal hearing procedures as set forth in Informal Hearing Procedures for Participants of the Municipality Administrative Plan.

7. Continued Participation in Section 8 Housing Choice Voucher Program

- a. Default on FHA-Insured Mortgage: If the family defaults on an FHA-insured mortgage, the Municipality may permit the family to move with continued Section 8 housing choice rental assistance if the family demonstrates that it has a conveyed title to the home as put forth in the FHA documents.
- b. Default on FHA-Insured Mortgage: If the family defaults on an FHA-insured mortgage, the Municipality may permit the family to move with continued Section 8 housing choice voucher rental assistance if the family demonstrates that it has (a) conveyed title to the home to the lender, to the Municipality of Lares or to its designee, as may be permitted or required by the lender; and (b) moved from the home within the period established or approved by the lender and/or the Municipality of Lares.
- c. Return to tenant-based assistance on the down payment: The Municipality may not commence tenant-based rental assistance for occupancy of the new rental assisted unit so long as any family member owns any title or other interest in the home purchased with homeownership assistance. Further, 18 months must have passed since the family's receipt of the down payment assistance grant.

8. Administrative Fee

For each month that homeownership assistance is paid by the Municipality on behalf of the family, the Municipality shall be paid the ongoing administrative fee described in 24 CFR §982.152(b).

9. Waiver or Modification of Homeownership Policies

The Mayor of the Municipality shall have the discretion to waive or modify any provision of the Section 8 Homeownership program or policies not governed by statute or regulation for good cause or to comply with changes in HUD regulations or directives.

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

A. PURPOSE

These policies and procedures are adopted by the Municipality of Lares Housing Agency to set forth the essential elements to implement Title 24 of the Code of Federal Regulations (CFR), as established in 24 CFR Part 5 Subpart F (Definition of Income and General Factors of Eligibility), as amended; the Housing Voucher Program as established in 24 CFR Part 982.

B. DEFINITIONS

Unless otherwise clear from the context as used herein, the following terms for the purpose of this rule shall mean:

1937 Act: Section 8 of the United States Housing Act of 1937 as amended

Adjusted Income: Annual income (as determined by the responsible entity) of the members of the family residing or intending to reside in the dwelling unit, after making the applicable deductions. (24 CFR 5 Subpart F, as amended).

Administrative Plan: The plan that describes PHA policies for administration of the tenant-based programs. (24 CFR 982.4)

Admission: The effective date of the first HAP contract for a family in a tenant-based program (first day of initial lease term). This is the point when the family becomes a participant in the program. (24 CFR 982.4)

Annual Contributions Contract (ACC): The written contract between HUD and a PHA, under which HUD agrees to provide funding for a program under the 1937 Act, and the PHA agrees to comply with HUD requirements for the program. A written agreement between HUD and the Housing Agency to provide annual contributions to cover housing assistance payments and other related expenses. This is now a

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

consolidated agreement for the Section 8 Rental Voucher Programs. (24 CFR 5.403)
Also see 1937 Act.

Annual Income: All amounts, monetary or not, which: (1) go to, or are on behalf of, the family head or spouse (even if temporarily absent) or any other family member; or (2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and (3) Are derived (during the 12-month period) from assets to which any member of the family has access; (4) Are not specifically excluded. The anticipated total income of a family for a 12-month period as outlined in 24 CFR 5, as amended.

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

Assets: Net cash value as outlined in 24 CFR 5 Subpart F, as amended

Child: A member of the family other than the family head or spouse who is under 18 years of age.

Child Care Expenses: Amounts anticipated to be paid by the family for the care of children under 13 years of age as outlined in 24 CFR 5, as amended

Citizen: A family member who is a U.S. Citizen by birth, a naturalized citizen, or a national of the United States of America.

Consent form: Any consent form approved by HUD, to be signed by assistance applicants and participants for the purpose of obtaining income information from employers and State Wage Information Collection Agencies (SWICAs), return information from the Social Security Administration (including wages, net earnings from self-employment, and payments of retirement income), and return information for unearned income from the Internal Revenue Service. Consent forms expire after a certain time and may authorize the collection of other information from assistance

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

applicants or participants to determine eligibility or level of benefits. (24 CFR 5.100)

Contract of Participation (FSS Contract): A contract, as described in 24 CFR 984.103, that sets forth the terms and conditions governing the FSS family's participation in the FSS program.

Continuously Assisted Family. Families who have received any form of federal housing Assistance under the U.S. Housing Act of 1937, as amended, within the 120 day period preceding the date of the eligibility interview shall be considered “income eligible”, if otherwise eligible under the remaining program rules.

Dependent: A member of the eligible family household other than family head or spouse, who is under 18 years of age or **is age 18 and older AND** is a disabled person or handicapped person or is a full-time student

Disabled Person: A person with a disability as defined in 24 CFR 5, as amended.

Displaced Person: A person as defined in 24 CFR 5, as amended, or a person displaced pursuant to a HUD directive, or a person whose dwelling has been extensively damaged by fire or natural disaster.

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

Drug-related criminal activity: Drug-trafficking; or Illegal use, or possession for personal use, of a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)

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

Elderly Family: A family whose head, spouse, co-head or sole member is a person who

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

is at least 62 years of age, as defined in 24 CFR 5, as amended.

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

Family: A family consisting of two or more persons sharing residency who are either related by blood, marriage, or operation of law or have evidenced a stable family relationship and as defined in 24 CFR 5, as amended.

Fair Market Rent: The rent, including the cost of utilities (except telephone), as annually established by HUD for dwelling units of varying sizes (number of bedrooms) that must be paid in the housing market area to rent privately owned, existing, decent, safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities. Published periodically in the Federal Register in accordance with 24 CFR 888.

Family Self Sufficiency Program or FSS Program: The program established by the Municipality of Lares Housing Agency to promote self-sufficiency among participating families, including the provision of supportive services to these families.

FSS Family or Participating Family: A family that receives assistance under the Section 8 Housing Choice Voucher program, and that elects to participate in the FSS program, and whose designated head of the family has signed the contract of participation.

FSS Related Service Program: Any program, publicly or privately sponsored, that offers the kinds of supportive services determined to be appropriate in assisting FSS families achieve economic independence and self-sufficiency.

FSS Slots: The total number of vouchers that comprise the *minimum program size (14)* of the Municipality of Lares Housing Agency's FSS program.

Family unit size: The appropriate number of bedrooms for a family pursuant to the Housing Agency's duly adopted *subsidy standards* determines family unit size.

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

Funding Increment: Each commitment of budget Housing Agency by HUD to a Housing Agency under the consolidated annual contributions contract for the Housing Agency program.

Full-time Student: A person who is in full-time attendance (equal to a full-time day student) under the standards and practices of the educational institution he or she is attending.

Gross Rent: The sum of contract rent to owner plus any utility allowance.

Handicapped Person: A person having a physical or mental impairment as defined in 24 CFR 5.

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

Homeless Family: A homeless family includes: (A) Any person or family that lacks a mixed, regular, and adequate nighttime residence; and (B) Any person or family that has a primary nighttime residence that is: (1) A supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing); (2) An institution that provides a temporary residence for individuals intended to be institutionalized; or (3) A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings. A “homeless family” does not include any person imprisoned or otherwise detained pursuant to an Act of Congress or a State law.

Housing Agency: Municipality of Lares Housing Agency.

Housing Assistance Payment (HAP): The monthly assistance payment remitted by the Municipality of Lares Housing Agency on behalf of a Section 8 participant, which includes a payment to the owner for rent to the owner under the family’s lease; and an

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

additional payment to the total assistance payment exceeds the rent to owner.

Housing Assistance Payments Contract ("Contract"): A written contract between the Municipality of Lares Housing Agency and an owner to make Housing Assistance Payments to the owner on behalf of an eligible family participating in the Housing Choice Voucher Program.

Housing Choice Voucher: A document (HUD Form 52646) issued by the Municipality of Lares Housing Agency declaring a family to be eligible for participation in the Section 8 Housing Choice Voucher Program and stating the terms and conditions for the family's participation.

Housing Quality Standards (HQS): the HUD minimum quality standards for assisted housing under the tenant-based programs. (24 CFR 982.4)

HUD: The United States Department of Housing and Urban Development.

HUD Field Office: San Juan HUB Office

HUD Requirements: HUD requirements are issued by HUD headquarters; such as regulations, Federal Register notices, handbook requirements or other binding program directives for the Section 8 housing voucher program.

INS: The U.S. Immigration and Naturalization Service.

Involuntary Displacement: Displacement of a person or family as outlined in 24 CFR 5 Subpart F.

Live-in Aide: a person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who: (1) Is determined to be essential to the care and wellbeing of the persons; (2) Is not obligated for the support of the persons;

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

and (3) Would not be living in the unit except to provide the necessary supportive services. (24 CFR 5. 403)

Lower-Income Family: a family whose annual income does not exceed 80 percent of the median income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 80 percent of the median income for the area on the basis of HUD's findings that such variations are necessary because of unusually high or low family incomes. (24 CFR 5.603)

Medical Expenses: Those medical expenses which are anticipated to be incurred during the 12-month period for which the Annual Income is computed, and which are not covered by medical insurance (premiums for such medical insurance may be included as medical expenses) or any other source.

Merger Date: The date HUD officially merged the rules governing the Certificate and Voucher Programs into one form of rental assistance (i.e., October 1, 1999).

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

Monthly Income: One-twelfth of the Annual Income (also called Monthly Gross Income).

Monthly Income After Allowances: One-twelfth of the Adjusted Income.

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

Owner: Any person or entity, including a cooperative, having the legal right to lease or sub-lease a unit to participant.

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

Payment Standard: the maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family). (24 CFR 982.4)

Portability: Moving with Section 8 housing choice voucher rental assistance (subsidy) to a dwelling unit outside of the jurisdiction of the issuing or initial Public Housing Agency.

Pre-Merger Certificate: Section 8 Certificate issued to a qualified family before October 1, 1999.

Pre-Merger Voucher: Section 8 Voucher issued to a qualified family before October 1, 1999.

Public Assistance: Welfare or other payments to families or individuals based on need, which are made under programs funded, separately or jointly, by the Federal and/or State governments.

Public Housing Agency: PHA (Municipality of Lares)

Reasonable Rent: a rent to owner that is not more than rent charged for comparable units in the private unassisted market and for comparable unassisted units in the premises.

Remaining Member. *A remaining member of a tenant family* is a family member of an assisted tenant family who remains in the unit when other members of the family have left the unit. To remain in occupancy with continued rental assistance the remaining tenant family member must be of legal age to enter into a lease pursuant to state law, and must not be a current or recent participant in criminal activity as defined under the 1998 PHRA.

Rental Agreement: A written agreement between an owner and an eligible family to rent a unit.

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

Rent To Owner: the total monthly rent payable to the owner under the lease for the unit. Rent to owner covers payment for any housing services, maintenance and utilities that the owner is required to provide and pay for. (24 CFR 982.4)

Section 214: Section 214 of the *Housing and Community Development Act of 1980*, as amended (42 U.S.C. 1436a). Section 214 restricts HUD from making financial assistance available for non-citizens unless they meet one of the categories of eligible immigration status specified in Section 214.

Single Person: a person who lives alone or intends to live alone, who is not an elderly person, a person with disabilities, a displaced person, or the remaining member of a tenant family. (24 CFR 945.105)

Special Admission: admission of an applicant that is not on the PHA waiting list or without considering the applicant's waiting list position. (24 CFR 982.203)

Spouse: Spouse refers to the marriage partner, either a husband or wife, who is someone you need to divorce in order to dissolve the relationship.

Subsidy Standards: Standards established by a Housing Agency to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions. (See definition of Family Unit Size.)

Supportive Services: Those appropriate services that the Housing Agency will make available to an FSS family under a contract of participation. These services may include childcare, transportation, education, employment, counseling, and other services determined to be appropriate in assisting FSS families achieve economic independence and self-sufficiency.

Suspension: Stopping the clock on the term of a family's voucher, for such period as determined by the Housing Agency, from the time when the family submits a request for

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

Housing Agency approval to lease a unit, until the time when the Housing Agency approves or denies the request.

Substandard Housing: Housing that is physically deficient as defined in 24 CFR 982.219, as amended.

Tenancy Addendum: The lease language required by HUD to be included in the lease between the tenant and the owner.

Tenant: The person or persons who executes the lease or lessee of the dwelling unit.

Tenant Rent: The amount payable monthly by the family as rent to the owner. Is the total tenant payment minus any utility allowance.

Total Tenant Payment (TTP): The monthly cost of rent and utilities payable by the assisted family consistent with the HUD-required formula.

U.S. Department of Housing and Urban Development: HUD

Utility Allowance: if the cost of utilities (except telephone) and other housing services for an assisted unit is not included in the tenant rent but is the responsibility of the family occupying the unit, utility allowance is an amount equal to the estimate made or approved by a PHA or HUD of the monthly cost of a reasonable consumption of such utilities and other services for the unit by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful living environment. (24 CFR 5.603)

U.S. National: A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession, including Puerto Rico, the U.S. Virgin Islands, Guam, Canal Zone, etc.

Utility Reimbursement Payment: The amount, if any, by which the Utility Allowance

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

for the unit, if applicable, exceeds the Total Tenant Payment for the family occupying the unit. This amount can be paid directly to the tenant or the Utility Supplier pursuant to the PHA's adopted policy.

Very Low-Income Family: A family whose income does not exceed 50 percent of the median income for the City as determined by HUD, with adjustments for size of family.

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

Voucher (Rental Voucher): a document issued by a PHA to a family selected for admission to the voucher program. This document describes the program and the procedures for PHA approval of a unit selected by the family. The voucher also states obligations of the family under the program. (24 CFR 982.4)

Voucher holder: A family holding a voucher with an unexpired term (search time).

Waiting List Admission: An admission from the Housing Agency's waiting list.

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

C. GENERAL APPLICABILITY AND SCOPE

The policies and procedures contained herein are applicable to the making of housing assistance payments on behalf of eligible families pursuant to the provisions of Section 8 of the U.S. Housing Act of 1937, as amended. To implement the Housing Choice Voucher Program, the Housing Agency, with the approval of HUD, is authorized to make housing assistance payments on behalf of eligible families who rent units, which meet or exceed HUD's Housing Quality Standards (HQS) during the period of the ACC.

PC-§I. 00 Scope of the Section 8 Administrative Plan

The Section 8 Housing Choice Voucher Program is federally funded and locally administered by the Municipality of Lares Housing Agency through its Section 8 Housing Office (hereinafter referred to as the Office, the Program, or MLHA).

Local rules, which are made a part of this Section 8 Administrative Plan, are intended to promote local housing objectives consistent with the intent of the federal housing legislation.

Local Programs subject to the provisions of this Section 8 Administrative Plan, as applicable, include:

- Housing Choice Vouchers

Required program forms are located in HUD Handbook 7420.8 and on the worldwide web at www.hudclips.org.

PC-§I.01 Statement of Compliance with Applicable Fair Housing Laws

The Municipality of Lares Housing Agency is an equal opportunity employer and an equal opportunity housing provider.

The Housing Agency will administer its housing programs in a nondiscriminatory manner

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

without regard to race, color, creed, national origin, religion, sex, age, political affiliation, handicap, or familial status. The Housing Agency will comply with all federal, state and local fair housing Statutes, Executive Orders and comparable laws, including, but not necessarily limited to:

- a. Title VI of the Civil Rights Act of 1964, as amended
- b. Title VII of the Civil Rights Act of 1968, as amended
- c. Section 504 of the Rehabilitation Act of 1973, as amended
- d. Fair Housing Amendments Act of 1988
- e. Title II of the Americans with Disabilities Act
- f. State/local Fair Housing Laws

The Housing Agency will provide federal/state/local information regarding discrimination and recourse in the event of discrimination.

Prospective and participating property owners will be apprised of applicable Fair Housing Laws and the Housing Agency's policy regarding the full range of actions to be taken against proprietors involved in discriminatory leasing practices.

The Housing Agency is subscribed to HUD's open-housing policy and will maintain lists of available housing, to ensure greater housing choice/opportunities for low-income households served by this Housing Agency.

If an applicant or participating family believes they have been the victims of illegal discrimination the Housing Agency will provide:

- HUD's Fair Housing Brochure in Spanish(dated 1/2002);

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

- Assistance in completing HUD form 903-A; and/or
- Referral to the Regional HUD Office of Fair Housing.
- Referral to state or local fair housing organizations

The MLHA may extend the family's term of voucher ("search time"), not to exceed 120 days, where there is sufficient evidence to lead the agency to believe the family's efforts to locate suitable housing has been impeded by discriminatory actions (or inactions) by prospective landlords or realtors.

PC-§I.02 Applicability of the Privacy Act

The Municipality of Lares Housing Agency will facilitate the full exercise of rights conferred on individuals under the Privacy Act of 1974, [5 U.S.C. 552A] and will ensure the protection of privacy as to individuals about whom the office maintains records under its Section 8 Housing Choice Voucher Housing Program, except that information which is part of the applicant or tenant's file with regard to current/prior participation in drug-related or violent criminal activity, history of excessive damage to units created by applicant or tenant-family, or eviction from Section 8 assisted units, will be shared with prospective landlords.

A release form, executed by all adult family members, will accompany any requests for release of information.

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

D. PUBLIC NOTICE TO LOWER-INCOME AND/OR VERY LOW-INCOME FAMILIES

I. Notice of Availability of Housing Assistance

The Municipality of Lares Housing Agency shall periodically make known to the public through publication in a local daily newspaper of general circulation, minority print media and other suitable means, the availability and nature of housing assistance for Low-Income families. The notice shall further inform such families where and how they may apply for Section 8 Voucher assistance. The notice shall also state that occupants of housing assisted under the 1937 Act, and applicants on waiting lists for any such housing, must apply if they wish to be considered for a Voucher. In addition, the notice shall state that applicants for a Section 8 Voucher will not lose their place on the waiting list for public housing at the Municipality of Lares Housing Agency.

2. Notice in Accordance with HUD Guidelines

Such notice shall be made in accordance with the Housing Agency's most recently adopted Section 8 Administrative Plan and HUD Fair Housing requirements. Upon request, the Municipality of Lares Housing Agency shall send to the HUD field office a copy of the Section 8 Administrative Plan.

3. Opening and Closing the Waiting List

The Housing Agency will give public notice when the waiting list is opened, including any limitations on who may apply. If the Housing Agency determines that its waiting list contains an adequate pool for use of its available funding, the Housing Agency may stop accepting applications.

4. Policy Governing Cross-Listing and Merging of Waiting Lists

The Municipality of Lares Housing Agency will not merge its Section 8 tenant-based assistance

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

waiting list. The agency will maintain a single waiting list for Section 8 applicants consistent with HUD's instructions under Part I of the Section 8 Conforming Rule.

5. Notice of Nondiscrimination

All notices of general circulation regarding the availability of the program, and any notices to prospective applicants/participants or owners shall state the Housing Agency promotes nondiscrimination in housing and will assist any family who alleges discrimination by staff and/or owners. Such assistance may include any of the following: (a) assisting the family in completing HUD Form 903-A; (b) referring the family to the local legal aid society; (c) providing the family with the toll free number for HUD's Office of Fair Housing in Washington, DC.

PD-§I.00 Statement of Program Approach and Planned Outreach

The Housing Agency will implement its Section 8 Rental Assistance Program in a manner consistent with the Housing Agency's mission of providing "*decent, safe, sanitary, and affordable*" housing. The Municipality of Lares Housing Agency will promote outreach about its programs and services, regarding the availability and nature of the Section 8 housing choice voucher program.

Outreach methods and strategy will be redesigned if it is determined that a particular segment or segments of the community are not being reached.

Efforts to reach those persons where Spanish may not be their first language will include the use of:

- (i) HUD forms which are printed in different languages; and

Newspapers to be used to advertise the availability of the program and to recruit owners of rental housing outside areas of low income and high minority concentration may include, but will not necessarily be limited to:

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

- (i) “Periódico El Nuevo Día”
- (ii) “Periódico El Vocero de Puerto Rico”
- (iii) “Periódico El San Juan Star”
- (iv) “Periódico Primera Hora “
- (v) “Surcos Lareños”

Broadcast news sources may include, but will not necessarily be limited to:

- (i) WGDL

Other places to advertise the availability of the program and may include, but will not necessarily be limited to:

- (i) Lares City Hall and its Dependencies
- (ii) Office of Public Assistance of Lares (“Departamento de la Familia”)
- (ii) Office of Public Health Assistance of Lares
- (iii) Office of Water Supplier of Lares (“Autoridad Acueductos Alcantarillados “)
- (iv) Office of Electric Utility of Lares (“Autoridad Energía Eléctrica”)

During periods of time when the Housing Agency is accepting applications, interested persons will be afforded the opportunity to make written pre-application for assistance, even if it appears through discussion with the applicant that they may not qualify for assistance. All determinations of eligibility for the waiting list will be made solely based upon the written or oral representations of the family on the housing application forms. If a family appears to be eligible, they will be placed on the waiting list. A final determination of eligibility will not occur until the Housing Agency actually has a form of assistance available to offer the family. At that time, the Section 8 program staff will conduct the family’s final eligibility interview and undertake the required verification procedures.

PD-§I.01 Maintaining the Waiting List

The Municipality of Lares Housing Agency maintains a master waiting list for the Section 8 Housing Choice Voucher Programs.

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

The waiting list will provide the following information on apparently eligible households who have an active form of application (full application):

- a. Name of head of household;
- b. Date and time the pre-application was received;
- c. Unit size(s) most appropriate to meet the family's needs;
- d. Preference status codes; and
- e. Race/ethnicity of head of household
- d. Annual Income (for income-targeting compliance)

**PD-§1.02 Policy and Procedures Governing *Income Targeting* Section 8
Waiting List Selections**

The Municipality of Lares Housing Agency will implement *income targeting* consistent with the provisions of the Public Housing Reform Act of 1998. Family selections from the waiting list will be made in a manner that assures at least seventy five percent (75%) of all new admissions within the PHA's fiscal year have income at or below the *extremely low income* (ELI) limit for this area.

To ensure compliance with this requirement the agency will code its waiting list applicants by *income range* as follows:

Code 1= *low income* (i.e., family income reported at 51-80% of area median income);

Code 2= *very low income* (i.e., family income reported at 31-50% of area median income); and

Code 3= *extremely low income* (i.e., family income reported at zero to 30% of area median income).

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

The Municipality of Lares Housing Agency may select an applicant from its waiting list based on income range, and without regard to locally adopted preferences in tenant selection, if necessary to assure federal compliance with *annual income targeting requirements* for the Section 8 housing choice voucher program.

Section 8 program management staff will undertake the following procedures to establish and maintain compliance with its *income targeting requirements*:

Step 1: 90 days prior to the start of the new fiscal year, collect the data required to estimate the annual gross incomes of waiting list applicants (see *income codes* on the waiting List);

Step 2: Estimate the number of families expected to be admitted over course of upcoming fiscal year based on historical data (use unit turnover data from current fiscal year);

Step 3: Estimate number of families to be selected from the waiting list to facilitate 100% lease-up in upcoming fiscal year (use *success rate data* on number vouchers issued vs. number of contracts executed in current fiscal year);

Step 4: Based on current distribution of ELI families on the waiting list determine if the MLHA can accomplish its requirement for 75% ELI admissions utilizing its “regular” tenant selection process, or if agency must intensively monitor waiting list selections to determine need to implement strategy (e.g., suspend regular *preferences* for ELI preference; open the waiting list for new ELI applicants; increase outreach to organizations representing the ELI populations).

PD-§I.03 Updating the Waiting List

The Housing Agency will initiate a periodic update of the applications received. The applicant will:

- be mailed an update letter of interest regarding continued interest sent to the applicant's most recently reported address;

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

- be required to complete the update form and return it within thirty (30) calendar days of mailing by the Housing Agency in order to maintain their name on the waiting list or visit the Section 8 Office to return the update form.

If the family fails to respond within the specified time period they will be determined ineligible and sent a notice with the reason and their right to request an informal review. For each notice returned marked “Addressee Unknown”, staff will close the application, attach the returned notice and envelope, and file and maintain for three (3) years.

For each application for which there has been no response and no returned notice, the MLHA will send a second notice by certified mail providing a final deadline. When the final deadline passes with no response, the family’s application will be closed and maintained with the record of certified delivery for a period of three years.

Any changes in the family's circumstances that affect their place on the waiting list, such as a change in local preferences, will be made as of the date of the Application Update with the Housing Agency.

The family will maintain their original date of application no matter how many times there are changes in their circumstances while they are on the waiting list.

PD §1.04 Closing and Reopening the Waiting List

The Housing Agency reserves the right to:

1. Discontinue application taking for all or some targeted applicant families when it has been determined by the Housing Agency’s Coordinator or designee that there is insufficient funding;
2. Give public notice whenever the waiting list will reopen through a local newspaper of general circulation and selected minority print media;

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

3. State where and when interested persons may apply and any limitations on who may apply, as well as any reasonable accommodations for persons with disabilities who wish to apply.

PD-§I.05 Selections from the Section 8 Waiting List

Families will be selected for program participation as either a waiting list selection or special admission (non-waiting list admission).

“Special admissions” are made without regard to the family's position on the waiting list or even if the family is not on the waiting list. These admissions occur only when HUD gives the Housing Agency a special allocation of Section 8 funding for specific families living in certain targeted units. Special admissions are permitted when HUD provides special funding for general categories of targeted families such as the homeless or families displaced due to natural disaster, or due to the sale of a HUD foreclosure.

E. PUBLIC NOTICE AND INVITATION TO OWNERS

I. Solicitation to Owners

The Housing Agency shall periodically solicit owners through publication in a local newspaper of general circulation and/or other suitable means to make dwelling units available for rental by eligible families. In so doing, the Housing Agency shall encourage participation by owners of units in areas other than those with concentrations of low-income or minority families.

Solicitation to owners shall be made in accordance with the applicable HUD guidelines. The Housing Agency shall prepare and distribute *owner's fact sheets and owner's briefing packets* which explain the basic program requirements and owner benefits to participating in the Section 8 rental assistance programs. The Section 8 staff shall also address members of local organizations

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

representing the rental market.

The Section 8 staff shall prepare maps that show various areas, both within and neighboring its jurisdiction, to assist families in renting housing outside areas of poverty or minority concentration. The maps will be used during briefing sessions, along with information about job opportunities, schools and services in these non-impacted areas to encourage the applicants to consider these areas when seeking a place to live. To further support this effort, to de-concentrate pockets of poverty, the Section 8 staff shall include in the tenant's briefing packet a list of owners who are willing to lease, or properties available for lease under the voucher program, or a list of other organizations that will help families find units. The list shall include properties or organizations that operate outside areas of poverty or minority concentration.

F. ELIGIBILITY CRITERIA

1. Family Qualification for Rental Assistance

All applicants must qualify under the following factors of eligibility. This includes family's ability to meet the Housing Agency's/HUD's *definition of a family; document U.S. Citizen, U.S. national or eligible immigration status; have income at or below 50% of median income; not owe the Housing Agency or any other HA monies as a prior Section 8 participant; within the past 3 years no participation in drug-related or violent criminal activity, provide all applicable certifications and documentation.*

2. Projected Income Indeterminable or Determinable for a Short Period

If a family is determined to have *unstable income* the Housing Agency shall place the family on a more frequent than annual re-examination schedule. Based upon individual circumstances this may result in a 30, 60 or 90-day interim reporting schedule. It is expected that most such families will be subject to a 90 day interim reporting requirement.

3. Family with Outstanding Balance Owing

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

An applicant with an outstanding balance owed to the Housing Agency in connection with its Section 8, public housing and/or other housing programs under the 1937 Act will be declared ineligible for housing assistance until the outstanding balance is paid in full. If an applicant family is determined to owe the Housing Agency or another Housing Agency money as a prior participant in the Section 8 or public housing programs it is the policy of this Housing Agency to offer the family the opportunity to enter into a repayment agreement while on the waiting list.

When the family reaches the top of the waiting list all prior monies owed must be paid in full as a factor of initial eligibility. Family must make full payment within 14 calendar days of the final eligibility interview. Failure to do so will result in denial of eligibility and family's name will be removed from the waiting list. Each family so denied will be advised in writing with procedures to follow to request an informal review.

For participating families, the Housing Agency may offer a repayment agreement. The family's non-compliance with the terms of the repayment agreement is considered grounds for termination of program participation. The Housing Agency will give both the family and the owner 30 days written notice of intent to terminate for family's failure to comply.

Applicants and participant families will be offered the opportunity for an informal review or hearing in accordance with Section Y of this plan.

4. Prior Termination from Section 8 Program

The Municipality of Lares Housing Agency may deny assistance to the applicant if the applicant has been previously terminated from a Section 8 Rental Voucher programs for violation of program obligations, or if a family member has been evicted from public housing in the three year period, preceding the date of application, for drug related criminal activity unless there is evidence of successful completion of drug rehab or the family member involved in drug related criminal activity is no longer a member of the applicant/participant household.

5. Disposition of Assets

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

An applicant who has assigned, converted, transferred, or otherwise disposed of assets within two years prior to the date of initial certification or re-certification shall have the value of such assets included in the determination of net family assets as set forth in 24 CFR 5 Subpart F, as amended.

- (I) The Municipality of Lares Housing Agency 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 effective date of the certification or re-certification.
- (I) If the family certifies that, they did dispose of assets for less than fair market value, a certification that shows: (a) all assets disposed of for less than Fair Market Value; (b) the date they disposed of the assets; (c) the amount the family received; and (d) the assets' market value at the time of disposition.

PF-§1.00 Establishing Applicant Eligibility

All families must qualify for assistance in accordance with HUD's criteria for eligibility.

The preliminary determination of income eligibility will be based on the family's self-declared sources and amounts of income in the pre-application.

Factors confirming any local preferences claimed factors of eligibility and income will not be third-party verified until the family reaches the top of the waiting list.

PF-§1.01 Definition of a Family

The applicant must qualify as a family. A *family* may be a single person or a group of persons. Discrimination on the basis on familiar status is prohibited, and a group of persons may not be denied solely on the basis that they are not related by blood, marriage, or operation of law.

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

I. Definition of Family

To qualify for rental assistance, an applicant household must meet one of the following criteria:

- (i) Two or more persons regularly living together in a stable family-type relationship, which will live together in the Municipality of Lares Housing Agency -assisted housing.
- (ii) Two or more persons who are not related by blood, marriage, adoption, guardianship, or operation of law, but are regularly living together, can verify shared income or resources, and will live together in the Municipality of Lares Housing Agency housing.
- (iii) The term “*Family*” also includes, but is not limited to:
 - A family with or without children;
 - An elderly family;
 - A disabled family;
 - A displaced family;
 - The remaining member of tenant’s family;
 - A single person who is not elderly, displaced, or a person with disabilities, or the remaining member of a tenant family.
 - Two or more elderly or disabled persons living together, or one or more elderly or disabled persons living with one or more live-in aides.
- (iv) A child who is verified as being “temporarily absent” from the home due to placement in foster care shall be considered when determining the family composition and family size.

2. Head of Household

The head of household is the adult member of the household who is designated by the family as head, and who is wholly or partly responsible for paying the rent, and has the legal capacity to enter into a lease with an owner under State/Local laws.

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

Emancipated minors who qualify under State law may be recognized as head of household if there is additional evidence/documentation that they are capable of upholding all essential terms and conditions of occupancy.

A family may designate an elderly or disabled family member as head of household solely to qualify the family as an elderly household, if the person is at least partially responsible for paying the rent.

3. Applicable Definitions

For proper application of the rule governing *Restriction on Assistance to Non-citizens*¹, the definition of *spouse* is: the marriage partner who, in order to dissolve the relationship, would have to be divorced. It includes the partner in a common law marriage. The term “spouse” does not apply to boyfriends, girlfriends, significant others, or co-heads.

4. A one-person household (i.e., *single person*) is considered to be an eligible family without restriction.

Spouse generally means the husband or wife of the head of household in a marriage.

Live-in aide means the person expected to reside with an elderly or disabled voucher holder which a physician has declared to be medically necessary for the care and well-being of the voucher-holder and who is not obligated to provide the support for this person and who would not be living in the (subsidized) unit except to provide the necessary care.

Co-head of household means the person(s) who are: (a) living in a spousal relationship or (b) are related or unrelated adults with equal responsibility for program/lease compliance, such as may be the case with two adult sisters or two adult disabled persons wishing to live together.

¹ Section 214 of the 1980 Housing and Community Development Amendments

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

PF-§1.02 Eligible Single Persons

All single persons are eligible to apply for and receive Section 8 subsidy if otherwise eligible during periods of time when the agency is accepting applications.

PF-§1.03 Income Limitations

At the time of issuance of the voucher to a family from the waiting list, a family's gross annual income must not exceed the Low Income (i.e., 80% of area median income) limit. In addition, the family, when first admitted, must select a unit in an area in which the family meets the income limit for the housing choice voucher program.

For a family receiving assistance at the time of the portability move (i.e., “currently assisted family”), who elects to move with continued assistance under portability to the jurisdiction of another Section 8 program, they may be either very low or low income as a *continuously assisted family*.

PF-§1.04 Procedure for Projecting Unstable Income

Where a family member has sporadic, yet recurring income such as a business owner or temporary clerical work the income will include projected income based upon current income and expenses:

- (1) Place family on a 90-day re-exam cycle;
- (2) Require family to bring income information for the most recent 60-day (eight-week period) preceding the date of certification;
- (3) Calculate average weekly or monthly income and use this as a base line figure to project income for the upcoming 12 month period.
- (4) Combine the income from this period with the income from the prior period to establish

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

a new baseline weekly or monthly figure;

- (5) Recalculate the TTP and determine need for additional interim re-exams.

PF-§1.05 Housing Agency Policy Governing Verification of Zero Income.

All income representations made by the family to the Housing Agency must be verified to ensure the accurate calculation of total tenant payment and housing assistance payment. When a family claims zero income the staff will use the following procedures:

- 1) Head or co-head of household must complete a *Family Economic-Sufficiency* Form. This form will inquire as to how the family is currently covering living expenses such as utilities, food, clothing, etc.
- 2) Review the family information to evaluate possible participation in programs such as TANF, unemployment, etc.
- 3) Pose questions to the family intended to probe for unreported income and to clarify any discrepancies.
- 4) Have the head or co-head complete the following verification forms, even if they represent they do not receive income from these sources:
 - (i) Food Stamp verification form
 - (ii) TANF verification form
 - (iii) Unemployment benefits verification form
 - (iv) Any other verification form that appears to fit the family's profile
 - (v) Income Tax Return
 - (vii) IRS Request for Information

If the verification form reflects income from these sources, the Section 8 staff will act on the

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

information provided by the source. The Section 8 staff is also to meet with the family to discuss any discrepancies and to provide the family with the opportunity to explain the discrepancies, and to supply information, which controverts the information, received.

If the family generally disputes, the information that provided by the third party the Section 8 staff is to seek further clarification by phone with the third party. The information provided by the third party is to prevail. The family will be offered the opportunity for an informal review of any decision reached based upon the third party information if the family feels that the Housing Agency's decision has an adverse effect. The decision of the hearing officer will prevail.

PF-§1.06 Social Security Reporting Requirements

Families are required to provide social security numbers for all family members, if they have been assigned a social security number (SSN), as a condition of initial and continued eligibility.

If a family member does not have a social security number the family:

- a) Must provide a certification that a SSN has not been assigned; and Family must agree to provide any social security numbers assigned after the date of the certification.
- b) For a minor age six to seventeen without a social security number the head of household or legal guardian will be required to complete the prescribed certification form.
- c) If an adult household member reports no social security number the adult must execute the required form.

If a non-elderly applicant or participant provides a social security number for which they state they cannot provide the appropriate verification the Housing Agency may grant a 60-day extension period in which to obtain and submit the required documentation.

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

For elderly families the Housing Agency may grant an extension of up to 120 days in which to provide the required documentation.

Failure of any family to supply the required documentation within the prescribed extension period will result in denial (applicant) or termination (participant) of assistance.

Verification of social security numbers reported by household members will be evidenced through submission of a valid social security card issued by the Social Security Administration or through an alternate form of documentation including, but not necessarily limited to:

1. Benefit award letters
2. Drivers license
3. Employment identification card
4. Payroll stubs
5. Medical insurance identification card
6. Medical insurance/ medical provider card.
7. Military identification card

A person age 6+ proposed to join a family in occupancy must comply with provisions of this part.

PF-§1.07 Section 214 Declaration

Pursuant to Section 214 of the 1980 *Housing and Community Development Amendments*, all applicant and participant households must provide a declaration of citizenship or eligible immigration status. The Section 8 staff will provide this form with a letter of explanation to each household applying for assistance. If an applicant family member has ineligible status, the family may not receive full subsidy. If any member of the family is a U.S. citizen or has eligible immigration status then the family may qualify for pro-rated/partial assistance. If there are no family members with citizen or eligible immigration status then the family will be determined ineligible for subsidy and denied issuance of a voucher. An ineligible family will be informed in

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

writing of the denial and their right to request an informal hearing equal to the hearing granted for a participant family.

If there are no family members with citizen or eligible immigration status then the family will be determined ineligible for housing. An ineligible family will be informed in writing of the denial and their right to request an informal hearing.

1. In order to receive assistance, a family member must be a U.S. citizen or eligible immigrant. Individuals who are neither may elect not to content their status. Eligible immigrants are persons who are in one of the six immigrant categories as specified by HUD.
 - a. Mixed Families. A family is eligible for assistance as long as at least one member is citizen or eligible immigrant. Families that include eligible and ineligible individuals are called a mixed family. Such applicant families will be given notice that their assistance will be pro-rated and that they may request a hearing if they contest this determination.
 - b. No eligible members. Applicant families that include no eligible members will be ineligible for assistance. Such families will be denied admission and offered an opportunity for a hearing.
 - c. Non-citizen students defined by HUD in the non-citizen regulations are not eligible for assistance.
2. Section 214 verifications will be accomplished as follows:
 - U.S. Citizens or Nationals. Persons claiming status as a U.S. citizen or U.S. national will provide a self-certification in the form prescribed by the agency.
 - Eligible Immigrants. Staff will conduct primary verification of eligible immigrant status through the INS automated SAVE (*Systematic Verification for Entitlements*) system using the instructions provided at HUD Guidebook 7420.10 G (pg. 5-7).

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

Staff will not delay, deny, or terminate assistance to an applicant or currently assisted household if any one of the following circumstances apply:

- At least one person in the household has submitted appropriate INS documents;
- The documents were submitted to the INS on a timely basis, but the verification process has not been completed;
- The family member in question moves;
- The INS appeals process has not been completed
- Assistance is pro-rated;
- Deferral of termination of assistance is granted by the agency;
- For a program participant, the informal hearing process is not complete.

Assistance will be denied or terminated when:

- Declaration of citizenship or eligible immigration status is not submitted by the specified deadline or any extension;
- Required documentation is submitted but INS primary and secondary verification does not verify immigration status and family does not pursue INS or PHA appeal; or
- Required documentation is submitted but INS primary and secondary verification does not verify immigration status, and INS or PHA appeal is pursued but decision(s) are rendered against the family.

When the MLHA decides to deny or terminated assistance, a written notice, which includes the following, will be sent by first class mail:

- An explanation of why the financial assistance will be denied or terminated;
- Notification that the family may be eligible for prorated assistance if it is a *mixed family*;
- Procedures for requesting *temporary deferral or proration of assistance* for currently assisted families;
- Family's right to appeal the results of the secondary verification to the INS; and
- Family's right to request an informal hearing from the PHA in lieu of an INS appeal or after an appeal.

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

Where feasible, the agency will provide all required notices and instructions in a language that the Family understands if the family is not proficient in English. Care will be taken to ensure that the implementations of the 214 requirements are accomplished consistent with Section 504 and Fair Housing requirements.

PF-§1.08 Other Criteria for Admission

1. Applicant must have paid in full any outstanding debt owed to any PHA for public housing, Section 8 voucher or for any previous tenancy under the 1937 Housing Act and/or any other federally assisted housing program.
2. Applicant must have left any previous tenancy under the Section 8 program without being in violation of a family obligation under its Housing Voucher, (unless there was good cause) within the five-year period preceding the date of application for assistance.
3. No family member has committed:
 - (i) Fraud
 - (ii) Bribery; or
 - (iii) Any other corrupt or criminal act in connection with any federally assisted housing program in the five-year period preceding the date of application for assistance.
4. Family has not breached a pre-existing agreement to repay the Housing Agency for monies owed as a prior program participant. If there are any monies due and owing the Housing Agency the family must make full payment of the debt prior to being issued a voucher. Failure to do so is grounds for denial of assistance.
5. No family member to occupy the assisted unit is an employee the Housing Agency or

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

governing body who makes policies or decisions relating to the operation of the Section 8 program unless HUD has granted a written waiver.

PF-§1.09 Family Suitability

It is not the intent of the federal government or the local government to provide subsidy for a family with a member who have a history of drug related, violent criminal activity, nor alcohol abuse that interferes with the health, safety, or right to peaceful enjoyment of others.

If the family member involved in the illegal drug activity or violent criminal activity will not occupy the assisted unit, or can demonstrate that he/she is recovering or has recovered from such addiction and does not currently use or possess a controlled substance, the Housing Agency may approve the family for program participation.

The Housing Agency will not screen for factors that relate to suitability of the applicant family as "tenants".

Section 8 staff is prohibited from considering *suitability factors*, such as those described below, when determining family eligibility for Section 8 rental assistance:

1. Prior rent paying history;
2. Outstanding debts owed to previous owners (unless there was an owner's claim which was paid by the Housing Agency on behalf of the family, thus creating a financial obligation to the Housing Agency); or
3. History of damage to rental properties, etc.

The above forms of screening and evaluating an applicant for tenancy are the responsibility of the landlord and not the Housing Agency.

Owners are advised both orally and in writing of their obligation to perform normal, routine

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

screening of applicants they propose to house.

The Housing Agency will continually urge owners to conduct such thorough screening on a uniform, consistent and non-discriminatory basis as part of the owner's routine tenant selection process.

The Housing Agency will provide the following information to prospective landlords to the extent such information is a part of the applicant/tenant file and does not violate the privacy act.

- Name and Family group members
- Contract payment
- Owners and tenant responsibilities
- Housing Quality Standards

PF-§1.10 Grounds For Denial of Admission and Notice to Family

If the applicant household does not meet the factors of eligibility stated in this section the Housing Agency will make a determination of ineligibility. Any family determined to be ineligible for assistance will be notified in writing within five (5) working days of the decision.

PF-§1.11 Informal Review Procedure for Applicants

Applicants will be provided an opportunity for informal review of decisions that deny the applicant placement on the Waiting List, issuance of a Section 8 voucher or participation in the Section 8 program.

1. The written notice of ineligibility will state the reason for the determination and advise the family of its right to request an informal review of the decision within fourteen (14) calendar days of the date of the Housing Agency's notice of ineligibility.

2. Applicant will be given the opportunity for informal review in accordance with these procedures:

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

- a) If such a review is requested the informal review will be conducted within ten (10) calendar days of receiving the family's written request.
- b) Review shall be conducted by any employee, other than a person who made or approved the decision under review or a subordinate of that person.
- c) Applicant shall be given an opportunity to present oral or written objections to the Housing Agency decision.
- d) Applicant has the right to legal counsel or other representation at his/her expense.
- e) The hearing officer will notify the applicant in writing of the final decision within five (5) working days after the informal review. This notice shall include a brief statement of the reasons for the final decision.

G. DETERMINATION OF FAMILY INCOME AND FACTORS OF ELIGIBILITY

1. Application for Admission

The Housing Agency shall determine eligibility for Section 8 rental assistance in accordance with criteria established by HUD and the Municipality of Lares Housing Agency. In so doing, the Housing Agency shall require every applicant to complete and sign an application prescribed by the Housing Agency, as well as applicable verification consent forms.

2. Determination of Annual Income

Family income for purposes of determining income eligibility and tenant rent and subsidy shall be computed in accordance with HUD specified sources and amounts of income to be included or excluded as stated at 24 CFR §5 Subpart F.

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

Additionally, the Municipality of Lares Housing Agency shall exclude certain amounts of earned income under designated and qualified local training programs related to Welfare Reform as specified in HUD Notice 98-2, and consistent with 24 CFR§5.609.

3. Verification of Factors of Initial Eligibility and Tenant Rent

To document program eligibility, preference rating, dwelling size and rent to be paid, the information submitted on the application for admission shall be independently verified. Program verification used shall be valid for a period of 60 days prior to admission. Program verifications used for annual re-exams shall be valid for a period of 120 days prior to the effective date of re-examination of family circumstances.

The Housing Agency will follow the verification methods prescribed in HUD PIH- Notice 92-45 and PIH Notice 2001-15.

When third party verification source cannot or will not provide the required information within four weeks this will be noted in the applicant or tenant file and the Housing Agency will document the alternative method used.

The Housing Agency may review original documents provided by the family and use this as the basis for a provisional determination that will remain subject to third party verification.

If third party verification is received after the provisional determination of initial/continued eligibility or tenant rent has been made the Housing Agency will use the third party independent verification to make a retroactive determination. A family's rent may be increased or decreased retroactively.

If there is a determination that a family was not initially eligible for program participation the family will be terminated on 30 day written notice to the family and owner. Any ineligible family will be required to make full repayment of subsidy received to which the family was not entitled.

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

4. Verification of Annual Income

Anticipated income is a prime determinant of an applicant's eligibility for participation and their level of rental assistance. An Annual income means income from all sources received by the family head and spouse (even if temporarily absent), and by each additional member of the family, including all net income to be derived from assets for the upcoming 12-month period.

Annual income will be determined based on appropriate third party verification. Initial income eligibility is established by comparing annual income to the HUD-prescribed maximum income limit.

There is no minimum income requirement for participation in the Section 8 rental assistance programs.

5. Policy and Procedures for Third Party Verifications

The verification process during the time of application, interim reexamination, and annual Re-examination is a critical task in the administration of the Department of Housing and Urban Development (HUD) assisted housing programs. This task requires Public Housing Agencies (PHA's) to verify factors that affect the determination of an applicant's/participant's adjusted income. The verification process also requires the applicant/participant to provide and disclose information that is true and complete, which is necessary in the administration of HUD's assisted housing programs. The Housing Agency of the Municipality of Lares is committed to insure that all applicants and participants information if verified for accuracy and completeness.

The requirement for third party verification can be found at 24 CFR §960.259(c)(1) and §982.516(a)(2) and states that "The PHA must obtain and document in the family file third party verification of the following factors, or must document in the file why third party verification was not available:

- (i) Reported family annual income;

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

- (ii) The value of assets;
- (iii) Expenses related to deductions from annual income; and
- (iv) Other factors that affect the determination of adjusted income or income-based rent.”

The Department has defined third party verification based on verification requirements established by the Inspector General’s Office, prior HUD notices, and guidebooks. References: PIH Notice 2001-15: Improving Income Integrity in Public and Assisted Housing Choice Voucher Program Guidebook (Section 12-4) issued April 2001 The Tenant Integrity Program Training Guide issued by the Office of the Inspector General (Page 51) issued October 1989.

Third party verification is defined as independent verification of income and/or expenses by contacting the individual income/expense source(s) supplied by the family. The verification documents must be supplied directly to the independent source by the PHA and returned directly to the PHA from the independent source.

The tenant shall not hand carry documents to or from the independent source. The Agency will mail, fax, or e- mail the verification request form to the independent source. In the event that the independent source does not respond to the Agency’s, faxed, mailed, or emailed request for information, the Agency will secure and document oral third party verification.

The agency will ensure that they use appropriate consent forms to obtain specific information. The HUD Form 9886 authorizes HUD and the PHA to obtain third party verification of the following:

- ***Any income information or materials from State Wage Information Collection Agencies (SWICA).***
- ***Income information obtained from previous and current employers. The HUD Form 9886 authorizes HUD only, to obtain third party verification of the following:***
 - ***Income information from the SSA.***
 - ***Income return information from the IRS.***

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

The HUD Form 9886 may not be used to obtain any other information

Verification Guidance

1. The Agency will make every effort to secure HUD Systems Available for Enterprise Income Verification.
2. The Agency will use HUD's centralized EIV System as acceptable method for verifying family income.

Note: The Agency will insure to have a valid HUD Form 9886 signed by all household members who are 18 years of age or older in the tenant file.

The Agency will make use of the Third Party Verification to Supplement Enterprise Income Verification.

Written Third Party Verification: Independent verification of income and/or expenses will be secured by contacting the individual income/expense source(s) supplied by the family. The verification documents must be supplied directly to the independent source by the PHA and be returned directly to the Agency from the independent source.

Oral Third Party Verification: Independent verification of income and/or expenses will be secured and documented by contacting the individual income/expense source(s) supplied by the family, via telephone or in-person visit. Agency staff will document in the tenant file, the date and time of the telephone call, the name of the person contacted and telephone number, along with the confirmed verified information. This verification method will be the last resource used in the event that the independent source does not respond to the Agency's faxed, mailed, or e-mailed request for information in ten (10) business days.

Document Review: The Agency will review original documents provided by the tenant in support of their declaration of income during the income reexamination. This verification method will only be used as the sole source of income verification when all other sources of third party verification cannot be obtained. When the Agency has to resort to reviewing

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

tenant-provided documents, the Agency will document in the tenant file why third party verification was not available.

Part HH of this plan provides further guidance on the verification method that the Agency will utilize to insure full compliance and adherence with this policy and with HUD's requirements.

The Housing Agency of the Municipality of Lares will use the following verification methods in the order listed below:

- (1) Enterprise Income Verification
- (2) Written Third Party Verification
- (3) Oral Third Party Verification
- (4) Document Review
- (5) Tenant Declaration

The Agency will attempt to use upfront income verification first and whenever possible, since it is the most preferred method by HUD and does not rely on an individual filling out a form, which may result in lower data integrity.

If upfront verification is not available then the Agency will obtain required written third party verification. Verification forms are to be mailed, faxed or e- mailed directly to the independent source. In the event that the independent source fails to respond to written verification requests, the Agency will then contact the independent source by telephone or an in a personal visit to obtain the verification. Upon receipt of the information, the Agency must document in the family file, the date and time the information was received along with the name of the person and title that provided the information.

EXCEPTIONS TO THIRD PARTY VERIFICATION REQUIREMENTS:

The Housing Agency of the Municipality of Lares is aware that in some situations, third party verification is not available for a variety of reasons. Oftentimes, the Agency may have to make numerous attempts to obtain the required verifications with no luck, or the income source may not honor written or oral requests for income information, or the asset or expenses to be

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

verified is an insignificant amount, or it may not be cost effective to obtain third party verification of assets and expenses, when the impact on total tenant payment is minimal (See summary of example exceptions to third party verification in Part HH). In these cases, it is acceptable for Agency to review original documents provided by the tenant. However, the Agency is required to document in the family file the reason(s) why third party verification was not available. The Agency will maintain a photocopy of the original document in the family file.

6. Record of Family

A file folder shall be established for each applicant and participant family and shall contain the original application and all data collected to verify and document the family's status. For each participant family the Housing Agency will maintain as part of the family record the family's application, applicable verifications, a copy of the executed lease and the HAP contract, as well as correspondence between the family and Housing Agency. The Housing Agency shall retain all applicant/tenant certifications and relevant documentation as set forth in 24 CFR 982, as amended.

7. Misrepresentation of Family Circumstances

If any applicant deliberately misrepresents the information on which eligibility or tenant rent is established, the Housing Agency may deny and/or terminate assistance and may refer the family file/record to the proper authorities for appropriate disposition.

8. Determination of Ineligibility

If an applicant is determined to be ineligible for Section 8 rental assistance, the Housing Agency shall promptly state the reasons for its determination to the applicant in writing. The letter shall also state that the applicant may request an informal discussion and explain how to request the informal discussion.

9. Suspension of Voucher Issuance

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

If there is insufficient funding to assist the family at the top of the waiting list, the Housing Agency will not issue any form of assistance to any other family on the waiting list until there is sufficient funds to assist the family at the top of the waiting list.

However, if HUD awards the Housing Agency funds for a specified category of families on the waiting list, the Housing Agency must select families in that category, even if they are not at the top of the waiting list for one year. All such selections will be made as a Special Admission and so noted in the tenant and waiting list records.

10. Removal from the Tenant-Based Assistance Waiting List

The Housing Agency will remove a family's name from the Section 8 TBA waiting list if the family is determined ineligible in accordance with criteria prescribed by HUD or Housing Agency policy. The Housing Agency may also remove a family's name from its waiting list for family's failure to provide the Housing Agency with a new mailing address and/or any correspondence is returned with no forwarding address or family fails to participate in 2+ scheduled appointment(s) without good cause. The Housing Agency may also remove a family's name from the waiting list based upon a family's written request.

PG-§1.00 Policy and Procedures for Verifying Factors of Eligibility

Verification of income and asset information is required to determine eligibility for admission and continued assistance. The Housing Agency's Section 8 Admissions staff must verify all of the family's written representations that affect the family's eligibility or rent.

Written inquiries will include:

1. Statement of the purpose for requesting family data; and
2. Statement signed by the applicant to permit the source to release information/family data.

When an applicant or tenant reports annual income that appears to be less than adequate for

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

the family's needs, or if the family appears to be eligible for income that is not reported to be received, (i.e., Temporary Assistance for Needy Families (TANF), welfare, unemployment compensation, child support, etc.)the absence of such income will be verified.

Family may be required to sign verification consent forms for:

- Temporary Assistance for Needy Families (TANF)
- Food Stamps
- Unemployment Compensation

For an initial determination of eligibility all required verifications must be current (i.e., issued within the 60 day period preceding the date of interview).

Tenant files will contain documentation of all required verifications.

1. Applicants/tenants must cooperate with Section 8 staff and comply with the Housing Agency's certification/verification process by providing enough information to allow the Section 8 office to obtain verification from a third party of all statements regarding eligibility and rent. Family composition is generally treated as a self-certification. The signature of the head and/or co-head of household on the application for housing assistance will normally be considered sufficient verification for family composition. However, the Housing Agency may require proof of family composition consistent with the Housing Agency's definition of *family*.
2. All income, assets and each applicable deduction will be verified at the time of admission and at each subsequent re-examination. Income will be verified by third party verification. If third party written verification is not possible Section 8 staff shall attempt to receive third party oral verification by calling the source or participating in a meeting with the source. Whenever third party oral verification is utilized the Eligibility Specialist/Housing Representative (OS) who received the information will be required to document the date of the phone contact, the name of the person they spoke with, information received and sign their name. Additionally, the Eligibility Specialist/Housing

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

Representative will complete the Housing Agency's third party oral verification form. This form will identify with whom they spoke, the date, and other critical information. If neither third party written nor oral verification is possible this will be noted in the file and Section 8 staff shall undertake a review of documentation provided by the family. Eligibility Specialists/Housing Representatives are to review documents provided by the family for: *date, authenticity, and completeness*. If documents appear to be altered, they should not be considered and alternative documentation should be requested.

The following statements will also be verified and documented in the tenant file:

- a. Age of family members when the sole factor determining factor of eligibility is age or to support deductions claimed for minors or elderly household status;
- b. Displacement, handicap, disability, veteran or serviceman status when they are a factor in determining eligibility for certain deductions or preferences;
- c. Full-time student status.

PG-§I.01 Verification of Handicap/Disability Status

To ensure compliance with the non-discrimination provisions of the *Fair Housing Amendments Act of 1988* and *Section 504 of the Rehabilitation Act of 1973*, the Housing Agency will implement the following procedures when verifying a family's representation that the head or co-head/spouse is handicapped or disabled for 12 months or more.

- a. Such verification will only occur when the head/co-head has indicated in writing that a family member is handicapped or disabled and the family feels that such status entitles them to special deductions and/or special assistance in locating suitable units or preference in tenant selection.
- b. Person(s) who receives Supplemental Security Income Disability Payments (SSI) or Social Security Disability (SSD) benefits will be determined handicapped/disabled and no further

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

verification will be required.

- c. No family/family member will be required to attest to nor establish their ability to live independently as a condition of initial or continued eligibility for assistance.
- d. If the individual with a disability has been recently de-institutionalized or states they are otherwise disabled, but is not receiving SSI/SSD, verification from a trained professional (i.e., doctor, therapist,) that the named person meets HUD's definition of handicap or disability will be adequate verification. Section 8 staff will provide the third party with a certification form containing the HUD definition.

PG-§I.02 Use of the HUD Form 9886.

The HUD Form 9886, *Authorization for the Release of Information/Privacy Act Notice*, must be executed by all adult household members (and spouse regardless of age) age 18 and older. This form must be completed for each initial certification and annual re-certification. If the family undergoes an interim re-exam and there is a family member who has since the last certification attained age 18, this household member will be required to complete the Form 9886 as part of the interim re-examination.

Eligibility Specialist /Housing Representative will review with the applicants/participants the Authorization for the Release of Information/Privacy Act Notice, to explain (a) how the information provided by the participant will be used by HUD; (b) HUD's restriction on disclosure of the information; and (c) that other information requested by the Public Housing Agency are HUD eligibility requirements.

Note: The Consent form expires 15 months after date signed.

Individual verification forms will continue to be used to collect the specific information to be verified, such as the employment verification form which requests information specific to rate and frequency of pay, as well as potential for overtime, tips, fees, and bonuses.

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

When the Housing Agency has reason to believe that a family's circumstances have changed, or are different from the representations made on the most recent certification the Housing Agency will send the form 9886 to any/all sources designated on the form.

H. ELIGIBLE FAMILIES

Voucher

If an applicant is determined to be eligible and sufficient funding is available, such applicant shall be issued a *Housing Choice Voucher* signed by a duly authorized representative of the Housing Agency.

Declared Emergencies

In the event of an emergency declared by resolution of the Municipality of Lares Housing Agency Board of Directors, the waiting list for Section 8 Housing Choice Vouchers may be bypassed. Under such circumstances, vouchers may be provided to current residents of public housing (or other forms of assisted housing owned by the Municipality of Lares Housing Agency) to families who meet the qualifications for participation in the Section 8 Housing Choice Voucher program. This housing assistance shall be provided solely for the purpose of relocating such families residing in the housing units specified in the Emergency Declaration to other housing units that meet all Section 8 program requirements.

In the event no suitable relocation units exist within the Municipality of Lares Housing Agency inventory, Section 8 Vouchers shall be used if the family otherwise qualifies for this form of assistance.

Preference in Selection of Eligible Families

In selecting eligible families for participation in the Housing Choice Voucher Program, the Housing Agency shall apply the following order of preference. Eligible families qualifying

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

for any one of the following preferences shall be selected in the order of the *date and time* of their application:

- **Families unable to work because of disability (Disabled Family). (20 points)**
- **Families unable to work because of terminal disease. (15 points)**
- **Involuntarily Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition). (10 points)**
- **Victims of Domestic Violence. (5 points)**

4. **Exception(s) To the Granting of Local Preferences in Tenant Selection**

An applicant will not be granted any local preference if any member of the family has been evicted from any federally assisted housing during the past three years because of drug-related criminal activity.

The Municipality of Lares Housing Agency will grant an exception to such a family only if:

- The responsible member has successfully completed a rehabilitation program.
- The evicted person was not involved in the drug related activity that occasioned the eviction.

5. **Notice of Denial of a Preference**

If the Housing Agency determines that an applicant does not meet the criteria for a local preference claimed, the Housing Agency shall promptly notify the applicant in writing. The notice shall state the reasons for the denial and that the applicant has a right to request an informal review with the Housing Agency's staff.

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

The Housing Agency will not deny a family's claimed preference, nor remove a family from the waiting list solely because the applicant family has applied for, received, or refused other forms of housing assistance.

PH-§I.00 Issuance of Housing Choice Vouchers

I. Tenant Selection

The Housing Agency will issue housing choice vouchers pursuant to HUD'S final rule, effective October 1, 1999. An available housing choice voucher will be issued to eligible applicants as the family reaches the top of the waiting list (and in accordance with applicable preferences and date/time of application). The owner decides whether a voucher-holder is suitable for tenancy based upon the outcome of the owner's routine screening.

The Housing Agency, in deciding whether to admit the applicant/family, will not discriminate on the basis of age, race, color, religion, sex, national origin, disability, whether the family has children, whether family members are unwed parents, recipients of public assistance, or children born out of wedlock. The Housing Agency cannot adopt a preference in tenant selection for higher income families over lower income families. [24 CFR §982.202 (b)].

2. Family Briefing

When a family initially receives a Voucher, a full explanation of the Section 8 program requirements shall be provided as part of the family's briefing as outlined in 24 CFR 982.301, as amended, for Voucher holders.

3. Expiration and Extension of Voucher

The term of the Voucher shall be as outlined in 24 CFR 982.303, as amended. The initial term of the voucher is 30 days. As a *reasonable* accommodation for a family where the head or spouse is disabled, the Housing Agency will **initially** grant a family the full 120 day term, as an

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

added reasonable accommodation. A disabled family may hold such form of assistance for more than 120 days term as a *reasonable accommodation* where supported by documentation that the family's inability to secure approved housing within the 120 day term was directly related to a family member's disability.

If a family submits a Request for Tenancy Approval (RFTA) prior to the expiration date and the RFTA is subsequently disapproved, the Voucher may be extended upon written request of the family for a period equivalent to the number of days between the submission of the RFTA and the date of disapproval of the RFTA.

A family may submit a written request for an extension of time to search for suitable housing. The written request must be received *10 days before* the expiration date on the voucher. The Housing Agency will evaluate each request and determine the likelihood of the family finding housing with additional time to search. An approved extension will be granted for a 30 day period of time with proof of effort to timely secure an approved form of housing. Only in extenuating circumstances, such as hospitalization or jury sequestration, will a second extension of 30 days be granted.

The family is solely responsible for providing evidence of actions and efforts of finding housing to the Section 8 Office with the written request for the extension 10 days before the expiration date of the voucher.

4. Family Break-Up- Eligibility in Event of Family Dissolution

If either an applicant's or participant's family experiences a break or division of its original household composition the Housing Agency shall commit the housing assistance to the adult applicant, and who was either head or co-head of household, and who retains custody of any minor children. If there are no minor children involved, the housing assistance shall be committed to the person who signed the application for initial or continued assistance. If more than one person signed the application, and there are no minor children involved, the Housing Agency shall require the adults to decide who shall receive the housing assistance. If the adults cannot decide within the period prescribed, then the Housing Agency shall terminate the

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

application for initial or continued assistance and each party must make new application for assistance.

In the event the parties elect to resolve the dispute in a court of law, then the Housing Agency shall stay any administrative decision and comply with the terms of the court decision.

5. Family Absence from the Unit

Family may be absent from the assisted unit for up to 30 consecutive days without written notice to the Housing Agency. If the family expects to be absent in excess of 30 consecutive days, the family must advise the Housing Agency in writing of the anticipated term of absence and the reason. The Housing Agency may allow the family to be absent from the unit for up to 90 consecutive days with continued assistance on good cause shown. If there is no family member remaining in the unit after 90 consecutive days the Housing Agency will commence the process of terminating housing assistance payments to the owner upon written notice to family and owner. Should the Housing Agency become aware of a family's extended absence from the assisted unit and the family has not received written approval of the Housing Agency the housing assistance may be terminated sooner than 90 days upon written notice to family and owner. A waiver to this part can be granted at the discretion of the Housing Agency's Manager for periods exceeding 90 days but for no more than 180 days. [24 CFR §982.312]

I. SUBSIDY STANDARDS [24 CFR §982.402]

In issuing the choice voucher to an eligible family, the Housing Agency shall determine the number of bedrooms to be placed on the housing choice voucher for families of different size and composition. These standards are developed for the purpose of determining the voucher size that will best meet the family's needs at the lowest cost to the government.

- I. In establishing the subsidy standards the Housing Agency shall:
 - a. Consider the smallest number of bedrooms needed to house the family without

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

overcrowding;

- b. Assign a subsidy standard that does not require more than two persons to occupy the same bedroom;
- c. Include every member of the family, regardless of age, including a child who is temporarily absent due to placement in foster care;
- d. Consider a single pregnant woman with no other family members as a two-person family;
- e. Consider an approved live-in aide for a qualified family;
- f. Not assign a subsidy standard that requires parent(s) to share a bedroom with a children(s);
- g. Not require children of the opposite sex to share a bedroom as long as one child is age six (6) or older.

In determining the appropriate unit size for a particular family, the Housing Agency may grant an exception to its established standards where justified by the age, sex, health, handicap, or relationship of family members or by other personal circumstances.

A family may lease an otherwise acceptable unit with more bedrooms than the subsidy standard stated on the voucher, though the payment standard (for the voucher program) cannot exceed the payment standard for the designated family unit (subsidy standard) size.

The family may also lease a unit with fewer bedrooms than the subsidy standard size stated on the housing voucher, as long as the smaller unit meets the applicable HQS space requirements at 24 CFR §982.402[d]. However, the calculation of housing subsidy will be based on the actual unit size selected as will the allowance for any tenant-paid utilities.

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

The living room of a unit may be used as a sleeping room if it meets the HQS standards for a sleeping room. However, the living room cannot be counted as a bedroom for purposes of determining the *applicable payment standard* for the family.

PI-§I.00 Subsidy Standards for Issuing Vouchers.

The Housing Agency will use its subsidy standards to determine the voucher that appears to best meet the family's need for housing while maximizing the use of the space and minimizing the cost to the government. The adopted standards will be consistent with the HQS space standards that are intended to avoid overcrowding. The family, at its option, may select a unit with fewer bedrooms than stated on the vouchers if it does not require more than two persons per sleeping room. This usually results in a lesser payment standard and reduced subsidy.

The Housing Representative is to issue the voucher in the size consistent with the Housing Agency's most recently adopted subsidy standards. Should this result in a unit of five (5) or more bedrooms the Housing Representative shall use the formula in the *Federal Register* for establishing the applicable FMR and Payment Standard.

PI-§I.01 Fair Housing Impact.

The Fair Housing Amendments Act of 1988 extended protections against discrimination in housing to two additional classes of persons:

- (1) persons with a disability; and
- (2) families with children.

The family can select a unit equal in size to the voucher size, or larger or smaller than the voucher size, but consistent with the HQS space standard restrictions (i.e., no more than 2 persons per sleeping room including the use of the living room as a sleeping room).

It is the intent of this Housing Agency to administer all aspects of its program administration and

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

personnel management system in a non-discriminatory fashion.

PI-§I.02 Factors to be Considered

ALL household members and *persons expected to reside* are to be included when establishing the voucher size that will best meet the family's needs.

A temporarily absent family member will be counted for subsidy purposes. A *temporarily absent family member* means a member of the household who is expected to reside in the assisted dwelling unit during the upcoming 12 month period but who will be absent from the unit for some portion of this 12 month period.

1. Children away at school who are listed as family members will:
 - a. Also be included when determining the applicable family subsidy standard; and
 - b. Any other family members who are temporarily absent.
2. A single person household may be assigned a zero bedroom voucher.

PI-§I.03 Section 8 Unit Assignment v. Actual Unit Size Selected.

The Housing Representative establishes the voucher size (i.e., *family unit size*) based upon a review of the family's household composition.

The family may select a unit, which differs from the voucher size, and the Housing Representative under the following guidelines will approve this:

1. Generally, unit size selected would not result in more than two persons per sleeping room under the voucher program (including the living room). .
2. For a voucher-holder the Payment Standard used to establish subsidy would be based on the lesser of the voucher size or the actual unit size selected by the family.

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

3. When a family must pay some or all of their own utilities directly to the utility supplier the utility allowance to be used will always be based on actual unit size selected by the family.

PI-§I.04 Exceptions to the Established Subsidy Standards Prior to Family HAP Being Made (i.e. Applicant Status)

A family may request an exception to the established subsidy standards for the following reasons and with appropriate documentation.

1. Medical reasons;
2. Additional household members due to birth, adoption, court-awarded custody, marriage;
3. Addition of a live-in aide.

Any request for an exception must be made in writing with the appropriate supporting documentation.

PI-§I.05 Live-In Aide Policy

An elderly, handicapped, or disabled person may have a care-attendant/live-in aide occupy the unit when this care is:

- Essential to the care and well-being of the voucher holder; and
- The care-giver is not obligated to provide financial support for the elderly, handicapped or disabled person; and
- The care provider would not occupy the unit except for the express purpose of providing necessary supportive services.

The Housing Agency requires verification from a source qualified to make the following determinations:

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

- The care provided is medically necessary;
- Description of the medical and/or necessary supportive services to be provided
- Estimate of the period of time such care will be required.

Persons qualified to provide the required third party verification include, but are not necessarily limited to:

- (1) Medical doctors
- (2) Psychologists/psychiatrists
- (3) Chiropractors
- (4) Osteopaths
- (5) Psychiatric Social Worker

There is no prohibition against a related family member acting in the capacity of a live-in aide. The relative must meet the same criteria and the same third party verification is required. When a relative is the "live-in aide", they will not be listed as a "family" member and any income of a live-in aide will not be counted as income to the household for purposes of determining eligibility or rent. There will be no "deductions" for a live-in aide and the live-in aide does not retain any right to occupancy as the remaining member of a tenant's family when the voucher-holder vacates the unit/program.

If the live-in aide has other family members they wish to occupy the unit, the Housing Agency shall grant such approval if the addition of the live-in aide's family members does not result in a larger voucher size (i.e., increased subsidy) and the occupancy by the voucher-holder with the live-in aide and live-in aide's family members will not result in overcrowding, (i.e., more than 2 persons per sleeping room).

The live-in aide is subject to screening and approval by both the agency and the owner.

The live-in aide may hold outside employment or attend school if there is evidence that appropriate alternative care will be provided to the elderly, handicapped or disabled person during these periods of time.

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

The landlord has the right to require the live-in aide to execute a lease rider agreeing to abide by the terms and conditions of occupancy set forth in the lease agreement.

If the live-in aide violates provisions of the lease rider, the owner may take action against the live-in aide separate from action against the assisted family.

If the live-in aide or their family members participate in drug-related activities, either the Housing Agency or the owner may rescind the aide's right to occupy the unit.

When the Housing Agency takes such action against the live-in aide the aide is not entitled to the informal hearing process of the Housing Agency.

PI-§1.06 Exceptions to the Established Subsidy Standards After Subsidy Payments (HAP) Have Begun (i.e., Participant Status)

The Housing Representative will review the family's composition as part of the annual re-exam.

1. If there are/will be changes in the household size the voucher size will automatically be adjusted based upon the established subsidy standards and the current/projected family composition.
2. The participant/family may request a different voucher size between regularly scheduled re-exams due to changes in the family size which would result in more than two persons per sleeping room.

All such additions to the family composition must first be approved/documentated by the Section 8 Office before there is consideration of the voucher unit size change due to reasons such as:

- (i) adoption
- (ii) births
- (iii) court awarded custody
- (iv) foster child care

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

- (v) need for a live-in aide
- (vi) disability of a current household member
- (vii) adult children/other family members wishing to join a family already in occupancy

J. FINDERS'- KEEPERS POLICY

Upon receipt of a Housing Choice Voucher, the family shall be responsible for finding a unit of appropriate size that meets the HQS prior to expiration of the Voucher. The family may select the unit which it currently occupies if the unit meets the HQS and is determined to be *rent reasonable* and the owner is willing to execute new leasing documents under the Section 8 program. The Housing Agency may provide assistance in finding units for those families who, because of age, handicap, or other reasons are unable to find a unit and may provide assistance in cases where the family alleges that discrimination is preventing it from finding a unit. Any such assistance shall be in accordance with the Housing Agency's *Administrative Plan and Procedures* and shall not directly or indirectly reduce the family's opportunity to choose among available units. Section 8 housing choice voucher assistance may not be utilized for dwelling units receiving Section 8 project-based assistance as this constitutes *duplicative assistance*.

K. PORTABILITY [24 CFR '982.354]

The provisions for portability of vouchers shall be as outlined in 24 CFR §982.354, as amended. If neither the head nor spouse resides in Lares at the time of application they must initially lease a unit in Lares before they can exercise their right of portability. The Housing Agency limits family moves to not more than one in any twelve-month period under portability.

The Housing Agency will deny permission for a family to exercise portability as cited in 24 CFR 982.314(e)(1), in the event that the Municipality of Lares Housing Agency does not have sufficient funds to pay a higher subsidy in another jurisdiction and the receiving Housing Authority will not absorb the family into their program.

PK-§1.00 Portability of Housing Choice Vouchers

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

For any family wishing to exercise *portability* an individual briefing session will be scheduled.

Vouchers are portable as the result of various statutory and regulatory provisions. Participating families will be advised during both the initial and annual reexam briefing sessions of the portability provisions.

The Municipality of Lares Housing Agency will provide a list of neighboring PHA's with the name, address and telephone number of a portability contact person at each.

Housing Choice Vouchers allow the holder to move to the jurisdiction of any public Housing Agency administering the Section 8 voucher program.

A Housing Representative will provide families wishing to exercise their option of portability with an updated *portability-move* packet. The Housing Representative must establish the family's income eligibility under the receiving PHA's income limits for those families with first time assistance at time of portability, and must forward the most recent form 50058 and related verification forms to the receiving PHA. The family currently receiving subsidy at the time of portability is not required to be income-eligible.

The required HUD form (Form HUD 52665) for recording portability activity will be completed by the Housing Representative and explained to the client family, as appropriate. The Section 8 program manager will be the first point of contact for each *incoming portable* client.

A family who owes money to the Housing Agency will be required to either repay in full or be current under any existing repayment agreement as a condition of eligibility to move with continued rental assistance under portability. A voucher holder must be in full compliance with the family obligations to be eligible for a portability move.

In-coming portable participants currently enrolled in another PHA's FSS program will be automatically enrolled in the Housing Agency's FSS program if slots are available. If not they will be placed on FSS waiting list.

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

L. FAMILY'S RIGHT TO MOVE [24 CFR §982.314]

Without regard to portability, an assisted family may move to a new unit if:

- the assisted lease for the old unit has terminated;
- the owner has given the tenant a notice to vacate or has commenced an eviction action, or has obtained a court judgment or other process allowing the owner to evict the family; or
- the family has given notice to the owner and the Housing Agency of their intent to terminate the lease.

In order to move with continued assistance, the family must initially occupy an assisted unit for 12 months before terminating the lease with the owner unless there is (a) good cause. *Good cause* may include, but is not necessarily limited to owner's failure to provide services under the lease, or (b) mutual agreement by the owner and tenant to terminate the lease.

A family may move one or more times with continued assistance, either within the jurisdiction of the Housing Agency or to the jurisdiction of another PHA, notwithstanding the limitation of moving only once in a 12 month period under portability.

A family who owes money to the Housing Agency will be required to either repay in full or be current under any existing repayment agreement as a condition of eligibility to move with continued rental assistance under portability.

M. OWNER OBLIGATION TO SCREEN FAMILIES [24 CFR §982.307].

An owner generally has no obligation to participate in the Section 8 housing choice voucher program and can refuse to accept a voucher holder, even if this means an otherwise acceptable family is unable to lease the unit.

Owners are responsible for screening families selected by the Housing Agency for admission to

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

the program to determine whether they will be suitable tenants. **While the Housing Agency may elect to implement some limited form of tenant suitability screening this does not remove the owner of duty for performing tenant screening in a manner equal to the screening performed for unassisted tenants.**

An owner may consider such factors as: (1) the family's history of payment of rent and utility bills; (2) caring for a dwelling unit; (3) respecting- the rights of others; (4) family history of drug-related criminal activity or other criminal activity, which threatens the life, safety, or property of others.

The Housing Agency will give the owner the Voucher-holder's current address and, if known, the name and address of the landlord at the family's current and prior address. The Housing Agency will also provide a prospective landlord with any of the following information which is a part of the applicant's/participant's file: record of prior eviction from a unit receiving Section 8 assistance through this Housing Agency; and/or record of family creating excessive damages to a rental unit. [24 CFR § 982.307]

N. RENTAL AGREEMENT/ LEASE APPROVAL [24 CFR §982.308]

The Housing Agency must approve the owner's form of lease for the rental unit. The Housing Agency may not give such approval until it determines that the unit is eligible and meets the HQS; that the lease is approvable; the rent to the owner is *reasonable*; and the owner has not been deemed ineligible by HUD or the agency to participate in any HUD-funded housing program.

The Municipality of Lares Housing Agency will establish and maintain records that include comparable data on unassisted units in the market. This data will be used by Section 8 staff in making their determination of the reasonableness of the owner's proposed rent.

All assisted leases must include certain language required by HUD. The language must prohibit certain types of lease provisions involving concessions by the tenant, and include by reference all other lease covenants prescribed by law for the Section 8 housing choice voucher program.

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

The Housing Agency may also decline to approve the owner's lease if the owner fails to execute the required HUD Lease Addendum (Form HUD 52641-A), or if the owner's lease does not comply with major provisions of any applicable state or local landlord tenant laws. [24 CFR §982.308]

PN-§I.00 Housing Representative's Role in Leasing

The Housing Representative is to ensure that all activities and required forms for establishing the assisted tenancy are properly and timely executed. This includes the review and approval of forms provided by the Housing Agency and/or the owner.

PN-§I.01 Review of Owner's Form of Lease

The Housing Representative is to review the owner's form of lease against the *prohibited lease provisions* in the HUD tenancy addendum. Any prohibited lease provision must be struck in red ink from the owner's lease and the owner must initial and date the change. The owner is to be advised of their additional obligation to comply with material terms and provisions of the State Landlord-Tenant laws, including laws prohibiting discrimination in the sale, rental or financing of housing.

The Section 8 Supervisor must approve the owner's lease and the Housing Representative must review the owner's lease for:

- a. Initial term of tenancy of one year with a start and end date of 12 months. Where the lease will begin on other than the first day of the month the end date will be 365 days after the start date. For example, if the start date is 5/15/00 the end date will be 5/14/01.
- b. Automatic renewal with defined successive term of *month-to-month, year to year, etc.*
- c. Amount of rent due under the lease stated as the *tenant rent* calculated by the Housing Representative.
- d. Amount of security deposit in an amount not to exceed one month's contract rent or the deposit charged by owner for their other *unassisted* units, whichever is the lesser.
- e. Required provisions of HUD's Section 8 Tenancy Addendum dated March 2000 (HUD

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

52641-A).

O. TERM OF ASSISTED LEASE [24 CFR §982.309]

The initial term of the assisted lease between the owner and tenant must be at least one year, and the assisted lease must provide for automatic renewal. However, a shorter initial term may be entered into if consistent with local rental market practices.

The tenant family can terminate the lease at any time after the initial term of the lease. The tenant family must provide written notice of termination to the owner, pursuant to the lease, with a copy to the Housing Agency. The tenant cannot be required to give more than 60 days notice to the owner. [24 CFR §982.309(b)].

The lease can also be terminated at any time by mutual agreement of the owner and tenant. The assisted lease will automatically terminate if the PHA terminates the owner's HAP contract or assistance for the family.

The owner is required to give 30 days written notice to the tenant where the owner is terminating at the end of the lease term.

The owner can terminate the family's tenancy during the term of the lease only for *serious or repeated violations of the lease; violation of federal, state, or local law; or other good cause*. Owner must follow lease terms and landlord/tenant law for such terminations.

Grounds for owners to terminate the lease include , but is not limited to: *criminal activity by the tenant, any member of the tenant's household, a guest, or any other person under the tenant's control that involves drugs or other criminal activity threatening the health, safety, or right to peaceful enjoyment of their residence by persons residing in or near the tenant's residence*. [24 CFR§ 982.3 | 0].

Owner initiated eviction procedure must be established through the court systems, pursuant to State and local laws and any applicable HUD requirements.

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

Other good cause generally includes, but is not limited to: the family's failure to accept a new or revised lease; a family's history of disturbance of neighbors or destruction of property the owner's desire to use the unit for personal use or for a purpose other than as a residential rental unit; or a business or economic purpose, such as the owner's desire to lease the unit at a higher rent. During the first year of the lease, the owner may not terminate for *other good cause* unless it involves a family lease violation. [24 CFR §982.310].

PO-§I.00 Assisted Tenancy

The lease between the owner and tenant family is for less than the full rent due on the unit. The Housing Agency will make rental assistance payments to the owner on behalf of the assisted tenant. During the term of the assisted tenancy, the owner and tenant family must comply with the terms of the lease and HAP contract to ensure continued eligibility for program participation.

PO-§I.01 Initial and Successive Lease Terms

The Housing Representative must review the owner's form of lease to ensure an initial term of lease for a period of not less than 12 months. The Housing Representative must also ensure that the assisted lease provides for *automatic renewal* (e.g., *month to month or year to year*) after the initial term.

**P. HOUSING AGENCY POLICY GOVERNING OWNER APPROVAL OR DISAPPROVAL
[24 CFR §982.306]**

An owner can be disapproved for program participation. Reasons for denial of participation can include, but are not limited to: owner has been *debarred, suspended*, or is subject to a *limited denial of participation (LDP)* by HUD [24 CFR 24]; owner has been found to have a practice of serious and repeated noncompliance with the terms of the Section 8 housing assistance payments contract (Form HUD 52641); or criminal activity by the owner.

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

When directed by HUD, the Housing Agency will not approve an owner or owner's unit if there is a government initiated administrative or judicial action is pending against the owner for a violation of the *Fair Housing Act* or other federal equal opportunity requirements or if a court or administrative Housing Agency has determined that the owner has committed such a violation. [24 CFR§982.306 (a) (b)].

The Housing Agency may deny an owner's request for participation for any of the following reasons: [24 CFR §982.306(c)]

- (1) Violation of owner's obligations under any Section 8 contract;
- (2) Fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program;
- (3) Drug trafficking (based on a *preponderance of evidence*);
- (4) Owner's history of non-compliance with the HQS or other applicable housing standards,
- (5) Owner's history or practice of renting units which fail to comply with state or local housing codes; and/or
- (6) Owner's failure to pay state or local real estate taxes, fines, or assessments.

Q. PAYMENTS DUE THE OWNER: HOUSING ASSISTANCE PAYMENTS AND TENANT RENT

The Housing Agency shall make Housing Assistance Payments to the Owner on behalf of the eligible family in accordance with the HAP Contract. No payments shall be made for any unit occupied by an Owner except in the instance of owner occupied cooperative housing units or owner occupied mobile homes approved for pad rental assistance payments.

The lease between the owner and tenant shall provide *tenant rent* under the applicable HUD formula. The Housing Agency shall make a payment on behalf of the family to the owner that is known as the housing assistance payment (HAP). **The lease between the owner and tenant shall state the tenant's share of the rent.** The HAP contract will provide for the amount to be paid by the Housing Agency. Initially, and until notice of a change in tenant rent

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

or HAP, the owner may collect only the amounts approved by the Housing Agency.

The Housing Agency may abate its housing assistance payment to the owner for non-compliance with material terms of the HAP contract. The Housing Agency may also withhold housing assistance payments to owner for amounts due the Housing Agency under one or more contracts with the Housing Agency. The owner may not collect from the tenant family any amounts withheld by the Housing Agency. The Housing Agency will terminate HAP the date any owner initiated eviction is concluded.

I. Calculation of Tenant Rent and Subsidy.

The tenant's rent and subsidy will be calculated in accordance with the prevailing HUD formula, including the minimum rent as most recently adopted by the Housing Board. The minimum rent adopted by Municipality of Lares Housing Agency is \$50.00 dollars.

2. Establishing and Documenting Reasonableness of Owner's Rent

The rent to owner under the housing choice voucher program must be *reasonable* when compared to comparable unassisted units.

The Housing Representative must execute a rent-reasonableness certification at initial occupancy; whenever the owner submits a request for an increase in contract rent; and when there is a decrease in FMRs of five-percent (5%) or more in the 60-day period preceding the effective date of the rent increase.

3. Timing of Payments

Tenant rent is due and payable to the owner as of the date stated in the lease.

For new contracts, the Housing Agency shall make assistance payments to the owner as of the effective date of the Housing Agency-approved lease; in some instances, this may result in a retroactive payment of HAP. The Housing Agency will make every effort to execute the HAP contract with the owner as of the start of the lease term. The Housing Agency has up to 60

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

days from the date of the approved lease to execute the HAP contract. An owner is entitled to full payment of the HAP as of the approved lease date. However, if the Housing Agency and owner do not execute the HAP contract within 60 days of the lease effective date, the lease between owner and tenant shall be voided and no housing assistance payments will be made. [24 CFR §982.305(c)].

In some instances, the first payment for a new lease-up may not be made until the second month after the approved lease and HAP contract signed by the owner has been returned to the Housing Agency.

After the initial payment for a contract has been received the owner shall continue to receive monthly payments between the first and tenth working day of each month that the family occupies the unit as a Section 8-assisted family. The Municipality of Lares Housing Agency shall make every reasonable effort to ensure owner payments are mailed on or before the first 5 days of each month. Lost checks may be reissued after notifying the bank to stop payment.

4. Additional Payments

If the family vacates the unit after the first day of the month without written notice to the owner, with a copy to the Municipality of Lares Housing Agency, as required under the lease and housing choice voucher, the owner is entitled to keep the full housing assistance payment for the month. The Housing Agency will not make further payments to an owner for any month after the month the family vacates.

If the family is approved to lease another unit during the same month, the Housing Agency will make a pro-rated payment to the new owner. In short, a family may be approved for two assistance payments for two different units in the same month, and such payments are not considered duplicate assistance.[24 CFR §982.311(d)]

5. Special Claims

Payments other than the regular housing assistance payments and approved late fees are

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

prohibited in the housing choice voucher program. Any owner claims for unpaid tenant rent, vacancy loss or unit damage must be pursued with the tenant family.

R. CHANGING THE VOUCHER PAYMENT STANDARD [24 CFR §982.503]

At least annually, the Housing Agency shall evaluate whether an adjustment to the payment standard is necessary to assure continued *affordability* of housing by participating families. The evaluation shall take into account "local factors" as well as the financial impact on the program. In no event shall the payment standard be less than 90% of the most recently FMR, nor greater than 110% of the most recently published FMR without express written approval of HUD.

The following are examples of local factors to be considered in establishing the payment standard schedule:

- (i) participant rent burden
- (ii) actual contract rents for specific bedroom sizes
- (iii) actual rent increases for participating families
- (iv) current fair market rent
- (v) success rate in securing eligible housing
- (vi) rent reasonableness data
- (vii) vacancy rate data
- (viii) market rent data for comparable unassisted units
- (vii) financial impact on the Housing Voucher Program

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

- (viii) sufficient funding level provided by HUD to support continued assistance to families

The Municipality of Lares Housing Agency shall analyze whether voucher holders have experienced difficulties in finding housing outside areas of poverty or minority concentration and, where such difficulties were found, the Public Housing Agency will consider whether it is appropriate to seek approval of exception payment standard amounts in any part of its jurisdiction and has sought HUD approval when necessary.

In the event that funding levels are insufficient to continue supporting assistance to families, the Municipality of Lares Housing Agency will analyze costs to the program, burden to participating families, burden to participating landlords and the overall social economic impacts to its communities. In its analysis the Municipality of Lares Housing Agency determines that funding levels are too low it will attempt to lower its payments standards to a tolerable 90% of FMR levels of funding. The Municipality of Lares Housing Agency will adopt 100% FMR as the Payment Standard accordance with HUD requirements as stated in 24 CFR 982.454.

I. Changes in Application of the Payment Standard

The family's payment standard may be changed at regular re-examination and at the time the family moves, consistent with the Municipality of Lares Housing Agency's most recently adopted payment standard schedule.

2. Adjustment to Initial "Rent to Owner"

The rent to owner (contract rent) shall not be changed during the "initial term of lease". Owner may request an increase no sooner than 60 days before the anniversary date of the contract to ensure timely review and response from the MLHA and family. The owner may also request approval of an adjustment in the initial rent after the anniversary date upon 60 days written notice. However, any approved increase in rent will not be effective until the first rent period following a 30 day notice of approval to the owner and family.

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

Owner must provide both the family and the Housing Agency with copy of the owner's proposed rent. The Housing Agency shall make a determination of the "reasonableness" of the owner's proposed rent adjustment using the criteria described in Section Q.2 of this plan. If the agency determines the owner's proposed rent adjustment to be "unreasonable" in light of its review of "like units" (i.e., *unit comparables*) the family will be so advised and given the opportunity to:

- a. Move with continued voucher assistance;
- b. Continue in occupancy with the owner under a non-assisted lease agreement (and absent voucher subsidy).

S. SECURITY DEPOSITS [24 CFR §982.313]

The owner may collect a security deposit from the tenant family that does not exceed one month's contract rent. If the owner collects less than one month's rent as security deposit on the owner's other (unassisted) rental units the security deposits on the Section 8 assisted units must be established at the same amount.

Owner may use the security deposit to cover unpaid tenant rent owing at time of move out, damages and/or other costs allowed under State Landlord-Tenant Act. The Municipality of Lares Housing Agency will provide a prior Section 8 owner with the current address of a family who continues to receive Section 8 assistance when the owner provides evidence that (1) the unpaid rent/damages exceed the security deposit collected and (2) the owner has received a court judgment for additional amounts owed.

T. CONTINUED ELIGIBILITY AND INCOME ADJUSTMENT

A family's eligibility for Section 8 Voucher Assistance (HAP) continues if the family meets the requirements governing eligibility, **until** (1) the Total Tenant Payment equals the Gross Rent for the dwelling unit occupied or (2) until 30% of the family's monthly adjusted income equals or exceeds the applicable payment standard; or (3) 10% of family's monthly income equals or

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

exceeds the actual rent plus any allowance for tenant-paid utilities. Payments under the program can be reinstated if the family's income drops. However, if no payments are made for a period of 180 days (6 months), the HAP contract automatically terminates. [24 CFR §982.455]

Termination of rental assistance at such point shall not affect the family's other rights under its lease Agreement nor shall such termination preclude resumption of payment as a result of subsequent changes in income or rents or other relevant circumstances during the six month term. The family must pay the full contract rent when HAP is reduced to zero, and the assisted lease between the owner and tenant automatically terminates.

PT-§1.00 Interim Reporting Policy and Procedures

Housing Choice Voucher families are required to report the following changes in family circumstances between regularly scheduled re-certifications:

- I. **The tenant must report all changes in the household composition.**
 - a. If a household member vacates the unit and is considered by the family to be permanently absent; or
 - b. A new person is proposed to move into the unit.

2. **The tenant may report any of the following changes which would result in a decrease in the tenant's rent:**
 - a. Loss of income;
 - b. Increase in allowable expenses (i.e., *child care, handicapped assistance, medical*).

Decreases in the tenant's portion of the rent will be effective the first day of the month following the month in which the change occurs, sometimes resulting in a

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

retroactive decrease.

However, the MLHA will not reduce a tenant's rent for a loss/reduction in welfare income (TANF) due to family:

- i. Fraud
- ii. Failure to participate in a required work activity
- iii. Failure to participate in a required economic self-sufficiency activity.

Any reported reduction in welfare benefits will be verified with the local welfare department. The agency will rely on the written statements of the welfare agency in making its determination of eligibility for a rent reduction.

2. Tenants must report **all** income increases within **10** days of the change. However, rent increases as a result of an increase in *earned* income from a previously reported employer, or an increase in *cash assistance payments* (e.g., SSI, SSD, TANF, etc.) will not go into effect until the next regular schedule annual examination. However, a change of employers, or a family member becoming employed after having reported being unemployed, will result in an interim re-determination of tenant rent. Other family changes resulting in an interim re-determination of tenant's rent is described at section PT 1.02.

3. A new source of income and/or unreported increases in income (where required by this policy) that remains unreported for more than 30 days, will be considered a program violation resulting in a retroactive increase in tenant's rent. A family with a retroactive increase may be eligible for a repayment agreement. A family cannot, however, enter into multiple payment agreements with the MLHA which may result in a requirement of full payment of the amounts owed.

PT. §1.02 Family Circumstances Requiring Interim Re-exams:

- I. For families whose annual income cannot be projected with any reasonable degree of

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

accuracy such as self-employed persons, interim re-examination shall be conducted every 90 days;

2. For families where Housing Agency personnel made an error at admission or re-examination an interim re-exam will be conducted upon notice by the Municipality of Lares Housing Agency. The family will not be charged retroactively for an increase in TTP; however, any decrease in tenant's rent will be made retroactive.
3. For families who report a temporary loss of income and the income is expected to be fully restored within 30 days the Housing Agency will not perform an interim re-exam. Staff must receive 3rd party written verification that the income is expected to be fully restored.
4. For families whose rent has been based on false or incomplete information supplied by the applicant or resident an interim re-exam will be conducted upon notice by the Municipality of Lares Housing Agency. Any increase in TTP will be made retroactively.
5. Notice to the Housing Agency of *family income discrepancies* through HUD's *Tenant Assessment Sub-System (TASS)* and or *Enterprise Income Verification System* will require performance of an interim reexam.

PT-§1.03 Forms Used for Interim Reexaminations

Adult household members will be required to sign the applicable forms for third party verification for all factors of income or household composition **that have changed since the last certification**. Family factors impacting the rent calculation, which have not changed will not be re-verified even if the verifications are more than 120 days old. Section 8 staff will only verify the reported changes.

PT-§1.04 Standard for Timely Reporting of Changes and Tenant Penalties for Untimely Reporting

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

1. The family must report any required change within thirty (30) calendar days of when income or change in household composition occurs.
2. If the family does not bring the required information with them to the interview, a new interview date will be set within that month. In addition, third party verification will be sent out to verify the change(s).
3. An increase in tenant rent may be made retroactively while any decrease will be implemented prospectively, when the family does not keep the second scheduled interview appointment and fails to return by the end of the month. The Total Tenant Payment is calculated when the verification is received, and it will be considered "untimely reporting" by the tenant.

PT-§1.05 When the Change is Reported in a Timely Manner:

When the family reports a required change in a timely manner the Municipality of Lares Housing Agency will notify the tenant of any change in the Tenant's Rent to be effective in accordance with the following guidelines:

1. Increase in the Tenant's Rent will be made effective on the first of the month following the 30-day notice of rent increase.
2. Decreases in the Tenant's Rent will be effective the first of the month following the month the change occurred.

The change may be based on the documentation the tenant brought with them to the interview, followed up by the third party verification sent to the agency. Verbal representation alone by the tenant will not be acceptable. If the tenant has no form of documentation to support a decrease, downward rent adjustment will not be processed until the Housing Agency has received the necessary verifications. In such cases, this will result in a retroactive decrease in tenant's rent and the family is not liable for rent payment until the interim has been completed and the family has been notified of the amount and

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

effective date of the change.

PT-§1.06 Timing of the Next Annual Re-certification:

Without regard to the number of interim re-exams conducted, the family's annual date of re-exam will remain the same.

PT-§1.07 Section 8 Staff Procedures for Conducting Annual Re-exams

The Section 8 Housing Representatives have responsibility for initiating and completing the annual re-exams in a timely manner. This means all required actions, including the annual inspection, is concluded at least thirty (30) days prior to the anniversary date.

The staff shall:

- 1) Send initial notice to re-certify with scheduled appointment date/time 90-120 days prior to the effective date;
- 2) Send follow-up notice within 5 days of a missed appointment if a family fails to show or reschedule appointment;
- 3) Send 30-day notice (3rd notice) of intent to terminate for non-compliance with terms of the voucher if the family has failed to respond to first and second notices. However, third notice must be sent at least 30 days prior to anniversary date. Third notice serves as the 30-day termination notice and shall be sent to both the tenant family and owner with reason(s) for proposed termination and family's right to request an informal hearing.
- 4) If family schedules appointment during the last 30 days Section 8 staff is to process the re-certification. Any changes in tenant's rent will be subject to timing described at §1.04 (i.e., tenant penalty for untimely reporting).

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

- 5) If family does not participate in re-exam interview by the scheduled effective date Section 8 staff will follow normal termination of assistance procedures.

U. REGULAR (ANNUAL) RE-EXAMINATION OF FAMILY'S INCOME AND CIRCUMSTANCES [24 CFR §882.212/882.515]

I. Annual Re-examination

Re-examination of a family's income and composition shall be made at least annually. If at the time of admission or re-examination, a family's income cannot be reasonably determined for the upcoming 12 month period, the Housing Agency shall require the family to comply with its 30, 60 or 90 day re-exam schedule.

2. Re-determination of Total Tenant Payments and Housing Assistance Payment

The Housing Agency shall make an appropriate re-determination on the amount of Total Tenant Payment and amount of the Housing Assistance Payment. Written Notice of Tenant's Rent and HAP will be provided to both the owner and tenant with a copy to the tenant's file.

3. Termination of Payments

Termination of Housing Assistance Payments due to a determination of family's ineligibility shall be in accordance with applicable HUD guidelines.

4. Changes in Family Size and Composition

Changes in family composition that result in a change in *family unit size* (i.e., "voucher size") will result in issuance of voucher with a different unit size only at the time the family moves, or at the time of the regularly scheduled annual reexamination of family circumstances.

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

5. Disclosure and Verification of Social Security Number

At re-examination, the family shall be required to disclose and verify Social Security Numbers for any family member age 6+ who has been assigned a social security number since the last certification or re-certification, as outlined in 24 CFR 5, as amended.

6. Evidence of Eligibility for Assistance Based on Citizen or Eligible Alien Status

Each family member, regardless of age, must submit a declaration of status as a U.S. citizen or a U.S. national or evidence of *eligible immigration status*, as defined at Section 214 of the U.S. Housing Act of 1980, and as amended in the Immigration Reform Act of 1996.

For citizens or nationals, all that must be submitted is a signed declaration of citizenship. Non-citizens age 62 and older, as of 6/19/95, must submit a signed declaration of eligible immigration status and proof of age. Other non-citizens must submit a signed declaration of eligible immigration status, proper documentation, and a signed verification form. Adults must sign their own forms. An adult residing in the assisted housing unit who is responsible for the child must sign applicable forms for children. [24 CFR §5]

The Housing Agency will conduct verification of eligible immigration status when other aspects of eligibility for assistance are being verified. The primary method of verification will be the use of the computerized verification system administered by the U.S. Immigration and Naturalization Service (INS). [24 CFR §5]

Housing assistance may be denied or terminated to an applicant or recipient in accordance with 24 CFR §5). An applicant household will have their assistance delayed or denied until at least one continuing family member has established eligibility as a U.S. citizen, U.S. national or an eligible immigrant. If all other factors of eligibility have been confirmed the family may be granted a 30 day extension to comply with the Section 214 provision, as amended. If the family fails to comply within this 30 day period the family will be determined ineligible for housing assistance and their HAP will be terminated.

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

Section 214 Compliance is a one-time requirement for each family member and is only implemented at re-exam for new family members.

Denial or termination of assistance to an applicant or participant's family can be appealed to the Housing Agency consistent with Section Y and with the INS in accordance with 24 CFR 5 subpart F.

PU-§I.00 Income Determinations

The gross annual income of the family is used to determine income eligibility and Total Tenant Payment, including sources of income as described at 24 CFR §5, and as periodically revised by HUD.

a. Income of Minors (Family members age 17 and younger)

Only certain sources of income to a minor will be included when determining the family's gross annual income. Such income includes benefit income of a minor such as social security, TANF, or any unearned income of a minor (including interest on a savings account). None of the earned/wage income of a minor will be included.

b. Income of Full Time Students

The Housing Agency will only include the first \$480 of earned income of a full-time student age 18 and older.

If the student receives grant or scholarship income the Housing Agency will not include any of the educational benefit income in calculation of annual income. In no case will the Municipality of Lares Housing Agency include student loans as income to the household no matter how the loan will be expended.

c. Income of Temporarily Absent Family Members

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

Family composition is a self-certification by the head/co-head of household. It is the policy of the Housing Agency to include:

1. Income of all persons expected to reside in the unit in the upcoming 12 month period.
2. If one or more family members will be absent from the unit for any portion of the 12 month period covered by the certification they will be considered a temporarily absent family member.
3. The absent family member's income will be included for the full 12 month period even if the income will not be available to the household for the period of time they expect to be absent.
4. If the absent family member is the head or spouse their full income will be included as income to the household even if they are not expected to occupy the unit or to be listed on the lease.
5. If the head or spouse is permanently absent from the household the Housing Representative may require verification.

Acceptable forms of independent verification will include:

- Legal separation papers
- Divorce decree
- Evidence of institutionalization; and

Dependent upon the circumstances the Housing Agency may consider other forms of verification that the family member is no longer a "member of the family".

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

In the absence of acceptable verification, the Housing Agency will continue to include the income of the absent family member as if they were only "temporarily absent".

d. Income of a Confined Family Member

If a family member has been permanently confined to a hospital or nursing home the Housing Agency will not include the income of this family member as income to the household, nor will the Housing Agency compute allowances/deductions for a permanently confined household member.

When the confined family member's income is excluded, the confined family member must not be listed on the assisted lease agreement between the owner and tenant family. The permanently absent family member's name can be removed from the existing lease. No new lease is required.

e. Regular Recurring Cash Contributions or Gifts

The Housing Agency will include as income only those cash contributions that the family expects to receive on a regular recurring basis. Staff may use credit reports to determine the potential for such recurring gifts, in addition to signed statements by donors or affidavits by the recipient. If an adult family member "barter" their labor for goods rather than monetary compensation the Municipality of Lares Housing Agency may establish a cash value for the personal service and use it as income to the household.

Non-cash gifts such, as groceries will not be included.

f. Net Income From a Business (or Profession) or From Rental of Real or Personal Property

The net income from a business or from rental of real or personal property will be included as income to the household.

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

Section 8 Staff will calculate the net income from a business by deducting from the projected gross income the following expenses: straight-line depreciation, the interest portion of loan payments, and all other expenses of the business, which are routine expenses of the business, and not related to business expansion or capital improvements.

If there is, evidence that the family withdraws cash or assets from the business these withdrawals will be included as income to the household unless there is verification that the withdrawal is specifically for reimbursement of amounts the family invested in the business.

Verification of business expenses to be deducted from the gross income of the business will be in keeping with requirements stated at Exhibit (Statement of Acceptable forms of verification).

Adult family members engaged in the operation of a business or profession will be subject to a 90 day re-exam schedule, as deemed appropriate by staff, for purposes of documenting current income. Section 8 staff may require such adults to maintain reports/records of current income (gross receipts) and expenses for the period between the performances of the interim re-exam.

g. Lump-sum Payments to be counted as Income

The Housing Agency will include only two types of lump-sum payments as income to the household. All other lump sum payments will be treated as an asset. The two types of lump sum payments to be included as income are:

- 1) Lump-sum payments for either a delayed start of a periodic payment (such as delayed payment of unemployment benefits); or
- 2) Lump sum payments for settlement of a disputed claim of what would have been a periodic payment (such as a lump sum payment of back child support).

Where such lump sum payments are received, the Housing Agency will require repayment on a prospective basis rather than a retroactive basis.

This method will result in an increased TTP over 12-18 month period and allows for the

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

gradual repayment of the monies owed for the period of time that Housing Agency "carried" the family while they were awaiting the benefit payments.

In the event the family receives a lump-sum payment that includes payment for a period of time that the family was not receiving housing assistance the Housing Agency will not include that portion of the lump sum payment in its prospective calculation in the amounts to be repaid.

h. Policy Governing Alimony and Child Support

A court-ordered decree will serve as third party verification of the amount of alimony and child support income expected to be received by the family. No other form of verification is required unless the family asserts that they are receiving an amount that differs from the decree. In this instance, the Housing Representative must verify the amount, which is actually being received; and the family has made all reasonable effort to collect the full amount due, including evidence of filing with courts or agencies responsible for enforcement of the payments due.

If the family is using the services of Legal Aid and there is documentation that the family has made an appointment for the express purpose of pursuing back payments the Municipality of Lares Housing Agency will consider this as an appropriate measure for taking "legal" action. Evidence of filing for enforcement of the child support order with the local Child Support Enforcement Agency (CSEA) an it is also considered an appropriate form of action under this rule.

When third party verification cannot be obtained which counters the decree the amount in the decree will be considered as income to the household.

i. Treatment of Military Pay

The military pay of the head of household or spouse, including allowances with the exception of combat/hazardous duty pay, will be included as income to the household, even if the head/co-head or spouse is not listed on the lease.

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

1. If the absent head/co-head has income from outside jobs or income from assets these income sources will not be counted as income to the family.
2. If the family receives an allotment from an adult child in the military on a regular recurring basis only the amount of the allotment will be included as income and not the full military pay.
3. In instances where the adult child in the military is listed on the lease they will be treated as a "temporarily absent family member" and the full amount of pay, including all regular allowances, will be counted as income to the household.
4. Verification of the military pay and regular allowances will be solicited first from the unit commander on a form developed by the Housing Agency unless the military requires a different form for verification purposes, in which case the military's form will be used.

If Section 8 staff is unable to receive third party verification (written preferred) a review of documents will be undertaken. The Section 8 staff will document the family file as to why they were unable to receive third party verification. The spouse/co-head must cooperate by providing Section 8 staff with required information such as:

- (a) unit identification/address,
- (b) rank
- (c) serial/social security number

Failure to cooperate will result in a denial of admission or termination of assistance for a participating family.

j. Procedure for Projecting Unstable Income

Where a family member has sporadic, yet recurring income such as a business owner or temporary clerical work the Section 8 staff will include projected income based upon current

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

income and expenses:

1. Place family on a 90-day re-exam cycle;
2. Require family to bring income information for the 12-week period preceding the date of certification;
3. Calculate average weekly or monthly income and use this as a base line figure to project income for the upcoming 12-month period.
4. Combine the income from this period with the income from the prior period to establish a new baseline weekly or monthly figure;
5. Recalculate the TTP and determine need for additional interim re-exams.

PU-§1.02 Asset Determinations

Income from assets is to be included as income to the household. Asset income to be included can include either actual or *imputed* income from assets depending upon the total value of assets effectively owned by the family. Accordingly, the Housing Representative shall establish the cash value of assets held by the family.

Assets to be considered will include the following:

- a. Amounts in savings and checking accounts;
- b. Stocks, bonds, savings certificates, moneymaker funds and other investment accounts;
- c. Equity in real property or other capital investments;
- d. Cash value of trusts that are available to the household;

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

- e. IRA, Keogh and similar retirement savings accounts;
- f. Contributions to company retirement/pension fund;
- g. Assets, which although owned by more than one person, allow unrestricted access by the applicant;
- h. Lump-sum receipts such as inheritances, capital gains, lottery winnings, cash from sale of assets, insurance settlements, Social Security and SSI lump-sum payments and other claims;
- i. Personal property held as an investment such as gems, jewelry, coin collections, antiques cars, etc.;
- j. Cash value of life insurance policies;
- k. Assets disposed of for less than fair market value during the two years preceding examination or re-examination.

Where there is a dispute over the "effective ownership" of an asset, the Section 8 staff will determine ownership based upon (a) who reports the asset to IRS for tax liability ("CRIM, Hacienda") purposes; and (b) who receives the income from the asset as reported to the IRS.

Where the percentage of ownership is legally defined only that portion/percentage of the cash value of the asset will be included in the calculation of net family assets.

The value of necessary personal property maintained for personal use will not be included in the calculation of net family assets, including but limited to items such as clothing, furniture, jewelry, automobiles, stereo/TV equipment, etc.

If the family, however, maintains personal property for moneymaking purposes (i.e., investment

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

purposes) the value of such items will be included in the calculation of net family assets. If there is a question/dispute over whether or not personal property is to be included as, an asset the definition/ test will be as follows:

- A. *Necessary personal property is not expected to increase in value; and*
- B. *Necessary personal property is usually "used" by the owner.*

This would include *rental property for investment purposes* as an asset to the household. In this instance, the cash value of the rental property and the *net rental income* will be included as a source of income to the household. If the property is part of an active business, as would be the case of a person where real estate is their main occupation, then the property will be treated as Assets of the business and not as a family asset.

The Section 8 staff will include both current and actual assets the family now holds as well as assets the family has disposed of for less than fair market value (i.e., imputed assets) in the two-year period preceding the date of certification or re-certification.

It is the policy of this Housing Agency to exclude the imputed assets when calculating the net family assets in two instances. First, where the asset(s) were disposed of for less than fair market value as the result of a legal proceeding/judgment or, second, when the value of the asset at the time of disposal was less than \$1,000.00.

PU-§1.03 Determining Adjusted Annual Income

Adjusted annual income is defined as *gross annual income less allowable deductions from income.*

Congress has established the deductions and allowable expenses to be deducted from the gross annual income. Currently, the Housing Agency is implementing the following deductions from income as applicable to each family's individual circumstances:

- a. **\$480 dependent deduction**

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

- b. \$400 elderly/disabled household deduction.

Neither of these deductions from income requires third party verification. Eligibility for the *dependent* and *elderly household* deduction is achieved through a Section 8 staff evaluation of the family's circumstances and prevailing HUD instructions/definitions.

Allowable expenses, which can be deducted from gross annual income, must be third party verified and include:

- a. Reasonable child care expense
- b. Allowable handicapped assistance expense; and
- c. Allowable medical expense.

PU-§I.04 Housing Agency Child Care Policy

Consistent with current HUD instructions at 24 CFR 5 and handbook 4350.3 CHG-I, the MLHA will deduct reasonable childcare expense when all of the following is true (and verifiable):

- a. Expense enables a family member to go to work, to school or to look for a job after recently losing a job; (up to 20 hours weekly with documentation acceptable to the Municipality of Lares Housing Agency).
- b. In instances where the childcare is necessary to allow an adult family member to seek employment, the agency will allow up to 20 hours of weekly child care expense. The family must provide documentation to support both their efforts to gain employment, and the related child care expense. Staff may use receipts or similar forms of verification that are dated for the period of eight weeks preceding the certification.
- c. "School" is either academic or vocational and the course of study will result in a degree/diploma or a certificate;

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

- d. Enrollment in school is either full- or part-time in accordance with that institution's definition;
- e. Expense is for the care of children in the assisted household who are age 12 or younger (including the cost of care for a foster child age 12 and younger which is not paid/reimbursed);
- f. Child care expenses cannot be paid to a family member residing in the assisted unit nor paid (or reimbursed) by an organization or individual outside of the unit;
- g. Expense is reasonable in terms of cost and relationship to eligible activity (as stated in [a] above).
- h. Any expense associated with the keeping of children to allow a family member to go to work does not exceed the earnings of the individual who is enabled to work.
- i. No adult is available or capable of providing the childcare during the hours required.
- j. Childcare expenses (not to exceed \$600.00 annually) to unable a family member to seek employment.

Procedures for Establishing Reasonable Costs of Child Care

To determine if the cost of the childcare is reasonable the Housing Agency will conduct a survey of childcare providers at least annually. This survey will include both "in-home" providers as well as institutional providers. Section 8 staff will be provided a schedule of "reasonable" charges and the maximum cost to be deducted will be established in light of the survey results.

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

If the family incurs expense in excess of the stated amounts on the Housing Agency's schedule the survey amount will become the maximum allowable expense to be deducted unless there are extenuating circumstances. In such cases the approval to exceed the scheduled amounts must be approved by the supervisor of Housing Representatives on a case-by-case basis.

PU-§I.05 Income Verification Requirements

The Housing Representative will request only that information which is necessary to determine the family's eligibility or level of assistance. For some types of income listed in Appendix I of this plan, appropriate requests for information are combined with the types of verification that are permitted.

In deciding whether to add information to a particular verification request that is not listed below, the Housing Representative must ask:

- 1) *Is this information necessary to determine the individual's eligibility for assistance or level of assistance?* If the answer is yes, then the Housing Representative may verify that information.
- 2) If the answer is *no*, then the Housing Representative may not verify that information.

V. INSPECTIONS OF DWELLING UNIT [24 CFR '982.401]

I. Initial Inspection of Unit

Before approving any Lease Agreement, the Authority shall inspect the unit for compliance with the HUD Housing Quality Standards, as amended by local code, where applicable. Any such amendments to the HQS will board adopted.

- a. If there are any deficiencies which must be corrected, the Housing Agency shall

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

notify the Owner and tenant of the corrections required. The Housing Agency shall re-inspect the unit to insure that all deficiencies are corrected prior to approving a Lease or HAP Contract.

- b. The Authority shall prepare and maintain reports on initial inspections and any required re-inspections. The inspection report shall specify (i) any deficiencies, which must be corrected; and (ii) any other deficiencies (comments), as a factor in determining the *reasonableness* of the rent to owner.

2. On-going Inspections to Determine If Unit meets HQS

The Housing Agency shall inspect or cause to be inspected each unit at least annually, and at such other times as may be necessary, to assure that the owner and tenant family is maintaining the unit to meet the HQS and providing the agreed upon utilities and other services.

3. Applicability of the HQS Occupancy/Space Standard

The HQS Occupancy Standard shall be used as *acceptability criteria* for space and security requirements. The *family unit size* on the assigned housing choice voucher shall be established in accordance with the following general criteria:

- (a) parents are not required to share a bedroom with a child (regardless of age)
- (b) children of the same sex are expected to share a bedroom (regardless of age)
- (b) two children of the opposite sex, ages 6 or younger are expected to share a bedroom
- (c) two children of the opposite sex over the age of 6 are not expected to share a bedroom
- (d) adults of different generations (e.g., grandmother, mother, daughter) will be assumed to have separate bedrooms
- (e) an unrelated adult, such as a live-in aide, is not expected to share a bedroom with a family member
- (f) Elderly or disabled household members (related or unrelated) will be considered

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

- for separate bedrooms; and
- (g) Spouses or persons operating in a *spousal type* relationship are expected to share a bedroom.

Exceptions to the above criteria will be made, when necessary, for persons with disabilities as a *reasonable accommodation* under law. For example, a husband and wife could be assigned a two bedroom voucher if there are documented disabilities/medical conditions that necessitate separate bedrooms.

Similarly, a family may actually select a unit smaller than the designated *family unit size* as long as the unit selection will not result in more than two persons sharing a *sleeping room* (as defined by HUD regulations).

The Housing Agency shall not charge the family or the owner for any inspection performed. (24 CFR §982.405.)

4. Determination that Unit does not meet HQS

The owner is generally responsible for maintaining a unit in accordance with the HQS, and failure to carry out this responsibility can result in Housing Agency enforcement action.

When a unit does not meet the HQS and the Owner or tenant fails to take corrective action after being duly notified, the Housing Agency may exercise any of its rights, including abatement of HAP (even if the family continues in occupancy), reduction of HAP and/or termination of the Contract. The Housing Agency cannot make HAP for a dwelling unit that fails to meet the HQS unless the owner corrects the defect(s) within the time period specified by the Housing Agency.

Life threatening defects must be corrected within no more than 24 hours, and other defects must be corrected within no more than 30 days or any Housing Agency-approved extension.

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

Life threatening defects are defined to include, but not necessarily limited to:

- Electrical hazards (e.g., *exposed wiring, “shorting”, open/non-functioning junction boxes, improper wiring, etc.*);
- Broken/missing smoke detectors
- Severe tripping hazards (e.g., *missing floorboards, severely broken/missing steps in rooms used for living, etc.*)
- Severe water leaks (i.e., *freely running water that poses a threat to life or property*)
- Noxious gases/odors
- Blocked fire exits
- Sharp edges (e.g., *broken protruding glass*)
- Improperly stored flammable liquids (e.g., *gasoline, kerosene, etc.*)
- Health hazards as defined by local/county code

5. Family Obligation to Comply with the HQS

The family is responsible for any HQS breach caused by its failure to maintain tenant paid utilities, by its failure to maintain tenant-supplied appliances, or damage to the unit by a family member or guest over and above ordinary wear and tear. The family, like the owner, must correct any life-threatening defect for which it is responsible within no more than 24 hours and any other defect within 30 days or any Housing Agency-approved extension.

The Housing Agency may terminate Section 8 rental assistance for a family that causes an HQS breach. [24 CFR §982.404].

6. Housing Agency and Owner Obligations for Units with Lead-Based Paint

Prior to execution of the HAP contract the owner must inform the Housing Agency and the family of any knowledge the owner has of the presence of lead-based paint on the surfaces of

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

the residential unit. [24 CFR §982.401]

The Municipality of Lares Housing Agency will inspect units constructed before January 1, 1978, **expected to be occupied by children under the age of six** to determine if there is deteriorated paint. All deteriorated paint will be made intact before the Municipality of Lares Housing Agency will enter into a HAP contract. If a child with an elevated intervention blood lead level will occupy the unit, the Municipality of Lares Housing Agency will perform an inspection of the unit to determine whether there is lead-based paint on chewable surfaces or any deteriorated lead-based paint. Chewable surfaces include all painted chewable surfaces in the unit within reach of a six-year-old child (i.e., painted surfaces up to five feet from the floor).

The Municipality of Lares Housing Agency will pay for the lead-based paint testing of unit constructed before January 1, 1978 that will be occupied by children under the age of six if the local or state health agencies are unwilling or unable to do so.

A clearance test will be performed by the Municipality of Lares Housing Agency for initial and annual units when the amount of deteriorated paint exceeds the *de minimis* levels specified in the regulations of no more than 20 square feet collectively on exterior surfaces or no more than two square feet in any one interior space or room, or no more than 10 percent 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. The Municipality of Lares Housing Agency will ensure that the owner is responsible for:

- a. Payment of subsequent clearance test where the initial clearance test failed the unit, and
- b. Submittal of the results of the subsequent clearance tests to the Municipality of Lares Housing Agency and the family.

Pursuant to §982.401(j)(3) the Municipality of Lares Housing Agency will undertake a visual inspection for defective paint surfaces, on which paint is cracking, scaling, chipping, peeling or loose, in all pre-1978 units that will be occupied by families with children under the age of six. If defective paint surfaces are found, the unit may not be approved unless surfaces have been treated in accordance with §982.4401(j)(6).

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

When inspecting a dwelling unit (both initial and annual inspections) that was constructed before January 1, 1978, and that will be occupied by a family with a child under the age of six with an identified EBL condition, the Housing Agency will include:

- a. visual inspection for deteriorated paint;
- b. a test for lead-based paint on chewable surfaces; and
- c. any other tests required by local or State laws.

The Municipality of Lares Housing Agency will also inspect and, if applicable, have the owner treat exterior chewable surfaces within five feet from the ground. The MLHA will conduct a risk assessment of the unit in which the child, under age of six with an environmental intervention blood-lead level (EIBLL) lived at the time the blood as last sampled, unless the public health department has already conducted an evaluation. Risk assessments will be conducted within 15 days of being notified by the public health department or other medical health providers that a EIBLL child under age of six resides at a unit assisted by a housing choice voucher pursuant to 24 CFR §35.1350(d).

Clearance inspections will be performed within 24 hours of the owner's notification that repairs have been completed. For initial units, if the unit fails a second time the Municipality of Lares Housing Agency shall notify the owner that the family may not lease the unit with assistance under the housing choice voucher program, unless final clearance is achieved. If the unit is under a HAP contract, the Municipality of Lares Housing Agency will notify the owner that the Housing Agency will abate payments and that the HAP contract will be terminated once the family is relocated.

7. PHA Data Collection and Record Keeping

The owner and the Housing Agency must comply with all requirements of the final rule on Lead-based Paint published, effective September 15, 2000.

The Housing Agency will attempt to collect annually from local health agencies the names of

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

children with an *elevated blood level (EBL)* and will annually attempt to match this information with the names and addresses of assisted families. If a match occurs, the Housing Agency must determine whether local health officials have tested the unit for lead-based paint. If the unit has lead based paint the Housing Agency will require the owner to treat the lead based paint in accordance with 24 CFR 982.401. If the owner does not take the required corrective action in the time prescribed, the Housing Agency will issue the affected family a voucher to move.

The Housing Agency will keep a copy of each unit's inspection report for at least three years. If a dwelling unit requires testing for lead-based paint, or if the dwelling unit requires treatment of chewable surfaces based on the testing, the Housing Agency will maintain the unit inspection reports indefinitely and, if applicable, the owner's certification of treatment.

The Municipality of Lares Housing Agency will document that it requested from local and State health departments the address of families with RBL children assisted with housing choice vouchers in the tenant-based assistance programs.

8. Applicability of Local Code to Health and Safety

Section 8 Representatives will use local code requirements for existing housing in determining the appropriate corrective action to be taken by an owner for any defects related to the health and/or safety of the occupants.

9. Conduct of Quality Control (QC) Inspections

The Section 8 program supervisor will re-inspect at least 1 units initially inspected by the Section 8 Housing Representatives.

The QC inspections will be performed throughout the year, and a record of all such QC inspections will be maintained in a separate file, as SEMAP Documentation.

The QC sampling will include units that initially passed and failed HQS to assure:

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

- (i) consistency between Representatives
- (ii) uniform application for HQS

PV-§1.00 Overview

The Municipality of Lares Housing Agency adheres to the acceptability criteria as found in 24 CFR 982.403 and the HUD Inspection Booklet (governing the Section 8 Housing Quality Inspection Standards. HUD's Housing Quality Standards are applicable to all housing assisted under any form of HAP contract.

PV-§1.01 New/Move Unit Inspection Procedures

The Housing Agency shall conduct unit inspections before lease approval and execution of a HAP Contract to ensure the unit is in compliance with the HQS or HUD-approved variations for the Municipality of Lares Housing Agency's Section 8 program.

Once a Voucher- Holder and prospective owner have requested lease approval for a specific unit, the Housing Agency is responsible for the following:

- a. The Housing Inspector shall make every reasonable effort to schedule a unit inspection on the date the owner indicates the unit will be ready for inspection within seven days of receiving RFTA, or as soon thereafter as possible. Lengthy delays of inspections will be avoided since delays can cause owners and families to lose interest in program participation.
- b. The Housing Inspector shall conduct a thorough inspection of the unit to determine compliance with all HQS *Performance Requirements and Acceptability Criteria* prior to lease approval.
- c. *Marginal units* (i.e., those that are likely to fall below the HQS within a year) will not be approved.
- d. The Housing Inspector will inspect the unit using the long or short version of

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

Form HUD-52580, as instructed by the supervisor of inspections.

- (i). If the unit fail its initial inspection the owner will be given ten (10) calendar days in which to make the required repairs.
- (ii) If the unit fails the re-inspection and the owner cannot show "good cause" for failure to comply, the unit shall not be eligible for re-inspection under the same RFTA. Family shall be advised to search for another unit and to submit another RFTA before the expiration date of the voucher.

All determinations resulting from each inspector's on-site inspection will be adequately documented in the participant file.

PV-§1.02 Additional Duties of the Inspector

Prior to or during the inspection, the Housing Inspector (Representative) shall obtain the following information to assist the Housing Representative in making additional determinations which are required by the program:

- a. The actual number of bedrooms (excluding living/sleeping rooms) contained within the unit to insure that the proper FMR limitations are used and that the owner's statements on the *Request for Tenancy Approval* regarding unit size are factual (applicable to the voucher program).

For example, an owner may have considered the unit to be a three-bedroom unit, but the Housing Agency may find that only two of the bedrooms meet the applicable HQS criteria (e.g., a window, two electrical outlets or one outlet and one permanently installed light fixture).

Unless the owner is willing and able to bring the third bedroom into compliance, the unit must be considered a two-bedroom unit for rent reasonableness, and

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

for determining whether the unit meets the HQS space and security criteria.

- b. Information with respect to the unit's age, quality, amenities, location, contract and gross rents, unit type, and square footage of living space, which is necessary to determine whether the requested rent to owner is reasonable.

The Housing Agency's Representatives will assist in collecting and validating the information given as they have first hand knowledge of the units and the rental marketplace.

PV-§1.03 Annual Inspection Procedures

The Housing Agency is required to inspect each dwelling unit at least annually to determine if the owner and tenant family is maintaining the unit in a decent, safe, and sanitary condition.

- a. The Housing Agency shall conduct its annual inspection(s) within one year of the date of the previous inspection. The annual re-inspection will usually coincide with the anniversary date of the contract. In some limited circumstances, the Section 8 Office may conduct the re-inspection and the family re-examination at different points in time, but both activities will occur within 12 months of the initial activity.
- b. The Housing Agency will also promptly conduct inspections as part of the re-exam process to ensure that any deficiencies are corrected as of the anniversary date.
- c. The same procedures and forms as used for initial inspections shall be used for annual inspections.
- d. At re-exam, the inspector shall use the inspection form to document improvements that may have been made to the unit since the last inspection to determine whether information pertaining to rent reasonableness should be

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

updated. This documentation for Housing Agency files is especially important if the owner is requesting an annual adjustment in the contract rent on the basis of such actions.

- e. The Housing Agency shall also cite recommended improvements to encourage upgrading of units above the HQS on the annual inspection form. Such improvements may be in the owner's best interest since this may justify a higher comparable rent.

PV-§1.04 Special Unit Inspections

There may be circumstances other than the initial and annual inspections, which require the Housing Agency to determine a unit's compliance with the HQS criteria, as follows:

- a. Written or oral complaints/requests from participating families, owners, or other sources regarding the unit's condition or lack of maintenance and services by the responsible parties; or
- b. Owner requests to determine if a unit (s) qualifies for potential participation, such preliminary inspections may not be considered as substitutions for required initial inspections that may result from the submission of a Request of Lease Approval.

PV-§1.05 Required Actions after Completed Inspections

A. Initial Inspections

The following requirements apply to results of inspections performed in connection with an initial RFTA Tenancy. If the inspector has questions about the adequacy of certain items, these issues will be discussed with the family.

- I) If the Housing Agency's inspection reveals that the unit meets the applicable HQS

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

criteria, the Housing Agency may proceed with the other necessary determinations, such as rent reasonableness, preparation of HAP Contract and approval of lease, etc. The Section 8 Housing Representative shall notify the owner and family of the inspection results and may send the family a copy of the completed form.

- 2) If the Section 8 Inspection reveals HQS violations, the Housing Agency shall notify the owner and the family that the unit may not be leased under the program until all deficiencies is corrected. A written list of the deficiencies will be forwarded to both the owner and the family with a prescribed period for corrective action (10 ten calendar days unless there are extenuating circumstances).
- 3) At the time of re-inspection of the failed unit the Section 8 Inspector will re-inspect all those items that were cited in the original deficiency notice. Should the unit pass the re-inspection the Section 8 Inspector will document the file accordingly and promptly notify the Housing Representative of the need to precede with the other required lease-up activities. Should the unit fail the re-inspection the owner and family will both be notified that the unit will not be re-inspected under the initial RFTA and that the family is to continue their search.
- 4) Neither the family nor the owner is entitled to an informal review of the decision to fail the unit for non-compliance with the HQS.

B. Annual Inspections

If the occupied unit fails HQS; or is otherwise not in compliance with any other provisions of the HAP Contract, the Section 8 Inspector will immediately notify the owner of the deficiencies, in writing. It is not the responsibility of the Section 8 Housing Inspector to prepare detailed repair specifications. The notice will describe the deficiencies, which are in violation of the HQS and require that the conditions be corrected within a time period specified by the Section 8 Inspector to be determined by the Housing Agency as follows:

- I. If there are serious deficiencies that present an immediate danger to the health and

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

safety of the family, (e.g., exhaust fumes from heating system) the Housing Agency requires the owner or tenant (to be determined by the Inspector) abate the hazardous condition within not more than 24 hours. If the owner/tenant does not take the required actions within the 24-hour time period, assistance payments will be abated until such time as the owner/tenant corrects the deficiencies.

In the event the "emergency" repairs are not completed within a maximum of 72 hours (or less if so prescribed by the Housing Agency) the contract will be terminated.

If the repairs to be made by the owner/tenant are made within the prescribed time frame the HAP will resume as of the date the deficiencies are fully corrected. The Housing Agency will not make payments for the period the unit was not in compliance and the owner/tenant had been notified, in writing, of the start of the abatement period.

2. If there are other deficiencies that do not affect the health and safety of the occupants, a determination of whether the owner or the tenant's family must make the repairs will be made. In either case, the owner or tenant must correct the items within 30 days or less.

The time period for corrective action will be specified in the Housing Agency's notice to the owner, and such time frame will be dependent upon the type, nature, extent of the repairs to be made.

3. If the owner or tenant does not take the required corrective action within the specified time period, the Housing Agency will determine if an extension of time is warranted depending upon the nature of the required work and any extenuating circumstances.

If an extension is not granted, the Housing Agency will either abate the housing assistance payments or terminate the HAP Contract.

4. If the HAP Contract is terminated, the Housing Agency will determine whether to reissue the family's voucher. If the unit deficiencies, which resulted in the termination of

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

HAP were tenant caused the family may be terminated from the program.

If the owner fails to make any owner-required repairs and the owner has a history of HQS non-compliance the owner may be barred from future/continued program participation.

5. During the period when payments have been abated, the Housing Agency will apprise the tenant of its responsibility to pay its share of rent to the owner and will advise the owner that abatement of the HAP is not grounds for termination or other adverse action against the family.
6. Section 8 Housing Representatives will re-inspect the unit to ensure that all HQS deficiencies have been corrected (a) as of the date of the scheduled inspection, and (b) prior to approval of any annual or special rent adjustment.

C. Special Complaint Unit Inspections

If problems similar to those discussed in the preceding sections are disclosed during a special unit inspection (e.g., performed as a result of a complaint from the family, owner, or other source), the same steps shall be taken by the Housing Agency, as outlined in the sections above, as appropriate.

If an annual or special inspection reveals that a unit or building has serious or life threatening deficiencies, the Housing Agency will re-inspect other units in the building leased to Section 8 assisted families, even though annual inspections of these units are not yet required.

D. Inspections Which Reveal Tenant Non-compliance

If an annual or special inspection reveals that a unit is no longer in a decent, safe, and sanitary condition according to the applicable HQS criteria because of the tenant's lack of maintenance, the tenant is responsible for taking appropriate action to correct deficiencies. In addition to notifying the tenant, in writing, of any deficiencies and corrective action required, the Section 8

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

Housing Representative shall also advise of the possible consequences of non-compliance. If the owner or Housing Agency is unable to get compliance from the family, the Housing Representative shall either abate the HAP payments or terminate the HAP Contract and the family's housing voucher. If the family remains in occupancy the family will become responsible for the full payment of the rent and the *assisted lease agreement* shall automatically terminate.

PV-§1.06 Termination of Payments and Contracts

If the Housing Agency finds the owner or tenant in continued non-compliance with the HQS both parties will be sent advance written notice of abatement of HAP and/or termination of the HAP contract.

When it has been determined that a unit fails to meet the HQS and the owner/tenant has failed to correct the failed items within the prescribed time frame, the housing assistance payment for the unit will be abated.

The abatement will continue until all failed items have been corrected or for 30 days from the date of abatement, whichever is the earlier.

The Housing Agency will re-inspect the abated units as soon as possible after the date of the owner's contact with the Housing Agency to report the completed work.

The abatement will end if it is confirmed at the re-inspection that all required repairs have been satisfactorily accomplished. Owner or tenant's failure to make required repairs during the abatement period will result in the issuance of the 30-day notice of termination.

While the termination notice is running the abatement will remain in effect. Once the HAP Contract is terminated it will not be reinstated for the same family, at the same unit.

The participating family will be reissued a Voucher to allow for a move with continued assistance if the HQS non-compliance was solely related to the owner's failure to act.

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

If the repairs are completed before the effective date of the termination, the termination notice can be rescinded if the tenant chooses to stay in the unit.

W. GROUNDS FOR DENIAL OR TERMINATION OF ASSISTANCE

The Housing Agency will deny assistance to an applicant or terminate assistance for a participant family because of the family's action or failure to act. Grounds for denial or termination of assistance will include violation of obligations under the program, prior eviction from public housing or prior termination of voucher assistance, a debt to the Housing Agency or another Housing Agency in connection with the Section 8 or public housing program, and drug related or violent criminal activity. [24 CFR §982.552-553]. The Housing Agency will terminate HAP Contracts as stipulated in 24 CFR 982.454, in the event that there are insufficient funding levels from HUD. The Housing Agency will notify in writing the landlord and participant on the date of effectiveness of termination. Once the Housing Agency regains sufficient levels of funding, the Agency will re-instate participants if their circumstances have not changed.

X. MLHA POLICY GOVERNING

The Municipality of Lares Housing Agency has a Policy of Zero Tolerance for “*Drug Related or Violent Criminal Activity*”. If the tenant, any member of the tenant's household, any guest or other person under the tenant's control engages in (a) any Criminal Activity that threatens the health, safety, or right of the peaceable enjoyment of their resident by persons residing in or near the participants resident. Drug related Criminal Activity means the illegal manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute, or use of controlled substance as defined in sec. 102 of the Controlled Substance Act (21 U.S.C. §802). Tenant and persons of the age of majority listed in the tenants' household engages in one and only one such act of Criminal Activity shall be cause for termination of Assistance, and cause for refusal of subsequent housing applications for a period of three (3) years. The Municipality of Lares Housing Agency will utilize without regard to local preferences it's available voucher Housing Agency, or any such Housing Agency/assistance made available through HUD's national

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

pool of subsidy, to assist persons who are cooperating with a federal, state or local law enforcement investigation involving drug-related criminal activity, and when the applicant or participant is under a threat assignment and recommended for relocation to minimize or eliminate the potential for harm to the family.

Y. PROHIBITION OF SEX OFFENDERS POLICY AND DOMESTIC VIOLENCE STATEMENT

“PROHIBITION SEX OFFENDERS POLICY”

The Municipality of Lares has established standards that prohibit admission to the program if any member of the household is subject to a lifetime registration under a State sex offender registration program (24 CFR 982.553 (2)). The Municipality of Lares (RQ065) will screen the family by performing a criminal history background check necessary to determine whether any household member is subject to a lifetime sex offender registration requirement in the State where the dwelling unit is located and in other States where the household members are known to have resided. The screening is to be carried-out through the Puerto Rico Police Department, which issues a Certificate of Conduct.

The Municipality of Lares will deny admission if any member of the household is subject to a lifetime registration requirement under a State sex offender registration program. Sex offenders, not subject to lifetime registration, will be denied assistance for the entire period they are subject to registration as sex offenders.

Domestic Violence Statement – Housing Choice Voucher Program

The Violence against Women Act (VAWA), Public Law 109-162 was signed into law on January 5, 2006. Section 603 of the law amends Section 5A of the U.S. Housing Act (42 U.S.C. 1437c-1) to require PHAs’ five-year annual PHA Plans to contain a Domestic Violence Policy Statement regarding any goals, activities, objectives, policies, or programs of the PHA that are intended to support or assist victims of domestic violence, dating violence, sexual assault, or stalking. Sections 606 and Section 607 amend the Section 8 and public housing sections of the U.S. Housing Act (42 U.S.C. 1437f and 1437d) to protect certain victims of criminal domestic

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

violence, dating violence, sexual assault, or stalking – as well as members of the victims' immediate families – from losing their HUD- assisted housing as a consequence of the abuse of which they were the victim. While awaiting new guidelines from the Department of Housing and Urban Development for implementing VAWA the Municipality of Lares (RQ065) has adopted the following goals and objectives, for Domestic Violence Policy:

- The VAWA applies to the Housing Choice Voucher Program
- The applicant/tenant/victim will be treated with respect and dignity.
- The Municipality of Lares will notify Housing Choice Voucher owners and managers of VAWA.
- The Municipality of Lares will notify voucher holders of their rights under VAWA including the possible portability of vouchers between jurisdictions to escape an imminent threat of further domestic violence or stalking.
- VAWA will be incorporated into the landlord and tenant orientation process.
- Necessary conforming amendments to Housing Choice Voucher Program rules, regulations and paperwork will be further addressed after receipt of guidelines from the Department of Housing and Urban Development (HUD).

Z. INFORMAL REVIEW OR HEARING ON AGENCY ACTION OR DECISION
[24 CFR §982.554-555]

A family who feels adversely affected as a result of an agency determination is entitled to an *informal hearing*. The request for an informal discussion must be filed in writing within fourteen (14) calendar days from the date of the written notification of the Housing Agency's action or decision.

Under the Section 8 program policies, the Housing Agency is not required to provide a hearing for determinations involving administrative discretion, general policy issues or class grievances, utility allowance schedules, refusal to extend or suspend a voucher term, refusal to approve a new lease, noncompliance with the HQS, or exercising or not exercising any right or remedy against the owner under the HAP contract. [24 CFR§ 982.555(b)]

PZ-§1.00 Informal hearing for participant (24 CFR §982.555)

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

a) *When hearing is required:*

- I. The Municipality of Lares Housing Agency will give a participant's family an opportunity for an informal hearing to consider whether the following PHA decisions relating to the individual circumstances of a participant's family are in accordance with the law, HUD regulations and PHA policies:
 - i) A determination of the family's annual or adjusted income, and the use of such income to compute the Housing Assistance Payment.
 - ii) A determination of the appropriate utility allowance (if any) for tenant-paid utilities from the PHA utility allowance schedule.
 - iii) A determination of the family unit size under the PHA subsidy standards.
 - iv) A determination that a voucher program family is residing in a unit with a larger number of bedrooms than appropriate for the family unit size under the PHA subsidy standards, or the PHA determination to deny the family's request for an exception from the standards.
 - v) A determination to terminate assistance for a participant family because of the family's action or failure to act (see §982.552).
 - vi) A determination to terminate assistance because the participant family has been absent from the assisted unit for longer than the maximum period permitted under PHA policy and HUD rules.
2. In the cases described in paragraphs (a)(I) (iv), (v) and (vi) of this section, the PHA will give the opportunity for an informal hearing before the PHA terminates housing assistance payments for the family under an outstanding HAP Contract.

b) *Notice to family*

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

1. In the cases described in paragraphs (a)(1) (i), (ii) and (iii) of this section, the PHA will notify the family that the family may ask for an explanation of the basis of the PHA determination, and that if the family does not agree with the determination, the family may request an informal hearing on the decision.
 2. In the cases described in paragraphs (a)(1) (iv), (v) and (vi) of this section, the PHA will give the family prompt written notice that the family may request a hearing. This notice will:
 - i) Contain a brief statement of reasons for the decision.
 - ii) State that if the family does not agree with the decision, the family may request an informal hearing on the decision, and
 - iii) State the deadlines for the family to request an informal hearing.
- c) *Expeditious hearing process.* Where a hearing for a participant's family is required under this section, the PHA will proceed with the hearing in a reasonably expeditious manner upon the request of the family. (i.e., 3-5 working days)
- d) *Participant's Hearing procedures*
1. *Discovery*
 - i) By family. The family will be given the opportunity to examine before the PHA hearing any PHA documents that are directly relevant to the hearing. The family will provide requested copies at the cost of five cents per page payable in cash at the office of the Central Administrative Office of the Municipality of Lares Housing Agency. If the PHA does not make the document available for examination on request of the family, the

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

Municipality of Lares Housing Agency may not rely on the document at the hearing.

- ii) By PHA. The HA hearing procedures do provide that the PHA must be given the opportunity to examine at PHA offices before the PHA hearing any family documents that are directly relevant to the hearing. The PHA must be allowed to copy any such document at the PHA's expense. If the family does not make the document available for examination on request of the PHA, the family may not rely on the document at the hearing.
 - iii) Documents. The term "documents" includes records and regulations.
3. *Representation of family.* At the family's own expense, the family may be represented by a lawyer or other representative.
 4. *Hearing officer: Appointment and Housing Agency.*
 - i) The hearing may be conducted by any person or persons designated by the PHA, other than a person who made or approved the decision under review or a subordinate of this person.
 - ii) The person who conducts the hearing may regulate the conduct of the hearing in accordance with the PHA hearing procedures.
 5. *Evidence.* The PHA and the family must be given the opportunity to present evidence, and may question any witnesses. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.
 6. *Issuance of decision.* The person who conducts the hearing must issue a written decision(s), stating briefly the reason(s) for the decision. Factual determinations relating to the individual circumstances of the family shall be based on a

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

preponderance of the evidence presented at the hearing. A copy of the hearing decision shall be furnished within seven (7) working days to the family.

- f) *Effect of decision.* The PHA is not bound by a hearing decision:
- 1) Concerning a matter for which the PHA is not required to provide an informal hearing under this section, or that otherwise exceeds the Housing Agency of the person conducting the hearing under the PHA hearing procedures.
 - 2) Contrary to HUD regulations or requirements, or otherwise contrary Federal, State, or Local laws.

If the PHA's general counsel determines that it is not bound by a hearing decision, the general counsel must notify the family within seven (7) working days of the determination, and of the reasons for the determination.

AA. USE OF SECTION 8 VOUCHERS FOR WITNESS RELOCATION PURPOSES [P.L. 104-134, 110 Stat. 1321]

Section 8 Rental Vouchers designated by HUD for the exclusive purpose of providing for families who have cooperated as witnesses in efforts to combat crime in public, Indian, and other assisted housing, including Section 8 Tenant-Based assisted housing, will be assigned consistent with the policies and procedures prescribed in HUD Notice 96-83.

The Municipality of Lares Housing Agency may utilize its own voucher funding for this same purpose on a case-by-case basis upon approval of the HUD Regional office.

In all such instance, the Municipality of Lares Housing Agency may maintain the tenant's files of these families separate from the remaining tenant files and under a fictitious name to ensure the confidentiality and security of all such families. These files may be maintained in the office of the Manager or the Office of General Counsel of the Municipality of Lares Housing Agency.

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

BB. QUALITY CONTROL REQUIREMENTS (SEMAP)

SEMAP COMPLIANCE

MLHA will comply with requirements of the Section Eight Management Assessment Program (SEMAP) delineated in 24 CFR 985 by performing quality control reviews on applicable indicators. SEMAP is a tool utilized by the U.S. Department of Housing and Urban Development to assess the Agency's performance in key areas of operations under the Section 8 HCV Program. SEMAP is comprised of 14 Performance indicators:

PURPOSE

The Section Eight Management Assessment Program is designed to assess whether the agency's Section 8 HCV Program is being properly administered to meet the goals of providing housing assistance to very low-income families. The goal of SEMAP system is to assist the agency in identifying its management deficiencies and capabilities, and to make an effective and efficient plan of action.

QUALITY CONTROL REVIEWS ON APPLICABLE PERFORMANCE INDICATORS

MLHA will perform quality control reviews on the following Section 8 indicators:

• Indicator #1 Selection from the waiting list [24 CFR Part 985.3 (a)]:

This indicator assessment verifies whether the authority has a written policy in its administrative plan for selecting families from the waiting list and whether the policy is being applied.

A quality control review must be performed to determine if 98 percent of applicants reaching the top of the waiting list and those admitted were actually selected from the waiting list in accordance with the Authority's policy. The Authority must document its review to support compliance of the requirement.

This indicator is worth 15 points.

• Indicator #2 Reasonable Rent [24 CFR Part 985.3 (b)]:

This indicator assessment confirms whether the Authority has a written reasonable rent

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

method of determining and document each unit leased that the rent to owner is reasonable based on current rents for comparable unassisted units at the time initial lease; if there is any increase in the rent to owner; and the at the HAP contract anniversary if there is a 5 percent decrease in the published FMR in effect 60 days before the HAP contract anniversary. The method must take into consideration the location, size, type, quality and age of the unit, amenities, housing services, and maintenance and utilities provided by the owners in determining comparability and reasonable rent. A quality control review must be performed to determine if a written policy is in place and it is being followed; if the policy considers location, size, age of unit, amenities, housing services, maintenance, and utilities in determining comparability; and if any increase and decrease are being appropriately applied in accordance to the policy.

This indicator is worth 15 points.

• **Indicator #3 Determination of Adjusted Income [24 CFR Part 985.3 (c)]:**

This indicator assessment confirms whether the Authority, at the time of admission and annual reexamination, verifies and correctly determines adjusted annual income for each assisted family and, where the family is responsible for utilities under the lease, the PHA uses the appropriate utility allowances for the unit leased in determining the gross rent. A quality control review must be performed to determine if at least 90 percent of families assisted, third party verification were obtained for annual income, the value of assets totaling more than \$5,000, expenses related to deductions from annual income, and other factors that affect the determination of adjusted income, and uses the verified information in determining the gross rent. The quality control review must also show that the Authority properly attributed and calculated allowances for any medical, childcare, and/or disability assistance expenses; and the appropriate utility allowances to determine gross rent for the unit leased.

This indicator is worth 20 points if the Authority obtains third party verifications of reported family annual income and assets; properly attributes and calculates allowances for any medical, child care, and/or disability assistance expenses and the appropriate utility allowances was used to determined gross rent; and 15 points if the Authority obtained and uses independent verification of income, properly attributes and allowances, and uses the appropriate utility allowances for only 80 to 89 percent of families.

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

• **Indicator #4 Utility Allowance Schedule [24 CFR Part 985.3 (d)]:**

This indicator confirms whether the Authority maintains an up-to-date utility allowance schedule. A quality control review must be performed to determine if the Authority reviewed its utility rate data within the last 12 months and adjusted its utility allowances schedule if there has been a change of 10 percent or more in the utility rate since the last time the utility allowance schedule was revised.

This indicator is worth 5 points

• **Indicator #5 HQS Quality Control Inspections [24 CFR Part 985.3 (e)]:**

This indicator assessment verifies whether a Supervisor or other qualified person re-inspects a sample of units under contract during the PHA fiscal year, which meets the minimum sample size requirement specified at 985.2. A quality control review must be performed to ensure that a Supervisor or qualified person performed quality control inspections on the required sample of units. The samples drawn must be a representation of cross section of neighborhoods and the work of a cross section of inspectors. This indicator is worth 5 points.

• **Indicator # 6 HQS Enforcement [24 CFR Part 985.3 (f)]:**

This indicator assessment verifies whether, following each HQS inspection of a unit under contract where the unit fails to meet HQS, any cited life-threatening HQS deficiencies are corrected within 24 hours from the inspection and all other cited HQS deficiencies are corrected within no more than 30 calendar days from the inspections or any PHA-approved extension. If deficiencies were not corrected in a timely manner, the assessment must indicate whether the Authority stopped housing assistance payments beginning no later than the first of the month following the specified correction period or terminates the HAP contract or, for family-caused defects, was prompt and vigorous action to enforce the family obligations. A quality control review must be performed to determine if failed HQS inspections show that for all cases sampled, any life-threatening HQS deficiencies were corrected with 24 hours from the inspections; and at least 98% of cases sampled, all other HQS deficiencies were corrected within no more than 30 calendar days from the inspection or any PHA approved extension. The assessment must also confirm those defects not corrected in a timely manner that abatement was applied or it took prompt and vigorous action to enforce family obligations. This indicator is worth 10 points.

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

• **Indicator #8 Payment Standards [24 CFR Part 985.3 (i)]:**

This indicator assessment verifies whether the Authority has adopted a payment standard schedule that establishes voucher payment standards amount by unit size for each FMR area in the Authority's jurisdiction. The payment standard schedule must not exceed 110 percent of the current applicable published FMRs and which are not less than 90 percent of the current applicable published FMRs (unless a higher or lower payment standard amount is approved by HUD). A quality control review must be performed to verify that a payment standard schedule has been established and the amounts per bedroom size are set between 90 to 110 percent of the published FMR for the PHA's jurisdiction. This indicator is worth 5 points.

• **Indicator #9 Annual Re-examination [24 CFR Part 985.3 (j)]:**

This indicator assessment verifies whether the Authority completes a re-examination of each participating family at least every 12 months. A quality control review must be performed to determine not more than 2 percent of re-examinations are not more than 2 months overdue. This indicator is worth 10 points if fewer than 5 percent of all PHA reexaminations are more than 2 months overdue; 5 points if 5 to 10 percent of all PHA re-examinations are more than 2 months overdue.

This indicator is worth 5 and 10 points.

• **Indicator #10 Correct Tenant Rent Calculations 24 CFR Part 985.3 (k)]:**

This indicator assessment verifies whether the Authority correctly calculates the tenant rent and the family share of the rent to owner. A quality control review must be performed to determine if the number of incorrectly calculated tenant rent and the family share of the rent to owner is fewer than 2 percent.

This indicator is worth 5 points.

• **Indicator #11 Pre-contract HQS [24 CFR Part 985.3 (l)]:**

This indicator assessment verifies whether newly leased units pass HQS inspection on or before the beginning date of the assisted lease and HAP contract. This indicator is worth 5 points. A quality control review must be performed to determine if 98 to 100 percent of newly leased units pass HQS inspection on or before the beginning of the assisted lease and HAP contract.

This indicator is worth 5 points.

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

• **Indicator #12 Annual HQS Inspections [24 CFR Part 985.3 (m)]:**

This indicator assessment is to verify whether the Authority inspects each unit under contract at least annually. A quality control review must be performed to determine if fewer than 5 percent of annual HQS inspections of units under contract are more than 2 months overdue.

This indicator is worth 10 and 5 points.

• **Indicator #13 Lease-up [24 CFR 985.3 (n)]:**

This indicator assessment verifies whether the Authority enters HAP contracts for the number of units reserved under ACC for at least one year. A quality control review must be performed to determine if the number of units leased during the last PHA fiscal year was 95 to 98 percent.

This indicator is worth 20 and 15 points.

• **Indicator #14 Family Self-sufficiency [24 CFR 985.3 (o)]:**

This indicator assessment verifies whether the Authority has enrolled families in the FSS program as required; and number of participants with escrow account balances. A quality control review must be performed to determine the number of families enrolled in the program is 80 percent or more of its mandatory slots and 30 percent or more have escrow balances.

This indicator is worth as much as 20 points and as little as 3 points.

DOCUMENTING THE QUALITY CONTROL REVIEWS

Each quality control review must be documented in the quality control review sheets and logs. The quality control reviews will be used to support the annual SEMAP certification process and HUD confirmatory review. The supporting documentation will identify whether the Authority was in compliance with the applicable performance indicator for throughout the fiscal year.

SAMPLING PROCEDURES:

The “Selection from waiting list” review will be done on an on-going basis each month. The Federal Programs Director will pull a random sample from those applicants who were New Admitted for the audited month. The sample size will be 1 per month.

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

For the SEMAP Indicator # 4 (Utility Allowance Schedule) The Federal Program Director will perform a review in May of each year to verify if the schedule is up-to-date and if was revised if needed.

All the other supervisory reviews will be done on an on-going basis each month. The Federal Programs Director will use the monthly-generated list of participants scheduled for annual reexamination and will draw a participant file in random order for each SEMAP Indicator. That would amount to 12 families reviewed per year, which is within the sampling size required by SEMAP.

CC. USE OF SECTION 8 ASSISTANCE TO PROMOTE HOMEOWNERSHIP

Section 8 Housing Choice Voucher assistance may be utilized to promote homeownership opportunities under a Lease-Purchase Agreement (LPA), upon approval of the board of Housing Authority to adopt a Section 8 Homeownership Program.

The LPA is an agreement between an owner and tenant of a rental unit that gives the tenant the opportunity to purchase. The owner may offer either an option or an obligation to purchase.

The Housing Representative must review the LPA for:

- (i) same required provisions as for any assisted tenancy; and
- (ii) Reasonableness of rent in comparison to the rent for other comparable, unassisted units. For this purpose, comparable rent may not include any value or incremental increase for tenant's right to purchase. The rent to owner must be comparable to units without an LPA. Additionally, the tenant may not pay any amount in excess of the established tenant's rent to the owner as a condition of occupancy under the LPA.

Approval of the unit, the lease, and the lease terms will be made in accordance with the normal program requirements, including HQS.

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

Section 8 assistance terminates when the family takes title to the unit.

DD. CONDUCT OF ANNUAL SURVEY OF UTILITY SUPPLIERS

The Municipality of Lares Housing Agency will undertake an annual survey of local utility suppliers. Said survey will establish the need to retain, increase and/or decrease tenant allowances based on a review of area rates and consumption.

The survey results will be formatted and submitted to the Municipality of Lares Housing Agency Board of Housing Agency with staff's recommendation.

Whether the allowances remain the same or change, an allowance schedule will be published with a current date.

EE. EQUAL OPPORTUNITY REQUIREMENTS

The Housing Agency will administer its programs in a non-discriminatory manner. The Housing Agency shall not provide disparate services or treatment to any applicant, participant or owner based upon *race, color, creed, national origin, sex, handicap, or familial status*. The Housing Agency shall comply with all applicable provisions of federal, state and local fair housing laws. Further, the Housing Agency affirms its ongoing compliance with non-discrimination requirements governing assisted housing. [24 CFR §1 and 24 CFR §8].

FF. EXPENDITURES FROM OPERATING RESERVE

A budget is prepared by the Housing Agency for expenditures from the Operating Reserve (Section 8 administrative fees from prior years) for other housing purposes each fiscal year and approved by the Board of Housing Agency.

GG. SEVERABILITY

If any rule, section, sentence, clause or phrase of the rules and regulations or its application to any person or circumstances or property is held to be unconstitutional or invalid, the remaining

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

portions of these rules and regulations or the application of these rules and regulations to other persons or circumstances or property shall not be affected. The Housing Agency hereby declares that it would have adopted these rules and regulations, and each and every rule, section, sentence, clause or phrase thereof, irrespective of the fact that any one or more of the other rules, sections, sentences, clauses, or phrases is declared unconstitutional or invalid.

HH. REPAYMENT POLICY AND PROCEDURE

Repayment Agreements may be used to modify the terms (periodic amount and timing) of delinquent amounts owed. The circumstances under which repayment agreements are acceptable are under the discretion of the Section 8 manager as long as the family meets the basic eligibility requirements, as stated below, for a repayment agreement. The Section 8 manager is cautioned against the indiscriminate use of these agreements as they can become an obstacle to timely collection of monies due and owing the Housing Agency.

PHH-§1.00 Purpose of Repayment Agreement

A repayment agreement sets up an legally binding agreement between a delinquent tenant and the Municipality of Lares Housing Agency under which the tenant agrees to pay current rent and charges plus a fair amount each month toward delinquent rent or charges until the delinquency is repaid in full.

The Municipality of Lares Housing Agency, for its part, agrees not to terminate the lease of the delinquent tenant for nonpayment unless the tenant breaks the terms of the repayment agreement.

PHH-§1.01 Eligibility to Enter into a Repayment Agreement

A tenant is eligible to execute a repayment agreement when all of the following conditions are met:

- a. no other repayment agreement is in force,

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

- b. any repayment agreements executed within the past 12 months have been fully satisfied in the manner prescribed by the agreement,
- c. the tenant has not been delinquent 3 times within the preceding 12 month period,
- d. the repayment agreement is requested within the 14 day delinquency remedy period which is concurrent with the running of the 14-day notice (this requirement may be waived if the tenant can prove that he/she was physically incapable of requesting this agreement during this period of time through no fault of his/her own),
- e. the tenant is not under any actual or pending eviction proceeding,
- f. there are no carryover balances from the previous month, and
- g. the reason for the request for the repayment agreement is valid and is fully substantiated and documented.

Generally, these agreements should be restricted to clear cases of hardship (e.g., death in the immediate family, serious illness of tenant/lease holder, lost or stolen benefit check/paycheck, an unexpected Municipality of Lares Housing Agency charge that exceeds the tenant's ability to pay in one sum). The Section 8 supervisor shall document the reason for granting each request for a repayment agreement.

PHH-§1.02 Terms of Repayment Contracts

The maximum duration of any repayment agreement that the Section 8 manager may approve shall be 12 months, inclusive of the month in which the down payment is made. The terms of all Municipality of Lares Housing Agency repayment contracts shall be as follows:

Balance Due

Payment Due

\$26-\$100

\$25 down and \$25 per month

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

| | |
|--------------|--|
| \$101-\$500 | 25% down and balance within 11 months with minimum payment of \$35/month |
| \$501-\$1000 | 25% down and balance within 11 months with minimum payment of \$50/month |
| \$1001+ | 25% down and balance within 11 months with minimum payment of \$75/month |

When the down payment required exceeds \$125, the Section 8 supervisor may approve arrangements resulting in the payment of the portion that exceeds \$125 in equal installments over a two month period.

PHH-§1.03 Preparation to Negotiate a Repayment Agreement

The Section 8 supervisor will conduct a file review before meeting with the tenant to determine whether the tenant's rent was computed correctly, whether the tenant is entitled to some interim reduction in rent not yet granted, whether the tenant utility allowance schedule has been reviewed within the past year as required by HUD regulations (24 CFR, Part 965), or whether the tenant might be entitled to a rent abatement because of documented conditions hazardous of life, health or safety.

Any of these situations might reduce or alter the amount delinquent (or eliminate the delinquency) so all these possibilities must be checked before meeting with the tenant. If any of these conditions are present and warrant a reduction in the amount of rent or charges due, an adjustment is to be made and any resulting rent credit shall be applied retroactively to the time that the circumstances arose.

The Section 8 supervisor's file review should also include an examination of the tenant's payment history, any pending eviction actions, special circumstances and income. The Section 8 supervisor should be thoroughly familiar with the specific tenant's circumstances and be able to fully document the tenant's eligibility and sufficiency of justification for a repayment agreement.

PHH-§1.04 Negotiating a Repayment Agreement

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

Once the Section 8 manager has determined that the tenant is eligible the parties will meet to address the terms of the agreement. The primary topics for the negotiation are the down payment and the amount of the subsequent monthly payments under the agreement. The negotiation shall be carried out in a professional and non-threatening manner.

The Section 8 supervisor should attempt to shorten the duration of the agreement by seeking the largest down payment and subsequent monthly payments that the tenant can afford. Under no circumstances may the Section 8 manager agree to a term that is in excess of 12 months or which requires a down payment of less than what is specified by the Municipality of Lares Housing Agency policy.

The Section 8 supervisor shall emphasize to the tenant that the repayment agreement being negotiated must be paid off in full and in accordance with the terms before the tenant can be considered for any other repayment agreement. The Section 8 supervisor should also inform the tenant that failure to abide by the terms of the agreement will be grounds for termination of rental assistance for amounts due and owing the Housing Agency.

PHH-§1.05 Executing the Repayment Agreement

When the terms of the Agreement have been settled, the Section 8 Housing Representative will complete the Repayment Agreement for approval and signature of the Section 8 supervisor. The form will then be explained to the tenant and both parties will sign it in the appropriate places. Two copies of the executed Agreement will be made and given to the tenant. The supervisor will place the original of the agreement in the tenant's file.

The Section 8 supervisor shall provide accounting with the pertinent information from all executed repayment agreements.

II. Family Self-Sufficiency Enrollment

The Municipality of Lares Housing Agency will enroll families as required and consistent with 24 CFR §984.105 in the Family Self-Sufficiency Program (FSS), to promote the development of local

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM

strategies, integrate programs, and coordinate public and private resources to enable low-income families to achieve economic independence and self-sufficiency.

Under the FSS Program, participating families will enter into contracts with the Municipality of Lares Housing Agency to set forth the resources for education, job training, counseling and other forms of assistance while living in assisted housing.

The FSS program will limit the increase in rent payable by very low-income families due to increases in earned income. The excess will be used to fund an escrow savings account that is available to the family upon successful completion of the program.

Municipality of Lares Housing Agency of the City of Lares, PR:
Administrative Plan and Procedures
FOR THE SECTION 8 TENANT BASED
HOUSING CHOICE VOUCHER RENTAL ASSISTANCE PROGRAM