PHA Plans

Streamlined 5-Year/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 to certain PHAs. Public reporting burden for this information collection is estimated to average 11.7 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

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

Streamlined 5-Year Plan for Fiscal Years 20_09_ - 20_13_
Streamlined Annual Plan for Fiscal Year 20_09_

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

Streamlined Five-Year PHA Plan
Agency Identification

PHA Name: Housing Authority of the County of Fresno **PHA Number:** CA028

PHA Fiscal Year Beginning: (mm/yyyy) 01/2009

PHA Programs Administered:

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

Number of public housing units: Number of S8 units: Number of public housing units:
Number of S8 units:

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

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

Public Access to Information

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

☒ Main administrative office of the PHA
☒ PHA development management offices
☐ PHA local offices

Display Locations For PHA Plans and Supporting Documents

The PHA Plans and attachments (if any) are available for public inspection at: (select all that apply)

☒ Main administrative office of the PHA
☒ PHA development management offices
☐ PHA local offices
☐ Main administrative office of the local government
☐ Main administrative office of the County government
☐ Main administrative office of the State government
☐ Public library
☒ PHA website
☐ Other (list below)

PHA Plan Supporting Documents are available for inspection at: (select all that apply)

☒ Main business office of the PHA
☐ PHA development management offices
☐ Other (list below)

Streamlined Five-Year PHA Plan
PHA FISCAL YEARS 2009- 2013
[24 CFR Part 903.12]

A. Mission
State the PHA's mission for serving the needs of low-income, very low income, and extremely low-income families in the PHA's jurisdiction. (select one of the choices below)

☐ The mission of the PHA is the same as that of the Department of Housing and Urban Development: To promote adequate and affordable housing, economic opportunity and a suitable living environment free from discrimination.

☒ The PHA's mission is: (state mission here)
The Housing Authority of the City of Fresno is committed to building stronger communities by providing quality housing and empowerment opportunities to eligible families in partnership with community resource providers.

B. Goals
The goals and objectives listed below are derived from HUD's strategic Goals and Objectives and those emphasized in recent legislation. PHAs may select any of these goals and objectives as their own, or identify other goals and/or objectives. Whether selecting the HUD-suggested objectives or their own, **PHAs ARE STRONGLY ENCOURAGED TO IDENTIFY QUANTIFIABLE MEASURES OF SUCCESS IN REACHING THEIR OBJECTIVES OVER THE COURSE OF THE 5 YEARS**. (Quantifiable measures would include targets such as: numbers of families served or PHAS scores achieved.) PHAs should identify these measures in the spaces to the right of or below the stated objectives.

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

☒ PHA Goal: Expand the supply of assisted housing
Objectives:
- ☒ Apply for additional rental vouchers:
- ☒ Reduce public housing vacancies:
- ☒ Leverage private or other public funds to create additional housing opportunities:
- ☒ Acquire or build units or developments
- ☐ Other (list below)

☒ PHA Goal: Improve the quality of assisted housing
Objectives:
- ☒ Improve public housing management: (PHAS score) 93
- ☒ Improve voucher management: (SEMAP score) 93
- ☒ Increase customer satisfaction:
- ☒ Concentrate on efforts to improve specific management functions: (list; e.g., public housing finance; voucher unit inspections)
- ☒ Renovate or modernize public housing units:
- ☒ Demolish or dispose of obsolete public housing:
- ☒ Provide replacement public housing:
- ☒ Provide replacement vouchers:

☐ Other: (list below)

☒ PHA Goal: Increase assisted housing choices
Objectives:
- ☒ Provide voucher mobility counseling:
- ☒ Conduct outreach efforts to potential voucher landlords
- ☒ Increase voucher payment standards
- ☐ Implement voucher homeownership program:
- ☒ Implement public housing or other homeownership programs:
- ☐ Implement public housing site-based waiting lists:
- ☐ Convert public housing to vouchers:
- ☐ Other: (list below)

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

☒ PHA Goal: Provide an improved living environment
Objectives:
- ☒ Implement measures to deconcentrate poverty by bringing higher income public housing households into lower income developments:
- ☒ Implement measures to promote income mixing in public housing by assuring access for lower income families into higher income developments:
- ☒ Implement public housing security improvements:
- ☐ Designate developments or buildings for particular resident groups (elderly, persons with disabilities)
- ☐ Other: (list below)

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

☒ PHA Goal: Promote self-sufficiency and asset development of assisted households
Objectives:
- ☒ Increase the number and percentage of employed persons in assisted families:
- ☒ Provide or attract supportive services to improve assistance recipients' employability:
- ☒ Provide or attract supportive services to increase independence for the elderly or families with disabilities.
- ☒ Other: (list below)
  Continue to promote self-sufficiency via Resident Opportunity and Self-Sufficiency (ROSS) Family Homeownership Program and Housing Choice Voucher Family Self-Sufficiency (FSS) Program.

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

☒ PHA Goal: Ensure equal opportunity and affirmatively further fair housing
Objectives:

- ☒ Undertake affirmative measures to ensure access to assisted housing regardless of race, color, religion national origin, sex, familial status, and disability:
- ☒ Undertake affirmative measures to provide a suitable living environment for families living in assisted housing, regardless of race, color, religion national origin, sex, familial status, and disability:
- ☒ Undertake affirmative measures to ensure accessible housing to persons with all varieties of disabilities regardless of unit size required:
- ☐ Other: (list below)

Other PHA Goals and Objectives: (list below)

Streamlined Annual PHA Plan
PHA Fiscal Year 20_09__
[24 CFR Part 903.12(b)]

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

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B. SEPARATE HARD COPY SUBMISSIONS TO LOCAL HUD FIELD OFFICE

Form HUD-50077, *PHA Certifications of Compliance with the PHA Plans and Related Regulations*: *Board Resolution to Accompany the Standard Annual, Standard Five-Year, and Streamlined Five-Year/Annual Plans*;
Certification by State or Local Official of PHA Plan Consistency with Consolidated Plan.
For PHAs APPLYING FOR CAPITAL FUND PROGRAM (CFP) GRANTS:
Form HUD-50070, *Certification for a Drug-Free Workplace*;
Form HUD-50071, *Certification of Payments to Influence Federal Transactions*;
Form SF-LLL & SF-LLLa, *Disclosure of Lobbying Activities.*

Executive Summary (optional)

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

A FY 2009 Annual Plan for the Housing Authority of the County of Fresno has been prepared in compliance with Section 511 of the Quality Housing and Work Responsibility Act (QHWRA) of 1998 and the ensuing HUD requirements. The Plan describes the Housing Authority, its mission and strategy for addressing the housing needs of low-income and very-low income families in the County of Fresno.

The Housing Authority of the County of Fresno shares an Executive Director and staff with the Housing Authority of Fresno City. Both Housing Authorities are public housing agencies as defined in the United States Housing Act of 1937, as amended, and in 24 C.F.R. Chapter VIII. Both agencies have been organized under Section 34200, et seq., of the California Health and Safety Code.

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

The Housing Authority has the responsibility for planning, financing, constructing, purchasing, and managing properties using a variety of affordable housing programs. As the manager of rental properties, the Housing Authority performs all the functions of a private owner, including selection of residents, rent collection, and property maintenance. Over 20,000 households receive some type of assistance from the Fresno Housing Authority.

Federal laws establish the rent structure of the housing programs administered by the Housing Authority and require that family income be verified annually. Federal Regulations also impact the selection of program participants, occupancy, lease and grievance procedures.

This Annual Plan addresses those policies and procedures for the public housing and Section 8 Housing Assistance Payment programs that have been modified as a result of QHWRA. The most significant items addressed in the FY 2009 Annual Plan are 1) the feasibility of converting its low-income public housing to mixed-financed development; 2) the Agency's goal of increasing the number of affordable housing units; 3) the Agency's efforts to continue to provide affordable housing for low and very low-income families despite the budget constraints.

The Housing Authority has submitted an application to HUD to administer a Section 24 Homeownership program. The agency is developing 44 single family homes under the HOPE VI program to be sold to families earning between 60 and 80 percent of the area median income and additional rental housing under this program.

The Housing Authority also continues to promote self-sufficiency among assisted households. The Family Self-Sufficiency and the Building Stronger Families programs addresses this need, as noted in the Five-Year Plan, serving approximately 350 families in the County of Fresno. The FSS program and the Housing Authority aggressively promote homeownership as a means to achieve long term economic stability. Families receive intensive group and one-on-one housing counseling, including credit education, budgeting, and financial literacy.

In addition, the FHA Housing Counseling Agency provides a sixteen (16) hour Homebuyer Education and Counseling program (HEC). The certification from HEC is used to qualify first time homebuyers for many down payment assistance grants.

The Housing Authority's response to HUD's strategic goal of improving the community's quality of life and economic vitality was amended in the year 2000 to include our intent to cooperate with the local redevelopment agency. The partnership between the Housing Authority and the Redevelopment Agency is committed to rehabilitating 86 single family homes, 50-Multi-Family units for FY 2008-2009, and to rehabilitating two boarded up properties to be sold to low-income first time homeowners.

The Housing Authority is considering the use of Replacement Housing Factor funds in a variety of developments within the City/County of Fresno. An approved plan for use of these funds will be required by the US Department of Housing and Urban Development (HUD) prior to use in specific projects. Individual plans submitted to HUD will be available to the public upon request.

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

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

State the housing needs of the families on the PHA's waiting list/s**. Complete one table for each type of PHA-wide waiting list administered by the PHA.** PHAs may provide separate tables for site-based or sub-jurisdictional public housing waiting lists at their option.

Housing Needs of Families on the PHA's Waiting Lists			
Waiting list type: (select one) ☐ Section 8 tenant-based assistance ☒ Public Housing ☐ Combined Section 8 and Public Housing ☐ Public Housing Site-Based or sub-jurisdictional waiting list (optional) If used, identify which development/subjurisdiction:			
	# of families	% of total families	Annual Turnover
Waiting list total	1191		
Extremely low income <=30% AMI	939	78.84	
Very low income (>30% but <=50% AMI)	204	17.13	
Low income	23	1.93	

Housing Needs of Families on the PHA's Waiting Lists			
(>50% but <80% AMI)			
Families with children	844	70.86	
Elderly families	40	3.36	
Families with Disabilities	142	11.92	
Black / African American	167	14.02	
Asian	47	3.95	
White	714	59.95	
Native Hawaiian / Other Pacific Islander	21	1.76	
American Indian / Alaskan Native	117	9.82	
Characteristics by Bedroom Size (Public Housing Only)			
1BR	304	25.52	
2 BR	427	35.85	
3 BR	362	30.39	
4 BR	75	6.30	
5 BR	23	1.93	
5+ BR	0	0	

Is the waiting list closed (select one)? ☒ No ☐ Yes
If yes:
How long has it been closed (# of months)?
Does the PHA expect to reopen the list in the PHA Plan year? ☐ No ☐ Yes
Does the PHA permit specific categories of families onto the waiting list, even if generally closed? ☐ No ☐ Yes

Housing Needs of Families on the PHA's Waiting Lists

Waiting list type: (select one)
☒ Section 8 tenant-based assistance
☐ Public Housing
☐ Combined Section 8 and Public Housing
☐ Public Housing Site-Based or sub-jurisdictional waiting list (optional)
If used, identify which development/subjurisdiction:

	# of families	% of total families	Annual Turnover
Waiting list total	2,394		
Extremely low income <=30% AMI	1,740	73	
Very low income (>30% but <=50% AMI)	514	21	
Low income (>50% but <80% AMI)	113	5	
Families with children	1,717	72	
Elderly families	240	10	
Families with Disabilities	311	13	
Black / African American	1,049	44	
Asian	102	4	
White	1,192	50	

Housing Needs of Families on the PHA's Waiting Lists			
Native Hawaiian / Other Pacific Islander	2	1	
American Indian / Alaskan Native	32	1	
Characteristics by Bedroom Size (Public Housing Only)			
1BR			
2 BR			
3 BR			
4 BR			
5 BR			
5+ BR			

Is the waiting list closed (select one)? ☐ No ☒ Yes
If yes:
How long has it been closed (# of months)? 6 months
Does the PHA expect to reopen the list in the PHA Plan year? ☒ No ☐ Yes
Does the PHA permit specific categories of families onto the waiting list, even if generally closed? ☒ No ☐ Yes

B. Strategy for Addressing Needs

Provide a brief description of the PHA's strategy for addressing the housing needs of families on the PHA's public housing and Section 8 waiting lists **IN THE UPCOMING YEAR**, and the Agency's reasons for choosing this strategy.

(1) Strategies

Need: Shortage of affordable housing for all eligible populations

Strategy 1. Maximize the number of affordable units available to the PHA within its current resources by:

Select all that apply

☒ Employ effective maintenance and management policies to minimize the number of public housing units off-line
☒ Reduce turnover time for vacated public housing units
☒ Reduce time to renovate public housing units
☒ Seek replacement of public housing units lost to the inventory through mixed finance development
☒ Seek replacement of public housing units lost to the inventory through section 8 replacement housing resources
☒ Maintain or increase section 8 lease-up rates by establishing payment standards that will enable families to rent throughout the jurisdiction
☒ Undertake measures to ensure access to affordable housing among families assisted by the PHA, regardless of unit size required
☒ Maintain or increase section 8 lease-up rates by marketing the program to owners, particularly those outside of areas of minority and poverty concentration
☒ Maintain or increase section 8 lease-up rates by effectively screening Section 8 applicants to increase owner acceptance of program

☒ Participate in the Consolidated Plan development process to ensure coordination with broader community strategies
☐ Other (list below)

Strategy 2: Increase the number of affordable housing units by:
Select all that apply

☒ Apply for additional section 8 units should they become available
☒ Leverage affordable housing resources in the community through the creation of mixed - finance housing
☒ Pursue housing resources other than public housing or Section 8 tenant-based assistance.
☐ Other: (list below)

Need: Specific Family Types: Families at or below 30% of median

Strategy 1: Target available assistance to families at or below 30 % of AMI
Select all that apply

☐ Exceed HUD federal targeting requirements for families at or below 30% of AMI in public housing
☐ Exceed HUD federal targeting requirements for families at or below 30% of AMI in tenant-based section 8 assistance
☐ Employ admissions preferences aimed at families with economic hardships
☐ Adopt rent policies to support and encourage work
☒ Other: (list below)
Collaborate with the members of the Fresno/Madera Continuum of Care to seek funding from the State of California and other sources.

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

Strategy 1: Target available assistance to families at or below 50% of AMI
Select all that apply

☐ Employ admissions preferences aimed at families who are working
☐ Adopt rent policies to support and encourage work
☐ Other: (list below)

Need: Specific Family Types: The Elderly

Strategy 1: Target available assistance to the elderly:
Select all that apply

☐ Seek designation of public housing for the elderly
☒ Apply for special-purpose vouchers targeted to the elderly, should they become available
☐ Other: (list below)

Need: Specific Family Types: Families with Disabilities

Strategy 1: Target available assistance to Families with Disabilities:
Select all that apply

☐ Seek designation of public housing for families with disabilities
☒ Carry out the modifications needed in public housing based on the section 504 Needs Assessment for Public Housing
☒ Apply for special-purpose vouchers targeted to families with disabilities, should they become available
☒ Affirmatively market to local non-profit agencies that assist families with disabilities
☒ Other: (list below)

Implement an Elderly/Disabled Service Coordinator program to ensure that the residents are linked to the supportive services that they need to continue living independently in the projects.

Target education and outreach to our elderly population and community at large.

Need: Specific Family Types: Races or ethnicities with disproportionate housing needs

Strategy 1: Increase awareness of PHA resources among families of races and ethnicities with disproportionate needs:
Select if applicable

☒ Affirmatively market to races/ethnicities shown to have disproportionate housing needs
☐ Other: (list below)

Strategy 2: Conduct activities to affirmatively further fair housing
Select all that apply

☒ Counsel section 8 tenants as to location of units outside of areas of poverty or minority concentration and assist them to locate those units
☒ Market the section 8 program to owners outside of areas of poverty /minority concentrations
☐ Other: (list below)

Other Housing Needs & Strategies: (list needs and strategies below)

(2) Reasons for Selecting Strategies
Of the factors listed below, select all that influenced the PHA's selection of the strategies it will pursue:

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

2. Statement of Financial Resources

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

List on the following table the financial resources that are anticipated to be available to the PHA for the support of Federal public housing and tenant-based Section 8 assistance programs administered by the PHA during the Plan year. Note: the table assumes that Federal public housing or tenant based Section 8 assistance grant funds are expended on eligible purposes; therefore, uses of these funds need not be stated. For other funds, indicate the use for those funds as one of the following categories: public housing operations, public housing capital improvements, public housing safety/security, public housing supportive services, Section 8 tenant-based assistance, Section 8 supportive services or other.

Financial Resources: **Planned Sources and Uses**		
Sources	**Planned $**	**Planned Uses**
1. **Federal Grants (FY 20 09 grants)**		

Financial Resources: Planned Sources and Uses		
Sources	**Planned $**	**Planned Uses**
a) Public Housing Operating Fund	2,430,422	
b) Public Housing Capital Fund	2,131,743	
c) HOPE VI Revitalization	0	
d) HOPE VI Demolition	0	
e) Annual Contributions for Section 8 Tenant-Based Assistance	34,727,099	
f) Resident Opportunity and Self-Sufficiency Grants	350,000	
g) Community Development Block Grant		
h) HOME		
Other Federal Grants (list below)		
HCV FSS Coordinator	299,981	Promote Self-Sufficiency/Homeownership
Public Housing FSS Coordinator	65,500	Promote Self-Sufficiency
2. Prior Year Federal Grants (unobligated funds only) (list below)		
3. Public Housing Dwelling Rental Income	3,608,878	Public Housing Operations
4. Other income (list below)		
Interest	27,000	Public Housing Operations
4. Non-federal sources (list below)		
Total resources	43,640,623	

3. PHA Policies Governing Eligibility, Selection, and Admissions

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

A. Public Housing

Exemptions: PHAs that do not administer public housing are not required to complete subcomponent 3A.

(1) Eligibility

a. When does the PHA verify eligibility for admission to public housing? (select all that apply)

☐ When families are within a certain number of being offered a unit: (state number)

☒ When families are within a certain time of being offered a unit: (state time) Three to five months

☐ Other: (describe)

b. Which non-income (screening) factors does the PHA use to establish eligibility for admission to public housing (select all that apply)?
☒ Criminal or Drug-related activity
☒ Rental history
☐ Housekeeping
☐ Other (describe)

c. ☒ Yes ☐ No: Does the PHA request criminal records from local law enforcement agencies for screening purposes?
d. ☒ Yes ☐ No: Does the PHA request criminal records from State law enforcement agencies for screening purposes?
e. ☒ Yes ☐ No: Does the PHA access FBI criminal records from the FBI for screening purposes? (either directly or through an NCIC-authorized source)

(2)Waiting List Organization

a. Which methods does the PHA plan to use to organize its public housing waiting list (select all that apply)
☒ Community-wide list
☐ Sub-jurisdictional lists
☐ Site-based waiting lists
☐ Other (describe)

b. Where may interested persons apply for admission to public housing?
☒ PHA main administrative office
☒ PHA development site management office
☒ Other (list below)
PHA Website: www.hafresno.org

c. Site-Based Waiting Lists-Previous Year

1. Has the PHA operated one or more site-based waiting lists in the previous year?
No.
If yes, complete the following table; if not skip to d.

Site-Based Waiting Lists

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

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

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

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

d. Site-Based Waiting Lists – Coming Year

If the PHA plans to operate one or more site-based waiting lists in the coming year, answer each of the following questions; if not, skip to subsection **(3) Assignment. No plan to offer site-based waiting lists in the coming year.**

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

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

3. ☐ Yes ☐ No: May families be on more than one list simultaneously
If yes, how many lists?

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

(3) Assignment

a. How many vacant unit choices are applicants ordinarily given before they fall to the bottom of or are removed from the waiting list? (select one)

☒ One
☐ Two
☐ Three or More

b. ☒ Yes ☐ No: Is this policy consistent across all waiting list types?

c. If answer to b is no, list variations for any other than the primary public housing waiting list/s for the PHA:

(4) Admissions Preferences

a. Income targeting:

☐ Yes ☒ No: Does the PHA plan to exceed the federal targeting requirements by targeting more than 40% of all new admissions to public housing to families at or below 30% of median area income?

b. Transfer policies:

In what circumstances will transfers take precedence over new admissions? (list below)

☒ Emergencies
☒ Over-housed
☒ Under-housed
☒ Medical justification
☒ Administrative reasons determined by the PHA (e.g., to permit modernization work)
☒ Resident choice: (state circumstances below)
Childcare, employment, school or training.
☐ Other: (list below)

c. Preferences

1. ☒ Yes ☐ No: Has the PHA established preferences for admission to public housing (other than date and time of application)? (If "no" is selected, skip to subsection **(5) Occupancy**)

2. Which of the following admission preferences does the PHA plan to employ in the coming year? (select all that apply from either former Federal preferences or other preferences)

Former Federal preferences:

☐ Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)
☐ Victims of domestic violence
☐ Substandard housing

☐ Homelessness
☐ High rent burden (rent is > 50 percent of income)

Other preferences: (select below)
☐ Working families and those unable to work because of age or disability
X Veterans and veterans' families
X Residents who live and/or work in the jurisdiction
☐ Those enrolled currently in educational, training, or upward mobility programs
☐ Households that contribute to meeting income goals (broad range of incomes)
☐ Households that contribute to meeting income requirements (targeting)
☐ Those previously enrolled in educational, training, or upward mobility programs
☐ Victims of reprisals or hate crimes
☐ Other preference(s) (list below)

3. If the PHA will employ admissions preferences, please prioritize by placing a "1" in the space that represents your first priority, a "2" in the box representing your second priority, and so on. If you give equal weight to one or more of these choices (either through an absolute hierarchy or through a point system), place the same number next to each. That means you can use "1" more than once, "2" more than once, etc.

1 Date and Time

Former Federal preferences:
☐ Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)
☐ Victims of domestic violence
☐ Substandard housing
☐ Homelessness
☐ High rent burden

Other preferences (select all that apply)
☐ Working families and those unable to work because of age or disability
2 Veterans and veterans' families
1 Residents who live and/or work in the jurisdiction
☐ Those enrolled currently in educational, training, or upward mobility programs
☐ Households that contribute to meeting income goals (broad range of incomes)
☐ Households that contribute to meeting income requirements (targeting)
☐ Those previously enrolled in educational, training, or upward mobility programs
☐ Victims of reprisals or hate crimes
☐ Other preference(s) (list below)

4. Relationship of preferences to income targeting requirements:
☐ The PHA applies preferences within income tiers
☐ Not applicable: the pool of applicant families ensures that the PHA will meet income targeting requirements

(5) Occupancy

a. What reference materials can applicants and residents use to obtain information about the rules of occupancy of public housing (select all that apply)

☒ The PHA-resident lease
☒ The PHA's Admissions and (Continued) Occupancy policy
☒ PHA briefing seminars or written materials
☒ Other source (list)
PHA Website: www.hafresno.org

b. How often must residents notify the PHA of changes in family composition? (select all that apply)

☒ At an annual reexamination and lease renewal
☒ Any time family composition changes
☒ At family request for revision
☐ Other (list)

(6) Deconcentration and Income Mixing

a. ☒ Yes ☐ No: Does the PHA have any general occupancy (family) public housing developments covered by the deconcentration rule? If no, this section is complete. If yes, continue to the next question.

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

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

B. Section 8

Exemptions: PHAs that do not administer section 8 are not required to complete sub-component 3B.
Unless otherwise specified, all questions in this section apply only to the tenant-based section 8 assistance program (vouchers, and until completely merged into the voucher program, certificates).

(1) Eligibility

a. What is the extent of screening conducted by the PHA? (select all that apply)

☐ Criminal or drug-related activity only to the extent required by law or regulation
☒ Criminal and drug-related activity, more extensively than required by law or regulation
☒ More general screening than criminal and drug-related activity (list factors): Refer to Housing Choice Voucher Administrative Plan, Chapter 4, Section 4.17.
☐ Other (list below)

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

c. ☒ Yes ☐ No: Does the PHA request criminal records from State law enforcement agencies for screening purposes?

d. ☒ Yes ☐ No: Does the PHA access FBI criminal records from the FBI for screening purposes? (either directly or through an NCIC-authorized source)

e. Indicate what kinds of information you share with prospective landlords? (select all that apply)
☐ Criminal or drug-related activity
☒ Other (describe below)
The family's current address as shown in the HA's records; and if known to the HA, the name and address of the landlord at the family's current and prior address.

(2) Waiting List Organization

a. With which of the following program waiting lists is the section 8 tenant-based assistance waiting list merged? (select all that apply)
☒ None
☐ Federal public housing
☐ Federal moderate rehabilitation
☐ Federal project-based certificate program
☐ Other federal or local program (list below)

b. Where may interested persons apply for admission to section 8 tenant-based assistance? (select all that apply)
☐ PHA main administrative office
☒ Other (list below)
By web application, submitted by mail or by other method as described in the public announcement.

(3) Search Time

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

If yes, state circumstances below:
Extenuating circumstances such as hospitalization or family emergency for an extended period of time; or proof that the family was unable to locate a unit; or disapproved Request for Tenancy Addendum's due to Housing Quality Standards, or PHA's inability to negotiate rent; or when needed for reasonable accommodation by a person with disabilities.

(4) Admissions Preferences

a. Income targeting

☐ Yes ☒ No: Does the PHA plan to exceed the federal targeting requirements by targeting more than 75% of all new admissions to the section 8 program to families at or below 30% of median area income?

b. Preferences

1. ☒ Yes ☐ No: Has the PHA established preferences for admission to section 8 tenant-based assistance? (other than date and time of application) (if no, skip to subcomponent **(5) Special purpose section 8 assistance programs**)

2. Which of the following admission preferences does the PHA plan to employ in the coming year? (select all that apply from either former Federal preferences or other preferences)

Former Federal preferences

☐ Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)
☐ Victims of domestic violence
☐ Substandard housing
☐ Homelessness
☐ High rent burden (rent is > 50 percent of income)

Other preferences (select all that apply)

☐ Working families and those unable to work because of age or disability
☒ Veterans and veterans' families
☒ Residents who live and/or work in your jurisdiction
☐ Those enrolled currently in educational, training, or upward mobility programs
☐ Households that contribute to meeting income goals (broad range of incomes)
☐ Households that contribute to meeting income requirements (targeting)
☐ Those previously enrolled in educational, training, or upward mobility programs
☐ Victims of reprisals or hate crimes
☒ Other preference(s) (list below)

- An individual/family that needs a voucher to prevent displacement because of a shortage of funding in the Shelter Plus Care program.
- Single persons who are elderly, disabled or displaced over other single persons.

3. If the PHA will employ admissions preferences, please prioritize by placing a "1" in the space that represents your first priority, a "2" in the box representing your second priority, and so on. If you give equal weight to one or more of these choices (either through an absolute hierarchy or through a point system), place the same number next to each. That means you can use "1" more than once, "2" more than once, etc.

The Housing Authority will use a cumulative points system for preferences; the more preference points an applicant has, the higher the applicant's place on the waiting list.

Former Federal preferences:

- ☐ Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)
- ☐ Victims of domestic violence
- ☐ Substandard housing
- ☐ Homelessness
- ☐ High rent burden

Other preferences (select all that apply) (Please see explanation in #3 above.)

- ☐ Working families and those unable to work because of age or disability
- ☒ Veterans and veterans' families
- ☒ Residents who live and/or work in your jurisdiction
- ☐ Those enrolled currently in educational, training, or upward mobility programs
- ☐ Households that contribute to meeting income goals (broad range of incomes)
- ☐ Households that contribute to meeting income requirements (targeting)
- ☐ Those previously enrolled in educational, training, or upward mobility programs
- ☐ Victims of reprisals or hate crimes
- ☒ Other preference(s) (list below)
    - An individual/family that needs a voucher to prevent displacement because of a shortage of funding in the Shelter Plus Care program.
    - Single persons who are elderly, disabled or displaced over other single persons.

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

- ☒ Date and time of application
- ☐ Drawing (lottery) or other random choice technique

5. If the PHA plans to employ preferences for "residents who live and/or work in the jurisdiction" (select one)

- ☒ This preference has previously been reviewed and approved by HUD
- ☐ The PHA requests approval for this preference through this PHA Plan

6. Relationship of preferences to income targeting requirements: (select one)

- ☐ The PHA applies preferences within income tiers

☒ Not applicable: the pool of applicant families ensures that the PHA will meet income targeting requirements

(5) Special Purpose Section 8 Assistance Programs

a. In which documents or other reference materials are the policies governing eligibility, selection, and admissions to any special-purpose section 8 program administered by the PHA contained? (select all that apply)

☒ The Section 8 Administrative Plan
☐ Briefing sessions and written materials
☐ Other (list below)

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

☐ Through published notices
☒ Other (list below)
Outreach to nonprofit serving population, including Fresno County Human Services System, Central Valley Regional Center, Center for Independent Living, FIRM and Fresno/Madera Continuum of Care.

4. PHA Rent Determination Policies

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

A. Public Housing

Exemptions: PHAs that do not administer public housing are not required to complete sub-component 4A.

(1) Income Based Rent Policies

Describe the PHA's income based rent setting policy/ies for public housing using, including discretionary (that is, not required by statute or regulation) income disregards and exclusions, in the appropriate spaces below.

a. Use of discretionary policies: (select one of the following two)

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

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

b. Minimum Rent

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

☐ $0
☐ $1-$25

☒ $26-$50

2. ☒ Yes ☐ No: Has the PHA adopted any discretionary minimum rent hardship exemption policies?

3. If yes to question 2, list these policies below**:**
LIPH ACOP, Chapter 3, Section 3.12 c

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

1. ☐ Yes ☒ No: Does the PHA plan to charge rents at a fixed amount or percentage less than 30% of adjusted income?

2. If yes to above, list the amounts or percentages charged and the circumstances under which these will be used below:

d. Which of the discretionary (optional) deductions and/or exclusions policies does the PHA plan to employ (select all that apply)

☒ For the earned income of a previously unemployed household member
☒ For increases in earned income
☐ Fixed amount (other than general rent-setting policy)
If yes, state amount/s and circumstances below:

☐ Fixed percentage (other than general rent-setting policy)
If yes, state percentage/s and circumstances below:

☒ For household heads
☒ For other family members
☐ For transportation expenses
☐ For the non-reimbursed medical expenses of non-disabled or non-elderly families
☐ Other (describe below)

e. Ceiling rents

1. Do you have ceiling rents? (rents set at a level lower than 30% of adjusted income) (select one)

☐ Yes for all developments
☐ Yes but only for some developments
☒ No

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

☐ For all developments
☐ For all general occupancy developments (not elderly or disabled or elderly only)

☐ For specified general occupancy developments
☐ For certain parts of developments; e.g., the high-rise portion
☐ For certain size units; e.g., larger bedroom sizes
☐ Other (list below)

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

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

f. Rent re-determinations:

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

☐ Never
☒ At family option
☐ Any time the family experiences an income increase
☒ Any time a family experiences an income increase above a threshold amount or percentage: (if selected, specify threshold)_$200.00__
☐ Other (list below)

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

(2) Flat Rents

a. In setting the market-based flat rents, what sources of information did the PHA use to establish comparability? (select all that apply.)
☒ The section 8 rent reasonableness study of comparable housing
☒ Survey of rents listed in local newspaper
☒ Survey of similar unassisted units in the neighborhood
☐ Other (list/describe below)

B. Section 8 Tenant-Based Assistance

Exemptions: PHAs that do not administer Section 8 tenant-based assistance are not required to complete sub-component 4B. **Unless otherwise specified, all questions in this section apply only to the tenant-based section 8 assistance program (vouchers, and until completely merged into the voucher program, certificates).**

(1) Payment Standards

Describe the voucher payment standards and policies**.**

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

☒ At or above 90% but below100% of FMR
☐ 100% of FMR
☐ Above 100% but at or below 110% of FMR
☐ Above 110% of FMR (if HUD approved; describe circumstances below)

b. If the payment standard is lower than FMR, why has the PHA selected this standard? (select all that apply)

☒ FMRs are adequate to ensure success among assisted families in the PHA's segment of the FMR area
☐ The PHA has chosen to serve additional families by lowering the payment standard
☐ Reflects market or submarket
☐ Other (list below)

c. If the payment standard is higher than FMR, why has the PHA chosen this level? (select all that apply)

☐ FMRs are not adequate to ensure success among assisted families in the PHA's segment of the FMR area
☐ Reflects market or submarket
☐ To increase housing options for families
☐ Other (list below)

d. How often are payment standards reevaluated for adequacy? (select one)

☐ Annually
☒ Other (list below)
As market dictates and based on families success in locating affordable units.

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

☒ Success rates of assisted families
☐ Rent burdens of assisted families
☒ Other (list below)
Availability of units in high foreclosure rates in the community.

(2) Minimum Rent

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

☐ $0
☐ $1-$25
☒ $26-$50

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

If the family requests a hardship exemption, the PHA will immediately suspend the minimum rent for the family until the PHA can determine whether the hardship exists and whether the hardship is temporary or long-term in nature.

5. Capital Improvement Needs

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

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

A. Capital Fund Activities

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

(1) Capital Fund Program

a. ☒ Yes ☐ No Does the PHA plan to participate in the Capital Fund Program in the upcoming year? If yes, complete items 12 and 13 of this template (Capital Fund Program tables). If no, skip to B.

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

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

Applicability of sub-component 5B: All PHAs administering public housing. Identify any approved HOPE VI and/or public housing development or replacement activities not described in the Capital Fund Program Annual Statement.

(1) Hope VI Revitalization

a. ☐ Yes ☒ No: Has the PHA received a HOPE VI revitalization grant? (if no, skip to next component; if yes, provide responses to questions on chart below for each grant, copying and completing as many times as necessary)

b. Status of HOPE VI revitalization grant (complete one set of questions for each grant)
Development name:
Development (project) number:
Status of grant: (select the statement that best describes the current status)
☐ Revitalization Plan under development
☐ Revitalization Plan submitted, pending approval
☐ Revitalization Plan approved
☐ Activities pursuant to an approved Revitalization Plan underway

c. ☒ Yes ☐ No: Does the PHA plan to apply for a HOPE VI Revitalization grant in the Plan year? If yes, list development name/s below:
CA028012 - Firebaugh
CA028013 - Huron
CA028018 – Del Rey
CA028019 – Firebaugh (elderly)
CA028024 – Pinedale
CA028030 - Firebaugh
CA028032 – Pinedale

d. ☒ Yes ☐ No: Will the PHA be engaging in any mixed-finance development activities for public housing in the Plan year? If yes, list developments or activities below:
CA028012 - Firebaugh
CA028013 - Huron
CA028018 – Del Rey
CA028019 – Firebaugh (elderly)
CA028024 – Pinedale
CA028030 - Firebaugh
CA028032 – Pinedale

e. ☒ Yes ☐ No: Will the PHA be conducting any other public housing development or replacement activities not discussed in the Capital Fund Program Annual Statement? If yes, list developments or activities below:
CA028012 - Firebaugh
CA028013 - Huron
CA028018 – Del Rey

CA028019 – Firebaugh (elderly)
CA028024 – Pinedale
CA028030 - Firebaugh
CA028032 – Pinedale

6. Demolition and Disposition

[24 CFR Part 903.12(b), 903.7 (h)]
Applicability of component 6: Section 8 only PHAs are not required to complete this section.

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

Demolition/Disposition Activity Description
1a. Development name: Pinedale Scattered Sites 1b. Development (project) number: CA028-24
2. Activity type: Demolition ☒ Disposition ☒
3. Application status (select one) Approved ☐ Submitted, pending approval ☐ Planned application ☒
4. Date application approved, submitted, or planned for submission: (01/01/09)
5. Number of units affected: 50 6. Coverage of action (select one) ☐ Part of the development ☒ Total development
7. Timeline for activity: a. Actual or projected start date of activity: 2009 b. Projected end date of activity: 2013

Demolition/Disposition Activity Description
1a. Development name: Pinedale Scattered Sites 1b. Development (project) number: CA028-32
2. Activity type: Demolition ☒ Disposition ☒
3. Application status (select one) Approved ☐ Submitted, pending approval ☐ Planned application ☒
4. Date application approved, submitted, or planned for submission: (01/01/09)
5. Number of units affected: 30 6. Coverage of action (select one) ☐ Part of the development ☒ Total development

7. Timeline for activity: a. Actual or projected start date of activity: 2009 b. Projected end date of activity: 2013

Demolition/Disposition Activity Description
1a. Development name: Del Rey 1b. Development (project) number: CA028-18
2. Activity type: Demolition ☒ Disposition ☒
3. Application status (select one) Approved ☐ Submitted, pending approval ☐ Planned application ☒
4. Date application approved, submitted, or planned for submission: (01/01/09)
5. Number of units affected: 20 6. Coverage of action (select one) ☐ Part of the development ☒ Total development
7. Timeline for activity: a. Actual or projected start date of activity: 2009 b. Projected end date of activity: 2013

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

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

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

(2) Program Description

a. Size of Program

☐ Yes ☒ No: Will the PHA limit the number of families participating in the Section 8 homeownership option?

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

b. PHA-established eligibility criteria

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

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

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

The PHA has demonstrated its capacity to administer the program by (select all that apply):
a. ☒ Establishing a minimum homeowner downpayment requirement of at least 3 percent of purchase price and requiring that at least 1 percent of the purchase price comes from the family's resources.
b. ☒ Requiring that financing for purchase of a home under its Section 8 homeownership will be provided, insured or guaranteed by the state or Federal government; comply with secondary mortgage market underwriting requirements; or comply with generally accepted private sector underwriting standards.
c. ☒ Partnering with a qualified agency or agencies to administer the program (list name(s) and years of experience below).
Citibank since 2005

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

8. Civil Rights Certifications

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

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

9. Additional Information

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

A. PHA Progress in Meeting the Mission and Goals Described in the 5-Year Plan

(*Provide a statement of the PHA's progress against the goals and objectives established in the previous 5-Year Plan for the period FY 20 08 - 20 12 .*

Federal laws establish the rent structure of the housing programs administered by the Housing Authority and require that family income be verified annually. Federal Regulations also impact the selection of program participants, occupancy, lease and grievance procedures. The Housing Authority will review its policies to adopt rent simplification.

This Annual Plan addresses those policies and procedures for the public housing and Section 8 Housing Assistance Payment programs that have been modified as a result of QHWRA. The most significant items addressed in the FY 2009 Annual Plan are 1) the feasibility of converting its low-income public housing to mixed-

financed development; 2) the Agency's goal of increasing the number of affordable housing units; 3) the Agency's efforts to continue to provide affordable housing for low and very low-income families despite the budget constraints.

The Housing Authority also continues to promote self-sufficiency among assisted households. The Family Self-Sufficiency and the Building Stronger Families programs addresses this need, as noted in the Five-Year Plan, serving approximately 350 families in the County of Fresno. The FSS program and the Housing Authority aggressively promote homeownership as a means to achieve long term economic stability. Families receive intensive group and one-on-one housing counseling, including credit education, budgeting, and financial literacy.

In addition, the FHA Housing Counseling Agency provides a sixteen (16) hour Homebuyer Education and Counseling program (HEC). The certification from HEC is used to qualify first time homebuyers for many down payment assistance grants.

The Housing Authority's response to HUD's strategic goal of improving the community's quality of life and economic vitality was amended in the year 2000 to include our intent to cooperate with the local redevelopment agency. During the fiscal years 2005-06, 2006-07 and 2007-08 the partnership between the Housing Authority and the Redevelopment Agency has provide rehabilitation of 7 homes that were previously boarded up and a blight to the neighborhoods, 2 in-fill homes were built, 11 Major and 279Minor Rehabilitation projects were completed for homeowners in targeted areas in the City of Fresno.

The Housing Authority is considering the use of Replacement Housing Factor funds in a variety of developments within the City/County of Fresno. An approved plan for use of these funds will be required by the US Department of Housing and Urban Development (HUD) prior to use in specific projects. Individual plans submitted to HUD will be available to the public upon request.

B. Criteria for Substantial Deviations and Significant Amendments

(1) Amendment and Deviation Definitions

24 CFR Part 903.7(r)

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

a. Substantial Deviation from the 5-Year Plan
(See below)
b. Significant Amendment or Modification to the Annual Plan

(See below)

Definition of Substantial Deviations and Significant Amendments

As mandated by the U.S. Department of Housing and Urban Development, the Housing Authority must define "What is a substantial change to the Agency Plan?" If a proposed change to the Agency Plan is considered a "substantial change," it must undergo a public process that includes: consultation with the Resident Advisory Board, a public comment period, public notification of where and how the proposed change can be reviewed and approved by the Housing Authority Boards of Commissioners. Therefore, the Housing Authority defines significant changes to the Agency Plan to be:

- Changes to tenant/resident admissions policies;
- Changes to the Housing Choice Voucher and Low Income Public Housing termination policy;
- Changes to the tenant/resident screening policy;
- Changes to public housing rent policies;
- Changes to the organization of the waiting list;
- Changes in the use of replacement reserve funds under the Capital Fund Grant;
- Changes in regards to demolition, disposition, designation, or conversion activities.

An exception to this definition will be made for any of the above that are adopted to reflect changes in HUD regulatory requirements; such changes will not be considered significant amendments by HUD.

C. Other Information

[24 CFR Part 903.13, 903.15]

(1) Resident Advisory Board Recommendations

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

If yes, provide the comments below: (See Attachment)

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

☒ Considered comments, but determined that no changes to the PHA Plan were necessary.

☐ The PHA changed portions of the PHA Plan in response to comments
List changes below:

☐ Other: (list below)

(2) Resident Membership on PHA Governing Board

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

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

☒ Yes ☐ No:

If yes, complete the following:

Name of Resident Member of the PHA Governing Board: Helen Harper

Method of Selection:
☒ Appointment by Fresno County Board of Supervisors
The term of appointment is (include the date term expires): Term of appointment is two years. Term expires on 02/05/09

☐ Election by Residents (if checked, complete next section--Description of Resident Election Process)

Description of Resident Election Process
Nomination of candidates for place on the ballot: (select all that apply)
☐ Candidates were nominated by resident and assisted family organizations
☐ Candidates could be nominated by any adult recipient of PHA assistance
☐ Self-nomination: Candidates registered with the PHA and requested a place on ballot
☐ Other: (describe)

Eligible candidates: (select one)
☐ Any recipient of PHA assistance
☐ Any head of household receiving PHA assistance
☐ Any adult recipient of PHA assistance
☐ Any adult member of a resident or assisted family organization
☐ Other (list)

Eligible voters: (select all that apply)
☐ All adult recipients of PHA assistance (public housing and section 8 tenant-based assistance)
☐ Representatives of all PHA resident and assisted family organizations
☐ Other (list)

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

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

☐ Other (explain):

Date of next term expiration of a governing board member:

Name and title of appointing official(s) for governing board (indicate appointing official for the next available position):

(3) PHA Statement of Consistency with the Consolidated Plan
[24 CFR Part 903.15]
For each applicable Consolidated Plan, make the following statement (copy questions as many times as necessary).

Consolidated Plan jurisdiction: (provide name here)

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

☒ The PHA has based its statement of needs of families on its waiting list on the needs expressed in the Consolidated Plan/s.
☒ The PHA has participated in any consultation process organized and offered by the Consolidated Plan agency in the devel opment 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)

b. The Consolidated Plan of the jurisdiction supports the PHA Plan with the following actions and commitments: (describe below)
The state of California consolidated Plan has these objectives which are consistent with the PHA's Plan.

☒ Expand the supply of assisted housing
☒ Improve the quality of assisted housing
☒ Increase assisted housing choices
☒ Provide an improved living environment
☒ Ensure equal opportunity and affirmatively further fair housing

(4) (Reserved)

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

10. Project-Based Voucher Program

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

b. ☐ Yes ☒ No: Are there circumstances indicating that the project basing of the units, rather than tenant-basing of the same amount of assistance is an appropriate option?

If yes, check which circumstances apply:
☐ Low utilization rate for vouchers due to lack of suitable rental units
☐ Access to neighborhoods outside of high poverty areas
☐ Other (describe below:)

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

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

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

List of Supporting Documents Available for Review		
Applicable & On Display	**Supporting Document**	**Related Plan Component**
X	*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.*	Standard 5 Year and Annual Plans; streamlined 5 Year Plans
X	State/Local Government Certification of Consistency with the Consolidated Plan.	5 Year Plans
	Fair Housing Documentation Supporting Fair Housing Certifications: Records reflecting that the PHA has examined its programs or proposed programs, identified any impediments to fair housing choice in those programs, addressed or is addressing those impediments in a reasonable fashion in view of the resources available, and worked or is working with local jurisdictions to implement any of the jurisdictions' initiatives to affirmatively further fair housing that require the PHA's involvement.	5 Year and Annual Plans
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
X	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. ACOP	Annual Plan: Eligibility, Selection, and Admissions Policies
	Any policy governing occupancy of Police Officers and Over-Income Tenants in Public Housing. ☐ Check here if included in the public housing A&O Policy.	Annual Plan: Eligibility, Selection, and Admissions Policies
X	Section 8 Administrative Plan	Annual Plan: Eligibility, Selection, and Admissions Policies
X	Public housing rent determination policies, including the method for setting public housing flat rents. ☒ Check here if included in the public housing A & O Policy.	Annual Plan: Rent Determination
X	Schedule of flat rents offered at each public housing development.	Annual Plan: Rent

List of Supporting Documents Available for Review		
Applicable & On Display	**Supporting Document**	**Related Plan Component**
	☒ Check here if included in the public housing A & O Policy.	Determination
X	Section 8 rent determination (payment standard) policies (if included in plan, not necessary as a supporting document) and written analysis of Section 8 payment standard policies. ☒ Check here if included in Section 8 Administrative Plan.	Annual Plan: Rent Determination
X	Public housing management and maintenance policy documents, including policies for the prevention or eradication of pest infestation (including cockroach infestation).	Annual Plan: Operations and Maintenance
X	Results of latest Public Housing Assessment System (PHAS) Assessment (or other applicable assessment).	Annual Plan: Management and Operations
	Follow-up Plan to Results of the PHAS Resident Satisfaction Survey (if necessary)	Annual Plan: Operations and Maintenance and Community Service & Self-Sufficiency
X	Results of latest Section 8 Management Assessment System (SEMAP)	Annual Plan: Management and Operations
X	Any policies governing any Section 8 special housing types ☒ check here if included in Section 8 Administrative Plan	Annual Plan: Operations and Maintenance
	Consortium agreement(s).	Annual Plan: Agency Identification and Operations/ Management
X	Public housing grievance procedures ☒ Check here if included in the public housing A & O Policy.	Annual Plan: Grievance Procedures
X	Section 8 informal review and hearing procedures. ☒ Check here if included in Section 8 Administrative Plan.	Annual Plan: Grievance Procedures
X	The 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
X	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
X	Approved or submitted public housing homeownership programs/plans.	Annual Plan: Homeownership
X	Policies governing any Section 8 Homeownership program (Section 21 of the Section 8 Administrative Plan)	Annual Plan: Homeownership
X	Public Housing Community Service Policy/Programs ☒ Check here if included in Public Housing A & O Policy	Annual Plan: Community Service & Self-Sufficiency
	Cooperative agreement between the PHA and the TANF agency and between the PHA and local employment and training service agencies.	Annual Plan: Community Service & Self-Sufficiency

List of Supporting Documents Available for Review		
Applicable & On Display	**Supporting Document**	**Related Plan Component**
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
X	Policy on Ownership of Pets in Public Housing Family Developments (as required by regulation at 24 CFR Part 960, Subpart G). ☒ Check here if included in the public housing A & O Policy.	Pet Policy
	The results of the most recent fiscal year audit of the PHA conducted under the Single Audit Act as implemented by OMB Circular A-133, the results of that audit and the PHA's response to any findings.	Annual Plan: Annual Audit
	Consortium agreement(s), if a consortium administers PHA programs.	Joint PHA Plan for Consortia
	Consortia Joint PHA Plans ONLY: Certification that consortium agreement is in compliance with 24 CFR Part 943 pursuant to an opinion of counsel on file and available for inspection	Joint PHA Plan for Consortia
	Other supporting documents (optional). List individually.	(Specify as needed)

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

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	Federal FY of Grant:
Housing Authority of Fresno County	Capital Fund Program Grant No: CA39P02850109 Replacement Housing Factor Grant No:	2009

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

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost	
		Original	Revised	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations	$30,000			
3	1408 Management Improvements	$286,000			
4	1410 Administration	$148,785			
5	1411 Audit	$3,000			
6	1415 Liquidated Damages				
7	1430 Fees and Costs	$15,000			
8	1440 Site Acquisition				
9	1450 Site Improvement	$260,182			
10	1460 Dwelling Structures	$653,960			
11	1465.1 Dwelling Equipment—Nonexpendable	$32,000			
12	1470 Nondwelling Structures				
13	1475 Nondwelling Equipment	$50,000			
14	1485 Demolition				
15	1490 Replacement Reserve				
16	1492 Moving to Work Demonstration				
17	1495.1 Relocation Costs				
18	1499 Development Activities				
19	9000 Collaterization or Debt Service	$700,211			
20	1502 Contingency	$500			
21	Amount of Annual Grant: (sum of lines 2 – 20)	$2,179,638			
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				

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Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF)
Part II: Supporting Pages

PHA Name: Housing Authority of Fresno County		**Grant Type and Number** Capital Fund Program Grant No: CA039P02850109 Replacement Housing Factor Grant No:				**Federal FY of Grant:** 2009		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
HA-Wide	Drug Abatement & Security	1408		$261,000				
Mgmt.	Software	1408		$10,000				
Improvements	Youth Mentor	1408		$15,000				
	Total			$286,000				
HA-Wide	Non Technical Salaries	1410		$64,000				
Administration	Technical Salaries	1410		$40,000				
	Employee Benefits	1410		$36,785				
	Travel	1410		$5,000				
	Telephone	1410		$100				
	Sundry	1410		$2,900				
	Total			$148,785				
HA-Wide	A&E Services	1430		$4,000				
Fees and Costs	Consultant Fees	1430		$3,000				
	Permit Fees	1430		$8,000				
	Total			$15,000				
HA-Wide	Computer Equipment	1475		$50,000				
	Total			$50,000				
CA028007	Debt Service Allocation to	9000		$700,211				
Helsem Terrace	**Development Activities**							
	Total			$700,211				

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

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Part II: Supporting Pages

PHA Name: Housing Authority of Fresno County		**Grant Type and Number** Capital Fund Program Grant No: CA039P02850109 Replacement Housing Factor Grant No:				**Federal FY of Grant:** 2009		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
CA028000002P	Site Work	1450		$10,000				
CA028002	Landscaping	1450		$10,000				
Sanger	**Subtotal**			$20,000				
	Laundry Room Additions	1460		$25,000				
	Total CA028002 Sanger			**$45,000**				
CA028000003P	Fence Painting	1450		$5,000				
CA028003								
Reedley	Fascia Replacement/Paint Trim	1460		$15,000				
	Cooler Replacement	1460		$20,000				
	Subtotal			**$35,000**				
	Total CA028003 Reedley			**$40,000**				
CA02800003P	Landscaping	1450		$5,000				
CA0280004	Sprinkler System Overhaul	1450		$10,000				
Orange Cove	**Subtotal**			**$15,000**				
	Fascia Replacement/Paint Trim	1460		$20,000				
	Replace Countertops	1460		$10,000				
	Faucets and Wastes	1460		$4,000				
	Furnace Covers	1460		$2,000				
	Subtotal			**$36,000**				
	Total CA028004 Orange Cove			**$51,000**				

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

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

PHA Name: Housing Authority of Fresno County		**Grant Type and Number** Capital Fund Program Grant No: CA039P02850109 Replacement Housing Factor Grant No:				**Federal FY of Grant:** 2009		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
CA028000002P	Underground Utilities	1450		$10,000				
CA028005								
Fowler	Laundry/Storage Room Additions	1460		$20,000				
	Re-Dash Stucco	1460		$18,000				
	Exterior Painting	1460		$8,000				
	Window Coverings	1460		$2,000				
	Subtotal			**$48,000**				
	Total CA028005 Fowler			**$58,000**				
CA028000006P	Site Improvements	1450		$10,000				
CA028006	Grading	1450		$10,000				
Huron	Landscaping	1450		$3,000				
	Subtotal			**$23,000**				
	Windows	1460		$25,000				
	Total CA028006 Huron			**$48,000**				
CA028000001P	Kitchen Modernization	1460		$25,000				
CA028007								
Kerman	**Total CA028007 Kerman**			**$25,000**				
CA028000004P	Replace Coolers	1460		$0.00				Moved to 2003
CA028008								
Firebaugh	**Total for CA028008 Firebaugh**			**$0**				

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

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

PHA Name: Housing Authority of Fresno County		**Grant Type and Number** Capital Fund Program Grant No: CA039P02850109 Replacement Housing Factor Grant No:				**Federal FY of Grant:** 2009		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
CA028000005P	Site Improvement	1450		$5,000				Moved from 2005
CA028009								
Mendota	Doors	1460		$20,000				
	Exterior Painting	1460		$29,460				Moved from 2005
	Bathroom Modernization	1460		$0				Moved to 2005
	Kitchen Modernization	1460		$0				Moved to 2005
	Subtotal			**$49,460**				
	Stoves & Refrigerators	1465.1		$5,000				Moved from 2005
	Total for CA028009 Mendota			**$59,460**				
CA028000001P	Site Improvements	1450		$10,000				
CA028011								
Highway City	**Total for CA028011 Highway City**			**$10,000**				
CA028000004P	Site Improvements	1450		$5,000				
CA028012	Repair Irrigation	1450		$10,000				
Firebaugh	Subtotal			$15,000				
	Kitchen Modernization	1460		$60,000				
	Replace Coolers	1460		$0				Moved to 2005
	Subtotal			**$60,000**				
	Total for CA028012 Firebaugh			**$75,000**				

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

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

PHA Name: Housing Authority of Fresno County		**Grant Type and Number** Capital Fund Program Grant No: CA039P02850109 Replacement Housing Factor Grant No:				**Federal FY of Grant:** 2009		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
CA028000005P	Site Improvement	1450		$9,000				
CA028014	Grade & Landscape	1450		$5,000				
Mendota	**Subtotal**			**$14,000**				
	Interior Painting	1460		$0				Moved to 2005
	Bathroom Modernization	1460		$45,000				
	Subtotal			$45,000				
	Total for CA028014 Mendota			**$59,000**				
CA28000003P	Site Improvements	1450		$10,000				
CA028015	Site Concrete	1450		$5,000				
Parlier	**Subtotal**			**$15,000**				
	Interior Sub Floors	1460		$20,000				
	Kitchen Modernization/Range Hoods	1460		$11,000				
	Interior/Exterior Painting	1460		$10,000				
	Rain Gutters	1460		$7,000				
	Window Coverings	1460		$5,000				
	Interior Cooler Grills	1460		$4,000				
	Subtotal			**$57,000**				
	Stoves & Refrigerators	1465.1		$5,000				
	Total for CA028015 Parlier			**$77,000**				
CA028000003P	Site Grading	1450		$10,000				

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

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

PHA Name: Housing Authority of Fresno County		**Grant Type and Number** Capital Fund Program Grant No: CA039P02850109 Replacement Housing Factor Grant No:				**Federal FY of Grant:** 2009		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
CA028016	Landscaping	1450		$5,000				
Orange Cove	**Subtotal**			**$15,000**				
	Roofs	1460		$35,000				Moved from 2003
	Interior/Exterior Painting	1460		$10,000				Moved from 2003
	Kitchen Countertops	1460		$10,000				Moved from 2003
	Subtotal			**$55,000**				
	Total for CA028016 Orange Cove			**$70,000**				
CA028000002P	Site Concrete	1450		$10,000				
CA028020	Site Grading & Drainage	1450		$10,000				
Laton	**Subtotal**			**$20,000**				
	Bathroom Modernization	1460		$0				Moved to 2005
	Dwelling Structures	1460		$50,000				
	Stucco	1460		$20,000				Moved from 2005
	Exterior Painting	1460		$0				Moved to 2005
	Window Coverings	1460		$2,000				
	Cooler Grills	1460		$2,000				
	Subtotal			**$74,000**				
	Refrigerators	1465.1		$5,000				
	Total for CA028020 Laton			**$99,000**				
CA028000005P	Site Improvements	1450		$0				Moved to 2005
CA028021	Playground Equipment	1450		$20,000				

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

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

PHA Name: Housing Authority of Fresno County		**Grant Type and Number** Capital Fund Program Grant No: CA039P02850109 Replacement Housing Factor Grant No:				**Federal FY of Grant:** 2009		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
San Joaquin	**Subtotal**			**$20,000**				
	Doors	1460		$0				Moved to 2005
	Bathroom Exhaust Fans w/Timers	1460		$8,500				
	Subtotal			**$8,500**				
	Total for CA028021 San Joaquin			**$28,500**				
CA028000001P	Site Improvements	1450		$30,000				
CA028022								
Biola	Dwelling Structures	1460		$7,000				
	Stoves & Refrigerators	1465.1		$10,000				
	Total for CA028022 Biola			**$47,000**				
CA028000006P	Windows	1460		$27,000				
CA028023								
Huron	**Total for CA028023 Huron**			**$27,000**				
CA028000005P	Site Improvements	1450		$5,000				
CA028026								
Mendota	Windows	1460		$0				Moved to 2005

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

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

PHA Name: Housing Authority of Fresno County		**Grant Type and Number** Capital Fund Program Grant No: CA039P02850109 Replacement Housing Factor Grant No:				**Federal FY of Grant:** 2009		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
	Replace Clotheslines	1460		$10,000				
	Doors	1460		$11,000				
	Water Heaters	1460		$11,000				
	Subtotal			**$32,000**				
	Refrigerators	1465.1		$7,000				
	Total for CA028026 Mendota			**$44,000**				
CA028000004P	Upgrade Playground	1450		$10,000				
CA028030	Site Improvements	1450		$7,182				
Firebaugh	Repair Irrigation	1450		$6,000				
	Subtotal			**$23,182**				
	Windows	1460		$20,000				
	Kitchen Modernization	1460		$15,000				
	Bathroom Modernization	1460		$15,000				
	Subtotal			**$50,000**				
	Total for CA028030 Firebaugh			**$73,182**				
CA028000001P	Site Improvements	1450		$10,000				
CA028032								
Pinedale	**Total for CA028032 Pinedale**			**$10,000**				

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

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

PHA Name: Housing Authority of Fresno County	**Grant Type and Number** Capital Fund Program No: CA39P02850109 Replacement Housing Factor No:	**Federal FY of Grant:** 2009

Development Number Name/HA-Wide Activities	All Fund Obligated (Quarter Ending Date)			All Funds Expended (Quarter Ending Date)			Reasons for Revised Target Dates
	Original	Revised	Actual	Original	Revised	Actual	
Drug Abatement & Security	8/31/11			8/31/13			
Software	8/31/11			8/31/13			
CA028000002P CA028002 Sanger	8/31/11			8/31/13			
CA02800003P CA028003 Reedley	8/31/11			8/31/13			
CA028000003P CA028004 Orange Cove	8/31/11			8/31/13			
CA028000002P CA028005 Fowler	8/31/11			8/31/13			
CA028000006P CA028006 Huron	8/31/11			8/31/13			
CA028000001P CA028007 Kerman	8/31/11			8/31/13			
CA028000004P CA028008 Firebaugh	8/31/11			8/31/13			
CA028000005P CA028009 Mendota	8/31/11			8/31/13			
CA028000001P CA028011 Highway City	8/31/11			8/31/13			
CA028000004P CA028012 Firebaugh	8/31/11			8/31/13			
CA028000005P CA028014 Mendota	8/31/11			8/31/13			
CA028000003P CA028015 Parlier	8/31/11			8/31/13			
CA028000003P CA028016 Orange Cove	8/31/11			8/31/13			

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

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

PHA Name: Housing Authority of Fresno County	**Grant Type and Number** Capital Fund Program No: CA39P02850109 Replacement Housing Factor No:	**Federal FY of Grant:** 2009

Development Number Name/HA-Wide Activities	All Fund Obligated (Quarter Ending Date)			All Funds Expended (Quarter Ending Date)			Reasons for Revised Target Dates
	Original	Revised	Actual	Original	Revised	Actual	
CA028000002P CA028020 Laton	8/31/11			8/31/13			
CA028000005P CA028021 San Joaquin	8/31/11			8/31/13			
CA028000001P CA028022 Biola	8/31/11			8/31/13			
CA028000006P CA028023 Huron	8/31/11			8/31/13			
CA028000005P CA028026 Mendota	8/31/11			8/31/13			
CA028000004P CA028030 Firebaugh	8/31/11			8/31/13			
CA028000001P CA028032 Pinedale	8/31/11			8/31/13			

13. Capital Fund Program Five-Year Action Plan

Capital Fund Program Five-Year Action Plan
Part I: Summary

PHA Name Housing Authority of Fresno County				☒ **Original 5-Year Plan** ☐ **Revision No:**	
Development Number/Name/HA-Wide	Year 1 2009	Work Statement for Year 2 FFY Grant: 2010 PHA FY: 2010	Work Statement for Year 3 FFY Grant: 2011 PHA FY: 2011	Work Statement for Year 4 FFY Grant: 2012 PHA FY: 2012	Work Statement for Year 5 FFY Grant: 2013 PHA FY: 2013
CA028001, Selma CA028002, Sanger	Annual Statement	$105,142	$315,000	$56,000 $80,000	$24,800 $34,750
CA028003, Reedley		$10,000		$20,000	$19,850
CA028004, Orange Cove		$65,000		$15,000	$19,850
CA028005, Fowler				$15,000	$19,850
CA028006, Huron					$23,820
CA028007, Kerman		$148,000			$39,700
CA028008, Firebaugh					$49,630
CA028009, Mendota		$145,000		$15,000	$23,820
CA028010 San Joaquin				$60,000	$28,000
CA028011, Highway City			$100,000	$45,000	$23,820
CA028012, Firebaugh					$39,700
CA028013, Huron					$19,850
CA028014, Mendota				$51,642	$39,700
CA028015, Parlier				$13,000	$49,630
CA028016, Orange Cove		$100,000		$30,000	$39,700
CA028017, Reedley		$70,000		$18,000	$19,850
CA028018, Del Rey				$100,000	$29,780
CA028019, Firebaugh			$471,142		
CA028020, Laton				$30,000	$19,850
CA028021, San Joaquin		$65,000		$80,000	$19,850
CA028022, Biola					$11,900
CA028023, Huron				$40,000	$19,850
CA028024, Pinedale				$80,000	$49,630
CA028026, Mendota				$85,000	$59,600
CA028030, Firebaugh		$213,000			$31,750
CA028031 Orange Cove				$50,000	$29,780
CA028032, Pinedale			$75,000	$80,000	$29,780
CA028033, Sanger					$63,500
CA028038, De Soto Gardens				$15,000	$39,552
HA-Wide Debt Service		$700,211	$700,211	$700,211	$700,211
HA-Wide Physical Activities		$50,000	$60,000	$75,000	$50,000
HA-Wide Non-Physical Activities		$507,785	$457,785	$425,285	$507,785
HA-Wide Contingency		$500	$500	$500	$500

13. Capital Fund Program Five-Year Action Plan

CFP Funds Listed for 5-year planning		$2,179,638	$2,179,638	$2,179,638	$2,179,638
Replacement Housing Factor Funds					

13. Capital Fund Program Five-Year Action Plan

Capital Fund Program Five-Year Action Plan Part II: Supporting Pages—Work Activities						
Activities for Year 1	Activities for Year : 2 FFY Grant: 2010 PHA FY: 2010			Activities for Year: 3 FFY Grant: 2011 PHA FY: 2011		
	Development Name/Number	**Major Work Categories**	**Estimated Cost**	**Development Name/Number**	**Major Work Categories**	**Estimated Cost**
See	**HA-Wide**	Computer Equipment	$50,000	HA Wide	Computer Equipment	$60,000
Annual						
Statement		**Subtotal**	**$50,000**			
	CA028000002P CA028001 Selma	Roofs	$75,142	**CA028000002P CA028001 Selma**	Site Improvements	$20,000
		Stucco	$30,000		Landscaping	$15,000
					Resurface parking areas	$20,000
		Subtotal	**$105,142**		Exterior Painting	$35,000
					Interior Paint	$25,000
	CA028000003P CA028003 Reedley	Site Work	$2,000		Kitchen Modernization	$65,000
		Doors	$8,000		Bathroom Modernization	$55,000
					Floors	$60,000
		Subtotal	**$10,000**		Doors	$20,000
					Subtotal	**$315,000**
	CA028000003P CA028017 Reedley	Site Improvements	$7,000	**CA028000001P CA028011 Highway City**	Site Improvements	$25,000
		Floors	$13,000		Sire Irrigation	$50,000
		Bathroom Modernization	$50,000		Landscaping	$25,000
		Subtotal	**$70,000**		**Subtotal**	**$100,000**
	CA028000002P	Stucco	$0.00			
	CA028033 Sanger	Roofs	$0.00			
		Subtotal	**$0.00**			
Total CFP Estimated Cost			**$235,142**			**$475,000**

13. Capital Fund Program Five-Year Action Plan

Capital Fund Program Five-Year Action Plan Part II: Supporting Pages—Work Activities						
Activities for Year 1	Activities for Year : 2 FFY Grant: 2010 PHA FY: 2010			Activities for Year: 3 FFY Grant: 2011 PHA FY: 2011		
	Development Name/Number	**Major Work Categories**	**Estimated Cost**	**Development Name/Number**	**Major Work Categories**	**Estimated Cost**
See	**CA028000001P CA028007 Kerman**	Doors	$20,000	**CA028000001P CA028032 Pinedale**	Site Improvements	$10,000
Annual		Dwelling Structures/Porches	$30,000		Replace Siding w/ Stucco	$60,000
Statement		Roofs	$75,000		Windows	$50,000
		Vertical Blinds	$15,000		**Subtotal**	**$75,000**
		Remove Clotheslines	$8,000			
		Subtotal	**$148,000**	**CA028000004P CA028019 Firebaugh**	Upgrade Heating/Cooling	$60,000
					Flooring	$45,000
	CA028000005P CA028009 Mendota	Doors (paint/replace/repair)	$28,000		Kitchen Modernization	$50,000
		Remove Clotheslines	$5,000		Bathroom Modernization	$50,000
		Roofs	$62,000		Rehabilitation of units for accessibility features	$5,000
		Site Improvements	$10,000		Doors	$31,000
		Floors	$25,000		Interior Paint	$50,000
		Gate Valves (new)	$3,000		Exterior Paint	$30,142
		Vertical Blinds	$7,000		Stucco	$50,000
		Window Screens	$5,000		Windows	$65,000
					Landscaping	$10,000
		Subtotal	**$145,000**		Install Main Shut-off valves	$25,000
					Subtotal	**$471,142**
Total CFP Estimated Cost			**$293,000**			**$546,142**

13. Capital Fund Program Five-Year Action Plan

Capital Fund Program Five-Year Action Plan Part II: Supporting Pages—Work Activities						
Activities for Year 1	Activities for Year : 2 FFY Grant: 2010 PHA FY: 2010			Activities for Year: 3 FFY Grant: 2011 PHA FY: 2011		
	Development Name/Number	**Major Work Categories**	**Estimated Cost**	**Development Name/Number**	**Major Work Categories**	**Estimated Cost**
	CA028000003P CA028004 Orange Cove	Roofs	$65,000			
See		**Subtotal**	**$65,000**			
Annual						
Statement	**CA028000005P CA028021 San Joaquin**	Roofs	$65,000			
		Subtotal	**$65,000**			
	CA028000003P CA028016 Orange Cove	Roofs	$100,000			
		Subtotal	**$100,000**			
	CA028000004P CA028019 Firebaugh	Garbage enclosures	$25,000			
		Laundry rooms	$25,000			
		Clotheslines	$10,000			
		Mow Strips	$25,000			
		Doors (paint/replace/repair)	$25,000			
		Vertical Blinds	$15,000			
		Window Screens	$15,000			
		Security doors	$25,000			
		T.V. Antennas	$8,000			
		A/C units	$40,000			
		Subtotal	**$213,000**			
Total CFP Estimated Cost			**$443,000**			

13. Capital Fund Program Five-Year Action Plan

Capital Fund Program Five-Year Action Plan Part II: Supporting Pages—Work Activities						
Activities for Year 1	Activities for Year : 2 FFY Grant: 2010 PHA FY: 2010			Activities for Year: 3 FFY Grant: 2011 PHA FY: 2011		
	Development Name/Number	**Major Work Categories**	**Estimated Cost**	**Development Name/Number**	**Major Work Categories**	**Estimated Cost**
See	**CA028000004P CA028008 Firebaugh**	Interior/Exterior Painting	$0.00			
Annual		Doors	$0.00			
Statement		Bathroom Modernization	$0.00			
		Kitchen Modernization	$0.00			
		Asbestos Removal	$0.00			
		Plumbing	$0.00			
		A/C	$0.00			
		Subtotal	**$0.00**			
Total CFP Estimated Cost			$0			

13. Capital Fund Program Five-Year Action Plan

Capital Fund Program Five-Year Action Plan Part II: Supporting Pages—Work Activities						
Activities for Year 1	Activities for Year : 4 FFY Grant: 2012 PHA FY: 2012			Activities for Year: 5 FFY Grant: 2013 PHA FY: 2013		
	Development Name/Number	**Major Work Categories**	**Estimated Cost**	**Development Name/Number**	**Major Work Categories**	**Estimated Cost**
See	**HA Wide**	Computer Equipment	$75,000	**HA Wide**	Computer Equipment	$50,000
Annual						
Statement				**CA028000002P**	Site Improvements	$10,000
				CA028001 Selma	HVAC Units	$14,800
	CA028000002P	Repair Parking Lots	$6,000		**Subtotal**	**$24,800**
	CA028001 Selma	Exterior Doors	$10,000			
		Fencing	$40,000	**CA028000002P**	Site Improvements	$10,000
		Subtotal	**$56,000**	**CA028002 Sanger**	HVAC Units	$14,750
					Refinish Cabinets	$10,000
	CA028000002P	Repair Parking Lots	$20,000		**Subtotal**	**$34,750**
	CA028002 Sanger	Bathroom Modernization	$60,000	**CA028000003P**	Upgrade Irrigation System	$1,000
		Subtotal	**$80,000**	**CA028003 Reedley**	Landscaping & Grading	$1,000
					Tree Trimming	$1,000
	CA028000003P	Repair Parking Lots	$20,000		Fencing	$1,000
	CA028003 Reedley				Asphalt/Concrete Work	$1,000
					Roofs	$1,000
	CA028000003P	Doors	$15,000		Interior/Exterior Painting	$1,000
	CA028004 Orange Cove				Doors	$3,000
					Flooring	$2,850
	CA028000003P	Doors	$15,000		Cabinets w/Countertops	$2,000
	CA028005 Fowler				Electrical	$1,000
					Plumbing	$1,000
	CA028000005P CA028009 Mendota	Repair Parking Lots	$15,000		Windows/Window Coverings	$1,000
					Coolers	$1,000
					Appliances	$1,000
					Subtotal	**$19,850**
Total CFP Estimated Cost			**$276,000**			**$79,400**

13. Capital Fund Program Five-Year Action Plan

Capital Fund Program Five-Year Action Plan Part II: Supporting Pages—Work Activities						
Activities for Year 1	Activities for Year : 4 FFY Grant: 2012 PHA FY: 2012			Activities for Year: 5 FFY Grant: 2013 PHA FY: 2013		
	Development Name/Number	**Major Work Categories**	**Estimated Cost**	**Development Name/Number**	**Major Work Categories**	**Estimated Cost**
See	**CA028000005P CA028010 San Joaquin**	Sidewalk repair	$60,000	**CA028000003P CA028004 Orange Cove**	Upgrade Irrigation System	$1,000
Annual					Landscaping & Grading	$1,000
Statement	**CA028000001P CA028011 Highway City**	Irrigation	$30,000		Tree Trimming	$1,000
		Repair Parking Lots	$15,000		Fencing	$1,000
		Subtotal	**$45,000**		Asphalt/Concrete Work	$1,000
					Roofs	$1,000
	CA028000005P CA028014 Mendota	Wall Heaters	$51,642		Interior/Exterior Painting	$1,000
					Doors	$3,000
	CA028000003P CA028015 Parlier	Tree Trimming	$13,000		Flooring	$2,850
					Cabinets w/Countertops	$2,000
	CA028000003P CA028016 Orange Cove	Coolers	$30,000		Electrical	$1,000
					Plumbing	$1,000
	CA028000003P CA028017 Reedley	Repair Parking Lots	$18,000		Windows/Window Coverings & Screens	$1,000
					Coolers	$1,000
	CA028000002P CA028018 Del Rey	Sewer Line	$20,000		Appliances	$1,000
		Bathroom Modernization	$80,000		**Subtotal**	**$19,850**
		Subtotal	**$100,000**			
				CA028000003P CA028005 Fowler	Site Improvements	$9,850
	CA028000002P CA028020 Laton	Repair Parking Lots	$30,000		HVAC Units	$10,000
					Subtotal	**$19,850**
Total CFP Estimated Cost			**$287,642**			**$39,700**

13. Capital Fund Program Five-Year Action Plan

Capital Fund Program Five-Year Action Plan
Part II: Supporting Pages—Work Activities

Activities for Year 1	Activities for Year : 4 FFY Grant: 2012 PHA FY: 2012			Activities for Year: 5 FFY Grant: 2013 PHA FY: 2013		
	Development Name/Number	**Major Work Categories**	**Estimated Cost**	**Development Name/Number**	**Major Work Categories**	**Estimated Cost**
See	**CA028000005P CA028021 San Joaquin**	Wall Heaters	$30,000	**CA028000006P CA028006 Huron**	Parking area and roadway seal, re-stripe	$5,000
Annual		Coolers	$30,000		Pedestrian paving	$2,000
Statement		Stoves & Refrigerators	$20,000		Paint parking stall numbers	$820
		Subtotal	$80,000		Tree Trimming	$2,000
					Exterior/Security Doors	$2,000
	CA028000006P CA028023 Huron	**Sidewalks**	$20,000		Exterior Painting Wood/Stucco/Concrete	$2,000
		Repair Parking Lots	$20,000		Cabinets/Sinks	$2,000
		Subtotal	$40,000		Bathroom Modernization	$2,000
					Install hooks on block wall	$1,000
	CA028000001P CA028024 Pinedale	Fencing	$20,000		Refrigerators	$5,000
		Tree Trimming	$20,000		**Subtotal**	**$23,820**
		Exterior Paint	$40,000			
		Subtotal	$80,000	**CA028000001P CA028007 Kerman**	Tree Trimming	$19,700
					Stoves & Refrigerators	$20,000
	CA028000005P	Install A/C	$45,000		**Subtotal**	**$39,700**
	CA028026 Mendota	Repair Storage Rooms	$40,000			
		Subtotal	$85,000	**CA028000004P CA028008 Firebaugh**	Tree Trimming	$49,630
	CA028000003P	Exterior Paint	$50,000			
	CA028031 Orange Cove			**CA028000005P**	Site Improvements	$4,820
				CA028009 Mendota	Repair Parking Lots/Overlay	$3,000
	CA028000001P	Fencing	$20,000		Tree Trimming	$3,000
	CA028032 Pinedale	Tree Trimming	$20,000		Doors	$3,000
		Exterior Paint	$40,000		Range Hoods	$3,000
		Subtotal	$80,000		Hot Water Heaters	$3,000
					Stoves & Refrigerators	$4,000
	CA028000002P CA028038 DeSoto Gardens	Repair Parking Lots	$15,000		**Subtotal**	**$23,820**
Total CFP Estimated Cost			**$430,000**			**$136,970**

13. Capital Fund Program Five-Year Action Plan

Capital Fund Program Five-Year Action Plan
Part II: Supporting Pages—Work Activities

Activities for Year 1	Activities for Year : 4 FFY Grant: 2012 PHA FY: 2012			Activities for Year: 5 FFY Grant: 2013 PHA FY: 2013		
	Development Name/Number	**Major Work Categories**	**Estimated Cost**	**Development Name/Number**	**Major Work Categories**	**Estimated Cost**
See				**CA028000005P CA028010 San Joaquin**	Replace Clotheslines	$5,000
Annual					Tree Trimming	$5,000
Statement					Storage room upgrades w/washer & dryer hookups	$13,000
					Replace window screens	$5,000
					Subtotal	**$28,000**
				CA028000001P CA028011 Highway City	Install four clean-outs for sewer	$18,820
					Tree Trimming	$5,000
					Subtotal	**$23,820**
				CA028000004P CA028012 Firebaugh	Replace driveways	$15,000
					Floors	$24,700
					Subtotal	**$39,700**
				CA028000006P CA028013 Huron	Site improvements, concrete	$2,000
					Parking seal and stripe, asphalt overlay, concrete	$2,000
					Landscaping	$2,000
					Tree Trimming	$2,000
					Exterior Painting	$2,000
					Paint wood, stucco, concrete	$2,000
					Countertops	$2,000
					Cabinets	$2,000
					Floors	$2,000
					Mirrors	$1,850
					Subtotal	**$19,850**
	Total CFP Estimated Cost					**$111,370**

13. Capital Fund Program Five-Year Action Plan

Capital Fund Program Five-Year Action Plan
Part II: Supporting Pages—Work Activities

Activities for Year 1	Activities for Year : 4 FFY Grant: 2012 PHA FY: 2012			Activities for Year: 5 FFY Grant: 2013 PHA FY: 2013		
	Development Name/Number	**Major Work Categories**	**Estimated Cost**	**Development Name/Number**	**Major Work Categories**	**Estimated Cost**
See				**CA028000005P CA028014 Mendota**	Site improvements	$5,000
Annual					Replace clotheslines	$5,000
Statement					Tree Trimming	$5,000
					Kitchen Modernization	$10,000
					Bathroom Modernization	$10,000
					Range Hoods	$4,700
					Subtotal	**$39,700**
				CA028000003P CA028015 Parlier	Upgrade Irrigation System	$3,000
					Landscaping & Grading	$2,000
					Tree Trimming	$2,000
					Fencing	$2,000
					Asphalt/Concrete Work	$2,000
					Roofs	$2,000
					Interior/Exterior Painting	$2,000
					Doors	$10,000
					Flooring	$9,630
					Cabinets w/Countertops	$5,000
					Electrical	$2,000
					Plumbing	$2,000
					Windows/Window Coverings & Screens	$2,000
					Coolers	$2,000
					Appliances	$2,000
					Subtotal	**$49,630**
Total CFP Estimated Cost						**$89,330**

13. Capital Fund Program Five-Year Action Plan

Capital Fund Program Five-Year Action Plan
Part II: Supporting Pages—Work Activities

Activities for Year 1	Activities for Year : 4 FFY Grant: 2012 PHA FY: 2012			Activities for Year: 5 FFY Grant: 2013 PHA FY: 2013		
	Development Name/Number	**Major Work Categories**	**Estimated Cost**	**Development Name/Number**	**Major Work Categories**	**Estimated Cost**
See				**CA028000003P** **CA028016 Orange Cove**	Upgrade Irrigation System	$3,000
Annual					Landscaping & Grading	$2,000
Statement					Tree Trimming	$1,000
					Fencing	$1,000
					Asphalt/Concrete Work	$1,000
					Roofs	$1,000
					Interior/Exterior Painting	$1,000
					Doors	$10,000
					Flooring	$9,700
					Cabinets w/Countertops	$5,000
					Electrical	$1,000
					Plumbing	$1,000
					Windows/Window Coverings & Screens	$1,000
					Coolers	$1,000
					Appliances	$1,000
					Subtotal	**$39,700**
				CA028000003P **CA028017 Reedley**	Upgrade Irrigation System	$1,000
					Landscaping & Grading	$1,000
					Tree Trimming	$1,000
					Fencing	$1,000
					Asphalt/Concrete Work	$1,000
					Roofs	$1,000
					Interior/Exterior Painting	$1,000
					Doors	$2,000
					Flooring	$2,000
					Cabinets w/Countertops	$1,850
					Electrical	$1,000
					Plumbing	$1,000
					Windows/Window Coverings & Screens	$1,000
					Coolers	$1,000
	Total CFP Estimated Cost					**Cont'd**

13. Capital Fund Program Five-Year Action Plan

Capital Fund Program Five-Year Action Plan
Part II: Supporting Pages—Work Activities

Activities for Year 1	Activities for Year : 4 FFY Grant: 2012 PHA FY: 2012			Activities for Year: 5 FFY Grant: 2013 PHA FY: 2013		
	Development Name/Number	**Major Work Categories**	**Estimated Cost**	**Development Name/Number**	**Major Work Categories**	**Estimated Cost**
See				**CA028000003P CA028017 Reedley Cont'd**	Appliances	$1,000
Annual					Rebuild storage/water heater closets	$1,000
Statement					Add washer/dryer area	$1,000
					Subtotal	**$19,850**
				CA028000002P CA028018 Del Rey	Site improvements	$10,000
					Cooler replacements	$19,780
					Subtotal	**$29,780**
				CA028000002P CA028020 Laton	HVAC Units	$10,000
					Bathroom Modernization	$5,000
					Kitchen Countertops	$4,850
					Subtotal	**$19,850**
				CA028000005P CA028021 San Joaquin	Site improvements	$4,000
					Tree Trimming	$3,850
					Replace Garbage Enclosures	$2,000
					Replace Clotheslines	$2,000
					Bathroom Modernization	$2,000
					Kitchen Cabinets/Countertops	$2,000
					Replace window screens	$2,000
					Replace Wall Heaters	$2,000
					Subtotal	**$19,850**
				CA028000001P	Install shut-off valves	$3,900
				CA028022 Biola	Install sewer clean-out	$2,000
					Tree Trimming	$2,000
					Roofs	$2,000
					Cabinets w/Countertops	$2,000
					Subtotal	**$11,900**

13. Capital Fund Program Five-Year Action Plan

Total CFP Estimated Cost				**$101,230**

Capital Fund Program Five-Year Action Plan
Part II: Supporting Pages—Work Activities

Activities for Year 1	Activities for Year : 4 FFY Grant: 2012 PHA FY: 2012			Activities for Year: 5 FFY Grant: 2013 PHA FY: 2013		
	Development Name/Number	**Major Work Categories**	**Estimated Cost**	**Development Name/Number**	**Major Work Categories**	**Estimated Cost**
See				**CA028000006P CA028023 Huron**	Parking sealing & striping, asphalt overlay	$3,850
Annual					Landscaping	$2,000
Statement					Tree Trimming & Removal	$2,000
					Replace clotheslines	$2,000
					Exterior Stucco/Painting	$2,000
					Roofs	$2,000
					Replace coolers	$2,000
					Bathroom Modernization	$2,000
					Cabinets	$2,000
					Subtotal	**$19,850**
				CA028000001P CA028024 Pinedale	Exterior Lighting	$29,630
					Replace Doors	$20,000
					Subtotal	$49,630
				CA028000005P	Site improvements	$15,000
				CA028026 Mendota	Replace clotheslines	$5,000
					Tree Trimming	$5,000
					Replace Water Heaters	$15,000
					Replace Range Hoods	$10,000
					Stoves & Refrigerators	$9,600
					Subtotal	**$59,600**
				CA028000004P CA028030 Firebaugh	Resurface parking lot	$7,750
					Tree Trimming	$6,000
					Replace gutters	$6,000
					Roofs	$6,000
					Security screen doors	$6,000
					Subtotal	**$31,750**
	Total CFP Estimated Cost					**$160,830**

13. Capital Fund Program Five-Year Action Plan

Capital Fund Program Five-Year Action Plan
Part II: Supporting Pages—Work Activities

Activities for Year 1	Activities for Year : 4 FFY Grant: 2012 PHA FY: 2012			Activities for Year: 5 FFY Grant: 2013 PHA FY: 2013		
	Development Name/Number	**Major Work Categories**	**Estimated Cost**	**Development Name/Number**	**Major Work Categories**	**Estimated Cost**
See				**CA028000003P** **CA028031 Orange Cove**	Upgrade Irrigation System	$3,000
Annual					Landscaping & Grading	$2,000
Statement					Tree Trimming	$1,000
					Fencing	$1,000
					Asphalt/Concrete Work	$1,000
					Roofs	$1,000
					Interior/Exterior Painting	$1,000
					Doors	$5,000
					Flooring	$4,780
					Cabinets w/Countertops	$5,000
					Electrical	$1,000
					Plumbing	$1,000
					Windows/Window Coverings & Screens	$1,000
					Coolers	$1,000
					Appliances	$1,000
					Subtotal	**$29,780**
				CA028000001P **CA028032 Pinedale**	Replace underground sewer lines	$7,780
					Replace exterior lighting	$7,000
					Replace HVAC units	$8,000
					Replace doors	$7,000
					Subtotal	**$29,780**
				CA028000002P	Site improvements	$63,500
				CA028033 Sanger		
				CA028000001P	Relocate shut-off valves	$10,000
				CA028038 DeSoto Gardens	Tree Trimming	$5,000
					Kitchen Modernization	$15,000
					Floors	$9,552
					Subtotal	**$39,552**
Total CFP Estimated Cost						**$162,612**

Attachments

Use this section to provide any additional attachments referenced in the Plans.

Attachment ca028a01	Public Housing Admissions and Continued Occupancy Policy
Attachment ca028b01	Section 8 Administrative Plan
Attachment ca028c01	Capital Fund Performance and Evaluation Reports
Attachment ca028d01	Organizational Chart
Attachment ca028e01	Membership of the RAB and RAB Comments

ADMISSIONS AND CONTINUED OCCUPANCY POLICY

FOR THE

PUBLIC HOUSING PROGRAM

January 1, 2009

Approved by the PHA Board of Commissioners: September 24, 2008

Submitted to HUD: October 1, 2008

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Chapter 1

OVERVIEW OF THE PROGRAM AND PLAN

INTRODUCTION

The Housing Authorities of the City and County of Fresno (FHA) receives its operating subsidy for the public housing program from the Department of Housing and Urban Development (HUD). The FHA is not a federal department or agency. A public housing agency (PHA) is a governmental or public body, created and authorized by state law to develop and operate housing and housing programs for low-income families. The FHA enters into an Annual Contributions Contract (ACC) with HUD to administer the public housing program. The FHA must ensure compliance with federal laws, regulations and notices and must establish policy and procedures to clarify federal requirements and to ensure consistency in program operation.

This chapter contains information about the FHA and its programs with emphasis on the public housing program. It also contains information about the purpose, intent and use of the plan and guide.

There are three parts to this chapter:

> Part I: The Public Housing Agency (PHA). This part includes a description of the FHA, its jurisdiction, its programs, and its mission and intent.
>
> Part II: The Public Housing Program. This part contains information about public housing operation, roles and responsibilities, and partnerships.
>
> Part III: The Admissions and Continued Occupancy (ACOP). This part discusses the purpose and organization of the plan and its revision requirements.

PART I: THE PHA

1-I.A. OVERVIEW

This part describes the FHA's creation and authorization, the general structure of the organization, and the relationship between the PHA Board and staff.

1-I.B. ORGANIZATION AND STRUCTURE OF THE PHA

Public housing is funded by the federal government and administered by the FHA for the jurisdiction of the City and County of Fresno, California.

The FHA is governed by a board of officials that are generally called "commissioners." Although some PHAs may use a different title for their officials, this document will hitherto refer to the "board of commissioners" or the "board" when discussing the board of governing officials.

Commissioners are appointed in accordance with state housing law and generally serve in the same capacity as the directors of a corporation. The board of commissioners establishes policies under which the FHA conducts business, and ensures that those policies are followed by FHA staff. The board is responsible for preserving and expanding the agency's resources and assuring the agency's continued viability and success.

Formal actions of the FHA are taken through written resolutions, adopted by the board and entered into the official records of the FHA.

The principal staff member of the FHA is the executive director (ED), who is selected and hired by the board. The ED oversees the day to day operations of the FHA and is directly responsible for carrying out the policies established by the commissioners. The ED's duties include hiring, training, and supervising the FHA's staff, as well as budgeting and financial planning for the agency. Additionally, the ED is charged with ensuring compliance with federal and state laws, and program mandates. In some PHAs, the ED is known by another title, such as chief executive officer or president.

1-I.C. PHA MISSION

The purpose of a mission statement is to communicate the purpose of the agency to people inside and outside of the agency. It provides the basis for strategy development, identification of critical success factors, resource allocation decisions, as well as ensuring client and stakeholder satisfaction.

FHA Mission Statement:

The Housing Authorities of the City and County of Fresno are committed to building strong communities by providing quality housing and empowerment opportunities to eligible families in partnership with community resource providers.

1-I.D. THE PHA'S COMMITMENT TO ETHICS AND SERVICE

As a public service agency, the FHA is committed to providing excellent service to all public housing applicants, residents, and the public. In order to provide superior service, the FHA resolves to:

- Administer applicable federal and state laws and regulations to achieve high ratings in compliance measurement indicators while maintaining efficiency in program operation to ensure fair and consistent treatment of clients served.
- Provide decent, safe, and sanitary housing in good repair – in compliance with program uniform physical condition standards – for very low- and low-income families.
- Achieve a healthy mix of incomes in its public housing developments by attracting and retaining higher income families and by working toward deconcentration of poverty goals.
- Encourage self-sufficiency of participant families and assist in the expansion of family opportunities which address educational, socio-economic, recreational and other human services needs.
- Promote fair housing and the opportunity for very low- and low-income families of all races, ethnicities, national origins, religions, ethnic backgrounds, and with all types of disabilities, to participate in the public housing program and its services.
- Create positive public awareness and expand the level of family and community support in accomplishing the FHA's mission.
- Attain and maintain a high level of standards and professionalism in day-to-day management of all program components.
- Administer an efficient, high-performing agency through continuous improvement of the FHA's support systems and commitment to our employees and their development.

The FHA will make every effort to keep residents informed of program rules and regulations, and to advise participants of how the program rules affect them.

PART II: THE PUBLIC HOUSING PROGRAM

1-II.A. OVERVIEW AND HISTORY OF THE PROGRAM

The intent of this section is to provide the public and staff an overview of the history and operation of public housing.

The United States Housing Act of 1937 (the "Act") is responsible for the birth of federal housing program initiatives, known as public housing. The Act was intended to provide financial assistance to states and cities for public works projects, slum clearance and the development of affordable housing for low-income residents. There have been many changes to the program since its inception in 1937.

The Housing Act of 1965 established the availability of federal assistance, administered through local public agencies, to provide rehabilitation grants for home repairs and rehabilitation. This act also created the federal Department of Housing and Urban Development (HUD).

The Housing Act of 1969 created an operating subsidy for the public housing program for the first time. Until that time, public housing was a self-sustaining program.

In 1998, the Quality Housing and Work Responsibility Act (QHWRA) – also known as the Public Housing Reform Act or Housing Act of 1998 – was signed into law. Its purpose was to provide more private sector management guidelines to the public housing program and provide residents with greater choices. It also allowed PHAs more remedies to replace or revitalize severely distressed public housing developments. Highlights of the Reform Act include: the establishment of flat rents; the requirement for PHAs to develop five-year and annual plans; income targeting, a requirement that 40% of all new admissions in public housing during any given fiscal year be reserved for extremely low-income families; and resident self-sufficiency incentives.

1-II.B. PUBLIC HOUSING PROGRAM BASICS

HUD writes and publishes regulations in order to implement public housing laws enacted by Congress. HUD contracts with the FHA to administer programs in accordance with HUD regulations and provides an operating subsidy to the FHA. The FHA must create written policies that are consistent with HUD regulations. Among these policies is the FHA's Admissions and Continued Occupancy Policy (ACOP). The ACOP must be approved by the board of commissioners of the FHA.

The job of the FHA pursuant to HUD regulations is to provide decent, safe, and sanitary housing, in good repair, to low-income families at an affordable rent. The FHA screens applicants for public housing and, if they are found eligible and accepted, the FHA offers the applicant a unit. If the applicant accepts the offer, the FHA will enter into a contract with the applicant known as the lease. At this point, the applicant becomes a tenant of the public housing program.

In the context of the public housing program, a tenant is defined as the adult person(s) (other than a live-in aide who (1) executed the lease with the FHA as lessee of the dwelling unit, or, if no such person now resides in the unit, (2) who resides in the unit, and who is the remaining head of household of the tenant family residing in the dwelling unit. [24 CFR 966.53]. The Public Housing Occupancy Guidebook refers to tenants as "residents." The terms "tenant" and "resident" are used interchangeably in this policy. Additionally, this policy uses the term "family" or "families" for residents or applicants, depending on context.

Since the FHA owns the public housing development, the FHA is the landlord. The FHA must comply with all of the legal and management responsibilities of a landlord in addition to administering the program in accordance with HUD regulations and FHA policy.

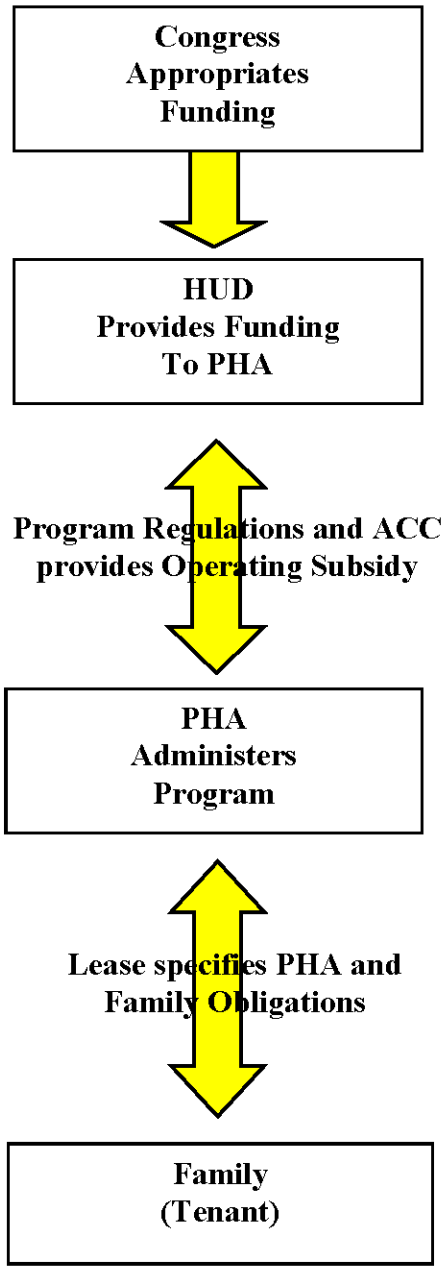
1-II.C. PUBLIC HOUSING PARTNERSHIPS

Relationships between the important parties are defined by federal regulations and by contract. To administer the public housing program, the FHA enters into a contractual relationship with HUD through the ACC. The FHA also enters into a contractual relationship with the tenant through the public housing lease. These contracts outline the roles and responsibilities of each party.

Federal regulations further identify the important roles of the parties involved. For the program to work and be successful, all parties involved – HUD, the FHA, and the tenant – must play their important parts.

The chart on the following page illustrates key aspects of these relationships.

The Public Housing Relationships



What does HUD do?

Federal law is the source of HUD responsibilities. HUD has the following major responsibilities:

- Develop regulations, requirements, handbooks, notices and other guidance to implement housing legislation passed by Congress
- Allocate operating subsidies to FHAs
- Allocate capital funding to FHAs
- Provide technical assistance to FHAs on interpreting and applying program requirements
- Monitor FHA compliance with program requirements and FHA performance in program administration.

What does the PHA do?

The FHA's responsibilities originate in federal regulations and the ACC. The FHA owns and manages public housing developments, administers the program under contract with HUD and has the following major responsibilities:

- Establish local policies
- Review applications from interested applicant families to determine whether applicants are eligible for the program
- Maintain waiting list and select families for admission
- Maintain housing units by making any necessary repairs in a timely manner
- Screen families who apply for tenancy, to determine if they will be good renters
- Offer units to families (minimize vacancies without overcrowding)
- Maintain properties to the standard of decent, safe, sanitary, and in good repair (including assuring compliance with uniform physical conditions standards)
- Make sure the PHA has adequate financial resources to maintain its housing stock
- Ensure that families continue to qualify under the program
- Collect rent due from the assisted family and comply with and enforce provisions of the lease
- Ensure that families comply with program rules
- Provide families with prompt and professional service
- Comply with all fair housing and equal opportunity requirements, HUD regulations and requirements, the Annual Contributions Contract, HUD-approved applications for funding, the FHA's ACOP, and other applicable federal, state and local laws.

What does the Tenant do?

The tenant's responsibilities are articulated in the public housing lease. The tenant has the following broad responsibilities:

- Comply with the terms of the lease
- Provide the FHA with complete and accurate information, determined by the FHA to be necessary for administration of the program
- Cooperate in attending all appointments scheduled by the FHA
- Allow the FHA to inspect the unit at reasonable times and after reasonable notice
- Take responsibility for care of the housing unit, including any violations of uniform physical condition standards caused by the family
- Not engage in drug-related or violent criminal activity
- Notify the FHA before moving or termination of the lease
- Use the assisted unit only for residence and as the sole residence of the family. Not sublet the unit or assign the lease
- Promptly notify the FHA of any changes in family composition
- Not commit fraud, bribery, or any other corrupt or criminal act in connection with any housing programs.

If all parties fulfill their obligations in a professional and timely manner, the program responsibilities will be fulfilled in an effective manner.

1-II.D. APPLICABLE REGULATIONS

Applicable regulations include:

- 24 CFR Part 5: General Program Requirements
- 24 CFR Part 8: Nondiscrimination
- 24 CFR Part 902: Public Housing Assessment System
- 24 CFR Part 903: Public Housing Agency Plans
- 24 CFR Part 945: Designated Housing
- 24 CFR Part 960: Admission and Occupancy Policies
- 24 CFR Part 965: PHA-Owned or Leased Projects – General Provisions
- 24 CFR Part 966: Lease and Grievance Procedures

PART III: THE ADMISSIONS AND CONTINUED OCCUPANCY POLICIES

1-III.A. OVERVIEW AND PURPOSE OF THE POLICY

The ACOP is the FHA's written statement of policies used to carry out the housing program in accordance with federal law and regulations, and HUD requirements. The ACOP is required by HUD and it must be available for public review [CFR 24 Part 903]. The ACOP also contains policies that support the objectives contained in the FHA's Agency Plan.

All issues related to public housing not addressed in this ACOP are governed by federal regulations, HUD handbooks and guidebooks, notices and applicable state and local laws. The policies in this ACOP have been designed to ensure compliance with the consolidated ACC and all HUD-approved applications for program funding. The FHA is responsible for complying with all changes in HUD regulations pertaining to public housing. If such changes conflict with this plan, HUD regulations will have precedence.

1-III.B. CONTENTS OF THE POLICY

Unlike the housing choice voucher program, HUD regulations for public housing do not contain a list of what must be included in the ACOP. However, individual regulations contain requirements of inclusion in the FHA's written policy. At a minimum, the ACOP plan should cover FHA policies on these subjects:

- The organization of the waiting list and how families are selected and offered available units, including any FHA admission preferences, procedures for removing applicant names from the waiting list, and procedures for closing and reopening the FHA waiting list (Chapters 4 and 5)
- Transfer policies and the circumstances under which a transfer would take precedence over an admission (Chapter 12)
- Standards for determining eligibility, suitability for tenancy, and the size and type of the unit needed (Chapters 3 and 5)
- Procedures for verifying the information the family has provided (Chapter 7)
- The method for achieving deconcentration of poverty and income-mixing of public housing developments (Chapter 4)
- Grievance procedures (Chapter 14)
- Policies concerning payment by a family to the PHA of amounts the family owes the PHA (Chapter 15 and 16)
- Interim redeterminations of family income and composition (Chapter 9)
- Policies regarding community service requirements; (Chapter 11)
- Polices and rules about safety and ownership of pets in public housing (Chapter 10).

New Approach to Policy Development

HUD has developed an approach to monitoring policy that emphasizes the importance of consistency. The ACOP supports that goal by clearly defining FHA policy for FHA management and staff.

A primary focus of programs like HUD's Rental Integrity Monitoring (RIM) program has been consistency in how PHAs conduct their business and in how HUD monitors PHA activities. HUD has made it clear that consistency in FHA conduct is important. Referring to and following the ACOP is essential to maintaining consistency in applying FHA policy.

HUD makes a distinction between:

- Mandatory policies: those driven by legislation, regulations, current handbooks, notices, and legal opinions, and
- Optional, non-binding guidance, including guidebooks, notices that have expired and recommendations from individual HUD staff.

HUD expects FHAs to develop policies and procedures that are consistent with mandatory policies and to make clear the optional policies the FHA has adopted. The FHA's Admissions and Continued Occupancy Policy is the document that contains and clarifies FHA policy. HUD's new direction adds additional emphasis to the need for a clearly written and comprehensive ACOP to guide staff in the clear and consistent application of policy.

HUD has already determined that the recommendations and suggestions it makes are consistent with mandatory policies. Therefore, following HUD guidance in the preparation of FHA policy, even though it is not mandatory, provides a PHA with a "safe harbor." If a PHA adopts its own optional policy, it must make its own determination that such policy is consistent with legislation, regulations, and other mandatory requirements. There may be very good reasons for adopting a policy or procedure that is different than that suggested by HUD, but PHAs should carefully think through those decisions and be able to articulate how their policy is consistent with federal laws, regulations and mandatory policy.

1-III.C. UPDATING AND REVISING THE POLICY

The FHA will revise this ACOP as needed to comply with changes in HUD regulations. The original policy and any changes must be approved by the board of commissioners of the FHA, the pertinent sections included in the Agency Plan, and a copy provided to HUD.

PHA Policy

The FHA will review and update the ACOP at least once a year, and more often if needed, to reflect changes in regulations, FHA operations, or when needed to ensure staff consistency in operation.

Chapter 2

FAIR HOUSING AND EQUAL OPPORTUNITY

INTRODUCTION

This chapter explains the laws and HUD regulations requiring FHAs to affirmatively further civil rights and fair housing in all federally-assisted housing programs. The letter and spirit of these laws are implemented through consistent policy and processes. The responsibility to further nondiscrimination pertains to all areas of the FHA's public housing operations.

This chapter describes HUD regulations and FHA policies related to these topics in three parts:

Part I: Nondiscrimination. This part presents the body of laws and regulations governing the responsibilities of the FHA regarding nondiscrimination.

Part II: Policies Related to Persons with Disabilities. This part discusses the rules and policies of the public housing program related to reasonable accommodation for persons with disabilities. These rules and policies are based on the Fair Housing Act (42.U.S.C.) and Section 504 of the Rehabilitation Act of 1973, and incorporate guidance from the Joint Statement of The Department of Housing and Urban Development and the Department of Justice (DOJ), issued May 17, 2004.

Part III: Prohibition of Discrimination Against Limited English Proficiency Persons. This part details the obligations of the FHA to ensure meaningful access to the public housing program and its activities by persons with limited English proficiency (LEP). This part incorporates HUD's Notice of Guidance to Federal Assistance Recipients Regarding Title VI Prohibition Affecting Limited English Proficient Persons, published December 19, 2003 in the *Federal* Register ("Notice of Guidance").

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PART I: NONDISCRIMINATION

2-I.A. OVERVIEW

Federal laws require FHAs to treat all applicants and tenant families equally, providing the same quality of service, regardless of family characteristics and background. Federal law prohibits discrimination in housing on the basis of race, color, religion, sex, national origin, age, familial status, and disability. The FHA will comply fully with all federal, state, and local nondiscrimination laws, and with rules and regulations governing fair housing and equal opportunity in housing and employment, including:

- Title VI of the Civil Rights Act of 1964
- Title VIII of the Civil Rights Act of 1968 (as amended by the Community Development Act of 1974 and the Fair Housing Amendments Act of 1988)
- Executive Order 11063
- Section 504 of the Rehabilitation Act of 1973
- The Age Discrimination Act of 1975
- Title II of the Americans with Disabilities Act (to the extent that it applies, otherwise Section 504 and the Fair Housing Amendments govern)
- Violence Against Women Reauthorization Act of 2005 (VAWA)
- Any applicable state laws or local ordinances and any legislation protecting individual rights of tenants, applicants, or staff that may subsequently be enacted

When more than one civil rights law applies to a situation, the laws will be read and applied together.

2-I.B. NONDISCRIMINATION

Federal regulations prohibit discrimination against certain protected classes. State and local requirements, as well as FHA policies, can prohibit discrimination against additional classes of people.

The FHA shall not discriminate because of race, color, sex, religion, familial status, age, disability or national origin (called "protected classes").

Familial status includes children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18.

FHA Policy

The FHA will not discriminate on the basis of marital status or sexual orientation.

The FHA will not use any of these factors to:

- Deny to any family the opportunity to apply for housing, nor deny to any qualified applicant the opportunity to participate in the public housing program
- Provide housing that is different from that provided to others
- Subject anyone to segregation or disparate treatment
- Restrict anyone's access to any benefit enjoyed by others in connection with the housing program
- Treat a person differently in determining eligibility or other requirements for admission
- Steer an applicant or tenant toward or away from a particular area based on any of these factors
- Deny anyone access to the same level of services
- Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program
- Discriminate in the provision of residential real estate transactions
- Discriminate against someone because they are related to or associated with a member of a protected class
- Publish or cause to be published an advertisement or notice indicating the availability of housing that prefers or excludes persons who are members of a protected class

Providing Information to Families

The FHA must take steps to ensure that families are fully aware of all applicable civil rights laws. As part of the public housing orientation process, the FHA will provide information to public housing applicant families about civil rights requirements.

Discrimination Complaints

If an applicant or tenant family believes that any family member has been discriminated against by the FHA, the family should advise the FHA. HUD requires the FHA to make every reasonable attempt to determine whether the applicant's or tenant family's assertions have merit and take any warranted corrective action.

FHA Policy

Applicants or tenant families who believe that they have been subject to unlawful discrimination may notify the FHA either orally or in writing.

The FHA will attempt to remedy discrimination complaints made against the FHA.

The FHA will provide a copy of a discrimination complaint form to the complainant and provide them with information on how to complete and submit the form to HUD's Office of Fair Housing and Equal Opportunity (FHEO).

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PART II: POLICIES RELATED TO PERSONS WITH DISABILITIES

2-II.A. OVERVIEW

One type of disability discrimination prohibited by the Fair Housing Act is the refusal to make reasonable accommodation in rules, policies, practices, or services when such accommodation may be necessary to afford a person with a disability the equal opportunity to use and enjoy a program or dwelling under the program.

The FHA must ensure that persons with disabilities have full access to the FHA's programs and services. This responsibility begins with the first inquiry of an interested family and continues through every programmatic area of the public housing program [24 CFR 8].

The FHA must provide a notice to each tenant that the tenant may, at any time during the tenancy, request reasonable accommodation of a handicap of a household member, including reasonable accommodation so that the tenant can meet lease requirements or other requirements of tenancy [24 CFR 966.7(b)].

FHA Policy

The FHA will ask all applicants and resident families if they require any type of accommodations, in writing, on the intake application, reexamination documents, and notices of adverse action by the FHA, by including the following language:

> "If you or anyone in your family is a person with disabilities, and you require a specific accommodation in order to fully utilize our programs and services, please contact the housing authority."

A specific name and phone number will be indicated as the contact for requests for accommodation for persons with disabilities.

2-II.B. DEFINITION OF REASONABLE ACCOMMODATION

A “reasonable accommodation” is a change, exception, or adjustment to a policy, practice or service that may be necessary for a person with a disability to have an equal opportunity to use and enjoy a dwelling, including public and common use spaces. Since policies and services may have a different effect on persons with disabilities than on other persons, treating persons with disabilities exactly the same as others will sometimes deny them an equal opportunity to use and enjoy a dwelling. [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act]

Federal regulations stipulate that requests for accommodations will be considered reasonable if they do not create an "undue financial and administrative burden" for the FHA, or result in a “fundamental alteration” in the nature of the program or service offered. A fundamental alteration is a modification that alters the essential nature of a provider’s operations.

Types of Reasonable Accommodations

When it is reasonable (see definition above and Section 2-II.E), the FHA shall accommodate the needs of a person with disabilities. Examples include but are not limited to:

- Permitting applications and reexaminations to be completed by mail
- Conducting home visits
- Permitting a higher utility allowance for the unit if a person with disabilities requires the use of specialized equipment related to the disability
- Modifying or altering a unit or physical system if such a modification or alteration is necessary to provide equal access to a person with a disability
- Installing a ramp into a dwelling or building
- Installing grab bars in a bathroom
- Installing visual fire alarms for hearing impaired persons
- Allowing a FHA-approved live-in aide to reside in the unit if that person is determined to be essential to the care of a person with disabilities, is not obligated for the support of the person with disabilities, and would not be otherwise living in the unit.
- Providing a designated handicapped-accessible parking space
- Allowing an assistance animal
- Permitting an authorized designee or advocate to participate in the application or certification process and any other meetings with FHA staff
- Displaying posters and other housing information in locations throughout the FHA's office in such a manner as to be easily readable from a wheelchair

2-II.C. REQUEST FOR AN ACCOMMODATION

If an applicant or participant indicates that an exception, change, or adjustment to a rule, policy, practice, or service is needed because of a disability, HUD requires that the FHA treat the information as a request for a reasonable accommodation, even if no formal request is made [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act].

The family must explain what type of accommodation is needed to provide the person with the disability full access to the FHA's programs and services.

If the need for the accommodation is not readily apparent or known to the FHA, the family must explain the relationship between the requested accommodation and the disability.

FHA Policy

The FHA will encourage the family to make its request in writing using a reasonable accommodation request form. However, the FHA will consider the accommodation any time the family indicates that an accommodation is needed whether or not a formal written request is submitted.

2-II.D. VERIFICATION OF DISABILITY

The regulatory civil rights definition for persons with disabilities is provided in Exhibit 2-1 at the end of this chapter. The definition of a person with a disability for the purpose of obtaining a reasonable accommodation is much broader than the HUD definition of disability which is used for waiting list preferences and income allowances.

Before providing an accommodation, the FHA must determine that the person meets the definition of a person with a disability, and that the accommodation will enhance the family's access to the FHA's programs and services.

If a person's disability is obvious or otherwise known to the FHA, and if the need for the requested accommodation is also readily apparent or known, no further verification will be required [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act].

If a family indicates that an accommodation is required for a disability that is not obvious or otherwise known to the FHA, the FHA must verify that the person meets the definition of a person with a disability, and that the limitations imposed by the disability require the requested accommodation.

When verifying a disability, the FHA will follow the verification policies provided in Chapter 7. All information related to a person's disability will be treated in accordance with the confidentiality policies provided in Chapter 16 (Program Administration). In addition to the general requirements that govern all verification efforts, the following requirements apply when verifying a disability:

- Third-party verification must be obtained from an individual identified by the family who is competent to make the determination. A doctor or other medical professional, a peer support group, a non-medical service agency, or a reliable third party who is in a position to know about the individual's disability may provide verification of a disability [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act]
- The FHA must request only information that is necessary to evaluate the disability-related need for the accommodation. The FHA may not inquire about the nature or extent of any disability.
- Medical records will not be accepted or retained in the participant file.

2-II.E. APPROVAL/DENIAL OF A REQUESTED ACCOMMODATION [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act]

The FHA must approve a request for an accommodation if the following three conditions are met.

- The request was made by or on behalf of a person with a disability.
- There is a disability-related need for the accommodation.
- The requested accommodation is reasonable, meaning it would not impose an undue financial and administrative burden on the FHA, or fundamentally alter the nature of the FHA's operations.

Requests for accommodations must be assessed on a case-by-case basis. The determination of undue financial and administrative burden must be made on a case-by-case basis involving various factors, such as the cost of the requested accommodation, the financial resources of the FHA at the time of the request, the benefits that the accommodation would provide to the family, and the availability of alternative accommodations that would effectively meet the family's disability-related needs.

Before making a determination whether to approve the request, the FHA may enter into discussion and negotiation with the family, request more information from the family, or may require the family to sign a consent form so that the FHA may verify the need for the requested accommodation.

FHA Policy

After a request for an accommodation is presented, the FHA will respond, in writing, within 10 business days.

If the FHA denies a request for an accommodation because there is no relationship, or nexus, found between the disability and the requested accommodation, the notice will inform the family of the right to appeal the FHA's decision through an informal hearing (if applicable) or the grievance process (see Chapter 14).

If the FHA denies a request for an accommodation because it is not reasonable (it would impose an undue financial and administrative burden or fundamentally alter the nature of the FHA's operations), the FHA will discuss with the family whether an alternative accommodation could effectively address the family's disability-related needs without a fundamental alteration to the public housing program and without imposing an undue financial and administrative burden.

If the FHA believes that the family has failed to identify a reasonable alternative accommodation after interactive discussion and negotiation, the FHA will notify the family, in writing, of its determination within 10 business days from the date of the most recent discussion or communication with the family. The notice will inform the family of the right to appeal the FHA's decision through an informal hearing (if applicable) or the grievance process (see Chapter 14).

2-II.F. PROGRAM ACCESSIBILITY FOR PERSONS WITH HEARING OR VISION IMPAIRMENTS

HUD regulations require the FHA to take reasonable steps to ensure that persons with disabilities related to hearing and vision have reasonable access to the FHA's programs and services [24 CFR 8.6].

At the initial point of contact with each applicant, the FHA shall inform all applicants of alternative forms of communication that can be used other than plain language paperwork.

FHA Policy

To meet the needs of persons with hearing impairments, TTD/TTY (text telephone display / teletype) communication will be available.

To meet the needs of persons with vision impairments, readers and transcribers will be made available upon request. When visual aids are used in public meetings or presentations, or in meetings with FHA staff, one-on-one assistance will be provided upon request.

Additional examples of alternative forms of communication are sign language interpretation; having material explained orally by staff; or having a third party representative (a friend, relative or advocate, named by the applicant) to receive, interpret and explain housing materials and be present at all meetings.

2-II.G. PHYSICAL ACCESSIBILITY

The FHA must comply with a variety of regulations pertaining to physical accessibility, including the following.

- PIH 2002-01 (HA), Accessibility Notice
- Section 504 of the Rehabilitation Act of 1973
- The Americans with Disabilities Act of 1990
- The Architectural Barriers Act of 1968
- The Fair Housing Act of 1988

The FHA's policies concerning physical accessibility must be readily available to applicants and resident families. They can be found in three key documents.

- This policy, the Admissions and Continued Occupancy Policy, describes the key policies that govern the FHA's responsibilities with regard to physical accessibility.
- Notice PIH 2002-01(HA) Accessibility Notice (which must be posted in the public housing offices in a conspicuous place) summarizes information about pertinent laws and implementing regulations related to non-discrimination and accessibility in federally-funded housing programs.
- The FHA Plan provides information about self-evaluation, needs assessment, and transition plans.

The design, construction, or alteration of FHA facilities must conform to the Uniform Federal Accessibility Standards (UFAS). Newly-constructed facilities must be designed to be readily accessible to and usable by persons with disabilities. Alterations to existing facilities must be accessible to the maximum extent feasible, defined as not imposing an undue financial and administrative burden on the operations of the public housing program.

2-II.H. DENIAL OR TERMINATION OF ASSISTANCE

A FHA's decision to deny or terminate the assistance of a family that includes a person with disabilities is subject to consideration of reasonable accommodation [24 CFR 966.7].

When applicants with disabilities are denied assistance, the notice of denial must inform them of their right to request an informal hearing [24 CFR 960.208(a)].

When a family's lease is terminated, the notice of termination must inform the family of their right to request a hearing in accordance with the FHA's grievance process [24 CFR 966.4(l)(3)(ii)].

When reviewing reasonable accommodation requests, the FHA must consider whether reasonable accommodation will allow the family to overcome the problem that led to the FHA's decision to deny or terminate assistance. If a reasonable accommodation will allow the family to meet the requirements, the FHA must make the accommodation [24 CFR 966.7].

In addition, the FHA must provide reasonable accommodation for persons with disabilities to participate in the hearing process [24 CFR 966.56(h)].

PART III: IMPROVING ACCESS TO SERVICES FOR PERSONS WITH LIMITED ENGLISH PROFICIENCY (LEP)

2-III.A. OVERVIEW

Language for Limited English Proficiency Persons (LEP) can be a barrier to accessing important benefits or services, understanding and exercising important rights, complying with applicable responsibilities, or understanding other information provided by the public housing program. In certain circumstances, failure to ensure that LEP persons can effectively participate in or benefit from federally-assisted programs and activities may violate the prohibition under Title VI against discrimination on the basis of national origin. This part incorporates the Notice of Guidance to Federal Assistance Recipients Regarding Title VI Prohibition Affecting Limited English Proficient Persons, published December 19, 2003 in the *Federal Register*.

The FHA will take affirmative steps to communicate with people who need services or information in a language other than English. These persons will be referred to as Persons with Limited English Proficiency (LEP).

LEP persons are defined as persons who do not speak English as their primary language and who have a limited ability to read, write, speak or understand English. For the purposes of this Admissions and Continued Occupancy Policy, LEP persons are public housing applicants and resident families, and parents and family members of applicants and resident families.

In order to determine the level of access needed by LEP persons, the FHA will balance the following four factors: (1) the number or proportion of LEP persons eligible to be served or likely to be encountered by the public housing program; (2) the frequency with which LEP persons come into contact with the program; (3) the nature and importance of the program, activity, or service provided by the program to people's lives; and (4) the resources available to the FHA and costs. Balancing these four factors will ensure meaningful access by LEP persons to critical services while not imposing undue burdens on the FHA.

2-III.B. ORAL INTERPRETATION

In a courtroom, a hearing, or situations in which health, safety, or access to important benefits and services are at stake, the FHA will generally offer, or ensure that the family is offered through other sources, competent interpretation services free of charge to the LEP person.

FHA Policy

The FHA will analyze the various kinds of contacts it has with the public, to assess language needs and decide what reasonable steps should be taken. "Reasonable steps" may not be reasonable where the costs imposed substantially exceed the benefits.

Where feasible and possible, the FHA will encourage the use of qualified community volunteers.

Where LEP persons desire, they will be permitted to use, at their own expense, an interpreter of their own choosing, in place of or as a supplement to the free language services offered by the FHA. The interpreter may be a family member or friend.

2-III.C. WRITTEN TRANSLATION

Translation is the replacement of a written text from one language into an equivalent written text in another language.

FHA Policy

In order to comply with written-translation obligations, the FHA will take the following steps:

The FHA will provide written translations of vital documents for each eligible LEP language group that constitutes 5 percent or 1,000 persons, whichever is less, of the population of persons eligible to be served or likely to be affected or encountered. Translation of other documents, if needed, can be provided orally; or

If there are fewer than 50 persons in a language group that reaches the 5 percent trigger, the FHA may not translate vital written materials, but will provide written notice in the primary language of the LEP language group of the right to receive competent oral interpretation of those written materials, free of cost.

2-III.D. IMPLEMENTATION PLAN

After completing the four-factor analysis and deciding what language assistance services are appropriate, the FHA shall determine whether it is necessary to develop a written implementation plan to address the identified needs of the LEP populations it serves.

If the FHA determines that it is not necessary to develop a written implementation plan, the absence of a written plan does not exclude the underlying obligation to ensure meaningful access by LEP persons to the FHA's public housing program and services.

FHA Policy

If it is determined that the FHA serves very few LEP persons, and the FHA has very limited resources, the FHA will not develop a written LEP plan, but will consider alternative ways to articulate in a reasonable manner a plan for providing meaningful access. Entities having significant contact with LEP persons, such as schools, grassroots and faith-based organizations, community groups, and groups working with new immigrants will be contacted for input into the process.

If the FHA determines it is appropriate to develop a written LEP plan, the following five steps will be taken: (1) Identifying LEP individuals who need language assistance; (2) identifying language assistance measures; (3) training staff; (4) providing notice to LEP persons; and (5) monitoring and updating the LEP plan.

EXHIBIT 2-1: DEFINITION OF A PERSON WITH A DISABILITY UNDER FEDERAL CIVIL RIGHTS LAWS [24 CFR Parts 8.3 and 100.201]

A person with a disability, as defined under federal civil rights laws, is any person who:

- Has a physical or mental impairment that substantially limits one or more of the major life activities of an individual, or
- Has a record of such impairment, or
- Is regarded as having such impairment

The phrase "physical or mental impairment" includes:

- Any physiological disorder or condition, cosmetic or disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic and lymphatic; skin; and endocrine; or
- Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term "physical or mental impairment" includes, but is not limited to: such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism.

"Major life activities" includes, but is not limited to, caring for oneself, performing manual tasks, walking, seeing, hearing, breathing, learning, and/or working.

"Has a record of such impairment" means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major live activities.

"Is regarded as having an impairment" is defined as having a physical or mental impairment that does not substantially limit one or more major life activities but is treated by a public entity (such as the FHA) as constituting such a limitation; has none of the impairments defined in this section but is treated by a public entity as having such an impairment; or has a physical or mental impairment that substantially limits one or more major life activities, only as a result of the attitudes of others toward that impairment.

The definition of a person with disabilities does not include:

- Current illegal drug users
- People whose alcohol use interferes with the rights of others
- Persons who objectively pose a direct threat or substantial risk of harm to others that cannot be controlled with a reasonable accommodation under the public housing program

The above definition of disability determines whether an applicant or participant is entitled to any of the protections of federal disability civil rights laws. Thus, a person who does not meet this definition of disability is not entitled to a reasonable accommodation under federal civil rights and fair housing laws and regulations.

The HUD definition of a person with a disability is much narrower than the civil rights definition of disability. The HUD definition of a person with a disability is used for purposes of receiving the disabled family preference, the $400 elderly/disabled household deduction, the allowance for medical expenses, or the allowance for disability assistance expenses.

The definition of a person with a disability for purposes of granting a reasonable accommodation request is much broader than the HUD definition of disability. Many people will not qualify as a disabled person under the public housing program, yet an accommodation is needed to provide equal opportunity.

Chapter 3

ELIGIBILITY

INTRODUCTION

The FHA is responsible for ensuring that every individual and family admitted to the public housing program meets all program eligibility requirements. This includes any individual approved to join the family after the family has been admitted to the program. The family must provide any information needed by the FHA to confirm eligibility and determine the level of the family's assistance.

To be eligible for the public housing program:

- The applicant family must:
  - Qualify as a family as defined by HUD and the FHA.
  - Have income at or below HUD-specified income limits.
  - Qualify on the basis of citizenship or the eligible immigrant status of family members.
  - Provide social security number information for family members as required.
  - Consent to the FHA's collection and use of family information as provided for in FHA-provided consent forms.
- The FHA must determine that the current or past behavior of household members does not include activities that are prohibited by HUD or the FHA.

This chapter contains three parts:

Part I: Definitions of Family and Household Members. This part contains HUD and FHA definitions of family and household members and explains initial and ongoing eligibility issues related to these members.

Part II: Basic Eligibility Criteria. This part discusses income eligibility, and rules regarding citizenship, social security numbers, and family consent.

Part III: Denial of Admission. This part covers factors related to an applicant's past or current conduct (e.g. criminal activity) that can cause the FHA to deny admission.

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PART I: DEFINITIONS OF FAMILY AND HOUSEHOLD MEMBERS

3-I.A. OVERVIEW

Some eligibility criteria and program rules vary depending upon the composition of the family requesting assistance. In addition, some requirements apply to the family as a whole and others apply to individual persons who will live in the public housing unit. This part provides information that is needed to correctly identify family and household members, and to apply HUD's eligibility rules.

3-I.B. FAMILY AND HOUSEHOLD [24 CFR 5.403 and HUD-50058 IB, p. 13]

The terms *family* and *household* have different meanings in the public housing program.

Family

To be eligible for admission, an applicant must qualify as a family. A family may be a single person or a group of persons. *Family* as defined by HUD includes a family with a child or children, two or more elderly or disabled persons living together, one or more elderly or disabled persons living with one or more live-in aides, or a single person. The FHA has the discretion to determine if any other group of persons qualifies as a family.

<u>FHA Policy</u>

A family also includes two or more individuals who are not related by blood, marriage, adoption, or other operation of law or certify that each individual's income and other resources will be available to meet the needs of the family.

Each family must identify the individuals to be included in the family at the time of application, and must update this information if the family's composition changes.

Household

Household is a broader term that includes additional people who, with the FHA's permission, live in a public housing unit, such as live-in aides, foster children, and foster adults.

3-I.C. FAMILY BREAK-UP AND REMAINING MEMBER OF TENANT FAMILY

Family Break-up

FHA Policy

When a family on the waiting list breaks up into two otherwise eligible families, only one of the new families may retain the original application date. Other former family members may make a new application with a new application date if the waiting list is open.

If a family breaks up into two otherwise eligible families while living in public housing, only one of the new families will continue to be assisted.

If a court determines the disposition of property between members of the applicant or resident family in a divorce or separation decree, the FHA will abide by the court's determination.

In the absence of a judicial decision or an agreement among the original family members, the FHA will determine which family retains their placement on the waiting list, or will continue in occupancy taking into consideration the following factors: (1) the interest of any minor children, including custody arrangements, (2) the interest of any ill, elderly, or disabled family members, (3) any possible risks to family members as a result of domestic violence or criminal activity, and (4) the recommendations of social service professionals.

Remaining Member of a Tenant Family [24 CFR 5.403]

The HUD definition of family includes the *remaining member of a tenant family*, which is a member of a resident family who remains in the unit when other members of the family have left the unit [PH Occ GB, p. 26]. Household members such as live-in aides, foster children, and foster adults do not qualify as remaining members of a family.

If dependents are the only “remaining members of a tenant family” and there is no family member able to assume the responsibilities of the head of household, see Chapter 6, Section 6-I.B, for the policy on “Caretakers for a Child.”

3-I.D. HEAD OF HOUSEHOLD [24 CFR 5.504(b)]

Head of household means the adult member of the family who is considered the head for purposes of determining income eligibility and rent. The head of household is responsible for ensuring that the family fulfills all of its responsibilities under the program, alone or in conjunction with a cohead or spouse.

FHA Policy

The family may designate any qualified family member as the head of household.

The head of household must have the legal capacity to enter into a lease under state and local law. A minor who is emancipated under state law may be designated as head of household.

3-I.E. SPOUSE, COHEAD, AND OTHER ADULT

A family may have a spouse or cohead, but not both [HUD-50058 IB, p. 13].

Spouse means the marriage partner of the head of household.

FHA Policy

A *marriage partner* includes the partner in a "common law" marriage as defined in state law. The term “spouse” does not apply to friends, roommates, or significant others who are not marriage partners. A minor who is emancipated under state law may be designated as a spouse.

A *cohead* is an individual in the household who is equally responsible with the head of household for ensuring that the family fulfills all of its responsibilities under the program, but who is not a spouse. A family can have only one cohead.

FHA Policy

Minors who are emancipated under state law may be designated as a cohead.

Other adult means a family member, other than the head, spouse, or cohead, who is 18 years of age or older. Foster adults and live-in aides are not considered other adults [HUD-50058 IB, p. 14].

3-I.F. DEPENDENT [24 CFR 5.603]

A *dependent* is a family member who is under 18 years of age or a person of any age who is a person with a disability or a full-time student, except that the following persons can never be dependents: the head of household, spouse, cohead, foster children/adults and live-in aides. Identifying each dependent in the family is important because each dependent qualifies the family for a deduction from annual income as described in Chapter 6.

Joint Custody of Dependents

FHA Policy

Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or resident family 50 percent or more of the time.

When more than one applicant or assisted family (regardless of program) are claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, the FHA will make the determination based on available documents such as court orders, or an IRS return showing which family has claimed the child for income tax purposes.

3-I.G. FULL-TIME STUDENT [24 CFR 5.603]

A *full-time student* (FTS) is a person who is attending school or vocational training on a full-time basis. The time commitment or subject load that is needed to be full-time is defined by the educational institution.

Identifying each FTS is important because (1) each family member that is an FTS, other than the head, spouse, or cohead, qualifies the family for a dependent deduction and (2) the income of such an FTS is treated differently from the income of other family members.

3-I.H. ELDERLY AND NEAR-ELDERLY PERSONS, AND ELDERLY FAMILY

Elderly Persons

An *elderly person* is a person who is at least 62 years of age [24 CFR 5.100].

Near-Elderly Persons

A *near-elderly person* is a person who is 50-61 years of age [24 CFR 945.105].

Elderly Family

An *elderly family* is one in which the head, spouse, cohead, or sole member is an elderly person [24 CFR 5.403]. Identifying elderly families is important because these families qualify for special deductions from income as described in Chapter 6 and may qualify for a particular type of development as noted in Chapter 4.

3-I.I. PERSONS WITH DISABILITIES AND DISABLED FAMILY [24 CFR 5.403]

Persons with Disabilities

Under the public housing program, special rules apply to persons with disabilities and to any family whose head, spouse, or cohead is a person with disabilities. The technical definitions of individual with handicaps and persons with disabilities are provided in Exhibit 3-1 at the end of this chapter. These definitions are used for a number of purposes including ensuring that persons with disabilities are not discriminated against based upon disability.

As discussed in Chapter 2, the FHA must make all aspects of the public housing program accessible to persons with disabilities and consider reasonable accommodations requested based upon a person's disability.

Disabled Family

A *disabled family* is one in which the head, spouse, or cohead is a person with disabilities. Identifying disabled families is important because these families qualify for special deductions from income as described in Chapter 6 and may qualify for a particular type of development as noted in Chapter 4.

Even though persons with drug or alcohol dependencies are considered persons with disabilities for the purpose of non-discrimination, this does not prevent the FHA from denying admission for reasons related to alcohol and drug abuse following policies found in Part III of this chapter, or from enforcing the lease following the policies in Chapter 13.

3-I.J. GUESTS [24 CFR 5.100]

A *guest* is defined as a person temporarily staying in the unit with the consent of a tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant.

The lease must provide that the tenant has the right to exclusive use and occupancy of the leased unit by the members of the household authorized to reside in the unit in accordance with the lease, including reasonable accommodation of their guests [24 CFR 966.4(d)]. The head of household is responsible for the conduct of visitors and guests, inside the unit as well as anywhere on or near FHA premises [24 CFR 966.4(f)].

FHA Policy

A resident family must notify the FHA when overnight guests will be staying in the unit for more than 3 days. A guest can remain in the unit no longer than 7 consecutive days or a total of 30 cumulative calendar days during any 12 month period.

A family may request an exception to this policy for valid reasons (e.g., care of a relative recovering from a medical procedure expected to last 20 consecutive days). An exception will not be made unless the family can identify and provide documentation of the residence to which the guest will return.

Children who are subject to a joint custody arrangement or for whom a family has visitation privileges, that are not included as a family member because they live outside of the public housing unit more than 50 percent of the time, are not subject to the time limitations of guests as described above.

Former residents who have been evicted are not permitted as overnight guests.

Guests who represent the unit address as their residence address for receipt of benefits or other purposes will be considered unauthorized occupants. In addition, guests who remain in the unit beyond the allowable time limit will be considered unauthorized occupants, and their presence constitutes violation of the lease.

3-I.K. FOSTER CHILDREN AND FOSTER ADULTS

Foster adults are usually persons with disabilities, unrelated to the tenant family, who are unable to live alone [24 CFR 5.609(c)(2)].

The term *foster child* is not specifically defined by the regulations.

Foster children and foster adults that are living with an applicant or resident family are considered household members but not family members. The income of foster children/adults is not counted in family annual income and foster children/adults do not qualify for a dependent deduction [24 CFR 5.603 and HUD-50058 IB, pp. 13-14].

FHA Policy

A foster child is a child that is in the legal guardianship or custody of a state, county, or private adoption or foster care agency, yet is cared for by foster parents in their own homes, under some kind of short-term or long-term foster care arrangement with the custodial agency.

Children that are temporarily absent from the home as a result of placement in foster care are discussed in Section 3-I.L.

3-I.L. ABSENT FAMILY MEMBERS

Individuals may be absent from the family, either temporarily or permanently, for a variety of reasons including educational activities, placement in foster care, employment, and illness.

Definitions of Temporarily and Permanently Absent

FHA Policy

Generally an individual who is or is expected to be absent from the public housing unit for 60 consecutive days or less is considered temporarily absent and continues to be considered a family member. Generally an individual who is or is expected to be absent from the public housing unit for more than 60 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

Absent Students

FHA Policy

When someone who has been considered a family member attends school away from home, the person will continue to be considered a family member unless information becomes available to the FHA indicating that the student has established a separate household or the family declares that the student has established a separate household.

Absences Due to Placement in Foster Care [24 CFR 5.403]

Children temporarily absent from the home as a result of placement in foster care are considered members of the family.

FHA Policy

If a child has been placed in foster care, the FHA will verify with the appropriate agency whether and when the child is expected to be returned to the home. Unless the agency confirms that the child has been permanently removed from the home, the child will be counted as a family member.

Absent Head, Spouse, or Cohead

FHA Policy

An employed head, spouse, or cohead absent from the unit more than 180 consecutive days due to employment will continue to be considered a family member.

Individuals Confined for Medical Reasons

FHA Policy

An individual confined to a nursing home or hospital on a permanent basis is not considered a family member.

If there is a question about the status of a family member, the FHA will request verification from a responsible medical professional and will use this determination. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent. The family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member.

Return of Permanently Absent Family Members

FHA Policy

The family must request FHA approval for the return of any adult family members that the FHA has determined to be permanently absent. The individual is subject to the eligibility and screening requirements discussed elsewhere in this chapter.

3-I.M. LIVE-IN AIDE

Live-in aide means 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 well-being of the persons, (2) is not obligated for the support of the persons, and (3) would not be living in the unit except to provide the necessary supportive services [24 CFR 5.403].

The FHA must approve a live-in aide if needed as a reasonable accommodation in accordance with 24 CFR 8, to make the program accessible to and usable by a family member with disabilities.

A live-in aide is a member of the household, not the family, and the income of the aide is not considered in income calculations [24 CFR 5.609(c)(5)]. Relatives may be approved as live-in aides if they meet all of the criteria defining a live-in aide. However, a relative who serves as a live-in aide is not considered a family member and would not be considered a remaining member of a tenant family.

FHA Policy

A family's request for a live-in aide must be made in writing. Written verification will be required from a reliable, knowledgeable professional of the family's choosing, such as a doctor, social worker, or case worker, that the live-in aide is essential for the care and well-being of the elderly, near-elderly, or disabled family member. For continued approval, the family must submit a new, written request—subject to FHA verification—at each annual reexamination.

In addition, the family and live-in aide will be required to submit a certification stating that the live-in aide is (1) not obligated for the support of the person(s) needing the care, and (2) would not be living in the unit except to provide the necessary supportive services.

The FHA has the discretion not to approve a particular person as a live-in aide, and may withdraw such approval, if [24 CFR 966.4(d)(3)(i)]:

The person commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;

The person has a history of drug-related criminal activity or violent criminal activity; or

The person is registered in the State's Lifetime Sex Offender Registrations Program;

The person currently owes rent or other amounts to the FHA or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act.

Within 10 business days of receiving a request for a live-in aide, including all required documentation related to the request, the FHA will notify the family of its decision in writing.

PART II: BASIC ELIGIBILITY CRITERIA

3-II.A. INCOME ELIGIBILITY AND TARGETING

Income Limits

HUD is required by law to set income limits that determine the eligibility of applicants for HUD's assisted housing programs, including the public housing program. The income limits are published annually and are based on HUD estimates of median family income in a particular area or county, with adjustments for family size.

Types of Low-Income Families [24 CFR 5.603(b)]

Low-income family. A family whose annual income does not exceed 80 percent of the median income for the area, adjusted for family size.

Very low-income family. A family whose annual income does not exceed 50 percent of the median income for the area, adjusted for family size.

Extremely low-income family. A family whose annual income does not exceed 30 percent of the median income for the area, adjusted for family size.

HUD may establish income ceilings higher or lower than 30, 50, or 80 percent of the median income for an area if HUD finds that such variations are necessary because of unusually high or low family incomes.

Using Income Limits for Eligibility [24 CFR 960.201]

Income limits are used for eligibility only at admission. Eligibility is established by comparing a family's annual income with HUD's published income limits. To be income-eligible, a family must be a *low-income* family.

Using Income Limits for Targeting [24 CFR 960.202(b)]

At least 40 percent of the families admitted to the FHA's public housing program during a FHA fiscal year from the FHA waiting list must be *extremely low-income* families. This is called the "basic targeting requirement".

If admissions of extremely low-income families to the FHA's housing choice voucher program during a FHA fiscal year exceed the 75 percent minimum targeting requirement for that program, such excess shall be credited against the FHA's public housing basic targeting requirement for the same fiscal year.

The fiscal year credit for housing choice voucher program admissions that exceed the minimum voucher program targeting requirement must not exceed the lower of:

- Ten percent of public housing waiting list admissions during the FHA fiscal year
- Ten percent of waiting list admission to the FHA's housing choice voucher program during the FHA fiscal year
- The number of qualifying low-income families who commence occupancy during the fiscal year of public housing units located in census tracts with a poverty rate of 30 percent or more. For this purpose, qualifying low-income family means a low-income family other than an extremely low-income family.

For discussion of how income targeting is used in tenant selection, see Chapter 4.

3-II.B. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5, Subpart E]

Housing assistance is available only to individuals who are U.S. citizens, U.S. nationals (herein referred to as citizens and nationals), or noncitizens that have eligible immigration status. At least one family member must be a citizen, national, or noncitizen with eligible immigration status in order for the family to qualify for any level of assistance.

All applicant families must be notified of the requirement to submit evidence of their citizenship status when they apply. Where feasible, and in accordance with the FHA's Limited English Proficiency Plan, the notice must be in a language that is understood by the individual if the individual is not proficient in English.

Declaration [24 CFR 5.508]

HUD requires each family member to declare whether the individual is a citizen, a national, or an eligible noncitizen, except those members who elect not to contend that they have eligible immigration status. Those who elect not to contend their status are considered to be ineligible noncitizens. For citizens, nationals and eligible noncitizens the declaration must be signed personally by the head, spouse, cohead, and any other family member 18 or older, and by a parent or guardian for minors. The family must identify in writing any family members who elect not to contend their immigration status (see Ineligible Noncitizens below). No declaration is required for live-in aides, foster children, or foster adults.

U.S. Citizens and Nationals

In general, citizens and nationals are required to submit only a signed declaration that claims their status. However, HUD regulations permit the FHA to request additional documentation of their status, such as a passport.

> **FHA Policy**
>
> Family members who declare citizenship or national status will not be required to provide additional documentation unless the FHA receives information indicating that an individual's declaration may not be accurate.

Eligible Noncitizens

In addition to providing a signed declaration, those declaring eligible noncitizen status must sign a verification consent form and cooperate with FHA efforts to verify their immigration status as described in Chapter 7. The documentation required for establishing eligible noncitizen status varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, the person's age, and the date on which the family began receiving HUD-funded assistance.

Lawful residents of the Marshall Islands, the Federated States of Micronesia, and Palau, together known as the Freely Associated States, or FAS, are eligible for housing assistance under section 141 of the Compacts of Free Association between the U.S. Government and the Governments of the FAS [Public Law 106-504].

Ineligible Noncitizens

Those noncitizens who do not wish to contend their immigration status are required to have their names listed on a noncontending family members listing, signed by the head, spouse, or cohead (regardless of citizenship status), indicating their ineligible immigration status. The FHA is not required to verify a family member's ineligible status and is not required to report an individual's unlawful presence in the U.S. to the United States Citizenship and Immigration Services (USCIS).

Providing housing assistance to noncitizen students is prohibited [24 CFR 5.522]. This prohibition extends to the noncitizen spouse of a noncitizen student as well as to minor children who accompany or follow to join the noncitizen student. Such prohibition does not extend to the citizen spouse of a noncitizen student or to the children of the citizen spouse and noncitizen student. Such a family is eligible for prorated assistance as a mixed family.

Mixed Families

A family is eligible for admission as long as at least one member is a citizen, national, or eligible noncitizen. Families that include eligible and ineligible individuals are considered *mixed families*. Such families will be given notice that their assistance will be prorated, and that they may request a hearing if they contest this determination. See Chapter 6 for a discussion of how rents are prorated, and Chapter 14 for a discussion of informal hearing procedures.

Ineligible Families [24 CFR 5.514(d), (e), and (f)]

A FHA may elect to provide assistance to a family before the verification of the eligibility of the individual or one family member [24 CFR 5.512(b)]. Otherwise, no individual or family may be assisted prior to the affirmative establishment by the FHA that the individual or at least one family member is eligible [24 CFR 5.512(a)].

FHA Policy

The FHA will not provide assistance to a family before the verification of at least one family member as a citizen, national, or eligible noncitizen.

When a FHA determines that an applicant family does not include any citizens, nationals, or eligible noncitizens, following the verification process, the family will be sent a written notice within 10 business days of the determination.

The notice will explain the reasons for the denial of assistance and will advise the family of its right to request an appeal to the United States Citizenship and Immigration Services (USCIS), or to request an informal hearing with the FHA. The informal hearing with the FHA may be requested in lieu of the USCIS appeal, or at the conclusion of the USCIS appeal process. The notice must also inform the applicant family that assistance may not be delayed until the conclusion of the USCIS appeal process, but that it may be delayed pending the completion of the informal hearing process.

Informal hearing procedures are contained in Chapter 14.

Timeframe for Determination of Citizenship Status [24 CFR 5.508(g)]

For new occupants joining the resident family the FHA must verify status at the first interim or regular reexamination following the person's occupancy, whichever comes first.

If an individual qualifies for a time extension for the submission of required documents, the FHA must grant such an extension for no more than 30 days [24 CFR 5.508(h)].

Each family member is required to submit evidence of eligible status only one time during continuous occupancy.

FHA Policy

The FHA will verify the status of applicants at the time other eligibility factors are determined.

3-II.C. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and 5.218]

The applicant and all members of the applicant's household age 6 or older must provide documentation of a valid Social Security Number (SSN) or a certification stating that no SSN has been issued. If a household member who is required to execute a certification is less than 18 years old, the certification must be executed by the individual's parent or guardian [24 CFR 5.216(j)]. Assistance cannot be provided to a family until all SSN documentation requirements are met. A detailed discussion of acceptable documentation is provided in Chapter 7.

If a new member who is at least six years of age is added to the household, the new member's SSN documentation must be submitted at the family's next interim or regular reexamination, whichever comes first. If any member of the household who is at least six years of age obtains a previously undisclosed SSN, or has been assigned a new SSN, the documentation must be submitted at the family's next regularly scheduled reexamination.

The FHA must deny admission to an applicant family if they do not meet the SSN disclosure, documentation and verification, and certification requirements contained in 24 CFR 5.216.

3-II.D. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 5.230]

HUD requires each adult family member, and the head of household, spouse, or cohead, regardless of age, to sign form HUD-9886, Authorization for the Release of Information/

Privacy Act Notice, and other consent forms as needed to collect information relevant to the family's eligibility and level of assistance. Chapter 7 provides detailed information concerning the consent forms and verification requirements.

The FHA must deny admission to the program if any member of the applicant family fails to sign and submit consent forms which allow the FHA to obtain information that the FHA has determined is necessary in administration of the public housing program [24 CFR 960.259(a) and (b)].

PART III: DENIAL OF ADMISSION

3-III.A. OVERVIEW

A family that does not meet the eligibility criteria discussed in Parts I and II, must be denied admission.

In addition, HUD requires or permits the FHA to deny admission based on certain types of current or past behaviors of family members as discussed in this part. The FHA's authority in this area is limited by the Violence against Women Reauthorization Act of 2005 (VAWA), which expressly prohibits the denial of admission to an otherwise qualified applicant on the basis that the applicant is or has been the victim of domestic violence, dating violence, or stalking.

This part covers the following topics:

- Required denial of admission
- Other permitted reasons for denial of admission
- Screening
- Criteria for deciding to deny admission
- Prohibition against denial of admission to victims of domestic violence, dating violence, or stalking
- Notice of eligibility or denial

3-III.B. REQUIRED DENIAL OF ADMISSION [24 CFR 960.204]

PHAs are required to establish standards that prohibit admission of an applicant to the public housing program if they have engaged in certain criminal activity or if the FHA has reasonable cause to believe that a household member's current use or pattern of use of illegal drugs, or current abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

Where the statute requires that the PHA prohibit admission for a prescribed period of time after some disqualifying behavior or event, the FHA may choose to continue that prohibition for a longer period of time [24 CFR 960.203(c)(3)(ii)].

HUD requires the FHA to deny assistance in the following cases:

- Any member of the household has been evicted from federally-assisted housing in the last 3 years for drug-related criminal activity. HUD permits but does not require the PHA to admit an otherwise-eligible family if the household member has completed a PHA-approved drug rehabilitation program or the circumstances which led to eviction no longer exist (e.g. the person involved in the criminal activity no longer lives in the household).

  FHA Policy

  The FHA will not admit an otherwise-eligible family who was evicted from federally-assisted housing for drug-related criminal activity under any circumstances.

- The PHA determines that any household member is currently engaged in the use of illegal drugs. *Drug* means a controlled substance as defined in section 102 of the Controlled Substances Act [21 U.S.C. 802]. *Currently engaged in the illegal use of a drug* means a person has engaged in the behavior recently enough to justify a reasonable belief that there is continuing illegal drug use by a household member [24 CFR 960.205(b)(1)].

  FHA Policy

  Currently engaged in means a person has engaged in the behavior recently enough to justify a reasonable belief that there is continuing illegal drug use by a household member

- The PHA has reasonable cause to believe that any household member's current use or pattern of use of illegal drugs, or current abuse or pattern of abuse of alcohol, may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

  FHA Policy

  In determining reasonable cause, the FHA will consider all credible evidence, including but not limited to, any record of convictions, arrests, or evictions of household members related to the use of illegal drugs or the abuse of alcohol. A conviction will be given more weight than an arrest.

- Any household member has ever been convicted of drug-related criminal activity for the production or manufacture of methamphetamine in any location, not just federally assisted housing.

- Any household member is subject to a lifetime registration requirement under a state sex offender registration program.

3-III.C. OTHER PERMITTED REASONS FOR DENIAL OF ADMISSION

HUD permits, but does not require the FHA to deny admission for the reasons discussed in this section.

Criminal Activity [24 CFR 960.203 (b) and (c)]

Under the Public Housing Assessment System (PHAS), PHAs that have adopted policies, implemented procedures and can document that they successfully screen out and deny admission to certain applicants with unfavorable criminal histories receive points.

The FHA is responsible for screening family behavior and suitability for tenancy. In doing so, the FHA may consider an applicant's history of criminal activity involving crimes of physical violence to persons or property and other criminal acts which would adversely affect the health, safety or welfare of other tenants.

FHA Policy

If any household member is currently engaged in, or has engaged in any of the following criminal activities, the family will be denied admission.

Drug-related criminal activity, defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug [24 CFR 5.100].

Violent criminal activity, defined by HUD as any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage [24 CFR 5.100].

Criminal activity that may threaten the health, safety, or welfare of other tenants [24 CFR 960.203(c)(3)].

Criminal sexual conduct, including but not limited to sexual assault, incest, open and gross lewdness, or child abuse.

Evidence of such criminal activity includes, but is not limited to any record of convictions, arrests, or evictions for suspected drug-related or violent criminal activity of household members. A conviction for such activity will be given more weight than an arrest or an eviction.

In making its decision to deny assistance, the FHA will consider the factors discussed in Sections 3-III.E and 3-III.F. Upon consideration of such factors, the FHA may, on a case-by-case basis, decide not to deny assistance.

Previous Behavior [960.203(c) and (d) and PH Occ GB, p. 48]

HUD authorizes the FHA to deny admission based on relevant information pertaining to the family's previous behavior and suitability for tenancy.

In the event of the receipt of unfavorable information with respect to an applicant, the FHA must consider the time, nature, and extent of the applicant's conduct (including the seriousness of the offense). As discussed in Section 3-III.F, the FHA may also need to consider whether the cause of the unfavorable information may be that the applicant is the victim of domestic violence, dating violence, or stalking.

FHA Policy

The FHA will deny admission to an applicant family if the FHA determines that the family:

Has a pattern of unsuitable past performance in meeting financial obligations, including rent within the past 3 years

Has a pattern of disturbance of neighbors, destruction of property, or living or housekeeping habits at prior residences which may adversely affect the health, safety, or welfare of other tenants

Has a pattern of eviction from housing or termination from residential programs within the past 3 years (considering relevant circumstances)

Owes rent or other amounts to this or any other FHA or owner in connection with any assisted housing program

Misrepresented or does not provide complete information related to eligibility, including income, award of preferences for admission, expenses, family composition or rent

Has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program

Has engaged in or threatened violent or abusive behavior toward FHA personnel

Abusive or violent behavior towards FHA personnel includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.

Threatening refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

In making its decision to deny admission, the FHA will consider the factors discussed in Sections 3-III.E and 3-III.F. Upon consideration of such factors, the FHA may, on a case-by-case basis, decide not to deny admission.

The FHA will consider the existence of mitigating factors, such as loss of employment or other financial difficulties, before denying admission to an applicant based on the failure to meet prior financial obligations.

3-III.D. SCREENING

Screening for Eligibility

PHAs are authorized to obtain criminal conviction records from law enforcement agencies to screen applicants for admission to the public housing program. This authority assists the FHA in complying with HUD requirements and FHA policies to deny assistance to applicants who are engaging in or have engaged in certain criminal activities. In order to obtain access to the records the FHA must require every applicant family to submit a consent form signed by each adult household member [24 CFR 5.903].

The FHA may not pass along to the applicant the costs of a criminal records check [24 CFR 960.204(d)].

FHA Policy

The FHA will perform criminal background checks through an authorized source and/or local law enforcement for all adult household members.

If the results of the criminal background check indicate there may have been past criminal activity, but the results are inconclusive, the FHA will request a fingerprint card and will request information from the National Crime Information Center (NCIC).

PHAs are required to perform criminal background checks necessary to determine whether any household member is subject to a lifetime registration requirement under a state sex offender program in the state where the housing is located, as well as in any other state where a household member is known to have resided [24 CFR 960.204(a)(4)].

If the FHA proposes to deny admission based on a criminal record or on lifetime sex offender registration information, the FHA must notify the household of the proposed action and must provide the subject of the record and the applicant a copy of the record and an opportunity to dispute the accuracy and relevance of the information prior to a denial of admission [24 CFR 5.903(f) and 5.905(d)].

Obtaining Information from Drug Treatment Facilities [24 CFR 960.205]

HUD authorizes PHAs to request and obtain information from drug abuse treatment facilities concerning applicants. Specifically, the PHA may require each applicant to submit for all household members who are at least 18 years of age, and for each family head, spouse, or cohead regardless of age, one or more consent forms signed by such household members that requests any drug abuse treatment facility to inform the PHA whether the drug abuse treatment facility has reasonable cause to believe that the household member is currently engaging in illegal drug use.

FHA Policy

The FHA chooses not to obtain information from drug abuse treatment facilities to determine whether any applicant family's household members are currently engaging in illegal drug activity.

Screening for Suitability as a Tenant [24 CFR 960.203(c)]

The FHA is responsible for the screening and selection of families to occupy public housing units. The FHA may consider all relevant information. Screening is important to public housing communities and program integrity, and to ensure that assisted housing is provided to those families that will adhere to lease obligations.

FHA Policy

The FHA will consider the family's history with respect to the following factors:

Payment of rent and utilities

Caring for a unit and premises

Respecting the rights of other residents to the peaceful enjoyment of their housing

Criminal activity that is a threat to the health, safety, or property of others

Behavior of all household members as related to the grounds for denial as detailed in Sections 3-III. B and C

Compliance with any other essential conditions of tenancy

Resources Used to Check Applicant Suitability [PH Occ GB, pp. 47-56]

FHAs have a variety of resources available to them for determination of the suitability of applicants. Generally, FHAs should reject applicants who have recent behavior that would warrant lease termination for a public housing resident.

FHA Policy

In order to determine the suitability of applicants the FHA will examine applicant history for the past 3 years. Such background checks will include:

Past Performance in Meeting Financial Obligations, Especially Rent

PHA and landlord references for the past 3 years, gathering information about past performance meeting rental obligations such as rent payment record, late payment record, whether the PHA/landlord ever began or completed lease termination for non-payment, and whether utilities were ever disconnected in the unit. PHAs and landlords will be asked if they would rent to the applicant family again.

If an applicant has no rental payment history the FHA will check court records of eviction actions and other financial judgments.

If previous landlords do not respond to requests from the FHA, the applicant may provide other documentation that demonstrates their ability to meet financial obligations (e.g. rent receipts, cancelled checks, etc.)

Disturbances of Neighbors, Destruction of Property or Living or Housekeeping Habits at Prior Residences that May Adversely Affect Health, Safety, or Welfare of Other Tenants, or Cause Damage to the Unit or the Development

FHA and landlord references for the past 3 years, gathering information on whether the applicant kept a unit clean, safe and sanitary; whether they violated health or safety codes; whether any damage was done by the applicant to a current or previous unit or the development, and, if so, how much the repair of the damage cost; whether the applicant's housekeeping caused insect or rodent infestation; and whether the neighbors complained about the applicant or whether the police were ever called because of disturbances.

Police and court records will be used to check for any evidence of disturbance of neighbors or destruction of property that might have resulted in arrest or conviction.

3-III.E. CRITERIA FOR DECIDING TO DENY ADMISSION

Evidence

FHA Policy

The FHA will use the concept of the preponderance of the evidence as the standard for making all admission decisions.

Preponderance of the evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

Consideration of Circumstances [24 CFR 960.203(c)(3) and (d)]

HUD authorizes the FHA to consider all relevant circumstances when deciding whether to deny admission based on a family's past history except in the situations for which denial of admission is mandated (see Section 3-III.B).

In the event the FHA receives unfavorable information with respect to an applicant, consideration must be given to the time, nature, and extent of the applicant's conduct (including the seriousness of the offense). In a manner consistent with its policies, PHAs may give consideration to factors which might indicate a reasonable probability of favorable future conduct.

FHA Policy

The FHA will consider the following factors prior to making its decision:

The seriousness of the case, especially with respect to how it would affect other residents

The effects that denial of admission may have on other members of the family who were not involved in the action or failure

The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities, or (as discussed further in section 3-III.F) a victim of domestic violence, dating violence, or stalking.

The length of time since the violation occurred, the family's recent history and the likelihood of favorable conduct in the future.

Removal of a Family Member's Name from the Application [24 CFR 960.203(c)(3)(i)]

HUD permits FHAs to impose as a condition of admission, a requirement that family members who participated in or were accountable for an action or failure to act which warrants denial of admission, to not reside in the unit.

FHA Policy

As a condition of receiving assistance, a family may agree to remove from the application, the family member whose action or failure to act warranted the denial of admission. In such instances, the head of household must certify that the family member will not be permitted to visit or to stay as a guest in the public housing unit.

After admission to the program, the family must present evidence of the former family member's current address upon FHA request.

Reasonable Accommodation [PH Occ GB, pp. 58-60]

If the family includes a person with disabilities, the FHA's decision concerning denial of admission is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

FHA Policy

If the family indicates that the behavior of a family member with a disability is the reason for the proposed denial of admission, the FHA will determine whether the behavior is related to the disability. If so, upon the family's request, the FHA will determine whether alternative measures are appropriate as a reasonable accommodation. The FHA will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed denial of admission. See Chapter 2 for a discussion of reasonable accommodation.

3-III.F. PROHIBITION AGAINST DENIAL OF ASSISTANCE TO VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, AND STALKING [Pub.L. 109-162]

The Violence against Women Reauthorization Act of 2005 (VAWA) prohibits denial of admission to an otherwise qualified applicant on the basis that the applicant is or has been a victim of domestic violence, dating violence, or stalking. Specifically, Section 607(2) of VAWA adds the following provision to Section 6 of the U.S. Housing Act of 1937, which lists contract provisions and requirements for the public housing program:

> Every contract for contributions shall provide that . . . the public housing agency shall not deny admission to the project to any applicant on the basis that the applicant is or has been a victim of domestic violence, dating violence, or stalking if the applicant otherwise qualifies for assistance or admission, and that nothing in this section shall be construed to supersede any provision of any Federal, State, or local law that provides greater protection than this section for victims of domestic violence, dating violence, or stalking.

Definitions

As used in VAWA:

- The term *domestic violence* includes felony or misdemeanor crimes of violence committed by a current or former spouse of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.
- The term *dating violence* means violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim; and where the existence of such a relationship shall be determined based on a consideration of the following factors:
  - The length of the relationship
  - The type of relationship
  - The frequency of interaction between the persons involved in the relationship
- The term *stalking* means:
  - To follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate; or
  - To place under surveillance with the intent to kill, injure, harass, or intimidate another person; and
  - In the course of, or as a result of, such following, pursuit, surveillance, or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or to cause substantial emotional harm to (1) that person, (2) a member of the immediate family of that person, or (3) the spouse or intimate partner of that person.

- The term *immediate family member* means, with respect to a person –
  - A spouse, parent, brother or sister, or child of that person, or an individual to whom that person stands in the position or place of a parent; or
  - Any other person living in the household of that person and related to that person by blood and marriage.

Notification and Victim Documentation

FHA Policy

The FHA acknowledges that a victim of domestic violence, dating violence, or stalking may have an unfavorable history that would warrant denial under the FHA's policies. Therefore, if the FHA makes a determination to deny admission to an applicant family on the basis of an unfavorable history, the FHA will include in its notice of denial a statement of the protection against denial provided by VAWA and will offer the applicant the opportunity to provide documentation affirming that the cause of the unfavorable history is that a member of the applicant family is or has been a victim of domestic violence, dating violence, or stalking.

The documentation must include two elements:

A signed statement by the victim that provides the name of the perpetrator and certifies that the incidents in question are bona fide incidents of actual or threatened domestic violence, dating violence, or stalking

One of the following:

A police or court record documenting the actual or threatened abuse

A statement signed by an employee, agent, or volunteer of a victim service provider; an attorney; a medical professional; or another knowledgeable professional from whom the victim has sought assistance in addressing the actual or threatened abuse. The professional must attest under penalty of perjury that the incidents in question are bona fide incidents of abuse, and the victim must sign or attest to the statement.

The applicant must submit the required documentation with her or his request for an informal hearing (see section 14-I.B) or must request an extension in writing at that time. If the applicant so requests, the FHA will grant an extension of 10 business days, and will postpone scheduling the applicant's informal hearing until after it has received the documentation or the extension period has elapsed. If after reviewing the documentation provided by the applicant the FHA determines the family is eligible for assistance, no informal hearing will be scheduled and the FHA will proceed with admission of the applicant family.

Perpetrator Removal or Documentation of Rehabilitation

FHA Policy

In cases where an applicant family includes the perpetrator as well as the victim of domestic violence, dating violence, or stalking, the FHA will proceed as above but will require, in addition, either (a) that the perpetrator be removed from the applicant household and not reside in the public housing unit or (b) that the family provide documentation that the perpetrator has successfully completed, or is successfully undergoing, rehabilitation or treatment.

If the family elects the second option, the documentation must be signed by an employee or agent of a domestic violence service provider or by a medical or other knowledgeable professional from whom the perpetrator has sought or is receiving assistance in addressing the abuse. The signer must attest under penalty of perjury to his or her belief that the rehabilitation was successfully completed or is progressing successfully. The victim and perpetrator must also sign or attest to the documentation.

This additional documentation must be submitted within the same time frame as the documentation required above from the victim.

FHA Confidentiality Requirements

All information provided to the FHA regarding domestic violence, dating violence, or stalking, including the fact that an individual is a victim of such violence or stalking, must be retained in confidence and may neither be entered into any shared database nor provided to any related entity, except to the extent that the disclosure (a) is requested or consented to by the individual in writing, (b) is required for use in an eviction proceeding, or (c) is otherwise required by applicable law.

3-III.G. NOTICE OF ELIGIBILITY OR DENIAL

The FHA will notify an applicant family of its final determination of eligibility in accordance with the policies in Section 4-III.E.

If a PHA uses a criminal record or sex offender registration information obtained under 24 CFR 5, Subpart J, as the basis of a denial, a copy of the record must precede the notice to deny, with an opportunity for the applicant to dispute the accuracy and relevance of the information before the FHA can move to deny the application. In addition, a copy of the record must be provided to the subject of the record [24 CFR 5.903(f) and 5.905(d)].

FHA Policy

If, based on a criminal record or sex offender registration information an applicant family appears to be ineligible, the FHA will notify the family in writing of the denial and their right to request an informal hearing. A copy of the record will be provided to the applicant and to the subject of the record. The family will be given 7 business days to dispute the accuracy and relevance of the information. If the family does not contact the FHA to dispute the information within that 7 business day period, the FHA will proceed with the denial of admission.

Notice requirements related to denying admission to noncitizens are contained in Section 3-II.B.

Notice policies related to denying admission to applicants who may be victims of domestic violence, dating violence, or stalking are contained in Section 3-III.F.

EXHIBIT 3-1: DETAILED DEFINITIONS RELATED TO DISABILITIES

Person with Disabilities [24 CFR 5.403]

The term *person with disabilities* means a person who has any of the following types of conditions.

- Has a disability, as defined in 42 U.S.C. Section 423(d)(1)(A), which reads:

  Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months

  In the case of an individual who has attained the age of 55 and is blind (within the meaning of "blindness" as defined in section 416(i)(1) of this title), inability by reason of such blindness to engage in substantial gainful activity, requiring skills or ability comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time.

- Has a developmental disability as defined in the Developmental Disabilities Assistance and Bill of Rights Act of 2000 [42 U.S.C.15002(8)], which defines developmental disability in functional terms as follows:

  (A) IN GENERAL – The term *developmental disability* means a severe, chronic disability of an individual that-

  (i) is attributable to a mental or physical impairment or combination of mental and physical impairments;

  (ii) is manifested before the individual attains age 22;

  (iii) is likely to continue indefinitely;

  (iv) results in substantial functional limitations in 3 or more of the following areas of major life activity: (I) self-care, (II) receptive and expressive language, (III) learning, (IV) mobility, (V) self-direction, (VI) capacity for independent living, (VII) economic self-sufficiency; and

  (v) reflects the individual's need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated.

  (B) INFANTS AND YOUNG CHILDREN – An individual from birth to age 9, inclusive, who has a substantial developmental delay or specific congenital or acquired condition, may be considered to have a developmental disability without meeting 3 or more of the criteria described in clauses (i) through (v) of subparagraph (A) if the individual, without services and supports, has a high probability of meeting those criteria later in life.

- Has a physical, mental, or emotional impairment that is expected to be of long-continued and indefinite duration; substantially impedes his or her ability to live independently, and is of such a nature that the ability to live independently could be improved by more suitable housing conditions.

People with the acquired immunodeficiency syndrome (AIDS) or any conditions arising from the etiologic agent for AIDS are not excluded from this definition.

A person whose disability is based solely on any drug or alcohol dependence does not qualify as a person with disabilities for the purposes of this program.

For purposes of reasonable accommodation and program accessibility for persons with disabilities, the term person with disabilities refers to an individual with handicaps.

Individual with Handicaps [24 CFR 8.3]

Individual with handicaps means any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such impairment; or is regarded as having such impairment. The term does not include any individual who is an alcoholic or drug abuser whose current use of alcohol or drugs prevents the individual from participating in the program or activity in question, or whose participation, by reason of such current alcohol or drug abuse, would constitute a direct threat to property or the safety of others. As used in this definition, the phrase:

(1) Physical or mental impairment includes:

- (a) Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic and lymphatic; skin; and endocrine
- (b) Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term physical or mental impairment includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism.

(2) Major life activities means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.

(3) Has a record of such an impairment means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities.

(4) Is regarded as having an impairment means:

- (a) Has a physical or mental impairment that does not substantially limit one or more major life activities but that is treated by a recipient as constituting such a limitation
- (b) Has a physical or mental impairment that substantially limits one or more major life activities only as a result of the attitudes of others toward such impairment
- (c) Has none of the impairments defined in paragraph (a) of this section but is treated by a recipient as having such an impairment

Chapter 4

APPLICATIONS, WAITING LIST AND TENANT SELECTION

INTRODUCTION

When a family wishes to reside in public housing, the family must submit an application that provides the FHA with the information needed to determine the family's eligibility. HUD requires the FHA to place all eligible families that apply for public housing on a waiting list. When a unit becomes available, the FHA must select families from the waiting list in accordance with HUD requirements and FHA policies as stated in its Admissions and Continued Occupancy Policy (ACOP) and its annual plan.

The FHA is required to adopt a clear approach to accepting applications, placing families on the waiting list, and selecting families from the waiting list, and must follow this approach consistently. The actual order in which families are selected from the waiting list can be affected if a family has certain characteristics designated by HUD or the FHA to receive preferential treatment.

HUD regulations require that the FHA comply with all equal opportunity requirements and it must affirmatively further fair housing goals in the administration of the program [24 CFR 960.103, PH Occ GB p. 13]. Adherence to the selection policies described in this chapter ensures that the FHA will be in compliance with all relevant fair housing requirements, as described in Chapter 2.

This chapter describes HUD and the FHA policies for taking applications, managing the waiting list and selecting families from the waiting list. The FHAs policies for assigning unit size and making unit offers are contained in Chapter 5. Together, Chapters 4 and 5 of the ACOP comprise the FHA's Tenant Selection and Assignment Plan (TSAP).

The policies outlined in this chapter are organized into three sections, as follows:

> Part I: The Application Process. This part provides an overview of the application process, and discusses how applicants can obtain and submit applications. It also specifies how the FHA will handle the applications it receives.
>
> Part II: Managing the Waiting List. This part presents the policies that govern how the FHA's waiting list is structured, when it is opened and closed, and how the public is notified of the opportunity to apply for public housing. It also discusses the process the FHA will use to keep the waiting list current.
>
> Part III: Tenant Selection. This part describes the policies that guide the FHA in selecting families from the waiting list as units become available. It also specifies how in-person interviews will be used to ensure that the FHA has the information needed to make a final eligibility determination.

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PART I: THE APPLICATION PROCESS

4-I.A. OVERVIEW

This part describes the policies that guide the FHA's efforts to distribute and accept applications, and to make preliminary determinations of applicant family eligibility that affect placement of the family on the waiting list. This part also describes the FHA's obligation to ensure the accessibility of the application process.

4-I.B. APPLYING FOR ASSISTANCE

Any family that wishes to reside in public housing must apply for admission to the program [24 CFR 1.4(b)(2)(ii), 24 CFR 960.202(a)(2)(iv), and PH Occ GB, p. 68]. HUD permits the FHA to determine the format and content of its applications, as well how such applications will be made available to interested families and how applications will be accepted by the FHA.

FHA Policy

The FHA will utilize a preliminary application process which will require families to provide only the information needed to make an initial assessment of the family's eligibility, and to determine the family's placement on the waiting list. The family will be required to provide all of the information necessary to establish family eligibility and the amount of rent the family will pay when selected from the waiting list.

Applicants may only submit an application on line through the FHA's website at www.hafresno.org. The information is to be completed by the applicant whenever possible. The FHA will provide specific accommodation for persons with disabilities in accordance with Chapter 2, Section 2-II.F.

4-I.C. ACCESSIBILITY OF THE APPLICATION PROCESS

The FHA must take a variety of steps to ensure that the application process is accessible to those people who might have difficulty complying with the normal, standard FHA application process.

Disabled Populations [24 CFR 8; PH Occ GB, p. 68]

The FHA must provide reasonable accommodation to the needs of individuals with disabilities. The application-taking facility and the application process must be fully accessible, or the FHA must provide an alternate approach that provides equal access to the application process. Chapter 2 provides a full discussion of the FHA's policies related to providing reasonable accommodations for people with disabilities.

Limited English Proficiency

PHAs are required to take reasonable steps to ensure meaningful access to their programs and activities by persons with limited English proficiency [24 CFR 1]. Chapter 2 provides a full discussion on the FHA's policies related to ensuring access to people with limited English proficiency (LEP).

4-I.D. PLACEMENT ON THE WAITING LIST

FHA Policy

Since the FHA utilizes an electronic application, all applicant families will be placed on the waiting list, except duplicate applications, including applications from a segment of an applicant household.

Placement on the waiting list does not indicate that the family is, in fact, eligible for admission. A final determination of eligibility and qualification for preferences will be made when the family is selected from the waiting list.

Applicants will be placed on the waiting list according to FHA preference(s) and the date and time their complete application is received by the FHA.

The FHA will assign families on the waiting list according to the bedroom size for which a family qualifies as established in its occupancy standards (see Chapter 5). Families may request to be placed on the waiting list for a unit size smaller than designated by the occupancy guidelines (as long as the unit is not overcrowded according to FHA standards and local codes). However, in these cases, the family must agree not to request a transfer for two years after admission, unless they have a change in family size or composition.

No applicant has a right or entitlement to be listed on the waiting list, or to any particular position on the waiting list.

PART II: MANAGING THE WAITING LIST

4-II.A. OVERVIEW

The FHA must have policies regarding the type of waiting list it will utilize as well as the various aspects of organizing and managing the waiting list of applicant families. This includes opening the list to new applicants, closing the list to new applicants, notifying the public of waiting list openings and closings, updating waiting list information, purging the list of families that are no longer interested in or eligible for public housing, and conducting outreach to ensure a sufficient number of applicants.

In addition, HUD imposes requirements on how the PHA may structure its waiting list and how families must be treated if they apply for public housing at a PHA that administers more than one assisted housing program.

4-II.B. ORGANIZATION OF THE WAITING LIST

The FHA's public housing waiting list must be organized in such a manner to allow the FHA to accurately identify and select families in the proper order, according to the admissions policies described in this ACOP.

FHA Policy

The waiting list will contain the following information for each applicant listed:

Name and social security number of head of household

Unit size required (number of family members)

Amount of annual income

Accessibility requirement, if any

Date and time of application and/or application number

Household type (family, elderly, disabled)

Admission preference, if any

Race and ethnicity of the head of household

The PHA may adopt one community-wide waiting list or site-based waiting lists. The FHA must obtain approval from HUD through submission of its Annual Plan before it may offer site-based waiting lists. Site-based waiting lists allow families to select the development where they wish to reside and must be consistent with all applicable civil rights and fair housing laws and regulations [24 CFR 903.7(b)(2)].

FHA Policy

The FHA will maintain community-wide waiting list(s) for its developments. Within the list(s), the FHA will designate subparts to easily identify who should be offered the next available unit (i.e. mixed populations, general occupancy, unit size, and accessible units).

The FHA will not adopt site-based waiting lists.

HUD directs that a family that applies to reside in public housing must be offered the opportunity to be placed on the waiting list for any tenant-based or project-based voucher or moderate rehabilitation program that the FHA operates if 1) the other programs' waiting lists are open, and 2) the family is qualified for the other programs [24 CFR 982.205(a)(2)(i)].

HUD permits, but does not require, that FHAs maintain a single merged waiting list for their public housing, Section 8, and other subsidized housing programs [24 CFR 982.205(a)(1)].

FHA Policy

The FHA will not merge the public housing waiting list with the waiting list for any other program the FHA operates.

4-II.C. OPENING AND CLOSING THE WAITING LIST

Closing the Waiting List

The FHA is permitted to close the waiting list, in whole or in part, if it has an adequate pool of families to fill its developments. The FHA may close the waiting list completely, or restrict intake by preference, type of project, or by size and type of dwelling unit. [PH Occ GB, p. 31].

FHA Policy

The FHA, at its discretion, may restrict application intake, suspend application intake, and close the waiting list in whole or in part. Where the FHA has particular preferences or other criteria that require a specific category of family, the FHA may elect to continue to accept applications from these applicants while closing the waiting list to others.

The FHA will announce by public notice the closing of the waiting list. If the list remains open to certain categories of families, this information will be contained in the notice. The notice will be published at least 60 days prior to the FHA closing the list.

Reopening the Waiting List

If the waiting list has been closed, it may be reopened at any time. The FHA should publish a notice in local newspapers of general circulation, minority media, and other suitable media outlets that the FHA is reopening the waiting list. Such notice must comply with HUD fair housing requirements. The FHA should specify who may apply, and where and when applications will be received.

FHA Policy

The FHA will announce the reopening of the waiting list at least 10 business days prior to the date applications will first be accepted. If the list is only being reopened for certain categories of families, this information will be contained in the notice. The notice will specify where, when, and how applications are to be received.

The FHA will give public notice by publishing the relevant information in suitable media outlets including, but not limited to:

The Fresno Bee	Channel 18	Channel 30
Vida En El Valle	Channel 21	Channel 47
Mid Valley Publishing	Ker West	Channel 24
The Sentinel	ComCast	

4-II.D. FAMILY OUTREACH [24 CFR 903.2(d); 24 CFR 903.7(a) and (b)]

The FHA should conduct outreach as necessary to ensure that the FHA has a sufficient number of applicants on the waiting list to fill anticipated vacancies and to assure that the FHA is affirmatively furthering fair housing and complying with the Fair Housing Act.

Because HUD requires the FHA to serve a specified percentage of extremely low income families, the FHA may need to conduct special outreach to ensure that an adequate number of such families apply for public housing.

FHA outreach efforts must comply with fair housing requirements. This includes:

- Analyzing the housing market area and the populations currently being served to identify underserved populations
- Ensuring that outreach efforts are targeted to media outlets that reach eligible populations that are underrepresented in the program
- Avoiding outreach efforts that prefer or exclude people who are members of a protected class

FHA outreach efforts must be designed to inform qualified families about the availability of units under the program. These efforts may include, as needed, any of the following activities:

- Submitting press releases to local newspapers, including minority newspapers
- Developing informational materials and flyers to distribute to other agencies
- Providing application forms to other public and private agencies that serve the low income population
- Developing partnerships with other organizations that serve similar populations, including agencies that provide services for persons with disabilities

FHA Policy

The FHA will monitor the characteristics of the population being served and the characteristics of the population as a whole in the FHA's jurisdiction. Targeted outreach efforts will be undertaken if a comparison suggests that certain populations are being underserved.

4-II.E. REPORTING CHANGES IN FAMILY CIRCUMSTANCES

FHA Policy

While the family is on the waiting list, the family must inform the FHA, within 10 business days, of changes in family size or composition, preference status, or contact information, including current residence, mailing address, and phone number. The changes must be submitted in writing or through the FHA website, www.hafresno.org.

Changes in an applicant's circumstances while on the waiting list may affect the family's qualification for a particular bedroom size or entitlement to a preference. When an applicant reports a change that affects their placement on the waiting list, the waiting list will be updated accordingly.

4-II.F. UPDATING THE WAITING LIST

HUD requires the FHA to establish policies to use when removing applicant names from the waiting list [24 CFR 960.202(a)(2)(iv)].

Purging the Waiting List

The decision to withdraw an applicant family that includes a person with disabilities from the waiting list is subject to reasonable accommodation. If the applicant did not respond to the FHA's request for information or updates because of the family member's disability, the FHA must, upon the family's request, reinstate the applicant family to their former position on the waiting list as a reasonable accommodation [24 CFR 8.4(a), 24 CFR 100.204(a), and PH Occ GB, p. 39 and 40]. See Chapter 2 for further information regarding reasonable accommodations.

FHA Policy

The waiting list will be updated as needed to ensure that all applicants and applicant information is current and timely.

To update the waiting list, the FHA will send an update request via first class mail to each family on the waiting list to determine whether the family continues to be interested in, and to qualify for, the program. This update request will be sent to the last address that the FHA has on record for the family. The update request will provide a deadline by which the family must respond and will state that failure to respond will result in the applicant's name being removed from the waiting list(s).

The family's response must be in writing and may be delivered in person, by mail, or by fax. Responses should be postmarked or received by the FHA not later than 7 business days from the date of the FHA letter.

If the family fails to respond within 7 business days, the family will be removed from the waiting list without further notice.

If the notice is returned by the post office, the applicant will be removed from the waiting list without further notice.

When a family is removed from the waiting list during the update process for failure to respond, no informal hearing will be offered. Such failures to act on the part of the applicant prevent the FHA from making an eligibility determination; therefore no informal hearing is required.

If a family is removed from the waiting list for failure to respond, the Property Manager of the waiting list(s) may reinstate the family if she/he determines the lack of response was due to FHA error, or to circumstances beyond the family's control.

Removal from the Waiting List

FHA Policy

The FHA will remove applicants from the waiting list if they have requested that their name be removed. In such cases no informal hearing is required.

If the FHA determines that the family is not eligible for admission (see Chapter 3) at any time while the family is on the waiting list the family will be removed from the waiting list.

If a family is removed from the waiting list because the FHA has determined the family is not eligible for admission, a notice will be sent to the family's address of record as well as to any alternate address provided on the initial application. The notice will state the reasons the family was removed from the waiting list and will inform the family how to request an informal hearing regarding the FHA's decision (see Chapter 14) [24 CFR 960.208(a)].

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PART III: TENANT SELECTION

4-III.A. OVERVIEW

The FHA must establish tenant selection policies for families being admitted to public housing [24 CFR 960.201(a)]. The FHA must not require any specific income or racial quotas for any developments [24 CFR 903.2(d)]. The FHA must not assign persons to a particular section of a community or to a development or building based on race, color, religion, sex, disability, familial status or national origin for purposes of segregating populations [24 CFR 1.4(b)(1)(iii) and 24 CFR 903.2(d)(1)].

The order in which families will be selected from the waiting list depends on the selection method chosen by the FHA and is impacted in part by any selection preferences that the family qualifies for. The availability of units also may affect the order in which families are selected from the waiting list.

The FHA must maintain a clear record of all information required to verify that the family is selected from the waiting list according to the FHA's selection policies [24 CFR 960.206(e)(2)]. The FHA's policies must be posted any place where the FHA receives applications. The FHA must provide a copy of its tenant selection policies upon request to any applicant or tenant. The FHA may charge the family for providing a copy of its tenant selection policies [24 CFR 960.202(c)(2)].

FHA Policy

When an applicant or resident family requests a copy of the FHA's tenant selection policies, the FHA will provide copies to them free of charge.

4-III.B. SELECTION METHOD

PHAs must describe the method for selecting applicant families from the waiting list, including the system of admission preferences that the FHA will use.

Local Preferences [24 CFR 960.206]

PHAs are permitted to establish local preferences and to give priority to serving families that meet those criteria. HUD specifically authorizes and places restrictions on certain types of local preferences. HUD also permits the FHA to establish other local preferences, at its discretion. Any local preferences established must be consistent with the FHA plan and the consolidated plan, and must be based on local housing needs and priorities that can be documented by generally accepted data sources [24 CFR 960.206(a)].

FHA Policy

The FHA will use the following local preferences:

- *Residency Preference*: For families, who live, work or have been hired to work in the jurisdiction of the FHA.

In order to verify that an applicant is a resident, the FHA will require a minimum of three (3) of the following documents: rent receipts, leases, utility bills, employer or agency records, school records, drivers licenses, voters registration records, credit reports, statement from household with whom the family is residing.

For families who have been hired to work in the jurisdiction of the FHA, a statement from the employer will be required.

- *Veterans Preference*: This preference is available to current members of the U.S. Armed Forces, veterans, or surviving spouses of veterans.

The FHA will require U.S. government documents which indicate that the applicant qualifies under the above definition.

Income Targeting Requirement [24 CFR 960.202(b)]

HUD requires that extremely low-income (ELI) families make up at least 40% of the families admitted to public housing during the PHA's fiscal year. ELI families are those with annual incomes at or below 30% of the area median income. To ensure this requirement is met, the FHA may skip non-ELI families on the waiting list in order to select an ELI family.

If a PHA also operates a housing choice voucher (HCV) program, admissions of extremely low-income families to the PHA's HCV program during a PHA fiscal year that exceed the 75% minimum target requirement for the voucher program, shall be credited against the FHA's basic targeting requirement in the public housing program for the same fiscal year. However, under these circumstances the fiscal year credit to the public housing program must not exceed the lower of: (1) ten percent of public housing waiting list admissions during the FHA fiscal year; (2) ten percent of waiting list admissions to the FHA's housing choice voucher program during the FHA fiscal year; or (3) the number of qualifying low-income families who commence occupancy during the fiscal year of FHA public housing units located in census tracts with a poverty rate of 30 percent or more. For this purpose, qualifying low-income family means a low-income family other than an extremely low-income family.

FHA Policy

The FHA will monitor progress in meeting the ELI requirement throughout the fiscal year. ELI families will be selected ahead of other eligible families on an as-needed basis to ensure that the income targeting requirement is met.

Mixed Population Developments [24 CFR 960.407]

A mixed population development is a public housing development or portion of a development that was reserved for elderly families and disabled families at its inception (and has retained that character) or the PHA at some point after its inception obtained HUD approval to give preference in tenant selection for all units in the development (or portion of a development) to elderly and disabled families [24 CFR 960.102]. Elderly family means a family whose head, spouse, cohead, or sole member is a person who is at least 62 years of age. Disabled family means a family whose head, spouse, cohead, or sole member is a person with disabilities [24 CFR 5.403]. The FHA must give elderly and disabled families equal preference in selecting these families for admission to mixed population developments. The FHA may not establish a limit on the number of elderly or disabled families that may occupy a mixed population development. In selecting elderly and disabled families to fill these units, the FHA must first offer the units that have accessibility features for families that include a person with a disability and require the accessibility features of such units. The FHA may not discriminate against elderly or disabled families that include children (Fair Housing Amendments Act of 1988).

Units Designated for Elderly or Disabled Families [24 CFR 945]

The PHA may designate projects or portions of a public housing project specifically for elderly or disabled families. The PHA must have a HUD-approved allocation plan before the designation may take place.

Among the designated developments, the PHA must also apply any preferences that it has established. If there are not enough elderly families to occupy the units in a designated elderly development, the PHA may allow near-elderly families to occupy the units [24 CFR 945.303(c)(1)]. Near-elderly family means a family whose head, spouse, or cohead is at least 50 years old, but is less than 62 [24 CFR 5.403].

If there are an insufficient number of elderly families and near-elderly families for the units in a development designated for elderly families, the PHA must make available to all other families any unit that is ready for re-rental and has been vacant for more than 60 consecutive days [24 CFR 945.303(c)(2)].

The decision of any disabled family or elderly family not to occupy or accept occupancy in designated housing shall not have an adverse affect on their admission or continued occupancy in public housing or their position on or placement on the waiting list. However, this protection does not apply to any family who refuses to occupy or accept occupancy in designated housing because of the race, color, religion, sex, disability, familial status, or national origin of the occupants of the designated housing or the surrounding area [24 CFR 945.303(d)(1) and (2)].

This protection does apply to an elderly family or disabled family that declines to accept occupancy, respectively, in a designated project for elderly families or for disabled families, and requests occupancy in a general occupancy project or in a mixed population project [24 CFR 945.303(d)(3)].

FHA Policy

The FHA does not have designated elderly or designated disabled housing in the City of Fresno.

The FHA has designated housing in the County of Fresno. The FHA developments with designated housing are as follows:

CA028000002P, Wedgewood Commons, Sanger, California

CA028000004P, Firebaugh Elderly, Firebaugh, California

CA028000005P, Mendota Apartments Unit #044360-045460, Mendota, California

When there are an insufficient number of elderly families and near-elderly families for the units in a development designated for elderly families, the FHA will make available to all other families any unit that is ready for re-rental and has been vacant for more than 60 consecutive days

Deconcentration of Poverty and Income-Mixing [24 CFR 903.1 and 903.2]

The FHA's admission policy must be designed to provide for deconcentration of poverty and income-mixing by bringing higher income tenants into lower income projects and lower income tenants into higher income projects. A statement of the FHA's deconcentration policies must be included in its annual plan [24 CFR 903.7(b)].

The FHA's deconcentration policy must comply with its obligation to meet the income targeting requirement [24 CFR 903.2(c)(5)].

Developments subject to the deconcentration requirement are referred to as 'covered developments' and include general occupancy (family) public housing developments. The following developments are not subject to deconcentration and income mixing requirements: developments operated by a FHA with fewer than 100 public housing units; mixed population or developments designated specifically for elderly or disabled families; developments operated by a FHA with only one general occupancy development; developments approved for demolition or for conversion to tenant-based public housing; and developments approved for a mixed-finance plan using HOPE VI or public housing funds [24 CFR 903.2(b)].

Steps for Implementation [24 CFR 903.2(c)(1)]

To implement the statutory requirement to deconcentrate poverty and provide for income mixing in covered developments, the FHA must comply with the following steps:

Step 1. The FHA must determine the average income of all families residing in all the FHA's covered developments. The FHA may use the median income, instead of average income, provided that the FHA includes a written explanation in its annual plan justifying the use of median income.

FHA Policy

The FHA will determine the average income of all families in all covered developments on an annual basis.

Step 2. The FHA must determine the average income (or median income, if median income was used in Step 1) of all families residing in each covered development. In determining average income for each development, the FHA has the option of adjusting its income analysis for unit size in accordance with procedures prescribed by HUD.

FHA Policy

The FHA will determine the average income of all families residing in each covered development (not adjusting for unit size) on an annual basis.

Step 3. The FHA must then determine whether each of its covered developments falls above, within, or below the established income range (EIR), which is from 85% to 115% of the average family income determined in Step 1. However, the upper limit must never be less than the income at which a family would be defined as an extremely low income family (30% of median income).

Step 4. The FHA with covered developments having average incomes outside the EIR must then determine whether or not these developments are consistent with its local goals and annual plan.

Step 5. Where the income profile for a covered development is not explained or justified in the annual plan submission, the FHA must include in its admission policy its specific policy to provide for deconcentration of poverty and income mixing.

Depending on local circumstances the FHA's deconcentration policy may include, but is not limited to the following:

- Providing incentives to encourage families to accept units in developments where their income level is needed, including rent incentives, affirmative marketing plans, or added amenities
- Targeting investment and capital improvements toward developments with an average income below the EIR to encourage families with incomes above the EIR to accept units in those developments
- Establishing a preference for admission of working families in developments below the EIR
- Skipping a family on the waiting list to reach another family in an effort to further the goals of deconcentration
- Providing other strategies permitted by statute and determined by the FHA in consultation with the residents and the community through the annual plan process to be responsive to local needs and FHA strategic objectives

A family has the sole discretion whether to accept an offer of a unit made under the FHA's deconcentration policy. The FHA must not take any adverse action toward any eligible family for choosing not to accept an offer of a unit under the FHA's deconcentration policy [24 CFR 903.2(c)(4)].

If, at annual review, the average incomes at all general occupancy developments are within the EIR, the FHA will be considered to be in compliance with the deconcentration requirement and no further action is required.

FHA Policy

For developments outside the EIR the FHA will take the following actions to provide for deconcentration of poverty and income mixing:

The FHA will encourage extremely low income applicant families to move into developments populated with higher income families. Also, the FHA will encourage higher income applicant families to move into developments populated with extremely low income families. This effort will support the FHA's objective to achieve a stable mixed income resident body and avoid concentration of extremely low income families.

Order of Selection [24 CFR 960.206(e)]

The FHA system of preferences may select families either according to the date and time of application or by a random selection process.

FHA Policy

Families will be selected from the waiting list based on preference.

Local preferences will be numerically ranked, with number 1 being the highest preference, in the following order:

1) **Residency Preference**: For families who live, work, or have been hired to work in the jurisdiction.
2) **Veteran's Preference**: This preference is available to current members of the U.S. Armed Forces, veterans, or surviving spouses of veterans.

Among applicants with the same preference, families will be selected on a first-come, first-served basis according to the date and time their complete application is received by the FHA.

When selecting applicants from the waiting list the FHA will match the characteristics of the available unit, (unit size, accessibility features, and unit type) to the applicants on the waiting lists. The FHA will offer the unit to the highest ranking applicant who qualifies for that unit size or type, or that requires the accessibility features.

By matching unit and family characteristics, it is possible that families who are lower on the waiting list may receive an offer of housing ahead of families with an earlier date and time of application or higher preference status.

Factors such as deconcentration or income mixing and income targeting will also be considered in accordance with HUD requirements and FHA policy.

4-III.C. NOTIFICATION OF SELECTION

When the family has been selected from the waiting list, the FHA must notify the family.

FHA Policy

The FHA will notify the family by first class mail when it is selected from the waiting list.

The notice will inform the family of the following:

Date, time, and location of the scheduled application interview, including any procedures for rescheduling the interview

Who is required to attend the interview?

Documents that must be provided at the interview to document the legal identity of household members, including information about what constitutes acceptable documentation

Documents that must be provided at the interview to document eligibility for a preference, if applicable

Other documents and information that should be brought to the interview

If a notification letter is returned to the FHA with no forwarding address, the family will be removed from the waiting list without further notice. Such failure to act on the part of the applicant prevents the FHA from making an eligibility determination; therefore no informal hearing will be offered.

4-III.D. THE APPLICATION INTERVIEW

HUD recommends that the PHA obtain the information and documentation needed to make an eligibility determination through a private interview. Being invited to attend an interview does not constitute admission to the program.

Reasonable accommodation must be made for persons with disabilities who are unable to attend an interview due to their disability [24 CFR 8.4(a) and 24 CFR 100.204(a)].

FHA Policy

Families selected from the waiting list are required to participate in an eligibility interview.

The head of household and the spouse/cohead will be strongly encouraged to attend the interview together. However, either the head of household or the spouse/cohead may attend the interview on behalf of the family. Verification of information pertaining to adult members of the household not present at the interview will not begin until signed release forms are returned to the FHA.

The interview will be conducted only if the head of household or spouse/cohead provides appropriate documentation of legal identity (Chapter 7 provides a discussion of proper documentation of legal identity). If the family representative does not provide the required documentation, the appointment may be rescheduled when the proper documents have been obtained.

If the family is claiming a waiting list preference, the family must provide documentation to verify their eligibility for a preference (see Chapter 7). If the family is verified as eligible for the preference, the FHA will proceed with the interview. If the FHA determines the family is not eligible for the preference, the interview will not proceed and the family will be placed back on the waiting list according to the date and time of their application.

The family must provide the information necessary to establish the family's eligibility, including suitability, and to determine the appropriate amount of rent the family will pay. The family must also complete required forms, provide required signatures, and submit required documentation. If any materials are missing, the FHA will provide the family with a written list of items that must be submitted.

Any required documents or information that the family is unable to provide at the interview must be provided within 10 business days of the interview (Chapter 7 provides details about longer submission deadlines for particular items, including documentation of Social Security numbers and eligible noncitizen status). If the family is unable to obtain the information or materials within the required time frame, the family may request an extension. If the required documents and information are not provided within the required time frame (plus any extensions), the family will be sent a notice of denial (see Chapter 3).

An advocate, interpreter, or other assistant may assist the family with the application and the interview process.

Interviews will be conducted in English. For limited English proficient (LEP) applicants, the FHA will provide translation services in accordance with the FHA's LEP plan.

If the family is unable to attend a scheduled interview, the family should contact the FHA in advance of the interview to schedule a new appointment. In all circumstances, if a family does not attend a scheduled interview, the FHA will send another notification letter with a new interview appointment time. Applicants who fail to attend two scheduled interviews without FHA approval will have their applications made inactive based on the family's failure to supply information needed to determine eligibility. The second appointment letter will state that failure to appear for the appointment without a request to reschedule will be interpreted to mean that the family is no longer interested and their application will be made inactive. Such failure to act on the part of the applicant prevents the FHA from making an eligibility determination; therefore the FHA will not offer an informal hearing.

4-III.E. FINAL ELIGIBILITY DETERMINATION [24 CFR 960.208]

The PHA must verify all information provided by the family (see Chapter 7). Based on verified information related to the eligibility requirements, including PHA suitability standards, the PHA must make a final determination of eligibility (see Chapter 3).

When a determination is made that a family is eligible and satisfies all requirements for admission, including tenant selection criteria, the applicant must be notified of the approximate date of occupancy insofar as that date can be reasonably determined [24 CFR 960.208(b)].

FHA Policy

The FHA will notify a family in writing of their eligibility within 10 business days of the determination and will provide the approximate date of occupancy insofar as that date can be reasonably determined.

The PHA must promptly notify any family determined to be ineligible for admission of the basis for such determination, and must provide the applicant upon request, within a reasonable time after the determination is made, with an opportunity for an informal hearing on such determination [24 CFR 960.208(a)].

FHA Policy

If the FHA determines that the family is ineligible, the FHA will send written notification of the ineligibility determination within 10 business days of the determination. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal hearing (see Chapter 14).

If the FHA uses a criminal record or sex offender registration information obtained under 24 CFR 5, Subpart J, as the basis of a denial, a copy of the record must precede the notice to deny, with an opportunity for the applicant to dispute the accuracy and relevance of the information before the FHA can move to deny the application. See Section 3-III.G for the FHA's policy regarding such circumstances.

Chapter 5

OCCUPANCY STANDARDS AND UNIT OFFERS

INTRODUCTION

The PHA must establish policies governing occupancy of dwelling units and offering dwelling units to qualified families.

This chapter contains policies for assigning unit size and making unit offers. The FHA's waiting list and selection policies are contained in Chapter 4. Together, Chapters 4 and 5 of the ACOP comprise the FHA's Tenant Selection and Assignment Plan (TSAP).

Policies in this chapter are organized in two parts.

> Part I: Occupancy Standards. This part contains the FHA's standards for determining the appropriate unit size for families of different sizes and types.
>
> Part II: Unit Offers. This part contains the FHA's policies for making unit offers, and describes actions to be taken when unit offers are refused.

PART I: OCCUPANCY STANDARDS

5-I.A. OVERVIEW

Occupancy standards are established by the FHA to ensure that units are occupied by families of the appropriate size. This policy maintains the maximum usefulness of the units, while preserving them from excessive wear and tear or underutilization. Part I of this chapter explains the occupancy standards. These standards describe the methodology and factors the FHA will use to determine the size unit for which a family qualifies, and includes the identification of the minimum and maximum number of household members for each unit size. This part also identifies circumstances under which an exception to the occupancy standards may be approved.

5-I.B. DETERMINING UNIT SIZE

In selecting a family to occupy a particular unit, the PHA may match characteristics of the family with the type of unit available, for example, number of bedrooms [24 CFR 960.206(c)].

HUD does not specify the number of persons who may live in public housing units of various sizes. PHAs are permitted to develop appropriate occupancy standards as long as the standards do not have the effect of discriminating against families with children [PH Occ GB, p. 62].

Although the PHA does determine the size of unit the family qualifies for under the occupancy standards, the PHA does not determine who shares a bedroom/sleeping room.

The PHA's occupancy standards for determining unit size must be applied in a manner consistent with fair housing requirements.

FHA Policy

The FHA will use the same occupancy standards for each of its developments.

The FHA's occupancy standards are as follows:

The FHA will assign one bedroom for each two persons within the household, except in the following circumstances:

Persons of the opposite sex (other than spouses, and children under age 5) will not be required to share a bedroom.

Live-in aides will be allocated a separate bedroom. No additional bedrooms will be provided for the live-in aide's family.

Single person families will be allocated a zero or one bedroom.

Foster children will be included in determining unit size.

Children of separate genders regardless of age (i.e., from birth) will be allocated separate bedrooms.

Children of the same gender with an age difference exceeding **ten (10)** years will be allocated separate bedrooms.

Unrelated adults of the same gender will be allocated separate bedrooms.

The FHA will reference the following standards in determining the appropriate unit bedroom size for a family:

BEDROOM SIZE	MINIMUM NUMBER OF PERSONS	MAXIMUM NUMBER OF PERSONS
0	1	1
1	1	2
2	2	4
3	3	6
4	4	8
5	6	10
6	8	12

5-I.C. EXCEPTIONS TO OCCUPANCY STANDARDS

Types of Exceptions

FHA Policy

The FHA will consider granting exceptions to the occupancy standards at the family's request if the FHA determines the exception is justified by the relationship, age, sex, health or disability of family members, or other personal circumstances.

For example, an exception may be granted if a larger bedroom size is needed for medical equipment due to its size and/or function, or as a reasonable accommodation for a person with disabilities. An exception may also be granted for a smaller bedroom size in cases where the number of household members exceeds the maximum number of persons allowed for the unit size in which the family resides (according to the chart in Section 5-I.B) and the family does not want to transfer to a larger size unit.

When evaluating exception requests the FHA will consider the size and configuration of the unit. In no case will the FHA grant an exception that is in violation of local housing or occupancy codes, regulations or laws.

Requests from applicants to be placed on the waiting list for a unit size smaller than designated by the occupancy standards will be approved as long as the unit is not overcrowded according to local code, and the family agrees not to request a transfer for a period of two years from the date of admission, unless they have a subsequent change in family size or composition.

To prevent vacancies, the FHA may provide an applicant family with a larger unit than the occupancy standards permit. However, in these cases the family must agree to move to a suitable, smaller unit when another family qualifies for the larger unit and there is an appropriate size unit available for the family to transfer to.

Processing of Exceptions

FHA Policy

All requests for exceptions to the occupancy standards must be submitted in writing.

In the case of a request for exception as a reasonable accommodation, the FHA will encourage the resident to make the request in writing using a reasonable accommodation request form. However, the FHA will consider the exception request any time the resident indicates that an accommodation is needed whether or not a formal written request is submitted.

Requests for a larger size unit must explain the need or justification for the larger size unit, and must include appropriate documentation. Requests based on health-related reasons must be verified by a knowledgeable professional source, unless the disability and the disability-related request for accommodation is readily apparent or otherwise known.

The FHA will notify the family of its decision within 10 business days of receiving the family's request.

PART II: UNIT OFFERS

24 CFR 1.4(b)(2)(ii); 24 CFR 960.208

5-II.A. OVERVIEW

The PHA must assign eligible applicants to dwelling units in accordance with a plan that is consistent with civil rights and nondiscrimination.

In filling an actual or expected vacancy, the PHA must offer the dwelling unit to an applicant in the appropriate sequence. The PHA will offer the unit until it is accepted. This section describes the FHA's policies with regard to the number of unit offers that will be made to applicants selected from the waiting list. This section also describes the FHA's policies for offering units with accessibility features.

FHA Policy

The FHA will maintain a record of units offered, including location, date and circumstances of each offer, each acceptance or rejection, including the reason for the rejection.

5-II.B. NUMBER OF OFFERS

FHA Policy

The FHA has adopted a "one offer plan" for offering units to applicants. Under this plan the first qualified applicant in sequence on the waiting list will be made one offer of a unit of the appropriate size.

5-II.C. TIME LIMIT FOR UNIT OFFER ACCEPTANCE OR REFUSAL

FHA Policy

Applicants must accept or refuse a unit offer within 3 business days of the date of the unit offer.

Offers made by telephone will be confirmed by letter.

5-II.D. REFUSALS OF UNIT OFFERS

Good Cause for Unit Refusal

An elderly or disabled family may decline an offer for designated housing. Such a refusal must not adversely affect the family's position on or placement on the public housing waiting list [24 CFR 945.303(d)].

FHA Policy

Applicants may refuse to accept a unit offer for *"good cause." Good cause* includes situations in which an applicant is willing to move but is unable to do so at the time of the unit offer, or the applicant demonstrates that acceptance of the offer would cause undue hardship not related to considerations of the applicant's race, color, national origin, etc. [PH Occ GB, p. 104]. Examples of good cause for refusal of a unit offer include, but are not limited to, the following:

Inaccessibility to source of employment, education, or job training, children's day care, or educational program for children with disabilities, so that accepting the unit offer would require the adult household member to quit a job, drop out of an educational institution or job training program, or take a child out of day care or an educational program for children with disabilities

The family demonstrates to the FHA's satisfaction that accepting the offer will place a family member's life, health or safety in jeopardy. The family should offer specific and compelling documentation such as restraining orders, other court orders, or risk assessments related to witness protection from a law enforcement agency. Reasons offered must be specific to the family. Refusals due to location alone do not qualify for this good cause exemption

A health professional verifies temporary hospitalization or recovery from illness of the principal household member, other household members (as listed on final application) or live-in aide necessary to the care of the principal household member

The unit is inappropriate for the applicant's disabilities, or the family does not need the accessible features in the unit offered and does not want to be subject to a 30-day notice to move

The unit has lead-based paint and the family includes children under the age of six

In the case of a unit refusal for good cause the applicant will not be removed from the waiting list as described later in this section. The applicant will remain at the top of the waiting list until the family receives an offer for which they do not have good cause to refuse.

The FHA will require documentation of good cause for unit refusals.

Unit Refusal Without Good Cause

FHA Policy

When an applicant rejects the final unit offer without good cause, the FHA will remove the applicant's name from the waiting list and send notice to the family of such removal. The notice will inform the family of their right to request an informal hearing and the process for doing so (see Chapter 14).

The applicant may reapply for assistance if the waiting list is open. If the waiting list is not open, the applicant must wait to reapply until the FHA opens the waiting list.

5-II.E. ACCESSIBLE UNITS [24 CFR 8.27]

PHAs must adopt suitable means to assure that information regarding the availability of accessible units reaches eligible individuals with disabilities, and take reasonable nondiscriminatory steps to maximize the utilization of such units by eligible individuals whose disability requires the accessibility features of a particular unit.

When an accessible unit becomes vacant, before offering such units to a non-disabled applicant the PHA must offer such units:

- First, to a current resident of another unit of the same development, or other public housing development under the PHA's control, who has a disability that requires the special features of the vacant unit and is occupying a unit not having such features, or if no such occupant exists, then
- Second, to an eligible qualified applicant on the waiting list having a disability that requires the special features of the vacant unit.

When offering an accessible unit to an applicant not having a disability requiring the accessibility features of the unit, the PHA may require the applicant to agree (and may incorporate this agreement in the lease) to move to a non-accessible unit when available.

FHA Policy

Families requiring an accessible unit may be over-housed in such a unit if there are no resident or applicant families of the appropriate size who also require the accessible features of the unit.

When there are no resident or applicant families requiring the accessible features of the unit, including families who would be over-housed, the FHA will offer the unit to a non-disabled applicant.

When offering an accessible unit to a non-disabled applicant, the FHA will require the applicant to agree to move to an available non-accessible unit within 30 days when either a current resident or an applicant needs the features of the unit and there is another unit available for the non-disabled family. This requirement will be a provision of the lease agreement.

5-II.F. DESIGNATED HOUSING

When applicable, the PHA's policies for offering units designated for elderly families only or for disabled families only are described in the PHA's Designated Housing Plan.

Chapter 6

INCOME AND RENT DETERMINATIONS

[24 CFR Part 5, Subparts E and F; 24 CFR 960, Subpart C]

INTRODUCTION

A family's income determines eligibility for assistance and is also used to calculate the family's rent payment. The FHA will use the policies and methods described in this chapter to ensure that only eligible families receive assistance and that no family pays more or less than its obligation under the regulations. This chapter describes HUD regulations and FHA policies related to these topics in three parts as follows:

Part I: Annual Income. HUD regulations specify the sources of income to include and exclude to arrive at a family's annual income. These requirements and FHA policies for calculating annual income are found in Part I.

Part II: Adjusted Income. Once annual income has been established HUD regulations require the FHA to subtract from annual income any of five mandatory deductions for which a family qualifies. These requirements and FHA policies for calculating adjusted income are found in Part II.

Part III: Calculating Rent. This part describes the statutory formula for calculating total tenant payment (TTP), the use of utility allowances, and the methodology for determining family rent payment. Also included here are flat rents and the family's choice in rents.

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PART I: ANNUAL INCOME

6-I.A. OVERVIEW

The general regulatory definition of *annual income* shown below is from 24 CFR 5.609.

> 5.609 Annual income.
>
> (a) Annual income means all amounts, monetary or not, which:
>
> (1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to 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) Which are not specifically excluded in paragraph [5.609(c)].
>
> (4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

In addition to this general definition, HUD regulations establish policies for treating specific types of income and assets. The full texts of those portions of the regulations are provided in exhibits at the end of this chapter as follows:

- Annual Income Inclusions (Exhibit 6-1)
- Annual Income Exclusions (Exhibit 6-2)
- Treatment of Family Assets (Exhibit 6-3)
- Earned Income Disallowance (Exhibit 6-4)
- The Effect of Welfare Benefit Reduction (Exhibit 6-5)

Sections 6-I.B and 6-I.C discuss general requirements and methods for calculating annual income. The rest of this section describes how each source of income is treated for the purposes of determining annual income. HUD regulations present income inclusions and exclusions separately [24 CFR 5.609(b) and 24 CFR 5.609(c)]. In this ACOP, however, the discussions of income inclusions and exclusions are integrated by topic (e.g., all policies affecting earned income are discussed together in section 6-I.D). Verification requirements for annual income are discussed in Chapter 7.

6-I.B. HOUSEHOLD COMPOSITION AND INCOME

Income received by all family members must be counted unless specifically excluded by the regulations. It is the responsibility of the head of household to report changes in family composition. The rules on which sources of income are counted vary somewhat by family member. The chart below summarizes how family composition affects income determinations.

Summary of Income Included and Excluded by Person	
Live-in aides	Income from all sources is excluded [24 CFR 5.609(c)(5)].
Foster child or foster adult	Income from all sources is excluded [24 CFR 5.609(a)(1)].
Head, spouse, or cohead Other adult family members	All sources of income not specifically excluded by the regulations are included.
Children under 18 years of age	Employment income is excluded [24 CFR 5.609(c)(1)]. All other sources of income, except those specifically excluded by the regulations, are included.
Full-time students 18 years of age or older (not head, spouse, or cohead)	Employment income above $480/year is excluded [24 CFR 5.609(c)(11)]. All other sources of income, except those specifically excluded by the regulations, are included.

Temporarily Absent Family Members

The income of family members approved to live in the unit will be counted, even if the family member is temporarily absent from the unit [HCV GB, p. 5-18].

FHA Policy

Generally an individual who is or is expected to be absent from the assisted unit for 60 consecutive days or less is considered temporarily absent and continues to be considered a family member. Generally an individual who is or is expected to be absent from the assisted unit for more than 60 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

Absent Students

FHA Policy

When someone who has been considered a family member attends school away from home, the person will continue to be considered a family member unless information becomes available to the FHA indicating that the student has established a separate household or the family declares that the student has established a separate household.

Absences Due to Placement in Foster Care

Children temporarily absent from the home as a result of placement in foster care are considered members of the family [24 CFR 5.403].

FHA Policy

If a child has been placed in foster care, the FHA will verify with the appropriate agency whether and when the child is expected to be returned to the home. Unless the agency confirms that the child has been permanently removed from the home, the child will be counted as a family member.

Absent Head, Spouse, or Cohead

FHA Policy

An employed head, spouse, or cohead absent from the unit more than 60 consecutive days due to employment will continue to be considered a family member**.**

Individuals Confined for Medical Reasons

FHA Policy

An individual confined to a nursing home or hospital on a permanent basis is not considered a family member.

If there is a question about the status of a family member, the FHA will request verification from a responsible medical professional and will use this determination. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent. The family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member.

Joint Custody of Children

FHA Policy

Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or resident family 50 percent or more of the time.

When more than one applicant or assisted family (regardless of program) are claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, the FHA will make the determination based on available documents such as court orders, or an IRS return showing which family has claimed the child for income tax purposes.

Caretakers for a Child

FHA Policy

If neither a parent nor a designated guardian remains in a household receiving assistance, the FHA will take the following actions.

If a responsible agency has determined that another adult is to be brought into the unit to care for a child for an indefinite period, the designated caretaker will be required to meet all screening and eligibility requirements, as that of an applicant until a determination of custody or legal guardianship is made.

If a caretaker has assumed responsibility for a child without the involvement of a responsible agency or formal assignment of custody or legal guardianship, the caretaker will be treated as a visitor for 30 days.

At any time that custody or guardianship legally has been awarded to a caretaker, the lease will be transferred to the caretaker, as head of household provided that the caretaker has meet all screening and eligibility requirement, as that of an applicant.

During any period that a caretaker is considered a visitor, the income of the caretaker is not counted in annual income and the caretaker does not qualify the family for any deductions from income.

6-I.C. ANTICIPATING ANNUAL INCOME

The PHA is required to count all income "anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date" [24 CFR 5.609(a)(2)]. Policies related to anticipating annual income are provided below.

Basis of Annual Income Projection

The FHA generally will use current circumstances to determine anticipated income for the coming 12-month period. HUD authorizes the FHA to use other than current circumstances to anticipate income when:

- An imminent change in circumstances is expected [HCV GB, p. 5-17]
- It is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income) [24 CFR 5.609(d)]
- The PHA believes that past income is the best available indicator of expected future income [24 CFR 5.609(d)]

FHA Policy

When the FHA cannot readily anticipate income based upon current circumstances (e.g., in the case of seasonal employment, unstable working hours, or suspected fraud), the FHA will review and analyze historical data for patterns of employment, paid benefits, and receipt of other income and use the results of this analysis to establish annual income. Anytime current circumstances are not used to project annual income, a clear rationale for the decision will be documented in the file. In all such cases the family may present information and documentation to the FHA to show why the historic pattern does not represent the family's anticipated income.

Known Changes in Income

If the FHA verifies an upcoming increase or decrease in income, annual income will be calculated by applying each income amount to the appropriate part of the 12-month period.

Example: An employer reports that a full-time employee who has been receiving $6/hour will begin to receive $6.25/hour in the eighth week after the effective date of the reexamination. In such a case the FHA would calculate annual income as follows: ($6/hour × 40 hours × 7 weeks) + ($6.25 × 40 hours × 45 weeks).

The family may present information that demonstrates that implementing a change before its effective date would create a hardship for the family. In such cases the FHA will calculate annual income using current circumstances and then require an interim reexamination when the change actually occurs. This requirement will be imposed even if the FHA's policy on reexaminations does not require interim reexaminations for other types of changes.

Using Up-Front Income Verification (UIV) to Project Income

HUD strongly recommends the use of up-front income verification (UIV). UIV is "the verification of income, before or during a family reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for a large number of individuals" [PIH Notice 2004-01 Verification Guidance ("VG"), p. 7].

HUD allows PHAs to use UIV information in conjunction with family-provided documents to anticipate income.

FHA Policy

FHA procedures for anticipating annual income will include the use of UIV methods approved by HUD in conjunction with family-provided documents dated within the last 60 days of the FHA interview date.

The FHA will follow "HUD Guidelines for Projecting Annual Income When Up-Front Income Verification (UIV) Data Is Available" in handling differences between UIV and family-provided income data. The guidelines depend on whether a difference is substantial or not. HUD defines *substantial difference* as a difference of $200 or more per month.

No Substantial Difference. If UIV information for a particular income source differs from the information provided by a family by less than $200 per month, the FHA will follow these guidelines:

If the UIV figure is less than the family's figure, the FHA will use the family's information.

If the UIV figure is more than the family's figure, the FHA will use the UIV data unless the family provides documentation of a change in circumstances to explain the discrepancy (e.g., a reduction in work hours). Upon receipt of acceptable family-provided documentation of a change in circumstances, the FHA will use the family-provided information.

Substantial Difference. If UIV information for a particular income source differs from the information provided by a family by $200 or more per month, the FHA will follow these guidelines:

The FHA will request written third-party verification from the discrepant income source in accordance with 24 CFR 5.236(b)(3)(i).

When the FHA cannot readily anticipate income (e.g., in cases of seasonal employment, unstable working hours, or suspected fraud), the FHA will review historical income data for patterns of employment, paid benefits, and receipt of other income.

The FHA will analyze all UIV, third-party, and family-provided data and attempt to resolve the income discrepancy.

The FHA will use the most current verified income data and, if appropriate, historical income data to calculate anticipated annual income.

6-I.D. EARNED INCOME

Types of Earned Income Included in Annual Income

Wages and Related Compensation [24 CFR 5.609(b)(1)]

The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services is included in annual income.

Some Types of Military Pay

All regular pay, special pay and allowances of a member of the Armed Forces are counted [24 CFR 5.609(b)(8)] except for the special pay to a family member serving in the Armed Forces who is exposed to hostile fire [24 CFR 5.609(c)(7)].

Types of Earned Income Not Counted in Annual Income

Temporary, Nonrecurring, or Sporadic Income [24 CFR 5.609(c)(9)]

This type of income (including gifts) is not included in annual income.

> FHA Policy
>
> Sporadic income is income that is not received periodically and cannot be reliably predicted. For example, the income of an individual who works occasionally as a handyman would be considered sporadic if future work could not be anticipated and no historic, stable pattern of income existed.

Children's Earnings [24 CFR 5.609(c)(1)]

Employment income earned by children (including foster children) under the age of 18 years is not included in annual income. (See Eligibility chapter for a definition of *foster children*.)

Certain Earned Income of Full-Time Students

Earnings in excess of $480 for each full-time student 18 years old or older (except for the head, spouse, or cohead) are not counted [24 CFR 5.609(c)(11)]. To be considered "full-time," a student must be considered "full-time" by an educational institution with a degree or certificate program [HCV GB, p. 5-29].

Income of a Live-in Aide

Income earned by a live-in aide, as defined in [24 CFR 5.403], is not included in annual income [24 CFR 5.609(c)(5)]. (See Eligibility chapter for a full discussion of live-in aides.)

Income Earned under Certain Federal Programs [24 CFR 5.609(c)(17)]

Income from some federal programs is specifically excluded from consideration as income, including:

- Payments to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)
- Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552(b))
- Awards under the federal work-study program (20 U.S.C. 1087 uu)
- Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))
- Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))
- Allowances, earnings, and payments to participants in programs funded under the Workforce Investment Act of 1998 (29 U.S.C. 2931)

Resident Service Stipend [24 CFR 5.600(c)(8)(iv)]

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

State and Local Employment Training Program

Incremental earnings and benefits to any family member resulting from participation in qualifying state or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff are excluded from annual income. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the training program [24 CFR 5.609(c)(8)(v)].

FHA Policy

The FHA defines *training program* as "a learning process with goals and objectives, generally having a variety of components, and taking place in a series of sessions over a period of time. It is designed to lead to a higher level of proficiency, and it enhances the individual's ability to obtain employment. It may have performance standards to measure proficiency. Training may include, but is not limited to: (1) classroom training in a specific occupational skill, (2) on-the-job training with wages subsidized by the program, or (3) basic education" [expired Notice PIH 98-2, p. 3].

The FHA defines *incremental earnings and benefits* as the difference between (1) the total amount of welfare assistance and earnings of a family member prior to enrollment in a training program and (2) the total amount of welfare assistance and earnings of the family member after enrollment in the program [expired Notice PIH 98-2, pp. 3–4].

In calculating the incremental difference, the FHA will use as the pre-enrollment income the total annualized amount of the family member's welfare assistance and earnings reported on the family's most recently completed HUD-50058.

End of participation in a training program must be reported in accordance with the FHA's interim reporting requirements (see chapter on reexaminations).

HUD-Funded Training Programs

Amounts received under training programs funded in whole or in part by HUD [24 CFR 5.609(c)(8)(i)] are excluded from annual income. Eligible sources of funding for the training include operating subsidy, Section 8 administrative fees, and modernization, Community Development Block Grant (CDBG), HOME program, and other grant funds received from HUD.

FHA Policy

To qualify as a training program, the program must meet the definition of *training program* provided above for state and local employment training programs.

Earned Income Tax Credit. Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j)), are excluded from annual income [24 CFR 5.609(c)(17)]. Although many families receive the EITC annually when they file taxes, an EITC can also be received throughout the year. The prorated share of the annual EITC is included in the employee's payroll check.

Earned Income Disallowance. The earned income disallowance is discussed in section 6-I.E below.

6-I.E. EARNED INCOME DISALLOWANCE [24 CFR 960.255]

The earned income disallowance (EID) encourages people to enter the work force by not including the full value of increases in earned income for a period of time. The full text of 24 CFR 960.255 is included as Exhibit 6-4 at the end of this chapter. Eligibility criteria and limitations on the disallowance are summarized below.

Eligibility

This disallowance applies only to individuals in families already participating in the public housing program (not at initial examination). To qualify, the family must experience an increase in annual income that is the result of one of the following events:

- Employment of a family member who was previously unemployed for one or more years prior to employment. *Previously unemployed* includes a person who annually has earned not more than the minimum wage applicable to the community multiplied by 500 hours. The applicable minimum wage is the federal minimum wage unless there is a higher state or local minimum wage.
- Increased earnings by a family member whose earnings increase during participation in an economic self-sufficiency or job-training program. A self-sufficiency program includes a program designed to encourage, assist, train, or facilitate the economic independence of HUD-assisted families or to provide work to such families [24 CFR 5.603(b)].
- New employment or increased earnings by a family member who has received benefits or services under Temporary Assistance for Needy Families (TANF) or any other state program funded under Part A of Title IV of the Social Security Act within the past six months. If the benefits are received in the form of monthly maintenance, there is no minimum amount. If the benefits or services are received in a form other than monthly maintenance, such as one-time payments, wage subsidies, or transportation assistance, the total amount received over the six-month period must be at least $500.

Calculation of the Disallowance

Calculation of the earned income disallowance for an eligible member of a qualified family begins with a comparison of the member's current income with his or her "prior income."

FHA Policy

The FHA defines *prior income*, or *prequalifying income*, as the family member's last certified income prior to qualifying for the EID.

The family member's prior, or prequalifying, income remains constant throughout the period that he or she is receiving the EID.

Initial 12-Month Exclusion

During the initial 12-month exclusion period, the full amount (100 percent) of any increase in income attributable to new employment or increased earnings is excluded. The 12 months are cumulative and need not be consecutive.

FHA Policy

The initial EID exclusion period will begin on the first of the month following the date an eligible member of a qualified family is first employed or first experiences an increase in earnings.

Second 12-Month Exclusion and Phase-In

During the second 12-month exclusion period, the exclusion is reduced to half (50 percent) of any increase in income attributable to employment or increased earnings. The 12 months are cumulative and need not be consecutive.

Lifetime Limitation

The EID has a four-year (48-month) lifetime maximum. The four-year eligibility period begins at the same time that the initial exclusion period begins and ends 48 months later. The one-time eligibility for the EID applies even if the eligible individual begins to receive assistance from another housing agency, if the individual moves between public housing and Section 8 assistance, or if there are breaks in assistance.

FHA Policy

During the 48-month eligibility period, the FHA will conduct an interim reexamination each time there is a change in the family member's annual income that affects or is affected by the EID (e.g., when the family member's income falls to a level at or below his/her prequalifying income, when one of the exclusion periods ends, and at the end of the lifetime maximum eligibility period).

Individual Savings Accounts [24 CFR 960.255(d)]

FHA Policy

The FHA chooses not to establish a system of individual savings accounts (ISAs) for families who qualify for the EID.

6-I.F. BUSINESS INCOME [24 CFR 5.609(b)(2)]

Annual income includes "the net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family" [24 CFR 5.609(b)(2)].

Business Expenses

Net income is "gross income less business expense" [HCV GB, p. 5-19].

FHA Policy

To determine business expenses that may be deducted from gross income, the FHA will use current applicable Internal Revenue Service (IRS) rules for determining allowable business expenses [see IRS Publication 535], unless a topic is addressed by HUD regulations or guidance as described below.

Business Expansion

HUD regulations do not permit the PHA to deduct from gross income expenses for business expansion.

FHA Policy

Business expansion is defined as any capital expenditures made to add new business activities, to expand current facilities, or to operate the business in additional locations. For example, purchase of a street sweeper by a construction business for the purpose of adding street cleaning to the services offered by the business would be considered a business expansion. Similarly, the purchase of a property by a hair care business to open at a second location would be considered a business expansion.

Capital Indebtedness

HUD regulations do not permit the PHA to deduct from gross income the amortization of capital indebtedness.

FHA Policy

Capital indebtedness is defined as the principal portion of the payment on a capital asset such as land, buildings, and machinery. This means the FHA will allow as a business expense interest, but not principal, paid on capital indebtedness.

Negative Business Income

If the net income from a business is negative, no business income will be included in annual income; a negative amount will not be used to offset other family income.

Withdrawal of Cash or Assets from a Business

HUD regulations require the PHA to include in annual income the withdrawal of cash or assets from the operation of a business or profession unless the withdrawal reimburses a family member for cash or assets invested in the business by the family.

FHA Policy

Acceptable investments in a business include cash loans and contributions of assets or equipment. For example, if a member of a tenant family provided an up-front loan of $2,000 to help a business get started, the FHA will not count as income any withdrawals from the business up to the amount of this loan until the loan has been repaid. Investments do not include the value of labor contributed to the business without compensation.

Co-owned Businesses

FHA Policy

If a business is co-owned with someone outside the family, the family must document the share of the business it owns. If the family's share of the income is lower than its share of ownership, the family must document the reasons for the difference.

6-I.G. ASSETS [24 CFR 5.609(b)(3) and 24 CFR 5.603(b)]

Overview

There is no asset limitation for participation in the public housing program. However, HUD requires that the PHA include in annual income the "interest, dividends, and other net income of any kind from real or personal property" [24 CFR 5.609(b)(3)]. This section discusses how the income from various types of assets is determined. For most types of assets, the PHA must determine the value of the asset in order to compute income from the asset. Therefore, for each asset type, this section discusses:

- How the value of the asset will be determined
- How income from the asset will be calculated

Exhibit 6-1 provides the regulatory requirements for calculating income from assets [24 CFR 5.609(b)(3)], and Exhibit 6-3 provides the regulatory definition of *net family assets*. This section begins with a discussion of general policies related to assets and then provides HUD rules and FHA policies related to each type of asset.

General Policies

Income from Assets

The PHA generally will use current circumstances to determine both the value of an asset and the anticipated income from the asset. As is true for all sources of income, HUD authorizes the PHA to use other than current circumstances to anticipate income when (1) an imminent change in circumstances is expected (2) it is not feasible to anticipate a level of income over 12 months or (3) the PHA believes that past income is the best indicator of anticipated income. For example, if a family member owns real property that typically receives rental income but the property is currently vacant, the PHA can take into consideration past rental income along with the prospects of obtaining a new tenant.

> <u>FHA Policy</u>
>
> Any time current circumstances are not used to determine asset income, a clear rationale for the decision will be documented in the file. In such cases the family may present information and documentation to the FHA to show why the asset income determination does not represent the family's anticipated asset income.

Valuing Assets

The calculation of asset income sometimes requires the PHA to make a distinction between an asset's market value and its cash value.

- The market value of an asset is its worth (e.g., the amount a buyer would pay for real estate or the balance in an investment account).
- The cash value of an asset is its market value less all reasonable amounts that would be incurred when converting the asset to cash.

> FHA Policy
>
> Reasonable costs that would be incurred when disposing of an asset include, but are not limited to, penalties for premature withdrawal, broker and legal fees, and settlement costs incurred in real estate transactions [HCV GB, p. 5-28 and PH Occ GB, p. 121].

Lump-Sum Receipts

Payments that are received in a single lump sum, such as inheritances, capital gains, lottery winnings, insurance settlements, and proceeds from the sale of property, are generally considered assets, not income. However, such lump-sum receipts are counted as assets only if they are retained by a family in a form recognizable as an asset (e.g., deposited in a savings or checking account) [RHIIP FAQs]. (For a discussion of lump-sum payments that represent the delayed start of a periodic payment, most of which are counted as income, see sections 6-I.H and 6-I.I.)

Imputing Income from Assets [24 CFR 5.609(b)(3)]

When net family assets are $5,000 or less, the PHA will include in annual income the actual income anticipated to be derived from the assets. When the family has net family assets in excess of $5,000, the PHA will include in annual income the greater of (1) the actual income derived from the assets or (2) the imputed income. Imputed income from assets is calculated by multiplying the total cash value of all family assets by the current HUD-established passbook savings rate.

Determining Actual Anticipated Income from Assets

It may or may not be necessary for the PHA to use the value of an asset to compute the actual anticipated income from the asset. When the value is required to compute the anticipated income from an asset, the market value of the asset is used. For example, if the asset is a property for which a family receives rental income, the anticipated income is determined by annualizing the actual monthly rental amount received for the property; it is not based on the property's market value. However, if the asset is a savings account, the anticipated income is determined by multiplying the market value of the account by the interest rate on the account.

Withdrawal of Cash or Liquidation of Investments

Any withdrawal of cash or assets from an investment will be included in income except to the extent that the withdrawal reimburses amounts invested by the family. For example, when a family member retires, the amount received by the family from a retirement plan is not counted as income until the family has received payments equal to the amount the family member deposited into the retirement fund.

Jointly Owned Assets

The regulation at 24 CFR 5.609(a)(4) specifies that annual income includes "amounts derived (during the 12-month period) from assets to which any member of the family has access."

FHA Policy

If an asset is owned by more than one person and any family member has unrestricted access to the asset, the FHA will count the full value of the asset unless the family presents evidence that the asset is not effectively owned by the family member. A family member has unrestricted access to an asset when he or she can legally dispose of the asset without the consent of any of the other owners. An asset is not effectively owned by a family member when (1) the asset and any income it earns accrue to the benefit of someone else who is not a member of the family and (2) that other person is responsible for income taxes incurred on income generated by the asset.

If an asset is owned by more than one person, including a family member, but the family member does not have unrestricted access to the asset, the FHA will prorate the asset according to the percentage of ownership. If no percentage is specified or provided for by state or local law, the FHA will prorate the asset evenly among all owners.

Assets Disposed Of for Less than Fair Market Value [24 CFR 5.603(b)]

HUD regulations require the PHA to count as a current asset any business or family asset that was disposed of for less than fair market value during the two years prior to the effective date of the examination/reexamination, except as noted below.

Minimum Threshold

The PHA may set a threshold below which assets disposed of for less than fair market value will not be counted [HCV GB, p. 5-27].

FHA Policy

The FHA will not include the value of assets disposed of for less than fair market value unless the cumulative fair market value of all assets disposed of during the past two years exceeds the gross amount received for the assets by more than $1,000.

When the two-year period expires, the income assigned to the disposed asset(s) also expires. If the two-year period ends between annual recertifications, the family may request an interim recertification to eliminate consideration of the asset(s).

Assets placed by the family in nonrevocable trusts are considered assets disposed of for less than fair market value except when the assets placed in trust were received through settlements or judgments.

Separation or Divorce

The regulation also specifies that assets are not considered disposed of for less than fair market value if they are disposed of as part of a separation or divorce settlement and the applicant or tenant receives important consideration not measurable in dollar terms.

FHA Policy

All assets disposed of as part of a separation or divorce settlement will be considered assets for which important consideration not measurable in monetary terms has been received. In order to qualify for this exemption, a family member must be subject to a formal separation or divorce settlement agreement established through arbitration, mediation, or court order.

Foreclosure or Bankruptcy

Assets are not considered disposed of for less than fair market value when the disposition is the result of a foreclosure or bankruptcy sale.

Family Declaration

FHA Policy

Families must sign a declaration form at initial certification and each annual recertification identifying all assets that have been disposed of for less than fair market value or declaring that no assets have been disposed of for less than fair market value. The FHA may verify the value of the assets disposed of if other information available to the FHA does not appear to agree with the information reported by the family.

Types of Assets

Checking and Savings Accounts

For regular checking accounts and savings accounts, *cash value* has the same meaning as *market value*. If a checking account does not bear interest, the anticipated income from the account is zero.

FHA Policy

In determining the value of a checking account, the FHA will use the average monthly balance for the last six months.

In determining the value of a savings account, the FHA will use the current balance.

In determining the anticipated income from an interest-bearing checking or savings account, the FHA will multiply the value of the account by the current rate of interest paid on the account.

Investment Accounts Such as Stocks, Bonds, Saving Certificates, and Money Market Funds

Interest or dividends earned by investment accounts are counted as actual income from assets even when the earnings are reinvested. The cash value of such an asset is determined by deducting from the market value any broker fees, penalties for early withdrawal, or other costs of converting the asset to cash.

FHA Policy

In determining the market value of an investment account, the FHA will use the value of the account on the most recent investment report.

How anticipated income from an investment account will be calculated depends on whether the rate of return is known. For assets that are held in an investment account with a known rate of return (e.g., savings certificates), asset income will be calculated based on that known rate (market value multiplied by rate of earnings). When the anticipated rate of return is not known (e.g., stocks), the FHA will calculate asset income based on the earnings for the most recent reporting period.

Equity in Real Property or Other Capital Investments

Equity (cash value) in a property or other capital asset is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset [HCV GB, p. 5-25 and PH, p. 121].

Equity in real property and other capital investments is considered in the calculation of asset income except for the following types of assets:

- Equity accounts in HUD homeownership programs [24 CFR 5.603(b)]
- Equity in real property when a family member's main occupation is real estate [HCV GB, p. 5-25]. This real estate is considered a business asset, and income related to this asset will be calculated as described in section 6-I.F.
- Interests in Indian Trust lands [24 CFR 5.603(b)]
- Real property and capital assets that are part of an active business or farming operation [HCV GB, p. 5-25]

A family may have real property as an asset in two ways: (1) owning the property itself and (2) holding a mortgage or deed of trust on the property. In the case of a property owned by a family member, the anticipated asset income generally will be in the form of rent or other payment for the use of the property. If the property generates no income, actual anticipated income from the asset will be zero.

In the case of a mortgage or deed of trust held by a family member, the outstanding balance (unpaid principal) is the cash value of the asset. The interest portion only of payments made to the family in accordance with the terms of the mortgage or deed of trust is counted as anticipated asset income.

FHA Policy

In the case of capital investments owned jointly with others not living in a family's unit, a prorated share of the property's cash value will be counted as an asset unless the FHA determines that the family receives no income from the property and is unable to sell or otherwise convert the asset to cash.

Trusts

A *trust* is a legal arrangement generally regulated by state law in which one party (the creator or grantor) transfers property to a second party (the trustee) who holds the property for the benefit of one or more third parties (the beneficiaries).

Revocable Trusts

If any member of a family has the right to withdraw the funds in a trust, the value of the trust is considered an asset [HCV GB, p. 5-25]. Any income earned as a result of investment of trust funds is counted as actual asset income, whether the income is paid to the family or deposited in the trust.

Nonrevocable Trusts

In cases where a trust is not revocable by, or under the control of, any member of a family, the value of the trust fund is not considered an asset. However, any income distributed to the family from such a trust is counted as a periodic payment or a lump-sum receipt, as appropriate [24 CFR 5.603(b)]. (Periodic payments are covered in section 6-I.H. Lump-sum receipts are discussed earlier in this section.)

Retirement Accounts

Company Retirement/Pension Accounts

In order to correctly include or exclude as an asset any amount held in a company retirement or pension account by an employed person, the PHA must know whether the money is accessible before retirement [HCV GB, p. 5-26].

While a family member is employed, only the amount the family member can withdraw without retiring or terminating employment is counted as an asset [HCV GB, p. 5-26].

After a family member retires or terminates employment, any amount distributed to the family member is counted as a periodic payment or a lump-sum receipt, as appropriate [HCV GB, p. 5-26], except to the extent that it represents funds invested in the account by the family member. (For more on periodic payments, see section 6-I.H.) The balance in the account is counted as an asset only if it remains accessible to the family member.

IRA, Keogh, and Similar Retirement Savings Accounts

IRA, Keogh, and similar retirement savings accounts are counted as assets even though early withdrawal would result in a penalty [HCV GB, p. 5-25].

Personal Property

Personal property held as an investment, such as gems, jewelry, coin collections, antique cars, etc., is considered an asset [HCV GB, p. 5-25].

FHA Policy

In determining the value of personal property held as an investment, the FHA will use the family's estimate of the value. The FHA may obtain an appraisal if there is reason to believe that the family's estimated value is off by $50 or more. The family must cooperate with the appraiser but cannot be charged any costs related to the appraisal.

Generally, personal property held as an investment generates no income until it is disposed of. If regular income is generated (e.g., income from renting the personal property), the amount that is expected to be earned in the coming year is counted as actual income from the asset.

Necessary items of personal property are not considered assets [24 CFR 5.603(b)].

FHA Policy

Necessary personal property consists of only those items not held as an investment. It may include clothing, furniture, household furnishings, jewelry, and vehicles, including those specially equipped for persons with disabilities.

Life Insurance

The cash value of a life insurance policy available to a family member before death, such as a whole life or universal life policy, is included in the calculation of the value of the family's assets [HCV GB 5-25]. The cash value is the surrender value. If such a policy earns dividends or interest that the family could elect to receive, the anticipated amount of dividends or interest is counted as income from the asset whether or not the family actually receives it.

6-I.H. PERIODIC PAYMENTS

Periodic payments are forms of income received on a regular basis. HUD regulations specify periodic payments that are and are not included in annual income.

Periodic Payments Included in Annual Income

- Periodic payments from sources such as social security, unemployment and welfare assistance, annuities, insurance policies, retirement funds, and pensions. However, periodic payments from retirement accounts, annuities, and similar forms of investments are counted only after they exceed the amount contributed by the family [24 CFR 5.609(b)(4) and (b)(3)].
- Disability or death benefits and lottery receipts paid periodically, rather than in a single lump sum [24 CFR 5.609(b)(4) and HCV, p. 5-14]

Lump-Sum Payments for the Delayed Start of a Periodic Payment

Most lump sums received as a result of delays in processing periodic payments, such as unemployment or welfare assistance, are counted as income. However, lump-sum receipts for the delayed start of periodic social security or supplemental security income (SSI) payments are not counted as income [CFR 5.609(b)(4)].

FHA Policy

When a delayed-start payment is received and reported during the period in which the FHA is processing an annual reexamination, the FHA will adjust the tenant rent retroactively for the period the payment was intended to cover. The family may pay in full any amount due or request to enter into a repayment agreement with the FHA.

See the chapter on reexaminations for information about a family's obligation to report lump-sum receipts between annual reexaminations.

Periodic Payments Excluded from Annual Income

- Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone) [24 CFR 5.609(c)(2)]

  FHA Policy

  The FHA will exclude payments for the care of foster children and foster adults only if the care is provided through an official arrangement with a local welfare agency [HCV GB, p. 5-18].

- Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)]
- Amounts received under the Low-Income Home Energy Assistance Program (42 U.S.C. 1626(c)) [24 CFR 5.609(c)(17)]
- Amounts received under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q) [24 CFR 5.609(c)(17)]
- Earned Income Tax Credit (EITC) refund payments (26 U.S.C. 32(j)) [24 CFR 5.609(c)(17)]. *Note:* EITC may be paid periodically if the family elects to receive the amount due as part of payroll payments from an employer.
- Lump sums received as a result of delays in processing Social Security and SSI payments (see section 6-I.J.) [24 CFR 5.609(b)(4)].

6-I.I. PAYMENTS IN LIEU OF EARNINGS

Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay, are counted as income [24 CFR 5.609(b)(5)] if they are received either in the form of periodic payments or in the form of a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment. If they are received in a one-time lump sum (as a settlement, for instance), they are treated as lump-sum receipts [24 CFR 5.609(c)(3)]. (See also the discussion of periodic payments in section 6-I.H and the discussion of lump-sum receipts in section 6-I.G.)

6-I.J. WELFARE ASSISTANCE

Overview

Welfare assistance is counted in annual income. Welfare assistance includes Temporary Assistance for Needy Families (TANF) and any payments to individuals or families based on need that are made under programs funded separately or jointly by federal, state, or local governments [24 CFR 5.603(b)].

Sanctions Resulting in the Reduction of Welfare Benefits [24 CFR 5.615]

The PHA must make a special calculation of annual income when the welfare agency imposes certain sanctions on certain families. The full text of the regulation at 24 CFR 5.615 is provided as Exhibit 6-5. The requirements are summarized below. This rule applies only if a family was a public housing resident at the time the sanction was imposed.

Covered Families

The families covered by 24 CFR 5.615 are those "who receive welfare assistance or other public assistance benefits ('welfare benefits') from a State or other public agency ('welfare agency') under a program for which Federal, State or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance" [24 CFR 5.615(b)]

Imputed Income

When a welfare agency imposes a sanction that reduces a family's welfare income because the family commits fraud or fails to comply with the agency's economic self-sufficiency program or work activities requirement, the PHA must include in annual income "imputed" welfare income. The PHA must request that the welfare agency inform the PHA when the benefits of a public housing resident are reduced. The imputed income is the amount the family would have received if the family had not been sanctioned.

This requirement does not apply to reductions in welfare benefits: (1) at the expiration of the lifetime or other time limit on the payment of welfare benefits, (2) if a family member is unable to find employment even though the family member has complied with the welfare agency economic self-sufficiency or work activities requirements, or (3) because a family member has not complied with other welfare agency requirements [24 CFR 5.615(b)(2)].

For special procedures related to grievance hearings based upon the PHA's denial of a family's request to lower rent when the family experiences a welfare benefit reduction, see Chapter 14, Grievances and Appeals.

Offsets

The amount of the imputed income is offset by the amount of additional income the family begins to receive after the sanction is imposed. When the additional income equals or exceeds the imputed welfare income, the imputed income is reduced to zero [24 CFR 5.615(c)(4)].

6-I.K. PERIODIC AND DETERMINABLE ALLOWANCES [24 CFR 5.609(b)(7)]

Annual income includes periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing with a tenant family.

Alimony and Child Support

The PHA must count alimony or child support amounts awarded as part of a divorce or separation agreement.

FHA Policy

The FHA will count court-awarded amounts for alimony and child support unless the FHA verifies that (1) the payments are not being made and (2) the family has made reasonable efforts to collect amounts due, including filing with courts or agencies responsible for enforcing payments [HCV GB, pp. 5-23 and 5-47].

Families who do not have court-awarded alimony and child support awards are not required to seek a court award and are not required to take independent legal action to obtain collection.

Regular Contributions or Gifts

The PHA must count as income regular monetary and nonmonetary contributions or gifts from persons not residing with a tenant family [24 CFR 5.609(b)(7)]. Temporary, nonrecurring, or sporadic income and gifts are not counted [24 CFR 5.609(c)(9)].

FHA Policy

Examples of regular contributions include: (1) regular payment of a family's bills (e.g., utilities, telephone, rent, credit cards, and car payments), (2) cash or other liquid assets provided to any family member on a regular basis, and (3) "in-kind" contributions such as groceries and clothing provided to a family on a regular basis.

Nonmonetary contributions will be valued at the cost of purchasing the items, as determined by the FHA. For contributions that may vary from month to month (e.g., utility payments), the FHA will include an average amount based upon past history.

6-I.L. ADDITIONAL EXCLUSIONS FROM ANNUAL INCOME

Other exclusions contained in 24 CFR 5.609(c) that have not been discussed earlier in this chapter include the following:

- Reimbursement of medical expenses [24 CFR 5.609(c)(4)]
- The full amount of student financial assistance paid directly to the student or to the educational institution [24 CFR 5.609(c)(6)], except that in accordance with Section 224 of the FY 2005 Appropriations Act, the portion of any athletic scholarship assistance available for housing costs must be included in annual income [PIH Notice 2005-16].

  FHA Policy

  Regular financial support from parents or guardians to students for food, clothing personal items, and entertainment **is not** considered student financial assistance and is included **in** annual income.

- Amounts received by participants in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred and which are made solely to allow participation in a specific program [24 CFR 5.609(c)(8)(iii)]
- Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS) [(24 CFR 5.609(c)(8)(ii)]
- Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era [24 CFR 5.609(c)(10)]
- Adoption assistance payments in excess of $480 per adopted child [24 CFR 5.609(c)(12)]
- Refunds or rebates on property taxes paid on the dwelling unit [24 CFR 5.609(c)(15)]
- Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)]
- Amounts specifically excluded by any other federal statute [24 CFR 5.609(c)(17)]. HUD publishes an updated list of these exclusions periodically. It includes:

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

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

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

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

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

(f) Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552(b)) (Effective July 1, 2000, references to Job Training Partnership Act shall be deemed to refer to the corresponding provision of the Workforce Investment Act of 1998 (29 U.S.C. 2931).)

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

(h) The first $2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first $2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408)

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

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

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

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

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

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

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

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

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

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

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

PART II: ADJUSTED INCOME

6-II.A. INTRODUCTION

Overview

HUD regulations require PHAs to deduct from annual income any of five mandatory deductions for which a family qualifies. The resulting amount is the family's adjusted income. Mandatory deductions are found in 24 CFR 5.611.

> 5.611(a) Mandatory deductions. In determining adjusted income, the responsible entity (PHA) must deduct the following amounts from annual income:
>
> (1) $480 for each dependent;
>
> (2) $400 for any elderly family or disabled family;
>
> (3) The sum of the following, to the extent the sum exceeds three percent of annual income:
>
> (i) Unreimbursed medical expenses of any elderly family or disabled family;
>
> (ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed. This deduction may not exceed the earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus; and
>
> (4) Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education.

This part covers policies related to these mandatory deductions. Verification requirements related to these deductions are found in Chapter 7, Verifications.

Anticipating Expenses

FHA Policy

Generally, the FHA will use current circumstances to anticipate expenses. When possible, for costs that are expected to fluctuate during the year (e.g., child care during school and nonschool periods and cyclical medical expenses), the FHA will estimate costs based on historic data and known future costs.

If a family has an accumulated debt for medical or disability assistance expenses, the FHA will include as an eligible expense the portion of the debt that the family expects to pay during the period for which the income determination is being made. However, amounts previously deducted will not be allowed even if the amounts were not paid as expected in a preceding period. The FHA may require the family to provide documentation of payments made in the preceding year.

6-II.B. DEPENDENT DEDUCTION

A deduction of $480 is taken for each dependent [24 CFR 5.611(a)(1)]. *Dependent* is defined as any family member other than the head, spouse, or cohead who is under the age of 18 or who is 18 or older and is a person with disabilities or a full-time student. Foster children, foster adults, and live-in aides are never considered dependents [24 CFR 5.603(b)].

6-II.C. ELDERLY OR DISABLED FAMILY DEDUCTION

A single deduction of $400 is taken for any elderly or disabled family [24 CFR 5.611(a)(2)]. An *elderly family* is a family whose head, spouse, cohead, or sole member is 62 years of age or older, and a *disabled family* is a family whose head, spouse, cohead, or sole member is a person with disabilities [24 CFR 5.403].

6-II.D. MEDICAL EXPENSES DEDUCTION [24 CFR 5.611(a)(3)(i)]

Unreimbursed medical expenses may be deducted to the extent that, in combination with any disability assistance expenses, they exceed three percent of annual income.

The medical expense deduction is permitted only for families in which the head, spouse, or cohead is at least 62 or is a person with disabilities. If a family is eligible for a medical expense deduction, the medical expenses of all family members are counted [VG, p. 28].

Definition of *Medical Expenses*

HUD regulations define *medical expenses* at 24 CFR 5.603(b) to mean "medical expenses, including medical insurance premiums, that are anticipated during the period for which annual income is computed, and that are not covered by insurance."

FHA Policy

The most current IRS Publication 502, *Medical and Dental Expenses*, will be used to determine the costs that qualify as medical expenses.

Summary of Allowable Medical Expenses from IRS Publication 502	
Services of medical professionals Surgery and medical procedures that are necessary, legal, noncosmetic Services of medical facilities Hospitalization, long-term care, and in-home nursing services Prescription medicines and insulin, but not nonprescription medicines even if recommended by a doctor Improvements to housing directly related to medical needs (e.g., ramps for a wheel chair, handrails)	Substance abuse treatment programs Psychiatric treatment Ambulance services and some costs of transportation related to medical expenses The cost and care of necessary equipment related to a medical condition (e.g., eyeglasses/lenses, hearing aids, crutches, and artificial teeth) Cost and continuing care of necessary service animals Medical insurance premiums or the cost of a health maintenance organization (HMO)
Note: This chart provides a summary of eligible medical expenses only. Detailed information is provided in IRS Publication 502. Medical expenses are considered only to the extent they are not reimbursed by insurance or some other source.	

Families That Qualify for Both Medical and Disability Assistance Expenses

FHA Policy

This policy applies only to families in which the head, spouse, or cohead is 62 or older or is a person with disabilities.

When expenses anticipated by a family could be defined as either medical or disability assistance expenses, the FHA will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

6-II.E. DISABILITY ASSISTANCE EXPENSES DEDUCTION [24 CFR 5.603(b) and 24 CFR 5.611(a)(3)(ii)]

Reasonable expenses for attendant care and auxiliary apparatus for a disabled family member may be deducted if they: (1) are necessary to enable a family member 18 years or older to work, (2) are not paid to a family member or reimbursed by an outside source, (3) in combination with any medical expenses, exceed three percent of annual income, and (4) do not exceed the earned income received by the family member who is enabled to work.

Earned Income Limit on the Disability Assistance Expense Deduction

A family can qualify for the disability assistance expense deduction only if at least one family member (who may be the person with disabilities) is enabled to work [24 CFR 5.603(b)].

The disability expense deduction is capped by the amount of "earned income received by family members who are 18 years of age or older and who are able to work" because of the expense [24 CFR 5.611(a)(3)(ii)]. The earned income used for this purpose is the amount verified before any earned income disallowances or income exclusions are applied.

FHA Policy

The family must identify the family members enabled to work as a result of the disability assistance expenses. In evaluating the family's request, the FHA will consider factors such as how the work schedule of the relevant family members relates to the hours of care provided, the time required for transportation, the relationship of the family members to the person with disabilities, and any special needs of the person with disabilities that might determine which family members are enabled to work.

When the FHA determines that the disability assistance expenses enable more than one family member to work, the disability assistance expenses will be capped by the sum of the family members' incomes [PH Occ GB, p. 124].

Eligible Disability Expenses

Examples of auxiliary apparatus are provided in the *PH Occupancy Guidebook* as follows: "Auxiliary apparatus: Including wheelchairs, walkers, scooters, reading devices for persons with visual disabilities, equipment added to cars and vans to permit their use by the family member with a disability, or service animals" [PH Occ GB, p. 124], but only if these items are directly related to permitting the disabled person or other family member to work [HCV GB, p. 5-30].

HUD advises PHAs to further define and describe auxiliary apparatus [VG, p. 30].

Eligible Auxiliary Apparatus

FHA Policy

Expenses incurred for maintaining or repairing an auxiliary apparatus is eligible. In the case of an apparatus that is specially adapted to accommodate a person with disabilities (e.g., a vehicle or computer), the cost to maintain the special adaptations (but not maintenance of the apparatus itself) is an eligible expense. The cost of service animals trained to give assistance to persons with disabilities, including the cost of acquiring the animal, veterinary care, food, grooming, and other continuing costs of care, will be included.

Eligible Attendant Care

The family determines the type of attendant care that is appropriate for the person with disabilities.

FHA Policy

Attendant care includes, but is not limited to, reasonable costs for home medical care, nursing services, in-home or center-based care services, interpreters for persons with hearing impairments, and readers for persons with visual disabilities.

Attendant care expenses will be included for the period that the person enabled to work is employed plus reasonable transportation time. The cost of general housekeeping and personal services is not an eligible attendant care expense. However, if the person enabled to work is the person with disabilities, personal services necessary to enable the person with disabilities to work are eligible.

If the care attendant also provides other services to the family, the FHA will prorate the cost and allow only that portion of the expenses attributable to attendant care that enables a family member to work. For example, if the care provider also cares for a child who is not the person with disabilities, the cost of care must be prorated. Unless otherwise specified by the care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

Payments to Family Members

No disability expenses may be deducted for payments to a member of a tenant family [23 CFR 5.603(b)]. However, expenses paid to a relative who is not a member of the tenant family may be deducted if they are reimbursed by an outside source.

Necessary and Reasonable Expenses

The family determines the type of care or auxiliary apparatus to be provided and must describe how the expenses enable a family member to work. The family must certify that the disability assistance expenses are necessary and are not paid or reimbursed by any other source.

FHA Policy

The FHA determines the reasonableness of the expenses based on typical costs of care or apparatus in the locality. To establish typical costs, the FHA will collect information from organizations that provide services and support to persons with disabilities. A family may present, and the FHA will consider, the family's justification for costs that exceed typical costs in the area.

Families That Qualify for Both Medical and Disability Assistance Expenses

FHA Policy

This policy applies only to families in which the head, spouse, or cohead is 62 or older or is a person with disabilities.

When expenses anticipated by a family could be defined as either medical or disability assistance expenses, the FHA will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

6-II.F. CHILD CARE EXPENSE DEDUCTION

HUD defines *child care expenses* at 24 CFR 5.603(b) as "amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income."

Child care expenses do not include child support payments made to another on behalf of a minor who is not living in an assisted family's household [VG, p. 26]. However, child care expenses for foster children that are living in the assisted family's household, are included when determining the family's child care expenses.

Qualifying for the Deduction

Determining Who Is Enabled to Pursue an Eligible Activity

FHA Policy

The family must identify the family member(s) enabled to pursue an eligible activity. The term *eligible activity* in this section means any of the activities that may make the family eligible for a child care deduction (seeking work, pursuing an education, or being gainfully employed).

In evaluating the family's request, the FHA will consider factors such as how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

Seeking Work

FHA Policy

If the child care expense being claimed is to enable a family member to seek employment, the family must provide evidence of the family member's efforts to obtain employment at each reexamination. The deduction may be reduced or denied if the family member's job search efforts are not commensurate with the child care expense being allowed by the FHA.

Furthering Education

FHA Policy

If the child care expense being claimed is to enable a family member to further his or her education, the member must be enrolled in school (academic or vocational) or participating in a formal training program. The family member is not required to be a full-time student, but the time spent in educational activities must be commensurate with the child care claimed.

Being Gainfully Employed

FHA Policy

If the child care expense being claimed is to enable a family member to be gainfully employed, the family must provide evidence of the family member's employment during the time that child care is being provided. Gainful employment is any legal work activity (full- or part-time) for which a family member is compensated.

Earned Income Limit on Child Care Expense Deduction

When a family member looks for work or furthers his or her education, there is no cap on the amount that may be deducted for child care – although the care must still be necessary and reasonable. However, when child care enables a family member to work, the deduction is capped by "the amount of employment income that is included in annual income" [24 CFR 5.603(b)].

The earned income used for this purpose is the amount of earned income verified after any earned income disallowances or income exclusions are applied.

When the person who is enabled to work is a person who receives the earned income disallowance (EID) or a full-time student whose earned income above $480 is excluded, child care costs related to enabling a family member to work may not exceed the portion of the person's earned income that actually is included in annual income. For example, if a family member who qualifies for the EID makes $15,000 but because of the EID only $5,000 is included in annual income, child care expenses are limited to $5,000.

The PHA must not limit the deduction to the least expensive type of child care. If the care allows the family to pursue more than one eligible activity, including work, the cap is calculated in proportion to the amount of time spent working [HCV GB, p. 5-30].

FHA Policy

When the child care expense being claimed is to enable a family member to work, only one family member's income will be considered for a given period of time. When more than one family member works during a given period, the FHA generally will limit allowable child care expenses to the earned income of the lowest-paid member. The family may provide information that supports a request to designate another family member as the person enabled to work.

Eligible Child Care Expenses

The type of care to be provided is determined by the tenant family. The PHA may not refuse to give a family the child care expense deduction because there is an adult family member in the household that may be available to provide child care [VG, p. 26].

Allowable Child Care Activities

FHA Policy

For school-age children, costs attributable to public or private school activities during standard school hours are not considered. Expenses incurred for supervised activities after school or during school holidays (e.g., summer day camp, after-school sports league) are allowable forms of child care.

The costs of general housekeeping and personal services are not eligible. Likewise, child care expenses paid to a family member who lives in the family's unit are not eligible; however, payments for child care to relatives who do not live in the unit are eligible.

If a child care provider also renders other services to a family or child care is used to enable a family member to conduct activities that are not eligible for consideration, the FHA will prorate the costs and allow only that portion of the expenses that is attributable to child care for eligible activities. For example, if the care provider also cares for a child with disabilities who is 13 or older, the cost of care will be prorated. Unless otherwise specified by the child care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

Necessary and Reasonable Costs

Child care expenses will be considered necessary if: (1) a family adequately explains how the care enables a family member to work, actively seek employment, or further his or her education, and (2) the family certifies, and the child care provider verifies, that the expenses are not paid or reimbursed by any other source.

FHA Policy

Child care expenses will be considered for the time required for the eligible activity plus reasonable transportation time. For child care that enables a family member to go to school, the time allowed may include not more than one study hour for each hour spent in class.

To establish the reasonableness of child care costs, the FHA will use the schedule of child care costs from the local welfare agency. Families may present, and the FHA will consider, justification for costs that exceed typical costs in the area.

6-II.G. PERMISSIVE DEDUCTIONS [24 CFR 5.611(b)(1)]

Permissive deductions are additional, optional deductions that may be applied to annual income. As with mandatory deductions, permissive deductions must be based on need or family circumstance and deductions must be designed to encourage self-sufficiency or other economic purpose. If the PHA offers permissive deductions, they must be granted to all families that qualify for them and should complement existing income exclusions and deductions [PH Occ GB, p. 128].

The *Form HUD-50058 Instruction Booklet* states that the maximum allowable amount for total permissive deductions is less than $90,000 per year.

FHA Policy

The FHA has opted not to use permissive deductions.

PART III: CALCULATING RENT

6-III.A. OVERVIEW OF INCOME-BASED RENT CALCULATIONS

The first step in calculating income-based rent is to determine each family's total tenant payment (TTP). Then, if the family is occupying a unit that has tenant-paid utilities, the utility allowance is subtracted from the TTP. The result of this calculation, if a positive number, is the tenant rent. If the TTP is less than the utility allowance, the result of this calculation is a negative number, and is called the utility reimbursement, which may be paid to the family or directly to the utility company by the FHA.

TTP Formula [24 CFR 5.628]

HUD regulations specify the formula for calculating the total tenant payment (TTP) for a tenant family. TTP is the highest of the following amounts, rounded to the nearest dollar:

- 30 percent of the family's monthly adjusted income (adjusted income is defined in Part II)
- 10 percent of the family's monthly gross income (annual income, as defined in Part I, divided by 12)
- The welfare rent (in as-paid states only)
- A minimum rent between $0 and $50 that is established by the FHA

The FHA has authority to suspend and exempt families from minimum rent when a financial hardship exists, as defined in section 6-III.B.

Welfare Rent [24 CFR 5.628]

FHA Policy

Welfare rent does not apply in this locality.

Minimum Rent [24 CFR 5.630]

FHA Policy

The minimum rent for this locality is $50.

Optional Changes to Income-Based Rents [24 CFR 960.253(c)(2) and PH Occ GB, pp. 131-134]

PHAs have been given very broad flexibility to establish their own, unique rent calculation systems as long as the rent produced is not higher than that calculated using the TTP and mandatory deductions. At the discretion of the FHA, rent policies may structure a system that uses combinations of permissive deductions, escrow accounts, income-based rents, and the required flat and minimum rents.

The PHA's minimum rent and rent choice policies still apply to affected families. Utility allowances are applied to PHA designed income-based rents in the same manner as they are applied to the regulatory income-based rents.

The choices are limited only by the requirement that the method used not produce a TTP or tenant rent greater than the TTP or tenant rent produced under the regulatory formula.

FHA Policy

The FHA chooses not to adopt optional changes to income-based rents.

Ceiling Rents [24 CFR 960.253 (c)(2) and (d)]

Ceiling rents are used to cap income-based rents. They are part of the income-based formula. If the calculated TTP exceeds the ceiling rent for the unit, the ceiling rent is used to calculate tenant rent (ceiling rent/TTP minus utility allowance). Increases in income do not affect the family since the rent is capped. The use of ceiling rents fosters upward mobility and income mixing.

Because of the mandatory use of flat rents, the primary function of ceiling rents now is to assist families who cannot switch back to flat rent between annual reexaminations and would otherwise be paying an income-based tenant rent that is higher than the flat rent.

Ceiling rents must be set to the level required for flat rents (which will require the addition of the utility allowance to the flat rent for properties with tenant-paid utilities) [PH Occ GB, p. 135].

FHA Policy

The FHA chooses not to use ceiling rents.

Utility Reimbursement [24 CFR 960.253(c)(3)]

Utility reimbursement occurs when any applicable utility allowance for tenant-paid utilities exceeds the TTP. HUD permits the PHA to pay the reimbursement to the family or directly to the utility provider.

FHA Policy

The FHA will make utility reimbursements to the family.

6-III.B. FINANCIAL HARDSHIPS AFFECTING MINIMUM RENT [24 CFR 5.630]

Overview

If the PHA establishes a minimum rent greater than zero, the PHA must grant an exemption from the minimum rent if a family is unable to pay the minimum rent because of financial hardship.

The financial hardship exemption applies only to families required to pay the minimum rent. If a family's TTP is higher than the minimum rent, the family is not eligible for a hardship exemption. If the FHA determines that a hardship exists, the TTP is the highest of the remaining components of the family's calculated TTP.

HUD-Defined Financial Hardship

Financial hardship includes the following situations:

(1) The family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program. This includes a family member who is a noncitizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996.

FHA Policy

A hardship will be considered to exist only if the loss of eligibility has an impact on the family's ability to pay the minimum rent.

For a family waiting for a determination of eligibility, the hardship period will end as of the first of the month following (1) implementation of assistance, if approved, or (2) the decision to deny assistance. A family whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances.

(2) The family would be evicted because it is unable to pay the minimum rent.

FHA Policy

For a family to qualify under this provision, the cause of the potential eviction must be the family's failure to pay rent or tenant-paid utilities.

(3) Family income has decreased because of changed family circumstances, including the loss of employment.

(4) A death has occurred in the family.

FHA Policy

In order to qualify under this provision, a family must describe how the death has created a financial hardship (e.g., because of funeral-related expenses or the loss of the family member's income).

(5) The family has experienced other circumstances determined by the FHA.

FHA Policy

The FHA has not established any additional hardship criteria.

Implementation of Hardship Exemption

Determination of Hardship

When a family requests a financial hardship exemption, the PHA must suspend the minimum rent requirement beginning the first of the month following the family's request.

The PHA then determines whether the financial hardship exists and whether the hardship is temporary or long-term.

FHA Policy

The FHA defines temporary hardship as a hardship expected to last 90 days or less. Long term hardship is defined as a hardship expected to last more than 90 days.

The FHA may not evict the family for nonpayment of minimum rent during the 90-day period beginning the month following the family's request for a hardship exemption.

When the minimum rent is suspended, the TTP reverts to the highest of the remaining components of the calculated TTP. The example below demonstrates the effect of the minimum rent exemption.

Example: Impact of Minimum Rent Exemption Assume the FHA has established a minimum rent of $50.	
TTP – No Hardship	**TTP – With Hardship**
$0 30% of monthly adjusted income	$0 30% of monthly adjusted income
$15 10% of monthly gross income	$15 10% of monthly gross income
N/A Welfare rent	N/A Welfare rent
$50 Minimum rent	$50 Minimum rent
Minimum rent applies. TTP = $50	Hardship exemption granted. TTP = $15

FHA Policy

To qualify for a hardship exemption, a family must submit a request for a hardship exemption in writing. The request must explain the nature of the hardship and how the hardship has affected the family's ability to pay the minimum rent.

The FHA will make the determination of hardship within 30 calendar days.

No Financial Hardship

If the FHA determines there is no financial hardship, the FHA will reinstate the minimum rent and require the family to repay the amounts suspended.

For procedures pertaining to grievance hearing requests based upon the FHA's denial of a hardship exemption, see Chapter 14, Grievances and Appeals.

FHA Policy

The FHA will require the family to repay the suspended amount within 30 calendar days of the FHA's notice that a hardship exemption has not been granted.

Temporary Hardship

If the FHA determines that a qualifying financial hardship is temporary, the FHA must reinstate the minimum rent from the beginning of the first of the month following the date of the family's request for a hardship exemption.

The family must resume payment of the minimum rent and must repay the FHA the amounts suspended. HUD requires the FHA to offer a reasonable repayment agreement, on terms and conditions established by the FHA. The FHA also may determine that circumstances have changed and the hardship is now a long-term hardship.

For procedures pertaining to grievance hearing requests based upon the FHA's denial of a hardship exemption, see Chapter 14, Grievances and Appeals.

FHA Policy

The FHA will enter into a repayment agreement in accordance with the FHA's repayment agreement policy (see Chapter 16).

Long-Term Hardship

If the FHA determines that the financial hardship is long-term, the FHA must exempt the family from the minimum rent requirement for so long as the hardship continues. The exemption will apply from the first of the month following the family's request until the end of the qualifying hardship. When the financial hardship has been determined to be long-term, the family is not required to repay the minimum rent.

FHA Policy

The hardship period ends when any of the following circumstances apply:

(1) At an interim or annual reexamination, the family's calculated TTP is greater than the minimum rent.

(2) For hardship conditions based on loss of income, the hardship condition will continue to be recognized until new sources of income are received that are at least equal to the amount lost. For example, if a hardship is approved because a family no longer receives a $60/month child support payment, the hardship will continue to exist until the family receives at least $60/month in income from another source or once again begins to receive the child support.

(3) For hardship conditions based upon hardship-related expenses, the minimum rent exemption will continue to be recognized until the cumulative amount exempted is equal to the expense incurred.

6-III.C. UTILITY ALLOWANCES [24 CFR 965, Subpart E]

Overview

Utility allowances are provided to families paying income-based rents when the cost of utilities is not included in the rent. When determining a family's income-based rent, the FHA must use the utility allowance applicable to the type of dwelling unit leased by the family.

For policies on establishing and updating utility allowances, see Chapter 16.

Reasonable Accommodation [24 CFR 8]

On request from a family, PHAs must approve a utility allowance that is higher than the applicable amount for the dwelling unit if a higher utility allowance is needed as a reasonable accommodation to make the program accessible to and usable by the family with a disability [PH Occ GB, p. 172].

Residents with disabilities may not be charged for the use of certain resident-supplied appliances if there is a verified need for special equipment because of the disability [PH Occ GB, p. 172].

See Chapter 2 for policies related to reasonable accommodations.

Utility Allowance Revisions [24 CFR 965.507]

The PHA must review its schedule of utility allowances each year. Between annual reviews, the PHA must revise the utility allowance schedule if there is a rate change that by itself or together with prior rate changes not adjusted for, results in a change of 10 percent or more from the rate on which such allowances were based. Adjustments to resident payments as a result of such changes must be retroactive to the first day of the month following the month in which the last rate change taken into account in such revision became effective [PH Occ GB, p. 171].

The tenant rent calculations must reflect any changes in the PHA's utility allowance schedule [24 CFR 960.253(c)(3)].

> **FHA Policy**
>
> Unless the FHA is required to revise utility allowances retroactively, revised utility allowances will be applied to a family's rent calculations at the first annual reexamination after the allowance is adopted.

6-III.D. PRORATED RENT FOR MIXED FAMILIES [24 CFR 5.520]

HUD regulations prohibit assistance to ineligible family members. A *mixed family* is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible family members. The PHA must prorate the assistance provided to a mixed family. The PHA will first determine TTP as if all family members were eligible and then prorate the rent based upon the number of family members that actually are eligible. To do this, the PHA must:

(1) Subtract the TTP from a maximum rent applicable to the unit. The result is the maximum subsidy for which the family could qualify if all members were eligible.

(2) Divide the family maximum subsidy by the number of persons in the family to determine the maximum subsidy per each family member who is eligible (member maximum subsidy).

(3) Multiply the member maximum subsidy by the number of eligible family members.

(4) Subtract the subsidy calculated in the last step from the maximum rent. This is the prorated TTP.

(5) Subtract the utility allowance for the unit from the prorated TTP. This is the prorated rent for the mixed family.

FHA Policy

Revised public housing maximum rents will be applied to a family's rent calculation at the first annual reexamination after the revision is adopted.

For policies related to the establishment of the public housing maximum rent see Chapter 16.

6-III.E. FLAT RENTS AND FAMILY CHOICE IN RENTS [24 CFR 960.253]

Flat Rents [24 CFR 960.253(b)]

The flat rent is designed to encourage self-sufficiency and to avoid creating disincentives for continued residency by families who are attempting to become economically self-sufficient.

There is no utility allowance or reimbursement with flat rents. When the family elects to pay the flat rent, the flat rent amount quoted to the family by the FHA is the amount the family pays. Changes in family income, expenses, or composition will not affect the flat rent amount because it is outside the income-based formula.

Policies related to the reexamination of families paying flat rent are contained in Chapter 9, and policies related to the establishment and review of flat rents is contained in Chapter 16.

Family Choice in Rents [24 CFR 960.253(a) and (e)]

Once each year, the PHA must offer families the choice between a flat rent and an income-based rent. The family may not be offered this choice more than once a year. The PHA must document that flat rents were offered to families under the methods used to determine flat rents for the PHA.

FHA Policy

The annual FHA offer to a family of the choice between flat and income-based rent will be conducted upon admission and upon each subsequent annual reexamination.

The FHA will require families to submit their choice of flat or income-based rent in writing and will maintain such requests in the tenant file as part of the admission or annual reexamination process.

The FHA must provide sufficient information for families to make an informed choice. This information must include the FHA's policy on switching from flat rent to income-based rent due to financial hardship and the dollar amount of the rent under each option. However, if the family chose the flat rent for the previous year the FHA is required to provide an income-based rent amount only in the year that a reexamination of income is conducted or if the family specifically requests it and submits updated income information.

Switching from Flat Rent to Income-Based Rent Due to Hardship [24 CFR 960.253(f)]

A family can opt to switch from flat rent to income-based rent at any time if they are unable to pay the flat rent due to financial hardship. If the PHA determines that a financial hardship exists, the PHA must immediately allow the family to switch from flat rent to the income-based rent.

FHA Policy

Upon determination by the FHA that a financial hardship exists, the FHA will allow a family to switch from flat rent to income-based rent effective the first of the month following the family's request.

Reasons for financial hardship include:

- The family has experienced a decrease in income because of changed circumstances, including loss or reduction of employment, death in the family, or reduction in or loss of earnings or other assistance
- The family has experienced an increase in expenses, because of changed circumstances, for medical costs, child care, transportation, education, or similar items
- Such other situations determined by the FHA to be appropriate

FHA Policy

The FHA considers payment of flat rent to be a financial hardship whenever the switch to income-based rent would be lower than the flat rent [PH Occ GB, p. 137].

Change in Flat Rents

FHA Policy

Changes to flat rents, up or down, will not affect families paying flat rent until their next annual flat rent offer, at which time the family will be given the choice of switching back to income-based rent or of remaining on flat rent at the current (most recently adjusted) flat rent for their unit [PH Occ GB, pp. 137-138].

Flat Rents and Earned Income Disallowance [A&O FAQs]

Because the EID is a function of income-based rents, a family paying flat rent cannot qualify for the EID even if a family member experiences an event that would qualify the family for the EID. If the family later chooses to pay income-based rent, they would only qualify for the EID if a new qualifying event occurred.

A family currently paying flat rent that previously qualified for the EID while paying income-based rent and is currently within their 48 month period would have the 12 cumulative months of full (100 percent) and phase-in (50 percent) exclusion continue while paying flat rent as long as the employment that is the subject of the exclusion continues, and the 48-month lifetime limit would continue uninterrupted. A family paying flat rent could therefore see a family member's 48-month lifetime limit expire while the family is paying flat rent.

Flat Rents and Mixed Families [A&O FAQs]

Mixed families electing to pay flat rent must first have a flat rent worksheet completed to see if the flat rent must be prorated. The worksheet is located in Appendix III of the *Form HUD-50058 Instruction Booklet*.

If the flat rent is greater than or equal to the public housing maximum rent, there is no proration of flat rent and the family pays the flat rent for the unit.

If the flat rent is less than the maximum rent, the worksheet will calculate a prorated flat rent. The mixed family will pay the prorated flat rent.

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EXHIBIT 6-1: ANNUAL INCOME INCLUSIONS

24 CFR 5.609

(a) *Annual income means all amounts, monetary or not, which:*

(1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to 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) Which are not specifically excluded in paragraph (c) of this section.

(4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

(b) *Annual income includes, but is not limited to:*

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

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

(3) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (b)(2) of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of $5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;

(4) The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in paragraph (c)(14) of this section);

(5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in paragraph (c)(3) of this section);

(6) Welfare assistance payments.

(i) Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income only to the extent such payments:

(A) Qualify as assistance under the TANF program definition at 45 CFR 260.31[1]; and

(B) Are not otherwise excluded under paragraph (c) of this section.

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[1] Text of 45 CFR 260.31 follows (next page).

(ii) If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:

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

(B) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.

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

(8) All regular pay, special pay and allowances of a member of the Armed Forces (except as provided in paragraph (c)(7) of this section)

(9) For section 8 programs only and as provided in 24 CFR 5.612, any financial assistance, in excess of amounts received for tuition, that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 *et seq*.), from private sources, or from an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except that financial assistance described in this paragraph is not considered annual income for persons over the age of 23 with dependent children. For purposes of this paragraph, "financial assistance" does not include loan proceeds for the purpose of determining income.

HHS DEFINITION OF "ASSISTANCE"

45 CFR: GENERAL TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

260.31 What does the term "assistance" mean?

(a)(1) The term "assistance" includes cash, payments, vouchers, and other forms of benefits designed to meet a family's ongoing basic needs (i.e., for food, clothing, shelter, utilities, household goods, personal care items, and general incidental expenses).

(2) It includes such benefits even when they are:

(i) Provided in the form of payments by a TANF agency, or other agency on its behalf, to individual recipients; and

(ii) Conditioned on participation in work experience or community service (or any other work activity under 261.30 of this chapter).

(3) Except where excluded under paragraph (b) of this section, it also includes supportive services such as transportation and child care provided to families who are not employed.

(b) [The definition of "assistance"] excludes: (1) Nonrecurrent, short-term benefits that:

(i) Are designed to deal with a specific crisis situation or episode of need;

(ii) Are not intended to meet recurrent or ongoing needs; and

(iii) Will not extend beyond four months.

(2) Work subsidies (i.e., payments to employers or third parties to help cover the costs of employee wages, benefits, supervision, and training);

(3) Supportive services such as child care and transportation provided to families who are employed;

(4) Refundable earned income tax credits;

(5) Contributions to, and distributions from, Individual Development Accounts;

(6) Services such as counseling, case management, peer support, child care information and referral, transitional services, job retention, job advancement, and other employment-related services that do not provide basic income support; and

(7) Transportation benefits provided under a Job Access or Reverse Commute project, pursuant to section 404(k) of [the Social Security] Act, to an individual who is not otherwise receiving assistance

EXHIBIT 6-2: ANNUAL INCOME EXCLUSIONS

24 CFR 5.609

(c) *Annual income does not include the following:*

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

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

(3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in paragraph (b)(5) of this section);

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

(5) Income of a live-in aide, as defined in Sec. 5.403;

(6) Subject to paragraph (b)(9) of this section, the full amount of student financial assistance paid directly to the student or to the educational institution;

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

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

(ii) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);

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

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

(v) Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program;

(9) Temporary, nonrecurring or sporadic income (including gifts);

(10) Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;

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

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

(13) [Reserved]

(14) Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts.

(15) Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit;

(16) Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or

(17) Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the Federal Register and distributed to PHAs and housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary. [See the following chart for a list of benefits that qualify for this exclusion.]

Sources of Income Excluded by Federal Statute from Consideration as Income for Purposes of Determining Eligibility or Benefits

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

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

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

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

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

f) Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552(b); (effective July 1, 2000, references to Job Training Partnership Act shall be deemed to refer to the corresponding provision of the Workforce Investment Act of 1998 (29 U.S.C. 2931);

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

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

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

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

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

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

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

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

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

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

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

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

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

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EXHIBIT 6-3: TREATMENT OF FAMILY ASSETS

24 CFR 5.603(b) Net Family Assets

(1) Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.

(2) In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income under Sec. 5.609.

(3) In determining net family assets, PHAs or owners, as applicable, shall include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefor. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

(4) For purposes of determining annual income under Sec. 5.609, the term "net family assets" does not include the value of a home currently being purchased with assistance under part 982, subpart M of this title. This exclusion is limited to the first 10 years after the purchase date of the home.

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EXHIBIT 6-4: EARNED INCOME DISALLOWANCE

24 CFR 960.255 Self-sufficiency incentive–Disallowance of increase in annual income.

(a) *Definitions*. The following definitions apply for purposes of this section.

Disallowance. Exclusion from annual income.

Previously unemployed includes a person who has earned, in the twelve months previous to employment, no more than would be received for 10 hours of work per week for 50 weeks at the established minimum wage.

Qualified family. A family residing in public housing:

(i) Whose annual income increases as a result of employment of a family member who was unemployed for one or more years previous to employment;

(ii) Whose annual income increases as a result of increased earnings by a family member during participation in any economic self-sufficiency or other job training program; or

(iii) Whose annual income increases, as a result of new employment or increased earnings of a family member, during or within six months after receiving assistance, benefits or services under any state program for temporary assistance for needy families funded under Part A of Title IV of the Social Security Act, as determined by the PHA in consultation with the local agencies administering temporary assistance for needy families (TANF) and Welfare-to-Work (WTW) programs. The TANF program is not limited to monthly income maintenance, but also includes such benefits and services as one-time payments, wage subsidies and transportation assistance—provided that the total amount over a six-month period is at least $500.

(b) *Disallowance of increase in annual income*.

(1) *Initial twelve month exclusion*. During the cumulative twelve month period beginning on the date a member of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, the PHA must exclude from annual income (as defined in 5.609 of this title) of a qualified family any increase in income of the family member as a result of employment over prior income of that family member.

(2) *Second twelve month exclusion and phase-in*. During the second cumulative twelve month period after the date a member of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, the PHA must exclude from annual income of a qualified family fifty percent of any increase in income of such family member as a result of employment over income of that family member prior to the beginning of such employment.

(3) *Maximum four year disallowance*. The disallowance of increased income of an individual family member as provided in paragraph (b)(1) or (b)(2) of this section is limited to a lifetime 48 month period. It only applies for a maximum of twelve months for disallowance under paragraph (b)(1) and a maximum of twelve months for disallowance under paragraph (b)(2), during the 48 month period starting from the initial exclusion under paragraph (b)(1) of this section.

(c) *Inapplicability to admission*. The disallowance of increases in income as a result of employment under this section does not apply for purposes of admission to the program (including the determination of income eligibility and income targeting).

(d) *Individual Savings Accounts*. As an alternative to the disallowance of increases in income as a result of employment described in paragraph (b) of this section, a PHA may choose to provide for individual savings accounts for public housing residents who pay an income-based rent, in accordance with a written policy, which must include the following provisions:

(1) The PHA must advise the family that the savings account option is available;

(2) At the option of the family, the PHA must deposit in the savings account the total amount that would have been included in tenant rent payable to the PHA as a result of increased income that is disallowed in accordance with paragraph (b) of this section;

(3) Amounts deposited in a savings account may be withdrawn only for the purpose of:

(i) Purchasing a home;

(ii) Paying education costs of family members;

(iii) Moving out of public or assisted housing; or

(iv) Paying any other expense authorized by the PHA for the purpose of promoting the economic self-sufficiency of residents of public housing;

(4) The PHA must maintain the account in an interest bearing investment and must credit the family with the net interest income, and the PHA may not charge a fee for maintaining the account;

(5) At least annually the PHA must provide the family with a report on the status of the account; and

(6) If the family moves out of public housing, the PHA shall pay the tenant any balance in the account, minus any amounts owed to the PHA

EXHIBIT 6-5: THE EFFECT OF WELFARE BENEFIT REDUCTION

24 CFR 5.615

Public housing program and Section 8 tenant-based assistance program: How welfare benefit reduction affects family income.

(a) *Applicability.* This section applies to covered families who reside in public housing (part 960 of this title) or receive Section 8 tenant-based assistance (part 982 of this title).

(b) *Definitions.* The following definitions apply for purposes of this section:

Covered families. Families who receive welfare assistance or other public assistance benefits ("welfare benefits") from a State or other public agency ("welfare agency") under a program for which Federal, State, or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance.

Economic self-sufficiency program. See definition at Sec. 5.603.

Imputed welfare income. The amount of annual income not actually received by a family, as a result of a specified welfare benefit reduction, that is nonetheless included in the family's annual income for purposes of determining rent.

Specified welfare benefit reduction.

(1) A reduction of welfare benefits by the welfare agency, in whole or in part, for a family member, as determined by the welfare agency, because of fraud by a family member in connection with the welfare program; or because of welfare agency sanction against a family member for noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

(2) "Specified welfare benefit reduction" does not include a reduction or termination of welfare benefits by the welfare agency:

(i) at expiration of a lifetime or other time limit on the payment of welfare benefits;

(ii) because a family member is not able to obtain employment, even though the family member has complied with welfare agency economic self-sufficiency or work activities requirements; or

(iii) because a family member has not complied with other welfare agency requirements.

(c) *Imputed welfare income.*

(1) A family's annual income includes the amount of imputed welfare income (because of a specified welfare benefits reduction, as specified in notice to the PHA by the welfare agency), plus the total amount of other annual income as determined in accordance with Sec. 5.609.

(2) At the request of the PHA, the welfare agency will inform the PHA in writing of the amount and term of any specified welfare benefit reduction for a family member, and the reason for such reduction, and will also inform the PHA of any subsequent changes in the term or amount of such specified welfare benefit reduction. The PHA will use this information to determine the amount of imputed welfare income for a family.

(3) A family's annual income includes imputed welfare income in family annual income, as determined at the PHA's interim or regular reexamination of family income and composition, during the term of the welfare benefits reduction (as specified in information provided to the PHA by the welfare agency).

(4) The amount of the imputed welfare income is offset by the amount of additional income a family receives that commences after the time the sanction was imposed. When such additional income from other sources is at least equal to the imputed

(5) The PHA may not include imputed welfare income in annual income if the family was not an assisted resident at the time of sanction.

(d) *Review of PHA decision.*

(1) Public housing. If a public housing tenant claims that the PHA has not correctly calculated the amount of imputed welfare income in accordance with HUD requirements, and if the PHA denies the family's request to modify such amount, the PHA shall give the tenant written notice of such denial, with a brief explanation of the basis for the PHA determination of the amount of imputed welfare income. The PHA notice shall also state that if the tenant does not agree with the PHA determination, the tenant may request a grievance hearing in accordance with part 966, subpart B of this title to review the PHA determination. The tenant is not required to pay an escrow deposit pursuant to Sec. 966.55(e) for the portion of tenant rent attributable to the imputed welfare income in order to obtain a grievance hearing on the PHA determination.

(2) Section 8 participant. A participant in the Section 8 tenant-based assistance program may request an informal hearing, in accordance with Sec. 982.555 of this title, to review the PHA determination of the amount of imputed welfare income that must be included in the family's annual income in accordance with this section. If the family claims that such amount is not correctly calculated in accordance with HUD requirements, and if the PHA denies the family's request to modify such amount, the PHA shall give the family written notice of such denial, with a brief explanation of the basis for the PHA determination of the amount of imputed welfare income. Such notice shall also state that if the family does not agree with the PHA determination, the family may request an informal hearing on the determination under the PHA hearing procedure.

(e) *PHA relation with welfare agency.*

(1) The PHA must ask welfare agencies to inform the PHA of any specified welfare benefits reduction for a family member, the reason for such reduction, the term of any such reduction, and any subsequent welfare agency determination affecting the amount or term of a specified welfare benefits reduction. If the welfare agency determines a specified welfare benefits reduction for a family member, and gives the PHA written notice of such reduction, the family's annual incomes shall include the imputed welfare income because of the specified welfare benefits reduction.

(2) The PHA is responsible for determining the amount of imputed welfare income that is included in the family's annual income as a result of a specified welfare benefits reduction as determined by the welfare agency, and specified in the notice by the welfare agency to the PHA. However, the PHA is not responsible for determining whether a reduction of welfare benefits by the welfare agency was correctly determined by the welfare agency in accordance with welfare program requirements and procedures, nor for providing the opportunity for review or hearing on such welfare agency determinations.

(3) Such welfare agency determinations are the responsibility of the welfare agency, and the family may seek appeal of such determinations through the welfare agency's normal due process procedures. The PHA shall be entitled to rely on the welfare agency notice to the PHA of the welfare agency's determination of a specified welfare benefits reduction.

Chapter 7

VERIFICATION

[24 CFR 960.259, 24 CFR 5.230]

INTRODUCTION

The PHA must verify all information that is used to establish the family's eligibility and level of assistance and is required to obtain the family's consent to collect the information. Applicants and tenants must cooperate with the verification process as a condition of receiving assistance. The PHA must not pass on the cost of verification to the family.

The PHA will follow the verification guidance provided by HUD in PIH Notice 2004-01 Verification Guidance ("VG") and any subsequent guidance issued by HUD. This chapter summarizes those requirements and provides supplementary PHA policies.

Part I describes the general verification process. More detailed requirements related to individual factors are provided in subsequent parts including family information (Part II), income and assets (Part III), and mandatory deductions (Part IV).

Verification policies, rules and procedures will be modified as needed to accommodate persons with disabilities. All information obtained through the verification process will be handled in accordance with the records management policies established by the FHA.

PART I: GENERAL VERIFICATION REQUIREMENTS

7-I.A. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 960.259, 24 CFR 5.230]

The family must supply any information that the PHA or HUD determines is necessary to the administration of the program and must consent to PHA verification of that information [24 CFR 960.259(a)(1)].

Consent Forms

It is required that all adult applicants and tenants sign form HUD-9886, Authorization for Release of Information. The purpose of form HUD-9886 is to facilitate automated data collection and computer matching from specific sources and provides the family's consent only for the specific purposes listed on the form. HUD and the PHA may collect information from State Wage Information Collection Agencies (SWICAs) and current and former employers of adult family members. Only HUD is authorized to collect information directly from the Internal Revenue Service (IRS) and the Social Security Administration (SSA). Adult family members must sign other consent forms as needed to collect information relevant to the family's eligibility and level of assistance.

Penalties for Failing to Consent [24 CFR 5.232]

If any family member who is required to sign a consent form fails to do so, the PHA will deny admission to applicants and terminate the lease of tenants. The family may request a hearing in accordance with the PHA's grievance procedures.

7-I.B. OVERVIEW OF VERIFICATION REQUIREMENTS

HUD's Verification Hierarchy [VG, p. 11-14]

HUD authorizes the PHA to use five methods to verify family information and specifies the circumstances in which each method will be used. In general HUD requires the PHA to use the most reliable form of verification that is available and to document the reasons when the PHA uses a lesser form of verification.

FHA Policy

In order of priority, the forms of verification that the PHA will use are:

Up-front Income Verification (UIV) whenever available

Third-party Written Verification

Third-party Oral Verification

Review of Documents

Self-Certification

Each of the verification methods is discussed in subsequent sections below. Exhibit 7-1 at the end of the chapter contains an excerpt from the Verification Guidance that provides guidance with respect to how each method may be used.

Requirements for Acceptable Documents

FHA Policy

Any documents used for verification must be the original (not photocopies) and generally must be dated within 60 calendar days of the date they are provided to the FHA. The documents must not be damaged, altered or in any way illegible.

The FHA will accept documents dated up to 6 months before the effective date of the family's reexamination if the document represents the most recent scheduled report from a source. For example, if the holder of a pension annuity provides semi-annual reports, the FHA would accept the most recent report.

Print-outs from web pages are considered original documents.

The FHA staff member who views the original document must make a photocopy, annotate the copy with the name of the person who provided the document and the date the original was viewed, and sign the copy.

Any family self-certifications must be made in a format acceptable to the FHA and must be signed in the presence of a FHA representative or FHA notary public.

File Documentation

The PHA must document in the file how the figures used in income and rent calculations were determined. All verification attempts, information obtained, and decisions reached during the verification process will be recorded in the family's file in sufficient detail to demonstrate that the PHA has followed all of the verification policies set forth in this ACOP. The record should be sufficient to enable a staff member or HUD reviewer to understand the process followed and conclusions reached.

FHA Policy

The FHA will document, in the family file, the following:

Reported family annual income

Value of assets

Expenses related to deductions from annual income

Other factors influencing the adjusted income or income-based rent determination

When the FHA is unable to obtain 3rd party verification, the FHA will document in the family file the reason that third-party verification was not available and will place a photocopy of the original document(s) in the family file. [24 CFR 960.259(c)(1); VG, p.15]

7-I.C. UP-FRONT INCOME VERIFICATION (UIV)

Up-front income verification (UIV) refers to the PHA's use of the verification tools available from independent sources that maintain computerized information about earnings and benefits. UIV will be used to the extent that these systems are available to the PHA.

FHA Policy

The FHA will inform all applicants and residents of its use of the following UIV resources during the admission and reexamination process:

HUD's EIV system

The Work Number

Employment and Temporary Assistance

State Wage Income Collection Agency

The FHA must restrict access to and safeguard UIV data in accordance with HUD guidance on security procedures, as issued and made available by HUD.

There may be legitimate differences between the information provided by the family and UIV-generated information. No adverse action can be taken against a family until the PHA has independently verified the UIV information and the family has been granted an opportunity to contest any adverse findings through the PHA's informal review/hearing processes.

Definition of Substantial Difference

UIV information is used differently depending upon whether there is a *substantial difference* between information provided by the family and the UIV information. In "HUD Guidelines for Projecting Annual Income When UIV Data is Available," HUD recommends using $200 per month as the threshold for a substantial difference. The PHA will use the $200 per month as the threshold for a substantial difference.

See Chapter 6 for the PHA's policies on the definition of substantial difference and the use of UIV to project annual income and for the PHA's threshold for substantial difference.

When No Substantial Difference Exists

If UIV information does not differ substantially from family information, the UIV documentation may serve as third-party written verification.

When a Substantial Difference Exists [24 CFR 5.236(b)]

When there is a substantial difference between the information provided by the UIV source and the family, the PHA must request another form of third-party written verification and use any other verification methods (in priority order) to reconcile the difference(s).

Use of HUD's Enterprise Income Verification (EIV) System

HUD's EIV system contains data showing earned income, unemployment benefits, Social Security and SSI benefits for resident families. HUD requires the PHA to use the EIV system when available. The following policies will apply when the PHA has access to HUD's EIV system.

The EIV system contains two main components: tenant income data reports and "exceeds threshold" reports.

Tenant Income Data (TID) Reports

The data shown on TID reports is updated quarterly. Data may be between 3 and 6 months old at the time reports are generated.

FHA Policy

The FHA will obtain TID reports for annual reexaminations on a monthly basis. Reports will be generated as part of the regular reexamination process.

TID reports will be compared to family-provided information as part of the annual reexamination process. TID reports may be used in the calculation of annual income, as described in Chapter 6.I.C. TID reports may also be used to meet the regulatory requirement for third party verification, as described above. Policies for resolving discrepancies between TID reports and family-provided information will be resolved as described in Chapter 6.I.C. and in this chapter.

TID reports will be used in interim reexaminations when it is necessary to verify and calculate earned income, unemployment benefits, Social Security and/or SSI benefits, and to verify that families claiming zero income are not receiving income from any of these sources.

TID reports will be retained in resident files with the applicable annual or interim reexamination documents.

When the FHA determines through TID reports and third party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 15, Program Integrity.

Exceeds Threshold Reports (ETRs)

The ETR is a tool for identifying families who may have concealed or under-reported income. Data in the ETR represents income for past reporting periods and may be between 6 months and 30 months old at the time ETRs are generated.

Families who have not concealed or under-reported income may appear on the ETR in some circumstances, such as loss of a job or addition of new family members.

FHA Policy

The FHA will generate and review ETRs on a monthly basis. The ETR threshold percentage will be adjusted as necessary based on the findings in the ETRs.

In reviewing ETRs, the FHA will begin with the largest discrepancies.

When the FHA determines that a resident appearing on the ETR has not concealed or under-reported income, the resident's name will be placed on a list of "false positive" reviews. To avoid multiple reviews in this situation, residents appearing on this list will be eliminated from ETR processing until a subsequent interim or annual reexamination has been completed.

When it appears that a family may have concealed or under-reported income, the FHA will request third-party written verification of the income in question.

When the FHA determines through ETR review and third party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 15, Program Integrity.

EIV Identity Verification

The EIV system verifies resident identities against SSA records. These records are compared to PIC data for a match on Social Security number, name, and date of birth.

When identity verification for a resident fails, a message will be displayed within the EIV system and no income information will be displayed.

FHA Policy

The FHA will identify residents whose identity verification has failed as part of the annual reexamination process.

The FHA will attempt to resolve PIC/SSA discrepancies by reviewing file documents. When the FHA determines that discrepancies exist due to FHA errors such as spelling errors or incorrect birth dates, the errors will be corrected promptly.

7-I.D. THIRD-PARTY WRITTEN AND ORAL VERIFICATION

Reasonable Effort and Timing

Unless third-party verification is not required as described below, HUD requires the PHA to make at least two unsuccessful attempts to obtain third-party verification before using another form of verification [VG, p. 15].

FHA Policy

The FHA will diligently seek third-party verification using a combination of written and oral requests to verification sources. Information received orally from third parties may be used either to clarify information provided in writing by the third party or as independent verification when written third-party verification is not received in a timely fashion.

The FHA may mail, fax, e-mail, or hand deliver third-party written verification requests and will accept third-party responses using any of these methods. The FHA will send a written request for verification to each required source within 5 business days of securing a family's authorization for the release of the information and give the source 10 business days to respond in writing. If a response has not been received by the 11th business day, the FHA will request third-party oral verification.

The FHA will make a minimum of two attempts, one of which may be oral, to obtain third-party verification. A record of each attempt to contact the third-party source (including no-answer calls) and all contacts with the source will be documented in the file. Regarding third-party oral verification, FHA staff will record in the family's file the name and title of the person contacted, the date and time of the conversation (or attempt), the telephone number used, and the facts provided.

When any source responds verbally to the initial written request for verification the FHA will accept the verbal response as oral verification but will also request that the source complete and return any verification forms that were provided.

If a third party agrees to confirm in writing the information provided orally, the FHA will wait no more than 5 business days for the information to be provided. If the information is not provided by the 6th business day, the FHA will use any information provided orally in combination with reviewing family-provided documents (see below).

When Third-Party Information is Late

When third-party verification has been requested and the timeframes for submission have been exceeded, the PHA will use the information from documents on a provisional basis. If the PHA later receives third-party verification that differs from the amounts used in income and rent determinations and it is past the deadline for processing the reexamination, the PHA will conduct an interim reexamination to adjust the figures used for the reexamination, regardless of the PHA's interim reexamination policy.

When Third-Party Verification is Not Required

Primary Documents

Third-party verification is not required when legal documents are the primary source, such as a birth certificate or other legal documentation of birth.

Certain Assets and Expenses

The PHA may accept a self-certification from the family as verification of assets disposed of for less than fair market value [HCV GB, p. 5-28].

The PHA may determine that third-party verification is not available if the asset or expense involves an insignificant amount, making it not cost-effective or reasonable to obtain third-party verification [VG, p. 15].

FHA Policy

The FHA will use review of documents in lieu of requesting third-party verification when the market value of an individual asset or an expense is less than $500 annually and the family has original documents that support the declared amount.

Certain Income, Asset and Expense Sources

The PHA will determine that third-party verification is not available when it is known that an income source does not have the ability to provide written or oral third-party verification [VG, p. 15]. For example, the PHA will rely upon review of documents when the PHA determines that a third party's privacy rules prohibit the source from disclosing information.

FHA Policy

The FHA will determine that third-party verification is not available when there is a service charge for verifying an asset or expense *and* the family has original documents that provide the necessary information.

If the family cannot provide original documents, the FHA will pay the service charge required to obtain third-party verification, unless it is not cost effective in which case a self-certification will be acceptable as the only means of verification. The cost of verification will not be passed on to the family.

The cost of postage and envelopes to obtain third-party verification of income, assets, and expenses is not an unreasonable cost [VG, p. 18].

The FHA will document, in the family file, the reason that the third-party verification was not available and will place a photocopy of the original document(s) in the family file. [VG, p. 15]

7-I.E. REVIEW OF DOCUMENTS

Using Review of Documents as Verification

FHA Policy

If the FHA has determined that third-party verification is not available or not required, the FHA will use documents provided by the family as verification.

The FHA may also review documents when necessary to help clarify information provided by third parties. In such cases the FHA will document in the file how the FHA arrived at a final conclusion about the income or expense to include in its calculations.

7-I.F. SELF-CERTIFICATION

FHA Policy

When information cannot be verified by a third party or by review of documents, family members will be required to submit self-certifications attesting to the accuracy of the information they have provided to the FHA.

The FHA may require a family to certify that a family member does not receive a particular type of income or benefit.

The self-certification must be made in a format acceptable to the FHA and must be signed by the family member whose information or status is being verified. All self-certifications must be signed in the presence of a FHA representative or FHA notary public.

PART II: VERIFYING FAMILY INFORMATION

7-II.A. VERIFICATION OF LEGAL IDENTITY

FHA Policy

The FHA will require families to furnish verification of legal identity for each household member.

Verification of Legal Identity for Adults	Verification of Legal Identity for Children
Certificate of birth, naturalization papers Church issued baptismal certificate Current, valid driver's license or Department of Motor Vehicle identification card U.S. military discharge (DD 214) U.S. passport Employer identification card	Certificate of birth Adoption papers Custody agreement Health and Human Services ID School records

If a document submitted by a family is illegible or otherwise questionable, more than one of these documents may be required.

If none of these documents can be provided and at the FHA's discretion, a third party who knows the person may attest to the person's identity. The certification must be provided in a format acceptable to the FHA and be signed in the presence of a FHA representative or FHA notary public.

Legal identity will be verified on an as needed basis.

7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and HCV, p. 5-12]

For every family member age 6 or older, the family must provide documentation of a valid social security number (SSN), or a self-certification stating that no SSN has been issued. The self-certification must be executed personally by any family member 18 or older, or by a parent or guardian for a minor.

FHA Policy

The FHA will also accept the following documents as evidence if the SSN is provided on the document:

Driver's license

Other identification card issued by a federal, state, or local agency, a medical insurance company or provider, or employer or trade union

Payroll stubs

Benefit award letters from government agencies; retirement benefit letters; life insurance policies

Court records (real estate, tax notices, marriage and divorce, judgment or bankruptcy records)

If the family reports an SSN but cannot provide acceptable documentation of the number, the FHA will require a self-certification stating that documentation of the SSN cannot be provided at this time. The FHA will require documentation of the SSN within 60 calendar days from the date of the family member's self-certification mentioned above. If the family is an applicant, assistance cannot be provided until proper documentation of the SSN is provided.

FHA Policy

The FHA will instruct the family to obtain a duplicate card from the local Social Security Administration (SSA) office.

For individuals who are at least 62 years of age and are unable to submit the required documentation of their SSN within the initial 60-day period, the FHA will grant an additional 60 calendar days to provide documentation.

Social security numbers must be verified only once during continuously-assisted occupancy.

If any family member obtains an SSN after admission to the program, the new SSN must be disclosed at the next regularly scheduled reexamination. In addition, if a child reaches the age of 6 and has no SSN, the parent or guardian must execute a self-certification stating that the child has no SSN at the next regularly scheduled reexamination.

The social security numbers of household members, such as live-in aids, must be verified for the purpose of conducting criminal background checks.

7-II.C. DOCUMENTATION OF AGE

A birth certificate or other official record of birth is the preferred form of age verification for all family members. For elderly family members an original document that provides evidence of the receipt of social security retirement benefits is acceptable.

FHA Policy

If an official record of birth or evidence of social security retirement benefits cannot be provided, the FHA will require the family to submit other documents that support the reported age of the family member (e.g., school records, driver's license if birth year is recorded) and to provide a self-certification.

Age must be verified only once during continuously-assisted occupancy.

7-II.D. FAMILY RELATIONSHIPS

Applicants and tenants are required to identify the relationship of each household member to the head of household. Definitions of the primary household relationships are provided in the Eligibility chapter.

FHA Policy

Family relationships are verified only to the extent necessary to determine a family's eligibility and level of assistance. Certification by the head of household normally is sufficient verification of family relationships.

Marriage

FHA Policy

Certification by the head of household is normally sufficient verification. If the FHA has reasonable doubts about a marital relationship, the FHA will require the family to document the marriage.

A marriage certificate generally is required to verify that a couple is married.

In the case of a common law marriage, the couple must demonstrate that they hold themselves to be married (e.g., by telling the community they are married, calling each other husband and wife, using the same last name, filing joint income tax returns).

Separation or Divorce

FHA Policy

Certification by the head of household is normally sufficient verification. If the FHA has reasonable doubts about a separation or divorce, the FHA will require the family to document the divorce, or separation.

A certified copy of a divorce decree, signed by a court officer, is required to document that a couple is divorced.

A copy of a court-ordered maintenance or other court record is required to document a separation.

If no court document is available, documentation from a community-based agency will be accepted.

Absence of Adult Member

FHA Policy

If an adult member who was formerly a member of the household is reported to be permanently absent, the family must provide evidence to support that the person is no longer a member of the family (e.g., documentation of another address at which the person resides such as a lease or utility bill).

Foster Children and Foster Adults

FHA Policy

Third-party verification from the state or local government agency responsible for the placement of the individual with the family is required.

7-II.E. VERIFICATION OF STUDENT STATUS

FHA Policy

The FHA requires families to provide information about the student status of all students who are 18 years of age or older. This information will be verified only if:

The family claims full-time student status for an adult other than the head, spouse, or cohead, or

The family claims a child care deduction to enable a family member to further his or her education.

7-II.F. DOCUMENTATION OF DISABILITY

The PHA must verify the existence of a disability in order to allow certain income disallowances and deductions from income. The PHA is not permitted to inquire about the nature or extent of a person's disability [24 CFR 100.202(c)]. The PHA may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the PHA receives a verification document that provides such information, the PHA will not place this information in the tenant file. Under no circumstances will the PHA request a resident's medical record(s). For more information on health care privacy laws, see the Department of Health and Human Services' website at www.os.dhhs.gov.

The above cited regulation does not prohibit the following inquiries, provided these inquiries are made of all applicants, whether or not they are persons with disabilities [VG, p. 24]:

- Inquiry into an applicant's ability to meet the requirements of ownership or tenancy
- Inquiry to determine whether an applicant is qualified for a dwelling available only to persons with disabilities or to persons with a particular type of disability
- Inquiry to determine whether an applicant for a dwelling is qualified for a priority available to persons with disabilities or to persons with a particular type of disability
- Inquiring whether an applicant for a dwelling is a current illegal abuser or addict of a controlled substance
- Inquiring whether an applicant has been convicted of the illegal manufacture or distribution of a controlled substance

Family Members Receiving SSA Disability Benefits

Verification of receipt of SSA benefits or SSI based upon disability is sufficient for verification of disability for the purpose of qualification for waiting list preferences or certain income disallowances and deductions [VG, p. 23].

FHA Policy

For family members claiming disability who receive SSI or other disability payments from the SSA, the FHA will attempt to obtain information about disability benefits through the HUD Enterprise Income Verification (EIV) system when it is available. If documentation from HUD's EIV System is not available, the FHA will request a current SSA benefit verification letter (dated within the last 60 days) from each family member claiming disability status. If the family is unable to provide the document(s), the FHA will ask the family to request a benefit verification letter by either calling SSA at 1-800-772-1213, or by requesting it from www.ssa.gov. Once the applicant or resident receives the benefit verification letter they will be required to provide it to the FHA.

Family Members Not Receiving SSA Disability Benefits

Receipt of veteran's disability benefits, worker's compensation, or other non-SSA benefits based on the individual's claimed disability are not sufficient verification that the individual meets HUD's definition of disability in 24 CFR 5.603, necessary to qualify for waiting list preferences or certain income disallowances and deductions.

FHA Policy

For family members claiming disability who do not receive SSI or other disability payments from the SSA, a knowledgeable professional must provide third-party verification that the family member meets the HUD definition of disability. See the Eligibility chapter for the HUD definition of disability. The knowledgeable professional will verify whether the family member does or does not meet the HUD definition.

7-II.G. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5.508]

Overview

Housing assistance is not available to persons who are not citizens, nationals, or eligible immigrants. Prorated assistance is provided for "mixed families" containing both eligible and ineligible persons. See the Eligibility chapter for detailed discussion of eligibility requirements. This chapter (7) discusses HUD and PHA verification requirements related to citizenship status.

The family must provide a certification that identifies each family member as a U.S. citizen, a U.S. national, an eligible noncitizen or an ineligible noncitizen and submit the documents discussed below for each family member. Once eligibility to receive assistance has been verified for an individual it need not be collected or verified again during continuously-assisted occupancy [24 CFR 5.508(g)(5)]

U.S. Citizens and Nationals

HUD requires a declaration for each family member who claims to be a U.S. citizen or national. The declaration must be signed personally by any family member 18 or older and by a guardian for minors.

The PHA may request verification of the declaration by requiring presentation of a birth certificate, United States passport or other appropriate documentation.

FHA Policy

Family members who claim U.S. citizenship or national status will not be required to provide additional documentation unless the FHA receives information indicating that an individual's declaration may not be accurate.

Eligible Immigrants

Documents Required

All family members claiming eligible immigration status must declare their status in the same manner as U.S. citizens and nationals.

The documentation required for eligible noncitizens varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, age, and the date on which the family began receiving HUD-funded assistance. Exhibit 7-2 at the end of this chapter summarizes documents family members must provide.

PHA Verification [HCV GB, pp 5-3 and 5-7]

For family members age 62 or older who claim to be eligible immigrants, proof of age is required in the manner described in 7-II.C. of this ACOP. No further verification of eligible immigration status is required.

For family members under the age of 62 who claim to be eligible immigrants, the PHA must verify immigration status with the U.S. Citizenship and Immigration Services (USCIS).

The PHA will follow all USCIS protocols for verification of eligible immigration status.

7-II.H. VERIFICATION OF PREFERENCE STATUS

The PHA must verify any preferences claimed by an applicant.

FHA Policy

Residency Preference: For families who live, work or have been hired to work in the jurisdiction of the FHA.

In order to verify that an applicant is a resident, the FHA will require a minimum of three (3) of the following documents: rent receipts, leases, utility bills, employer or agency records, school records, drivers licenses, voters registration records, credit reports, statement from household with whom the family is residing.

For families who have been hired to work in the jurisdiction of the FHA, a statement from the employer will be required.

Veterans Preference: This preference is available to current members of the U.S. Armed Forces, veterans, or surviving spouses of veterans.

The FHA will require U.S. government documents which indicate that the applicant qualifies under the above definition.

PART III: VERIFYING INCOME AND ASSETS

Chapter 6, Part I of this ACOP describes in detail the types of income that are included and excluded and how assets and income from assets are handled. Any assets and income reported by the family must be verified. This part provides PHA policies that supplement the general verification procedures specified in Part I of this chapter.

7-III.A. EARNED INCOME

Tips

FHA Policy

Unless tip income is included in a family member's W-2 by the employer, persons who work in industries where tips are standard will be required to sign a certified estimate of tips received for the prior year and tips anticipated to be received in the coming year.

7-III.B. BUSINESS AND SELF EMPLOYMENT INCOME

FHA Policy

Business owners and self-employed persons will be required to provide:

An audited financial statement for the previous fiscal year if an audit was conducted. If an audit was not conducted, a statement of income and expenses must be submitted and the business owner or self-employed person must certify to its accuracy.

All schedules completed for filing federal and local taxes in the preceding year.

If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense, computed using straight-line depreciation rules.

The FHA will provide a format for any person who is unable to provide such a statement to record income and expenses for the coming year. The business owner/self-employed person will be required to submit the information requested and to certify to its accuracy at all future reexaminations.

At any reexamination the FHA may request documents that support submitted financial statements such as manifests, appointment books, cash books, or bank statements.

If a family member has been self-employed less than three (3) months, the FHA will accept the family member's certified estimate of income and schedule an interim reexamination in three (3) months. If the family member has been self-employed for three (3) to twelve (12) months the FHA will require the family to provide documentation of income and expenses for this period and use that information to project income.

7-III.C. PERIODIC PAYMENTS AND PAYMENTS IN LIEU OF EARNINGS

Social Security/SSI Benefits

FHA Policy

To verify the SS/SSI benefits of applicants, the FHA will request a current (dated within the last 60 days) SSA benefit verification letter from each family member that receives social security benefits. If the family is unable to provide the document(s), the FHA will ask the family to request a benefit verification letter by either calling SSA at 1-800-772-1213, or by requesting it from www.ssa.gov. Once the applicant has received the benefit verification letter they will be required to provide it to the FHA.

To verify the SS/SSI benefits of residents, the FHA will obtain information about social security/SSI benefits through the HUD EIV System. If benefit information is not available in HUD systems, the FHA will request a current SSA benefit verification letter from each family member that receives social security benefits. If the family is unable to provide the document(s) the FHA will ask the family to request a benefit verification letter by either calling SSA at 1-800-772-1213, or by requesting it from www.ssa.gov. Once the resident has received the benefit verification letter they will be required to provide it to the FHA.

7-III.D. ALIMONY OR CHILD SUPPORT

FHA Policy

The way the FHA will seek verification for alimony and child support differs depending on whether the family declares that it receives regular payments.

If the family declares that it *receives regular payments*, verification will be sought in the following order.

If payments are made through a state or local entity, the FHA will request a record of payments for the past 12 months and request that the entity disclose any known information about the likelihood of future payments.

Third-party verification from the person paying the support

Copy of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules

Copy of the latest check and/or payment stubs

Family's self-certification of amount received and of the likelihood of support payments being received in the future, or that support payments are not being received.

If the family declares that it *receives irregular or no payments*, in addition to the verification process listed above, the family must provide evidence that it has taken all reasonable efforts to collect amounts due. This may include:

A statement from any agency responsible for enforcing payment that shows the family has requested enforcement and is cooperating with all enforcement efforts

If the family has made independent efforts at collection, a written statement from the attorney or other collection entity that has assisted the family in these efforts

Note: Families are not required to undertake independent enforcement action.

7-III.E. ASSETS AND INCOME FROM ASSETS

Assets Disposed of for Less than Fair Market Value

The family must certify whether any assets have been disposed of for less than fair market value in the preceding two years. The PHA needs to verify only those certifications that warrant documentation [HCV GB, p. 5-28].

FHA Policy

The FHA will verify the value of assets disposed of only if:

The FHA does not already have a reasonable estimation of its value from previously collected information, or

The amount reported by the family in the certification appears obviously in error.

Example 1: An elderly participant reported a $10,000 certificate of deposit at the last annual reexamination and the FHA verified this amount. Now the person reports that she has given this $10,000 to her son. The FHA has a reasonable estimate of the value of the asset; therefore, reverification of the value of the asset is not necessary.

Example 2: A family member has disposed of its 1/4 share of real property located in a desirable area and has valued her share at approximately 5,000. Based upon market conditions, this declaration does not seem realistic. Therefore, the FHA will verify the value of this asset.

7-III.F. NET INCOME FROM RENTAL PROPERTY

FHA Policy

The family must provide:

A current executed lease for the property that shows the rental amount or certification from the current tenant

A self-certification from the family members engaged in the rental of property providing an estimate of expenses for the coming year and the most recent IRS Form 1040 with Schedule E (Rental Income). If schedule E was not prepared, the FHA will require the family members involved in the rental of property to provide a self-certification of income and expenses for the previous year and may request documentation to support the statement including: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.

7-III.G. RETIREMENT ACCOUNTS

FHA Policy

When third-party verification is not available the type of original document that will be accepted depends upon the family member's retirement status.

Before retirement, the FHA will accept an original document from the entity holding the account with a date that shows it is the most recently scheduled statement for the account but in no case earlier than 6 months from the effective date of the examination.

Upon retirement, the FHA will accept an original document from the entity holding the account that reflects any distributions of the account balance, any lump sums taken and any regular payments.

After retirement, the FHA will accept an original document from the entity holding the account dated no earlier than 12 months before that reflects any distributions of the account balance, any lump sums taken and any regular payments.

7-III.H. INCOME FROM EXCLUDED SOURCES

A detailed discussion of excluded income is provided in Chapter 6, Part I.

The PHA must obtain verification for income exclusions only if, without verification, the PHA would not be able to determine whether the income is to be excluded. For example: If a family's 16 year old has a job at a fast food restaurant, the PHA will confirm that PHA records verify the child's age but will not send a verification request to the restaurant. However, if a family claims the earned income disallowance for a source of income, both the source and the income must be verified.

FHA Policy

The FHA will reconcile differences in amounts reported by the third party and the family only when the excluded amount is used to calculate the family's rent (as is the case with the earned income disallowance). In all other cases, the FHA will report the amount to be excluded as indicated on documents provided by the family.

7-III.I. ZERO ANNUAL INCOME STATUS

FHA Policy

The FHA will check UIV sources and/or request information from third-party sources to verify that certain forms of income such as unemployment benefits, TANF, SSI, etc. are not being received by families claiming to have zero annual income.

PART IV: VERIFYING MANDATORY DEDUCTIONS

7-IV.A. DEPENDENT AND ELDERLY/DISABLED HOUSEHOLD DEDUCTIONS

The dependent and elderly/disabled family deductions require only that the PHA verify that the family members identified as dependents or elderly/disabled persons meet the statutory definitions. No further verifications are required.

Dependent Deduction

See Chapter 6 (6-II.B.) for a full discussion of this deduction. The PHA will verify that:

- Any person under the age of 18 for whom the dependent deduction is claimed is not the head, spouse or cohead of the family and is not a foster child
- Any person age 18 or older for whom the dependent deduction is claimed is not a foster adult or live-in aide, and is a person with a disability or a full time student

Elderly/Disabled Family Deduction

See the Eligibility chapter for a definition of elderly and disabled families and Chapter 6 (6-II.C.) for a discussion of the deduction. The PHA will verify that the head, spouse, or cohead is 62 years of age or older or a person with disabilities.

7-IV.B. MEDICAL EXPENSE DEDUCTION

Policies related to medical expenses are found in 6-II.D. The amount of the deduction will be verified following the standard verification procedures described in Part I.

Amount of Expense

FHA Policy

The FHA will provide a third-party verification form directly to the medical provider requesting the needed information.

Medical expenses will be verified through:

Third-party verification form signed by the provider, when possible

If third-party is not possible, copies of cancelled checks used to make medical expense payments and/or printouts or receipts from the source will be used. In this case the FHA will make a best effort to determine what expenses from the past are likely to continue to occur in the future. The FHA will also accept evidence of monthly payments or total payments that will be due for medical expenses during the upcoming 12 months.

If third-party or document review is not possible, written family certification as to costs anticipated to be incurred during the upcoming 12 months

In addition, the FHA must verify that:

- The household is eligible for the deduction.
- The costs to be deducted are qualified medical expenses.
- The expenses are not paid for or reimbursed by any other source.
- Costs incurred in past years are counted only once.

Eligible Household

The medical expense deduction is permitted only for households in which the head, spouse, or cohead is at least 62 or a person with disabilities. The PHA will verify that the family meets the definition of an elderly or disabled family provided in the Eligibility chapter, and as described in Chapter 7 (7-IV.A) of this plan.

Qualified Expenses

To be eligible for the medical expenses deduction, the costs must qualify as medical expenses. See Chapter 6 (6-II.D.) for the PHA's policy on what counts as a medical expense.

Unreimbursed Expenses

To be eligible for the medical expenses deduction, the costs must not be reimbursed by another source.

FHA Policy

The family will be required to certify that the medical expenses are not paid or reimbursed to the family from any source.

Expenses Incurred in Past Years

FHA Policy

When anticipated costs are related to on-going payment of medical bills incurred in past years, the FHA will verify:

The anticipated repayment schedule

The amounts paid in the past, and

Whether the amounts to be repaid have been deducted from the family's annual income in past years

7-IV.C. DISABILITY ASSISTANCE EXPENSES

Policies related to disability assistance expenses are found in 6-II.E. The amount of the deduction will be verified following the standard verification procedures described in Part I.

Amount of Expense

Attendant Care

FHA Policy

The FHA will provide a third-party verification form directly to the care provider requesting the needed information.

Expenses for attendant care will be verified through:

Third-party verification form signed by the provider, when possible

If third-party is not possible, copies of cancelled checks used to make attendant care payments and/or receipts from care source

If third-party or document review is not possible, written family certification as to costs anticipated to be incurred for the upcoming 12 months

Auxiliary Apparatus

FHA Policy

Expenses for auxiliary apparatus will be verified through:

Third-party verification of anticipated purchase costs of auxiliary apparatus

If third-party is not possible, billing statements for purchase of auxiliary apparatus, or other evidence of monthly payments or total payments that will be due for the apparatus during the upcoming 12 months

If third-party or document review is not possible, written family certification of estimated apparatus costs for the upcoming 12 months

In addition, the FHA must verify that:

- The family member for whom the expense is incurred is a person with disabilities (as described in 7-II.F above).
- The expense permits a family member, or members, to work (as described in 6-II.E.).
- The expense is not reimbursed from another source (as described in 6-II.E.).

Family Member is a Person with Disabilities

To be eligible for the disability assistance expense deduction, the costs must be incurred for attendant care or auxiliary apparatus expense associated with a person with disabilities. The PHA will verify that the expense is incurred for a person with disabilities (See 7-II.F.).

Family Member(s) Permitted to Work

The PHA must verify that the expenses claimed actually enable a family member, or members, (including the person with disabilities) to work.

FHA Policy

The FHA will seek third-party verification from a Rehabilitation Agency or knowledgeable medical professional indicating that the person with disabilities requires attendant care or an auxiliary apparatus to be employed, or that the attendant care or auxiliary apparatus enables another family member, or members, to work (See 6-II.E.).

If third-party and document review verification has been attempted and is either unavailable or proves unsuccessful, the family must certify that the disability assistance expense frees a family member, or members (possibly including the family member receiving the assistance), to work.

Unreimbursed Expenses

To be eligible for the disability expenses deduction, the costs must not be reimbursed by another source.

FHA Policy

An attendant care provider will be asked to certify that, to the best of the provider's knowledge, the expenses are not paid by or reimbursed to the family from any source.

The family will be required to certify that attendant care or auxiliary apparatus expenses are not paid by or reimbursed to the family from any source.

7-IV.D. CHILD CARE EXPENSES

Policies related to child care expenses are found in Chapter 6 (6-II.F). The amount of the deduction will be verified following the standard verification procedures described in Part I. In addition, the PHA must verify that:

- The child is eligible for care.
- The costs claimed are not reimbursed.
- The costs enable a family member to pursue an eligible activity.
- The costs are for an allowable type of child care.
- The costs are reasonable.

Eligible Child

To be eligible for the child care deduction, the costs must be incurred for the care of a child under the age of 13. The PHA will verify that the child being cared for (including foster children) is under the age of 13 (See 7-II.C.).

Unreimbursed Expense

To be eligible for the child care deduction, the costs must not be reimbursed by another source.

FHA Policy

The child care provider will be asked to certify that, to the best of the provider's knowledge, the child care expenses are not paid by or reimbursed to the family from any source.

The family will be required to certify that the child care expenses are not paid by or reimbursed to the family from any source.

Pursuing an Eligible Activity

The PHA must verify that the family member(s) that the family has identified as being enabled to seek work, pursue education, or be gainfully employed, are actually pursuing those activities.

FHA Policy

Information to be Gathered

The FHA will verify information about how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the time required for study (for students), the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

Seeking Work

Whenever possible the FHA will use documentation from a state or local agency that monitors work-related requirements (e.g., welfare or unemployment). In such cases the FHA will request verification from the agency of the member's job seeking efforts to date and require the family to submit to the FHA any reports provided to the other agency.

In the event third-party verification is not available, the FHA will provide the family with a form on which the family member must record job search efforts. The FHA will review this information at each subsequent reexamination for which this deduction is claimed.

Furthering Education

The FHA will ask that the academic or vocational educational institution verify that the person permitted to further his or her education by the child care is enrolled and provide information about the timing of classes for which the person is registered.

Gainful Employment

The FHA will seek verification from the employer of the work schedule of the person who is permitted to work by the child care. In cases in which two or more family members could be permitted to work, the work schedules for all relevant family members may be verified.

Allowable Type of Child Care

The type of care to be provided is determined by the family, but must fall within certain guidelines, as discussed in Chapter 6.

FHA Policy

The FHA will verify that the type of child care selected by the family is allowable, as described in Chapter 6 (6-II.F).

The FHA will verify that the fees paid to the child care provider cover only child care costs (e.g., no housekeeping services or personal services) and are paid only for the care of an eligible child (e.g., prorate costs if some of the care is provided for ineligible family members).

The FHA will verify that the child care provider is not an assisted family member. Verification will be made through the head of household's declaration of family members who are expected to reside in the unit.

Reasonableness of Expenses

Only reasonable child care costs can be deducted.

FHA Policy

The actual costs the family incurs will be compared with the FHA's established standards of reasonableness for the type of care in the locality to ensure that the costs are reasonable.

If the family presents a justification for costs that exceed typical costs in the area, the FHA will request additional documentation, as required, to support a determination that the higher cost is appropriate.

Exhibit 7-1: Excerpt from HUD Verification Guidance Notice (PIH 2004-01, pp. 11-14)

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

Income Type	Upfront	Written Third Party	Oral Third Party	Document Review	Tenant Declaration
	(LEVEL 5)	(LEVEL 4)	(LEVEL 3)	(LEVEL 2)	(LEVEL 1)
Wages/Salaries	Use of computer matching agreements with a State Wage Information Collection Agency (SWICA) to obtain wage information electronically, by mail or fax or in person.	The PHA mails, faxes, or e-mails a verification form directly to the independent sources to obtain wage information.	In the event the independent source does not respond to the PHA's written request for information, the PHA may contact the independent source by phone or make an in person visit to obtain the requested information.	When neither form of third party verification can be obtained, the PHA may accept original documents such as consecutive pay stubs (HUD recommends the PHA review at least three months of pay stubs, if employed by the same employer for three months or more), W-2 forms, etc. from the tenant. **Note:** The PHA must document in the tenant file, the reason third party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares the family's total annual income from earnings. **Note:** The PHA must document in the tenant file, the reason third party verification was not available.
	Agreements with private vendor agencies, such as The Work Number or ChoicePoint to obtain wage and salary information.	The PHA may have the tenant sign a Request for Earnings Statement from the SSA to confirm past earnings. The PHA mails the form to SSA and the statement will be sent to the address the PHA specifies on the form.			
	Use of HUD systems, when available.				

Verification of Employment Income: The PHA should always obtain as much information as possible about the employment, such as start date (new employment), termination date (previous employment), pay frequency, pay rate, anticipated pay increases in the next twelve months, year-to-date earnings, bonuses, overtime, company name, address and telephone number, name and position of the person completing the employment verification form.
Effective Date of Employment: The PHA should always confirm start and termination dates of employment.

Income Type	Upfront	Written Third Party	Oral Third Party	Document Review	Tenant Declaration
	(LEVEL 5)	(LEVEL 4)	(LEVEL 3)	(LEVEL 2)	(LEVEL 1)
Self-Employment	Not Available	The PHA mails or faxes a verification form directly to sources identified by the family to obtain income information.	The PHA may call the source to obtain income information.	The PHA may accept any documents (i.e. tax returns, invoices and letters from customers) provided by the tenant to verify self-employment income. **Note:** The PHA must document in the tenant file, the reason third party verification was not obtained.	The PHA may accept a notarized statement or affidavit from the tenant that declares the family's total annual income from self-employment. **Note:** The PHA must document in the tenant file, the reason third party verification was not available.
Verification of Self-Employment Income: Typically, it is a challenge for PHAs to obtain third party verification of self-employment income. When third party verification is not available, the PHA should always request a notarized tenant declaration that includes a perjury statement.					
Social Security Benefits	Use of HUD Tenant Assessment System (TASS) to obtain current benefit history and discrepancy reports.	The PHA mails or faxes a verification form directly to the local SSA office to obtain social security benefit information. **(Not Available in some areas because SSA makes this data available through TASS. SSA encourages PHAs to use TASS.)**	The PHA may call SSA, with the tenant on the line, to obtain current benefit amount. **(Not Available in some areas because SSA makes this data available through TASS. SSA encourages PHAs to use TASS.)**	The PHA may accept an original SSA Notice from the tenant. **Note:** The PHA must document in the tenant file, the reason third party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares monthly social security benefits. **Note:** The PHA must document in the tenant file, the reason third party verification was not available.
Welfare Benefits	Use of computer matching agreements with the local Social Services Agency to obtain current benefit amount electronically, by mail or fax or in person.	The PHA mails, faxes, or e-mails a verification form directly to the local Social Services Agency to obtain welfare benefit information.	The PHA may call the local Social Services Agency to obtain current benefit amount.	The PHA may review an original award notice or printout from the local Social Services Agency provided by the tenant. **Note:** The PHA must document in the tenant file, the reason third party verification was not available.	The PHA may accept a notarized statement or affidavit from the tenant that declares monthly welfare benefits. **Note:** The PHA must document in the tenant file, the reason third party verification was not available.

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

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

Note: The PHA must not pass verification costs along to the participant.

Note: In cases where the PHA cannot reliably project annual income, the PHA may elect to complete regular interim reexaminations (this policy should be apart of the PHA's written policies.)

Exhibit 7-2: Summary of Documentation Requirements for Noncitizens
[HCV GB, pp. 5-9 and 5-10)

<table>
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- **All** noncitizens claiming eligible status must sign a declaration of eligible immigrant status on a form acceptable to the PHA.
- Except for persons 62 or older, all noncitizens must sign a verification consent form
- Additional documents are required based upon the person's status.

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Elderly Noncitizens

- A person 62 years of age or older who claims eligible immigration status also must provide proof of age such as birth certificate, passport, or documents showing receipt of SS old-age benefits.

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All other Noncitizens

- Noncitizens that claim eligible immigration status also must present the applicable USCIS document. Acceptable USCIS documents are listed below.

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- Form I-551 Alien Registration Receipt Card (for permanent resident aliens)
- Form I-94 Arrival-Departure Record annotated with one of the following:
  - “Admitted as a Refugee Pursuant to Section 207”
  - “Section 208” or “Asylum”
  - “Section 243(h)” or “Deportation stayed by Attorney General”
  - “Paroled Pursuant to Section 221 (d)(5) of the USCIS”

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- Form I-94 Arrival-Departure Record with no annotation accompanied by:
  - A final court decision granting asylum (but only if no appeal is taken);
  - A letter from a USCIS asylum officer granting asylum (if application is filed on or after 10/1/90) or from a USCIS district director granting asylum (application filed before 10/1/90);
  - A court decision granting withholding of deportation; or
  - A letter from an asylum officer granting withholding or deportation (if application filed on or after 10/1/90).

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- Form I-688 Temporary Resident Card annotated “Section 245A” or Section 210”.

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Form I-688B Employment Authorization Card annotated “Provision of Law 274a. 12(11)” or “Provision of Law 274a.12”.

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- A receipt issued by the USCIS indicating that an application for issuance of a replacement document in one of the above listed categories has been made and the applicant’s entitlement to the document has been verified; or
- Other acceptable evidence. If other documents are determined by the USCIS to constitute acceptable evidence of eligible immigration status, they will be announced by notice published in the *Federal Register*

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Chapter 8

LEASING AND INSPECTIONS

[24 CFR 5, Subpart G; 24 CFR 966, Subpart A]

INTRODUCTION

Public housing leases are the basis of the legal relationship between the PHA and the tenant. All units must be occupied pursuant to a dwelling lease agreement that complies with HUD's regulations.

HUD rules also require the PHA to inspect each dwelling unit prior to move-in, at move-out, and annually during occupancy. In addition, the PHA may require additional inspections in accordance with PHA policy.

This chapter is divided into two parts as follows:

> Part I: Leasing. This part describes pre-leasing activities and the FHA's policies pertaining to lease execution, modification, and payments under the lease.
>
> Part II: Inspections. This part describes the FHA's policies for inspecting dwelling units.

PART I: LEASING

8-I.A. OVERVIEW

An eligible family may occupy a public housing dwelling unit under the terms of a lease. The lease must meet all regulatory requirements, and must also comply with applicable state and local laws and codes.

The term of the lease must be for a period of 12 months. The lease must be renewed automatically for another 12-month term, except that the FHA may not renew the lease if the family has violated the community service requirement [24 CFR 966.4(a)(2)].

Part I of this chapter contains regulatory information, when applicable, as well as the FHA's policies governing leasing issues.

8-I.B. LEASE ORIENTATION

FHA Policy

After unit acceptance but prior to occupancy, a FHA representative will provide a lease orientation to the family. The head of household or spouse is required to attend.

Orientation Agenda

FHA Policy

When families attend the lease orientation, they will be provided with:

- A copy of the lease
- A copy of the FHA's grievance procedure
- A copy of the house rules
- A copy of the FHA's schedule of maintenance charges
- A copy of the pamphlet *Protect Your Family From Lead in Your Home*
- A copy of *Things You Should Know* (HUD-1140-OIG)

Topics to be discussed will include:

- Applicable deposits and other charges
- Review and explanation of lease provisions
- Unit maintenance and work orders
- The FHA's reporting requirements
- Explanation of occupancy forms
- Community service requirements
- Family choice of rent

8-I.C. EXECUTION OF LEASE

The lease must be executed by the tenant and the PHA, except for automatic renewals of a lease [24 CFR 966.4(a)(3)].

A lease is executed at the time of admission for all new residents. A new lease is also executed at the time of transfer from one PHA unit to another.

The lease must state the composition of the household as approved by the PHA (family members and any PHA-approved live-in aide) [24 CFR 966.4(a)(1)(v)]. See Section 8-I.D. for policies regarding changes in family composition during the lease term.

FHA Policy

The head of household and spouse or co-head will be required to sign the public housing lease prior to admission. An appointment will be scheduled for the parties to execute the lease. The head of household will be provided a copy of the executed lease and the FHA will retain a copy in the resident's file.

Files for households that include a live-in aide will contain file documentation signed by the live-in aide, that the live-in aide is not a party to the lease and is not entitled to FHA assistance. The live-in aide is only approved to live in the unit while serving as the attendant for the participant family member.

8-I.D. MODIFICATIONS TO THE LEASE

The lease may be modified at any time by written agreement of the tenant and the PHA [24 CFR 966.4(a)(3)].

Modifications to the Lease Form

The PHA may modify its lease from time to time. However, the PHA must give residents 30 days advance notice of the proposed changes and an opportunity to comment on the changes. The PHA must also consider any comments before formally adopting the new lease [24 CFR 966.3].

After proposed changes have been incorporated into the lease and approved by the Board, each family must be notified at least 60 days in advance of the effective date of the new lease or lease revision. A resident's refusal to accept permissible and reasonable lease modifications that are made in accordance with HUD requirements, or are required by HUD, is grounds for termination of tenancy [24 CFR 966.4(l)(2)(iii)(E)].

FHA Policy

The family will have 30 days to accept the revised lease. If the family does not accept the offer of the revised lease within that 30 day timeframe, the family's tenancy will be terminated for other good cause in accordance with the policies in Chapter 13.

Schedules of special charges and rules and regulations are subject to modification or revision. Because these schedules are incorporated into the lease by reference, residents and resident organizations must be provided at least thirty days written notice of the reason(s) for any proposed modifications or revisions, and must be given an opportunity to present written comments. The notice must be delivered directly or mailed to each tenant; or posted in at least three conspicuous places within each structure or building in which the affected dwelling units are located, as well as in a conspicuous place at the project office, if any, or if none, a similar central business location within the project. Comments must be taken into consideration before any proposed modifications or revisions become effective [24 CFR 966.5].

After the proposed revisions become effective they must be publicly posted in a conspicuous manner in the project office and must be furnished to applicants and tenants on request [24 CFR 966.5].

FHA Policy

When the PHA proposes to modify or revise schedules of special charges or rules and regulations, the PHA will post copies of the notice in the central office, in each project office, and in at least 3 conspicuous places in each structure that contains dwelling units

Other Modifications

FHA Policy

A new lease will be executed to reflect all changes in adult family members.

If, for any reason, any adult family member of the household ceases to reside in the unit, a new lease will be executed. The head of household and FHA will be required to sign and date the new lease.

If a new adult family member is approved by the FHA to reside in the unit, the person's name and birth date will be added to the lease. The head of household and FHA will be required to sign and date the new lease.

Policies governing when and how changes in family composition must be reported are contained in Chapter 9, Reexaminations.

8-I.E. SECURITY DEPOSITS [24 CFR 966.4(b)(5)]

At the option of the PHA, the lease may require security deposits. The amount of the security deposit cannot exceed one month's rent or a reasonable fixed amount as determined by the PHA. The PHA may allow for gradual accumulation of the security deposit by the family, or the family may be required to pay the security deposit in full prior to occupancy. Subject to applicable laws, interest earned on security deposits may be refunded to the tenant after vacating the unit, or used for tenant services or activities.

FHA Policy

Residents must pay a security deposit to the FHA at the time of admission. The amount of the security deposit will be equal to the family's total tenant payment at the time of move-in, and must be paid in full prior to occupancy.

The FHA will hold the security deposit for the period the family occupies the unit. The FHA will not use the security deposit for rent or other charges while the resident is living in the unit.

Within 21 days of move-out, the FHA will refund to the resident the amount of the security deposit, less any amount needed to pay the cost of unpaid rent, damages listed on the move-out inspection report that exceed normal wear and tear, and other charges due under the lease.

The FHA will provide the resident with a written list of any charges against the security deposit within 10 business days of the move-out inspection. If the resident disagrees with the amount charged, the FHA will provide a meeting to discuss the charges.

If the resident transfers to another unit, the FHA will transfer the security deposit to the new unit. The tenant will be billed for any maintenance or other charges due for the "old" unit.

8-I.F. PAYMENTS UNDER THE LEASE

Rent Payments [24 CFR 966.4(b)(1)]

Families must pay the amount of the monthly tenant rent determined by the PHA in accordance with HUD regulations and other requirements. The amount of the tenant rent is subject to change in accordance with HUD requirements.

The lease must specify the initial amount of the tenant rent at the beginning of the initial lease term, and the PHA must give written notice stating any change in the amount of tenant rent and when the change is effective.

FHA Policy

The tenant rent is due and payable at the FHA-designated location on the first of every month.

If a family's tenant rent changes, the FHA will notify the family of the new amount and the effective date by sending a "Notice of Rent Adjustment" which will become an attachment to the lease.

Late Fees and Nonpayment

At the option of the PHA, the lease may provide for payment of penalties when the family is late in paying tenant rent [24 CFR 966.4(b)(3)].

The lease must provide that late payment fees are not due and collectible until two weeks after the PHA gives written notice of the charges. The written notice is considered an adverse action, and must meet the requirements governing a notice of adverse action [24 CFR 966.4(b)(4)].

The notice of proposed adverse action must identify the specific grounds for the action and inform the family of their right for a hearing under the PHA grievance procedures. The PHA must not take the proposed action until the time for the tenant to request a grievance hearing has expired, or (if a hearing was requested within the required timeframe,) the grievance process has been completed [24 CFR 966.4(e)(8)].

FHA Policy

If the family fails to pay their rent by the fifth day of the month, and the FHA has not agreed to accept payment at a later date, a 14 day Notice to Vacate will be issued to the resident for failure to pay rent, demanding payment in full or the surrender of the premises.

In addition, if the resident fails to make payment by the end of office hours on the fifth day of the month, a late fee of $25.00 will be charged. Notices of late fees will be in accordance with requirements regarding notices of adverse action. Charges are due and payable 14 calendar days after billing. If the family requests a grievance hearing within the required timeframe, the FHA may not take action for nonpayment of the fee until the conclusion of the grievance process. If the resident can document financial hardship, the late fee may be waived on a case-by-case basis.

When a check is returned for insufficient funds or is written on a closed account, the rent will be considered unpaid and a returned check fee of $25.00 will be charged to the family. The fee will be due and payable 14 days after billing.

Excess Utility Charges

If the PHA charges the tenant for consumption of excess utilities, the lease must state the basis for the determination of such charges. The imposition of charges for consumption of excess utilities is permissible only if the charges are determined by an individual check meter servicing the leased unit or result from the use of major tenant-supplied appliances [24 CFR 966.4(b)(2)].

Schedules of special charges for utilities that are required to be incorporated in the lease by reference must be publicly posted in a conspicuous manner in the development office and must be furnished to applicants and tenants on request [24 CFR 966.5].

The lease must provide that charges for excess utility consumption are not due and collectible until two weeks after the PHA gives written notice of the charges. The written notice is considered an adverse action, and must meet the requirements governing a notice of adverse action [24 CFR 966.4(b)(4)].

The notice of proposed adverse action must identify the specific grounds for the action and inform the family of their right for a hearing under the PHA grievance procedures. The PHA must not take the proposed action until the time for the tenant to request a grievance hearing has expired, or (if a hearing was requested within the required timeframe,) the grievance process has been completed [24 CFR 966.4(e)(8)].

FHA Policy

When applicable, families will be charged for excess utility usage according to the FHA's current posted schedule. Notices of excess utility charges will be mailed monthly and will be in accordance with requirements regarding notices of adverse actions. Charges are due and payable 14 calendar days after billing. If the family requests a grievance hearing within the required timeframe, the FHA may not take action for nonpayment of the charges until the conclusion of the grievance process.

Nonpayment of excess utility charges is a violation of the lease and is grounds for eviction.

Maintenance and Damage Charges

If the PHA charges the tenant for maintenance and repair beyond normal wear and tear, the lease must state the basis for the determination of such charges [24 CFR 966.4(b)(2)].

Schedules of special charges for services and repairs which are required to be incorporated in the lease by reference must be publicly posted in a conspicuous manner in the development office and must be furnished to applicants and tenants on request [24 CFR 966.5].

The lease must provide that charges for maintenance and repair beyond normal wear and tear are not due and collectible until two weeks after the PHA gives written notice of the charges. The written notice is considered an adverse action, and must meet the requirements governing a notice of adverse action [24 CFR 966.4(b)(4)].

The notice of proposed adverse action must identify the specific grounds for the action and inform the family of their right for a hearing under the PHA grievance procedures. The PHA must not take the proposed action until the time for the tenant to request a grievance hearing has expired, or (if a hearing was requested within the required timeframe,) the grievance process has been completed [24 CFR 966.4(e)(8)].

FHA Policy

When applicable, families will be charged for maintenance and/or damages according to the FHA's current schedule. Work that is not covered in the schedule will be charged based on the actual cost of labor and materials to make needed repairs (including overtime, if applicable).

Notices of maintenance and damage charges will be mailed monthly and will be in accordance with requirements regarding notices of adverse actions. Charges are due and payable 14 calendar days after billing. If the family requests a grievance hearing within the required timeframe, the FHA may not take action for nonpayment of the charges until the conclusion of the grievance process.

Nonpayment of maintenance and damage charges is a violation of the lease and is grounds for eviction.

PART II: INSPECTIONS

8-II.A. OVERVIEW

HUD rules require the PHA to inspect each dwelling unit prior to move-in, at move-out, and annually during occupancy. In addition, the PHA may require additional inspections, in accordance with PHA Policy. This part contains the PHA's policies governing inspections, notification of unit entry, and inspection results.

8-II.B. TYPES OF INSPECTIONS

Move-In Inspections [24 CFR 966.4(i)]

The lease must require the PHA and the family to inspect the dwelling unit prior to occupancy in order to determine the condition of the unit and equipment in the unit. A copy of the initial inspection, signed by the PHA and the resident, must be provided to the tenant and be kept in the resident file.

FHA Policy

Any adult family member may attend the initial inspection and sign the inspection form for the head of household.

Move-Out Inspections [24 CFR 966.4(i)]

The PHA must inspect the unit at the time the resident vacates the unit and must allow the resident to participate in the inspection if he or she wishes, unless the tenant vacates without notice to the PHA. The PHA must provide to the tenant a statement of any charges to be made for maintenance and damage beyond normal wear and tear.

The difference between the condition of the unit at move-in and move-out establishes the basis for any charges against the security deposit so long as the work needed exceeds that for normal wear and tear.

FHA Policy

When applicable, the FHA will provide the tenant with a statement of charges to be made for maintenance and damage beyond normal wear and tear, within 10 business days of conducting the move-out inspection.

Annual Inspections

Under the Public Housing Assessment System (PHAS), the PHA is required to inspect all occupied units annually using HUD's Uniform Physical Condition Standards (UPCS) [24 CFR 902.43(a)(4)].

Special Inspections

FHA Policy

FHA staff may conduct a special inspection for any of the following reasons:

- Housekeeping
- Unit condition
- Suspected lease violation
- Preventive maintenance
- Routine maintenance
- There is reasonable cause to believe an emergency exists

8-II.C. NOTICE AND SCHEDULING OF INSPECTIONS

Notice of Entry

Non-emergency Entries [24 CFR 966.4(j)(1)]

The PHA may enter the unit, with reasonable advance notification to perform routine inspections and maintenance, make improvements and repairs, or to show the unit for re-leasing. A written statement specifying the purpose of the PHA entry delivered to the dwelling unit at least two days before such entry is considered reasonable advance notification.

FHA Policy

The FHA will notify the resident in writing at least 48 hours prior to any non-emergency inspection.

For regular annual inspections, the family will receive at least 2 weeks written notice of the inspection to allow the family to prepare the unit for the inspection.

Entry for repairs requested by the family will not require prior notice. Resident-requested repairs presume permission for the FHA to enter the unit.

Emergency Entries [24 CFR 966.4(j)(2)]

The PHA may enter the dwelling unit at any time without advance notice when there is reasonable cause to believe that an emergency exists. If no adult household member is present at the time of an emergency entry, the PHA must leave a written statement showing the date, time and purpose of the entry prior to leaving the dwelling unit.

Scheduling of Inspections

FHA Policy

Inspections will be conducted during business hours. If a family needs to reschedule an inspection, they must notify the FHA at least 24 hours prior to the scheduled inspection. The FHA will reschedule the inspection no more than once unless the resident has a verifiable good cause to delay the inspection. The FHA may request verification of such cause.

Attendance at Inspections

Residents are required to be present for move-in inspections [24 CFR 966.4(i)]. There is no such requirement for other types of inspections.

FHA Policy

Except at move-in inspections, the resident is not required to be present for the inspection. The resident may attend the inspection if he or she wishes.

If no one is at home, the inspector will enter the unit, conduct the inspection and leave a notice of entry in the unit.

8-II.D. INSPECTION RESULTS

The PHA is obligated to maintain dwelling units and the project in decent, safe and sanitary condition and to make necessary repairs to dwelling units [24 CFR 966.4(e)].

Emergency Repairs [24 CFR 966.4(h)]

If the unit is damaged to the extent that conditions are created which are hazardous to the life, health, or safety of the occupants, the tenant must immediately notify the PHA of the damage, and the PHA must make repairs within a reasonable time frame.

If the damage was caused by a household member or guest, the PHA must charge the family for the reasonable cost of repairs. The PHA may also take lease enforcement action against the family.

If the PHA cannot make repairs quickly, the PHA must offer the family standard alternative accommodations. If the PHA can neither repair the defect within a reasonable time frame nor offer alternative housing, rent shall be abated in proportion to the seriousness of the damage and loss in value as a dwelling. Rent shall not be abated if the damage was caused by a household member or guest, or if the resident rejects the alternative accommodations.

FHA Policy

When conditions in the unit are hazardous to life, health, or safety, the FHA will make repairs or otherwise abate the situation within 24 hours.

Defects hazardous to life, health or safety include, but are not limited to, the following:

- Any condition that jeopardizes the security of the unit
- Major plumbing leaks or flooding, waterlogged ceiling or floor in imminent danger of falling
- Natural or LP gas or fuel oil leaks
- Any electrical problem or condition that could result in shock or fire
- Absence of a working heating system when outside temperature is below 60 degrees Fahrenheit
- Utilities not in service, including no running hot water
- Conditions that present the imminent possibility of injury
- Obstacles that prevent safe entrance or exit from the unit
- Absence of a functioning toilet in the unit
- Inoperable smoke detectors

Non-emergency Repairs

FHA Policy

The FHA will correct non-life threatening health and safety defects within 25 business days of the inspection date. If the FHA is unable to make repairs within that period due to circumstances beyond the FHA's control (e.g. required parts or services are not available, weather conditions, etc.) the FHA will notify the family of an estimated date of completion.

The family must allow the FHA access to the unit to make repairs.

Resident-Caused Damages

FHA Policy

Damages to the unit beyond wear and tear will be billed to the tenant in accordance with the policies in 8-I.G., Maintenance and Damage Charges.

Repeated or excessive damages to the unit beyond normal wear and tear will be considered a serious or repeated violation of the lease.

Housekeeping

FHA Policy

Residents whose housekeeping habits pose a non-emergency health or safety risk, encourage insect or rodent infestation, or cause damage to the unit are in violation of the lease. In these instances, the FHA will provide proper notice of a lease violation.

A reinspection will be conducted within 30 days to confirm that the resident has complied with the requirement to abate the problem. Failure to abate the problem or allow for a reinspection is considered a violation of the lease and may result in termination of tenancy in accordance with Chapter 13.

Notices of lease violation will also be issued to residents who purposely disengage the unit's smoke detector. Only one warning will be given. A second incidence will result in lease termination.

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Chapter 9

REEXAMINATIONS

[24 CFR 960.257, 960.259, 966.4]

INTRODUCTION

The PHA is required to monitor each family's income and composition over time, and to adjust the family's rent accordingly. PHAs must adopt policies concerning the conduct of annual and interim reexaminations that are consistent with regulatory requirements, and must conduct reexaminations in accordance with such policies [24 CFR 960.257(c)].

The frequency with which the PHA must reexamine income for a family depends on whether the family pays income-based or flat rent. HUD requires the PHA to offer all families the choice of paying income-based rent or flat rent at least annually. The PHA's policies for offering families a choice of rents are located in Chapter 6.

This chapter discusses both annual and interim reexaminations.

> Part I: Annual Reexaminations for Families Paying Income Based Rents. This part discusses the requirements for annual reexamination of income and family composition. Full reexaminations are conducted at least once a year for families paying income-based rents.
>
> Part II: Reexaminations for Families Paying Flat Rents. This part contains the FHA's policies for conducting full reexaminations of family income and composition for families paying flat rents. These full reexaminations are conducted at least once every 3 years. This part also contains the FHA's policies for conducting annual updates of family composition for flat rent families.
>
> Part III: Interim Reexaminations. This part includes HUD requirements and FHA policies related to when a family may and must report changes that occur between annual reexaminations.
>
> Part IV: Recalculating Tenant Rent. After gathering and verifying required information for an annual or interim reexamination, the FHA must recalculate the tenant rent. While the basic policies that govern these calculations are provided in Chapter 6, this part lays out policies that affect these calculations during a reexamination.

Policies governing reasonable accommodation, family privacy, required family cooperation and program abuse, as described elsewhere in this ACOP, apply to annual and interim reexaminations.

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PART I: ANNUAL REEXAMINATIONS FOR FAMILIES PAYING INCOME BASED RENTS [24 CFR 960.257]

9-I.A. OVERVIEW

For those families who choose to pay income-based rent, the PHA must conduct a reexamination of income and family composition at least annually [24 CFR 960.257(a)(1)]. For families who choose flat rents, the PHA must conduct a reexamination of family composition at least annually, and must conduct a reexamination of family income at least once every 3 years [24 CFR 960.257(a)(2)]. Policies related to the reexamination process for families paying flat rent are located in Part II of this chapter.

For all residents of public housing, whether those residents are paying income-based or flat rents, the PHA must conduct an annual review of community service requirement compliance. This annual reexamination is also a good time to have residents sign consent forms for criminal background checks in case the criminal history of a resident is needed at some point to determine the need for lease enforcement or eviction.

The PHA is required to obtain information needed to conduct reexaminations. How that information will be collected is left to the discretion of the PHA. Families are required to provide current and accurate information on income, assets, allowances and deductions, family composition and community service compliance as part of the reexamination process [24 CFR 960.259].

This part contains the FHA's policies for conducting annual reexaminations.

9-I.B. SCHEDULING ANNUAL REEXAMINATIONS

The FHA must establish a policy to ensure that the annual reexamination for each family paying an income-based rent is completed within a 12 month period [24 CFR 960.257(a)(1)].

FHA Policy

Generally, the FHA will schedule annual reexaminations to coincide with the family's anniversary date. The FHA will begin the annual reexamination process approximately 120 days in advance of the scheduled effective date.

Anniversary date is defined as 12 months from the effective date of the family's last annual reexamination or, during a family's first year in the program, from the effective date of the family's initial examination (admission).

If the family transfers to a new unit in another housing program, the FHA will perform a new annual reexamination, and the anniversary date will be changed (i.e. LIPH City to LIPH County or Farm Labor to LIPH City).

If the family transfers to a new unit within in the same housing program, the FHA will not perform a new annual reexamination (i.e. LIPH City to LIPH City or LIPH County to LIPH County).

The FHA may also schedule an annual reexamination for completion prior to the anniversary date for administrative purposes.

Notification of and Participation in the Annual Reexamination Process

The FHA is required to obtain information needed to conduct annual reexaminations. How that information will be collected is left to the discretion of the FHA.

FHA Policy

Families generally are required to participate in an annual reexamination interview, which must be attended by the head of household, spouse, or co-head. If participation in an in-person interview poses a hardship because of a family member's disability, the family should contact the FHA to request a reasonable accommodation.

Notification of annual reexamination interviews will be sent by first-class mail and will contain the date, time, and location of the interview. In addition, it will inform the family of the information and documentation that must be brought to the interview.

If the family is unable to attend a scheduled interview, the family should contact the FHA in advance of the interview to schedule a new appointment. In all circumstances, if a family does not attend the scheduled interview the FHA will send a second notification with a new interview appointment time.

If a family fails to attend two scheduled interviews without FHA approval, the family will be in violation of their lease and may be terminated in accordance with the policies in Chapter 13.

First Reminder Notice - Is mailed 120 days in advance of the recertification anniversary date.

Second Reminder Notice - If the resident fails to respond within 30 days of the First Reminder Notice, the FHA will provide a Second Reminder Notice approximately 90 days prior to the resident's recertification anniversary date.

Third Reminder Notice / Notice of Intent to Terminate - If the resident does not respond to the Second Reminder Notice before 60 days prior to the recertification anniversary date, the FHA will provide the resident a Third Reminder Notice no later than 60 days prior to the anniversary date. This notice serves as a 60-Day Notice to terminate assistance.

An advocate, interpreter, or other assistant may assist the family in the interview process.

9-I.C. CONDUCTING ANNUAL REEXAMINATIONS

The terms of the public housing lease require the family to furnish information necessary for the redetermination of rent and family composition [24 CFR 966.4(c)(2)].

FHA Policy

Families will be required to provide all information (as described in the personal declaration). The required information will include a FHA-designated reexamination form, an Authorization for the Release of Information/Privacy Act Notice, as well as supporting documentation related to the family's income, expenses, and family composition.

Any required documents or information that the family is unable to provide by the due date must be provided within 10 business days. If the family is unable to obtain the information or materials within the required time frame, the family may request an extension.

If the family does not provide the required documents or information within the required time frame (plus any extensions), the family will be in violation of their lease and may be terminated in accordance with the policies in Chapter 13.

The information provided by the family generally must be verified in accordance with the policies in Chapter 7. Unless the family reports a change, or the agency has reason to believe a change has occurred in information previously reported by the family, certain types of information that are verified at admission typically do not need to be re-verified on an annual basis. These include:

- Legal identity
- Age
- Social security numbers
- A person's disability status
- Citizenship or immigration status

Change in Unit Size

Changes in family or household composition may make it appropriate to consider transferring the family to comply with occupancy standards. The FHA may use the results of the annual reexamination to require the family to move to an appropriate size unit [24 CFR 960.257(a)(4)]. Policies related to such transfers are located in Chapter 12.

Criminal Background Checks

Information obtained through criminal background checks may be used for lease enforcement and eviction [24 CFR 5.903(e)(1)(ii)]. Criminal background checks of residents will be conducted in accordance with the policy in Section 13-IV.B.

FHA Policy

Each household member age 18 and over will be required to execute a consent form for a criminal background check as part of the annual recertification process.

Compliance with Community Service

For families who include nonexempt individuals, the FHA must determine compliance with community service requirements once each 12 months [24 CFR 960.257(a)(3)].

See Chapter 11 for the FHA's policies governing compliance with the community service requirement.

9-I.D. EFFECTIVE DATES

As part of the annual reexamination process, the PHA must make appropriate adjustments in the rent after consultation with the family and upon verification of the information [24 CFR 960.257(a)(1)].

FHA Policy

In general, an *increase* in the tenant rent that results from an annual reexamination will take effect on the family's anniversary date, and the family will be notified at least 60 days in advance.

If less than 60 days remain before the scheduled effective date, the increase will take effect on the first of the month following the end of the 60-day notice period.

If the FHA chooses to schedule an annual reexamination for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by the FHA, but will always allow for the 60-day notice period.

If the family causes a delay in processing the annual reexamination, *increases* in the family share of the rent will be applied retroactively, to the scheduled effective date of the annual reexamination. The family will be responsible for any underpaid rent and may be offered a repayment agreement in accordance with the policies in Chapter 16.

In general, a *decrease* in the tenant rent that results from an annual reexamination will take effect on the family's anniversary date.

If the FHA chooses to schedule an annual reexamination for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by the FHA.

If the family causes a delay in processing the annual reexamination, d*ecreases* in the family share of the rent will be applied prospectively, from the first day of the month following completion of the reexamination processing.

Delays in reexamination processing are considered to be caused by the family if the family fails to provide information requested by the FHA by the date specified, and this delay prevents the FHA from completing the reexamination as scheduled.

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PART II: REEXAMINATIONS FOR FAMILIES PAYING FLAT RENTS [24 CFR 960.257(2)]

9-II.A. OVERVIEW

HUD requires that the PHA offer all families the choice of paying income-based rent or flat rent at least annually. The PHA's policies for offering families a choice of rents are located in Chapter 6.

For families who choose flat rents, the PHA must conduct a reexamination of family composition at least annually, and must conduct a reexamination of family income at least once every 3 years [24 CFR 960.257(a)(2)]. The PHA is only required to provide the amount of income-based rent the family might pay in those years that the PHA conducts a full reexamination of income and family composition, or upon request of the family after the family submits updated income information [24 CFR 960.253(e)(2)].

As it does for families that pay income-based rent, on an annual basis, the PHA must also review community service compliance and should have each adult resident consent to a criminal background check.

This part contains the PHA's policies for conducting reexaminations of families who choose to pay flat rents.

9-II.B. FULL REEXAMINATION OF FAMILY INCOME AND COMPOSITION

Frequency of Reexamination

FHA Policy

For families paying flat rents, the FHA will conduct a full recertification of family income and composition once every 3 years.

Reexamination Policies

FHA Policy

In conducting full reexaminations for families paying flat rents, the FHA will follow the policies used for the annual reexamination of families paying income-based rent as set forth in Sections 9-I.B through 9-I.D above.

9-II.C. REEXAMINATION OF FAMILY COMPOSITION ("ANNUAL UPDATE")

As noted above, full reexaminations are conducted every 3 years for families paying flat rents. In the years between full reexaminations, regulations require the PHA to conduct a reexamination of family composition ("annual update") [24 CFR 960.257(a)(2)].

The annual update process is similar to the annual reexamination process, except that the PHA does not collect information about the family's income and expenses, and the family's rent is not recalculated following an annual update.

Scheduling

The PHA must establish a policy to ensure that the reexamination of family composition for families choosing to pay the flat rent is completed at least annually [24 CFR 960.257(a)(2)].

Conducting Annual Updates

The terms of the public housing lease require the family to furnish information necessary for the redetermination of rent and family composition [24 CFR 966.4(c)(2)].

FHA Policy

Generally, the family will not be required to attend an interview for an annual update. However, if the FHA determines that an interview is warranted, the family may be required to attend.

Notification of the annual update will be sent by first-class mail and will inform the family of the information and documentation that must be provided to the FHA. The family will have 10 business days to submit the required information to the FHA. If the family is unable to obtain the information or documents within the required time frame, the family may request an extension. The FHA will accept required documentation by mail, by fax, or in person.

If the family's submission is incomplete, or the family does not submit the information in the required time frame, the FHA will send a second written notice to the family. The family will have 10 business days from the date of the second notice to provide the missing information or documentation to the FHA.

If the family does not provide the required documents or information within the required time frame (plus any extensions), the family will be in violation of their lease and may be terminated in accordance with the policies in Chapter 13.

Change in Unit Size

Changes in family or household composition may make it appropriate to consider transferring the family to comply with occupancy standards. The PHA may use the results of the annual update to require the family to move to an appropriate size unit [24 CFR 960.257(a)(4)]. Policies related to such transfers are located in Chapter 12.

Criminal Background Checks

Information obtained through criminal background checks may be used for lease enforcement and eviction [24 CFR 5.903(e)]. Criminal background checks of residents will be conducted in accordance with the policy in Section 13-IV.B.

FHA Policy

Each household member age 18 and over will be required to execute a consent form for criminal background check as part of the annual update process.

Compliance with Community Service

For families who include nonexempt individuals, the PHA must determine compliance with community service requirements once each 12 months [24 CFR 960.257(a)(3)].

See Chapter 11 for the PHA's policies governing compliance with the community service requirement.

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PART III: INTERIM REEXAMINATIONS [24 CFR 960.257; 24 CFR 966.4]

9-III.A. OVERVIEW

Family circumstances may change throughout the period between annual reexaminations. HUD and PHA policies dictate what kinds of information about changes in family circumstances must be reported, and under what circumstances the PHA must process interim reexaminations to reflect those changes. HUD regulations also permit the PHA to conduct interim reexaminations of income or family composition at any time.

In addition to specifying what information the family must report, HUD regulations permit the family to request an interim determination if other aspects of the family's income or composition change. The PHA must complete the interim reexamination within a reasonable time after the family's request.

This part includes HUD and PHA policies describing what changes families are required to report, what changes families may choose to report, and how the PHA will process both PHA- and family-initiated interim reexaminations.

9-III.B. CHANGES IN FAMILY AND HOUSEHOLD COMPOSITION

The FHA must adopt policies prescribing when and under what conditions the family must report changes in family composition. However, due to provisions of the public housing lease, the FHA has limited discretion in this area.

Changes in family or household composition may make it appropriate to consider transferring the family to comply with occupancy standards. Policies related to such transfers are located in Chapter 12.

FHA Policy

All families, those paying income-based rent as well as flat rent, must report all changes in family and household composition that occur between annual reexaminations (or annual updates).

The FHA will conduct interim reexaminations to account for any changes in household composition that occur between annual reexaminations.

New Family Members Not Requiring Approval

The addition of a family member as a result of birth, adoption, or court-awarded custody does not require PHA approval. However, the family is required to promptly notify the PHA of the addition [24 CFR 966.4(a)(1)(v)].

FHA Policy

The family must inform the FHA of the birth, adoption or court-awarded custody of a child within 10 business days.

New Family and Household Members Requiring Approval

With the exception of children who join the family as a result of birth, adoption, or court-awarded custody, a family must request PHA approval to add a new family member [24 CFR 966.4(a)(1)(v)] or other household member (live-in aide or foster child) [24 CFR 966.4(d)(3)].

The PHA may adopt reasonable policies concerning residence by a foster child or a live-in aide, and defining the circumstances in which PHA consent will be given or denied. Under such policies, the factors considered by the PHA may include [24 CFR 966.4(d)(3)(i)]:

- Whether the addition of a new occupant may necessitate a transfer of the family to another unit, and whether such units are available.
- The PHA's obligation to make reasonable accommodation for handicapped persons.

FHA Policy

Families must request FHA approval to add a new family member, live-in aide, foster child, or foster adult. This includes any person not on the lease who is expected to stay in the unit for more than 7 consecutive days or a total of 30 cumulative calendar days during any 12 month period, and therefore no longer qualifies as a "guest." Requests must be made in writing and approved by the FHA prior to the individual moving into the unit.

The FHA will not approve the addition of new family or household members other than by birth, adoption, court-awarded custody, or marriage, if it will require the family to transfer to a larger size unit (under the transfer policy in Chapter 12), unless the family can demonstrate that there are medical needs or other extenuating circumstances, including reasonable accommodation, that should be considered by the FHA. Exceptions will be made on a case-by-case basis.

The FHA will not approve the addition of a new family or household member unless the individual meets the FHA's eligibility criteria (see Chapter 3).

If the FHA determines that an individual does not meet the FHA's eligibility criteria as defined in Chapter 3, the FHA will notify the family in writing of its decision to deny approval of the new family or household member and the reasons for the denial.

The FHA will make its determination within 10 business days of receiving all information required to verify the individual's eligibility.

Departure of a Family or Household Member

FHA Policy

If a family member ceases to reside in the unit, the family must inform the FHA within 10 business days. This requirement also applies to family members who had been considered temporarily absent, who are now permanently absent.

If a live-in aide, foster child, or foster adult ceases to reside in the unit, the family must inform the FHA within 10 business days.

9-III.C. CHANGES AFFECTING INCOME OR EXPENSES

Interim reexaminations can be scheduled either because the PHA has reason to believe that changes in income or expenses may have occurred, or because the family reports a change. When a family reports a change, the PHA may take different actions depending on whether the family reported the change voluntarily, or because it was required to do so.

FHA Policy

This section only applies to families paying income-based rent. Families paying flat rent are not required to report changes in income or expenses.

PHA-initiated Interim Reexaminations

PHA-initiated interim reexaminations are those that are scheduled based on circumstances or criteria defined by the PHA. They are not scheduled because of changes reported by the family.

FHA Policy

The FHA will conduct interim reexaminations in each of the following instances:

For families receiving the Earned Income Disallowance (EID), the FHA will conduct an interim reexamination at the start, to adjust the exclusion with any changes in income, and at the conclusion of the second 12 month exclusion period (50 percent phase-in period).

If the family has reported zero income, the FHA will conduct an interim reexamination every 3 months as long as the family continues to report that they have no income.

If at the time of the annual reexamination, it is not feasible to anticipate a level of income for the next 12 months (e.g. seasonal or cyclic income), the FHA will schedule an interim reexamination to coincide with the end of the period for which it is feasible to project income.

If at the time of the annual reexamination, tenant-provided documents were used on a provisional basis due to the lack of third-party verification, and third-party verification becomes available, the FHA will conduct an interim reexamination.

The FHA may conduct an interim reexamination at any time in order to correct an error in a previous reexamination, or to investigate a tenant fraud complaint.

Family-Initiated Interim Reexaminations

The PHA must adopt policies prescribing when and under what conditions the family must report changes in family income or expenses [24 CFR 960.257(c)]. In addition, HUD regulations require that the family be permitted to obtain an interim reexamination any time the family has experienced a change in circumstances since the last determination [24 CFR 960.257(b)].

Required Reporting

HUD regulations give the PHA the freedom to determine the circumstances under which families will be required to report changes affecting income.

FHA Policy

Families are required to report all increases in earned income, including new employment, within 10 business days of the date the change takes effect.

The FHA will only conduct interim reexaminations for families that qualify for the earned income disallowance (EID), and only when the EID family's rent will change as a result of the increase. In all other cases, the FHA will note the information in the tenant file, but will not conduct an interim reexamination.

Families are not required to report any other changes in income or expenses.

Optional Reporting

The family may request an interim reexamination any time the family has experienced a change in circumstances since the last determination [24 CFR 960.257(b)]. The PHA must process the request if the family reports a change that will result in a reduced family income [PH Occ GB, p. 159].

If a family reports a decrease in income from the loss of welfare benefits due to fraud or non-compliance with a welfare agency requirement to participate in an economic self-sufficiency program, the family's share of the rent will not be reduced [24 CFR 5.615]. For more information regarding the requirement to impute welfare income see Chapter 6.

FHA Policy

If a family reports a change that it was not required to report and that would result in an increase in the tenant rent, the PHA will note the information in the tenant file, but will not conduct an interim reexamination.

If a family reports a change that it was not required to report and that would result in a decrease in the tenant rent, the PHA will conduct an interim reexamination. See Section 9-III.D. for effective dates.

Families may report changes in income or expenses at any time.

9-III.D. PROCESSING THE INTERIM REEXAMINATION

Method of Reporting

FHA Policy

The family may notify the FHA of changes either orally or in writing. If the family provides oral notice, the FHA may also require the family to submit the changes in writing.

Generally, the family will not be required to attend an interview for an interim reexamination. However, if the FHA determines that an interview is warranted, the family may be required to attend.

Based on the type of change reported, the FHA will determine the documentation the family will be required to submit. The family must submit any required information or documents within 10 business days of receiving a request from the FHA. This time frame may be extended for good cause with FHA approval. The FHA will accept required documentation by mail, by fax, or in person.

Effective Dates

The PHA must make the interim reexamination within a reasonable time after the family request [24 CFR 960.257(b)].

FHA Policy

If the family share of the rent is to *increase*:

The increase generally will be effective on the first of the month following 60 days' notice to the family.

If a family fails to report a change within the required time frames, or fails to provide all required information within the required time frames, the increase will be applied retroactively, to the date it would have been effective had the information been provided on a timely basis. The family will be responsible for any underpaid rent and may be offered a repayment agreement in accordance with the policies in Chapter 16.

If the family share of the rent is to *decrease*:

The decrease will be effective on the first day of the month following the month in which the change was reported. In cases where the change cannot be verified until after the date the change would have become effective, the change will be made retroactively.

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PART IV: RECALCULATING TENANT RENT

9-IV.A. OVERVIEW

For those families paying income-based rent, the PHA must recalculate the rent amount based on the income information received during the reexamination process and notify the family of the changes [24 CFR 966.4, 960.257]. While the basic policies that govern these calculations are provided in Chapter 6, this part lays out policies that affect these calculations during a reexamination.

9-IV.B. CHANGES IN UTILITY ALLOWANCES [24 CFR 965.507, 24 CFR 966.4]

The tenant rent calculations must reflect any changes in the PHA's utility allowance schedule [24 CFR 960.253(c)(3)]. Chapter 16 discusses how utility allowance schedules are established.

FHA Policy

Unless the FHA is required to revise utility allowances retroactively, revised utility allowances will be applied to a family's rent calculations at the first annual reexamination after the allowance is adopted.

9-IV.C. NOTIFICATION OF NEW TENANT RENT

The public housing lease requires the PHA to give the tenant written notice stating any change in the amount of tenant rent, and when the change is effective [24 CFR 966.4(b)(1)(ii)].

When the PHA redetermines the amount of rent (Total Tenant Payment or Tenant Rent) payable by the tenant, not including determination of the PHA's schedule of Utility Allowances for families in the PHA's Public Housing Program, or determines that the tenant must transfer to another unit based on family composition, the PHA must notify the tenant that the tenant may ask for an explanation stating the specific grounds of the PHA determination, and that if the tenant does not agree with the determination, the tenant shall have the right to request a hearing under the PHA's grievance procedure [24 CFR 966.4(c)(4)].

FHA Policy

The notice to the family will include the adjusted income amounts that were used to calculate the tenant rent.

9-IV.D. DISCREPANCIES

During an annual or interim reexamination, the FHA may discover that information previously reported by the family was in error, or that the family intentionally misrepresented information. In addition, the FHA may discover errors made by the FHA. When errors resulting in the overpayment or underpayment of rent are discovered, corrections will be made in accordance with the policies in Chapter 15.

Chapter 10

PETS

[24 CFR 5, Subpart C; 24 CFR 960, Subpart G]

INTRODUCTION

This chapter explains the FHA's policies on the keeping of pets and any criteria or standards pertaining to the policies. The rules adopted are reasonably related to the legitimate interest of the FHA to provide a decent, safe and sanitary living environment for all tenants, and to protect and preserve the physical condition of the property, as well as the financial interest of the FHA.

The chapter is organized as follows:

Part I: Assistance Animals. This part explains the difference between assistance animals and pets and contains policies related to the designation of an assistance animal as well as their care and handling.

Part II: Pet policies for all developments. This part includes pet policies that are common to both elderly/disabled developments and general occupancy developments.

Part III: Pet deposits and fees for elderly/disabled developments. This part contains policies for pet deposits and fees that are applicable to elderly/disabled developments.

Part IV: Pet deposits and fees for general occupancy developments. This part contains policies for pet deposits and fees that are applicable to general occupancy developments.

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PART I: ASSISTANCE ANIMALS

[Section 504; Fair Housing Act (42 U.S.C.); 24 CFR 5.303]

10-I.A. OVERVIEW

This part discusses situations under which permission for an assistance animal may be denied, and also establishes standards for the care of assistance animals.

Assistance animals are animals that work, provide assistance, or perform tasks for the benefit of a person with a disability, or that provide emotional support that alleviates one or more identified symptoms or effects of a person's disability. Assistance animals – often referred to as “service animals,” “assistive animals,” “support animals,” or “therapy animals” – perform many disability-related functions, including but not limited to the following:

- Guiding individuals who are blind or have low vision
- Alerting individuals who are deaf or hearing impaired
- Providing minimal protection or rescue assistance
- Pulling a wheelchair
- Fetching items
- Alerting persons to impending seizures
- Providing emotional support to persons with disabilities who have a disability-related need for such support

Assistance animals that are needed as a reasonable accommodation for persons with disabilities are not considered pets, and thus, are not subject to the FHA’s pet policies described in Parts II through IV of this chapter [24 CFR 5.303; 960.705].

10-I.B. APPROVAL OF ASSISTANCE ANIMALS

A person with a disability is not automatically entitled to have an assistance animal. Reasonable accommodation requires that there is a relationship between the person's disability and his or her need for the animal [PH Occ GB, p. 179].

A PHA may not refuse to allow a person with a disability to have an assistance animal merely because the animal does not have formal training. Some, but not all, animals that assist persons with disabilities are professionally trained. Other assistance animals are trained by the owners themselves and, in some cases, no special training is required. The question is whether or not the animal performs the assistance or provides the benefit needed by the person with the disability [PH Occ GB, p. 178].

A PHA's refusal to permit persons with a disability to use and live with an assistance animal that is needed to assist them, would violate Section 504 of the Rehabilitation Act and the Fair Housing Act unless [PH Occ GB, p. 179]:

- There is reliable objective evidence that the animal poses a direct threat to the health or safety of others that cannot be reduced or eliminated by a reasonable accommodation
- There is reliable objective evidence that the animal would cause substantial physical damage to the property of others

PHAs have the authority to regulate assistance animals under applicable federal, state, and local law [24 CFR 5.303(b)(3); 960.705(b)(3)].

FHA Policy

For an animal to be excluded from the pet policy and be considered an assistance animal, there must be a person with disabilities in the household, and the family must request and the FHA approve a reasonable accommodation in accordance with the policies contained in Chapter 2.

10-I.C. CARE AND HANDLING

HUD regulations do not affect any authority a PHA may have to regulate assistance animals under federal, state, and local law [24 CFR 5.303; 24 CFR 960.705].

FHA Policy

Residents must care for assistance animals in a manner that complies with state and local laws, including anti-cruelty laws.

Residents must ensure that assistance animals do not pose a direct threat to the health or safety of others, or cause substantial physical damage to the development, dwelling unit, or property of other residents.

When a resident's care or handling of an assistance animal violates these policies, the FHA will consider whether the violation could be reduced or eliminated by a reasonable accommodation. If the FHA determines that no such accommodation can be made, the FHA may withdraw the approval of a particular assistance animal.

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PART II: PET POLICIES FOR ALL DEVELOPMENTS

[24 CFR 5, Subpart C; 24 CFR 960, Subpart G]

10-II.A. OVERVIEW

The purpose of a pet policy is to establish clear guidelines for ownership of pets and to ensure that no applicant or resident is discriminated against regarding admission or continued occupancy because of ownership of pets. It also establishes reasonable rules governing the keeping of common household pets. This part contains pet policies that apply to all developments.

10-II.B. MANAGEMENT APPROVAL OF PETS

Registration of Pets

PHAs may require registration of the pet with the PHA [24 CFR 960.707(b)(5)].

FHA Policy

Pets must be registered with the FHA before they are brought onto the premises.

Registration includes documentation signed by a licensed veterinarian or state/local authority that the pet has received all inoculations required by state or local law, and that the pet has no communicable disease(s) and is pest-free. This registration must be renewed annually and will be coordinated with the annual reexamination date.

Pets will not be approved to reside in a unit until completion of the registration requirements.

Refusal to Register Pets

FHA Policy

The FHA will refuse to register a pet if:

The pet is not *a common household pet* as defined in Section 10-II.C. below

Keeping the pet would violate any pet restrictions listed in this policy

The pet owner fails to provide complete pet registration information, or fails to update the registration annually

The applicant has previously been charged with animal cruelty under state or local law; or has been evicted, had to relinquish a pet or been prohibited from future pet ownership due to pet rule violations or a court order

The FHA reasonably determines that the pet owner is unable to keep the pet in compliance with the pet rules and other lease obligations. The pet's temperament and behavior may be considered as a factor in determining the pet owner's ability to comply with provisions of the lease.

If the FHA refuses to register a pet, a written notification will be sent to the pet owner within 10 business days of the FHA's decision. The notice will state the reason for refusing to register the pet and will inform the family of their right to appeal the decision in accordance with the FHA's grievance procedures.

Pet Agreement

FHA Policy

Residents who have been approved to have a pet must enter into a pet agreement with the FHA, or the approval of the pet will be withdrawn.

The pet agreement is the resident's certification that he or she has received a copy of the FHA's pet policy and applicable house rules, that he or she has read the policies and/or rules, understands them, and agrees to comply with them.

The resident further certifies by signing the pet agreement that he or she understands that noncompliance with the FHA's pet policy and applicable house rules may result in the withdrawal of FHA approval of the pet or termination of tenancy.

10-II.C. STANDARDS FOR PETS [24 CFR 5.318; 960.707(b)]

PHAs may establish reasonable requirements related to pet ownership including, but not limited to:

- Limitations on the number of animals in a unit, based on unit size
- Prohibitions on types of animals that the PHA classifies as dangerous, provided that such classifications are consistent with applicable state and local law
- Prohibitions on individual animals, based on certain factors, including the size and weight of the animal
- Requiring pet owners to have their pets spayed or neutered

PHA's may not require pet owners to have any pet's vocal cords removed.

Definition of "Common Household Pet"

There is no regulatory definition of common household pet for public housing programs, although the regulations for pet ownership in both elderly/disabled and general occupancy developments use the term. The regulations for pet ownership in elderly/disabled developments expressly authorize PHAs to define the term [24 CFR 5.306(2)].

FHA Policy

Common household pet means a domesticated animal, such as a dog, cat, bird, or fish that is traditionally recognized as a companion animal and is kept in the home for pleasure rather than commercial purposes.

The following animals are not considered common household pets:

Reptiles

Rodents

Insects

Arachnids

Wild animals or feral animals

Pot-bellied pigs

Animals used for commercial breeding

Pet Restrictions

FHA Policy

The following animals are not permitted:

Any animal whose adult weight will exceed 25 pounds

Dogs of the pit bull, rottweiler, chow, or boxer breeds

Ferrets or other animals whose natural protective mechanisms pose a risk to small children of serious bites or lacerations

Any animal not permitted under state or local law or code

Number of Pets

FHA Policy

Residents may own a maximum of 2 pets, only 1 of which may be a dog.

In the case of fish, residents may keep no more than can be maintained in a safe and healthy manner in a tank holding up to 10 gallons. Such a tank or aquarium will be counted as 1 pet.

Other Requirements

FHA Policy

Dogs and cats must be spayed or neutered at the time of registration or, in the case of underage animals, within 30 days of the pet reaching 6 months of age. Exceptions may be made upon veterinary certification that subjecting this particular pet to the procedure would be temporarily or permanently medically unsafe or unnecessary.

Pets must be licensed in accordance with state or local law. Residents must provide proof of licensing at the time of registration and annually, in conjunction with the resident's annual reexamination.

10-II.D. PET RULES

Pet owners must maintain pets responsibly, in accordance with FHA policies, and in compliance with applicable state and local public health, animal control, and animal cruelty laws and regulations [24 CFR 5.315; 24 CFR 960.707(a)].

Pet Area Restrictions

FHA Policy

Pets must be maintained within the resident's unit. When outside of the unit (within the building or on the grounds) dogs and cats must be kept on a leash or carried and under the control of the resident or other responsible individual at all times.

Pets other than dogs or cats must be kept in a cage or carrier when outside of the unit.

Pets are not permitted in common areas including lobbies, community rooms and laundry areas except for those common areas which are entrances to and exits from the building.

Pet owners are not permitted to exercise pets or permit pets to deposit waste on project premises outside of the areas designated for such purposes.

Designated Pet/No-Pet Areas [24 CFR 5.318(g), PH Occ GB, p. 182]

PHAs may designate buildings, floors of buildings, or sections of buildings as no-pet areas where pets generally may not be permitted. Pet rules may also designate buildings, floors of building, or sections of building for residency by pet-owning tenants.

PHAs may direct initial tenant moves as may be necessary to establish pet and no-pet areas. The PHA may not refuse to admit, or delay admission of, an applicant on the grounds that the applicant’s admission would violate a pet or no-pet area. The PHA may adjust the pet and no-pet areas or may direct such additional moves as may be necessary to accommodate such applicants for tenancy or to meet the changing needs of the existing tenants.

PHAs may not designate an entire development as a no-pet area, since regulations permit residents to own pets.

FHA Policy

With the exception of common areas as described in the previous policy, the FHA has not designated any buildings, floors of buildings, or sections of buildings as no-pet areas. In addition, the FHA has not designated any buildings, floors of buildings, or sections of buildings for residency of pet-owning tenants.

Cleanliness

FHA Policy

The pet owner shall be responsible for the removal of waste from the exercise area by placing it in a sealed plastic bag and disposing of it in a container provided by the FHA.

The pet owner shall take adequate precautions to eliminate any pet odors within or around the unit and to maintain the unit in a sanitary condition at all times.

Litter box requirements:

> Pet owners must promptly dispose of waste from litter boxes and must maintain litter boxes in a sanitary manner.
>
> Litter shall not be disposed of by being flushed through a toilet.
>
> Litter boxes shall be kept inside the resident's dwelling unit.

Alterations to Unit

FHA Policy

Pet owners shall not alter their unit, patio, premises or common areas to create an enclosure for any animal.

Installation of pet doors is prohibited.

Noise

FHA Policy

Pet owners must agree to control the noise of pets so that such noise does not constitute a nuisance to other residents or interrupt their peaceful enjoyment of their housing unit or premises. This includes, but is not limited to loud or continuous barking, howling, whining, biting, scratching, chirping, or other such activities.

Pet Care

FHA Policy

Each pet owner shall be responsible for adequate care, nutrition, exercise and medical attention for his/her pet.

Each pet owner shall be responsible for appropriately training and caring for his/her pet to ensure that the pet is not a nuisance or danger to other residents and does not damage FHA property.

No animals may be tethered or chained inside or outside the dwelling unit at any time.

Responsible Parties

FHA Policy

The pet owner will be required to designate two responsible parties for the care of the pet if the health or safety of the pet is threatened by the death or incapacity of the pet owner, or by other factors that render the pet owner unable to care for the pet.

A resident who cares for another resident's pet must notify the FHA and sign a statement that they agree to abide by all of the pet rules.

Pets Temporarily on the Premises

FHA Policy

Pets that are not owned by a tenant are not allowed on the premises. Residents are prohibited from feeding or harboring stray animals.

This rule does not apply to visiting pet programs sponsored by a humane society or other non-profit organizations, and approved by the FHA.

Pet Rule Violations

FHA Policy

All complaints of cruelty and all dog bites will be referred to animal control or an applicable agency for investigation and enforcement.

If a determination is made on objective facts supported by written statements, that a resident/pet owner has violated the pet rules, written notice will be served.

The notice will contain a brief statement of the factual basis for the determination and the pet rule(s) that were violated. The notice will also state:

> That the pet owner has 10 business days from the effective date of the service of notice to correct the violation or make written request for a meeting to discuss the violation
>
> That the pet owner is entitled to be accompanied by another person of his or her choice at the meeting
>
> That the pet owner's failure to correct the violation, request a meeting, or appear at a requested meeting may result in initiation of procedures to remove the pet, or to terminate the pet owner's tenancy

Notice for Pet Removal

FHA Policy

If the pet owner and the FHA are unable to resolve the violation at the meeting or the pet owner fails to correct the violation in the time period allotted by the FHA, the FHA may serve notice to remove the pet.

The notice will contain:

- A brief statement of the factual basis for the FHA's determination of the pet rule that has been violated
- The requirement that the resident /pet owner must remove the pet within 30 calendar days of the notice
- A statement that failure to remove the pet may result in the initiation of termination of tenancy procedures

Pet Removal

FHA Policy

If the death or incapacity of the pet owner threatens the health or safety of the pet, or other factors occur that render the owner unable to care for the pet, the situation will be reported to the responsible party designated by the pet owner.

If the responsible party is unwilling or unable to care for the pet, or if the FHA after reasonable efforts cannot contact the responsible party, the FHA may contact the appropriate state or local agency and request the removal of the pet.

Termination of Tenancy

FHA Policy

The FHA may initiate procedures for termination of tenancy based on a pet rule violation if:

- The pet owner has failed to remove the pet or correct a pet rule violation within the time period specified
- The pet rule violation is sufficient to begin procedures to terminate tenancy under terms of the lease

Emergencies

FHA Policy

The FHA will take all necessary steps to ensure that pets that become vicious, display symptoms of severe illness, or demonstrate behavior that constitutes an immediate threat to the health or safety of others, are immediately removed from the premises by referring the situation to the appropriate state or local entity authorized to remove such animals.

If it is necessary for the FHA to place the pet in a shelter facility, the cost will be the responsibility of the pet owner.

If the pet is removed as a result of any aggressive act on the part of the pet, the pet will not be allowed back on the premises.

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PART III: PET DEPOSITS AND FEES IN ELDERLY/DISABLED DEVELOPMENTS

10-III.A. OVERVIEW

This part describes the PHA's policies for pet deposits and fees in elderly, disabled and mixed population developments. Policies governing deposits and fees in general occupancy developments are described in Part IV.

10-III.B. PET DEPOSITS

Payment of Deposit

The PHA may require tenants who own or keep pets in their units to pay a refundable pet deposit. This deposit is in addition to any other financial obligation generally imposed on tenants of the project [24 CFR 5.318(d)(1)].

The maximum amount of pet deposit that may be charged by a PHA on a per dwelling unit basis, is the higher of the total tenant payment (TTP) or such reasonable fixed amount as the PHA may require. The PHA may permit gradual accumulation of the pet deposit by the pet owner [24 CFR 5.318(d)(3)].

The pet deposit is not part of the rent payable by the resident [24 CFR 5.318(d)(5)].

FHA Policy

Pet owners are required to pay a pet deposit in addition to any other required deposits. The amount of the deposit is the higher of the family's total tenant payment or $50.00, and must be paid in full before the pet is brought on the premises.

Refund of Deposit [24 CFR 5.318(d)(1)]

The PHA may use the pet deposit only to pay reasonable expenses directly attributable to the presence of the pet, including (but not limited to) the costs of repairs and replacements to, and fumigation of, the tenant's dwelling unit. The PHA must refund the unused portion of the pet deposit to the tenant within a reasonable time after the tenant moves from the project or no longer owns or keeps a pet in the unit.

FHA Policy

The FHA will refund the pet deposit to the resident, less the costs of any damages caused by the pet to the dwelling unit, within 21 days of move-out.

The resident will be billed for any amount that exceeds the pet deposit.

The FHA will provide the resident with a written list of any charges against the pet deposit within 21 days of the move-out inspection. If the resident disagrees with the amount charged to the pet deposit, the PHA will provide a meeting to discuss the charges.

10-III.C. OTHER CHARGES

Pet-Related Damages During Occupancy

FHA Policy

All reasonable expenses incurred by the FHA as a result of damages directly attributable to the presence of the pet in the project will be the responsibility of the resident, including:

The cost of repairs and replacements to the resident's dwelling unit

Fumigation of the dwelling unit

Repairs to common areas of the project

The expense of flea elimination shall also be the responsibility of the resident.

If the resident is in occupancy when such costs occur, the resident shall be billed for such costs in accordance with the policies in Section 8-I.G, Maintenance and Damage Charges. Pet deposits will not be applied to the costs of pet-related damages during occupancy.

Charges for pet-related damage are not part of rent payable by the resident.

Pet Waste Removal Charge

The regulations do not address the FHA's ability to impose charges for house pet rule violations. However, charges for violation of FHA pet rules may be treated like charges for other violations of the lease and FHA tenancy rules.

FHA Policy

A separate pet waste removal charge of $10.00 per occurrence will be assessed against pet owners who fail to remove pet waste in accordance with this policy.

Notices of pet waste removal charges will be in accordance with requirements regarding notices of adverse action. Charges are due and payable 14 calendar days after billing. If the family requests a grievance hearing within the required timeframe, the PHA may not take action for nonpayment of the charge until the conclusion of the grievance process.

Charges for pet waste removal are not part of rent payable by the resident.

PART IV: PET DEPOSITS AND FEES IN GENERAL OCCUPANCY DEVELOPMENTS

10-IV.A. OVERVIEW

This part describes the FHA's policies for pet deposits and fees for those who reside in general occupancy developments.

10-IV.B. PET DEPOSITS

A PHA may require a refundable pet deposit to cover additional costs attributable to the pet and not otherwise covered [24 CFR 960.707(b)(1)].

A PHA that requires a resident to pay a pet deposit must place the deposit in an account of the type required under applicable State or local law for pet deposits, or if there are no such requirements, for rental security deposits, if applicable. The PHA must comply with such laws as to retention of the deposit, interest, and return of the deposit to the resident, and any other applicable requirements [24 CFR 960.707(d)].

Payment of Deposit

FHA Policy

Pet owners are required to pay a pet deposit of $200 in addition to any other required deposits. The deposit must be paid in full before the pet is brought on the premises.

The pet deposit is not part of rent payable by the resident.

Refund of Deposit

FHA Policy

The FHA will refund the pet deposit to the resident, less the costs of any damages caused by the pet to the dwelling unit, within 21 days of move-out.

The resident will be billed for any amount that exceeds the pet deposit.

The PHA will provide the resident with a written list of any charges against the pet deposit within 21 business days of the move-out inspection. If the resident disagrees with the amount charged to the pet deposit, the PHA will provide a meeting to discuss the charges.

10-IV.C. NON-REFUNDABLE NOMINAL PET FEE

PHAs may require payment of a non-refundable nominal pet fee to cover the reasonable operating costs to the development relating to the presence of pets [24 CFR 960.707(b)(1)].

FHA Policy

The FHA requires pet owners to pay a non-refundable nominal pet fee.

This fee is intended to cover the reasonable operating costs to the project relating to the presence of pets. Reasonable operating costs to the project relating to the presence of pets include, but are not limited to:

Landscaping costs

Pest control costs

Insurance costs

Clean-up costs

The pet fee of $10.00 will be billed on a monthly basis, and payment will be due 14 calendar days after billing.

Charges for the non-refundable pet fee are not part of rent payable by the resident.

10-IV.D. OTHER CHARGES

Pet-Related Damages During Occupancy

FHA Policy

All reasonable expenses incurred by the FHA as a result of damages directly attributable to the presence of the pet in the project will be the responsibility of the resident, including:

The cost of repairs and replacements to the resident's dwelling unit

Fumigation of the dwelling unit

Repairs to common areas of the project

The expense of flea elimination shall also be the responsibility of the resident.

If the resident is in occupancy when such costs occur, the resident shall be billed for such costs in accordance with the policies in Section 8-I.G, Maintenance and Damage Charges. Pet deposits will not be applied to the costs of pet-related damages during occupancy.

Charges for pet-related damage are not part of rent payable by the resident.

Pet Waste Removal Charge

The regulations do not address the PHA's ability to impose charges for house pet rule violations. However, charges for violation of PHA pet rules may be treated like charges for other violations of the lease and PHA tenancy rules.

FHA Policy

A separate pet waste removal charge of $10.00 per occurrence will be assessed against pet owners who fail to remove pet waste in accordance with this policy.

Such charges will be due and payable 14 calendar days after billing.

Charges for pet waste removal are not part of rent payable by the resident.

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Chapter 11

COMMUNITY SERVICE

INTRODUCTION

This chapter explains HUD regulations requiring PHAs to implement a community service program for all non-exempt adults living in public housing.

This chapter describes HUD regulations and PHA policies related to these topics in two parts:

> Part I: Community Service Requirements. This part describes who is subject to the community service requirement, who is exempt, and HUD's definition of economic self-sufficiency.
>
> Part II: PHA Implementation of Community Service. This part provides FHA policy regarding PHA implementation and program design.

PART I: COMMUNITY SERVICE REQUIREMENT

11-I.A. OVERVIEW

HUD regulations pertaining to the community service requirement are contained in 24 CFR 960 Subpart F (960.600 through 960.609). PHAs and residents must comply with the community service requirement, effective with PHA fiscal years that commenced on or after October 1, 2000. Per 903.7(l)(1)(iii), the PHA Plan must contain a statement of the how the PHA will comply with the community service requirement, including any cooperative agreement that the PHA has entered into or plans to enter into.

Community service is the performance of voluntary work or duties that are a public benefit, and that serve to improve the quality of life, enhance resident self-sufficiency, or increase resident self-responsibility in the community. Community service is not employment and may not include political activities [24 CFR 960.601(b)].

In administering community service requirements, the PHA must comply with all nondiscrimination and equal opportunity requirements [24 CFR 960.605(c)(5)].

11-I.B. REQUIREMENTS

Each adult resident of the PHA, who is not exempt, must [24 CFR 960.603(a)]:

- Contribute 8 hours per month of community service; or
- Participate in an economic self-sufficiency program (as defined in the regulations) for 8 hours per month; or
- Perform 8 hours per month of combined activities (community service and economic self-sufficiency programs).

FHA Policy

An individual may not skip a month and then double up the following month, unless special circumstances warrant it. The FHA will make the determination of whether to permit a deviation from the schedule.

Individuals who have special circumstances which they believe will prevent them from completing the required community service hours for a given month, must notify the FHA in writing within 5 business days of the circumstances becoming known. The FHA will review the request and notify the individual, in writing, of its determination within 10 business days. The FHA may require those individuals to provide documentation to support their claim.

Definitions

Exempt Individual [24 CFR 960.601(b)]

An *exempt individual* is an adult who:

- Is age 62 years or older
- Is blind or disabled (as defined under section 216[i][l] or 1614 of the Social Security Act), and who certifies that because of this disability s/he is unable to comply with the service provisions
- Is a primary caretaker of such an individual
- Is engaged in work activities

FHA Policy

The FHA will consider 20 hours per week as the minimum number of hours needed to qualify for a work activity exemption.

- Meets the requirements for being exempted from having to engage in a work activity under the state program funded under part A of title IV of the Social Security Act, or under any other welfare program of the state in which the FHA is located, including a state-administered welfare-to-work program; or
- Is in a family receiving assistance under a state program funded under part A of title IV of the Social Security Act, or under any other welfare program of the state in which the FHA is located, including a state-administered welfare-to-work program, and has not been found by the state or other administering entity to be in noncompliance with such program.

Community Service [PH Occ GB, p. 174]

Community service is volunteer work which includes, but is not limited to:

- Work at a local institution including but not limited to: school, child care center, hospital, hospice, recreation center, senior center, adult day care center, homeless shelter, indigent feeding program, cooperative food bank, etc.
- Work with a nonprofit organization that serves FHA residents or their children such as: Boy Scouts, Girl Scouts, Boys or Girls Clubs, 4-H programs, PAL, Garden Center, community clean-up programs, beautification programs, other youth or senior organizations
- Working through a resident organization to help other residents with problems, serving as an officer in a resident organization, serving on the resident advisory board
- Caring for the children of other residents so they may volunteer

NOTE: Political activity is excluded for purposes of eligible community service activities.

Economic Self-Sufficiency Program [24 CFR 5.603(b)]

For purposes of satisfying the community service requirement, an *economic self-sufficiency program* is defined by HUD as: Any program designed to encourage, assist, train, or facilitate economic independence of assisted families or to provide work for such families.

These economic self-sufficiency programs can include job training, employment counseling, work placement, basic skills training, education, English proficiency, workfare, financial or household management, apprenticeships (formal or informal), or any other program necessary to ready a participant to work (such as substance abuse or mental health treatment).

Work Activities [42 U.S.C. 607(d)]

As it relates to an exemption from the community service requirement, *work activities* means:

- Unsubsidized employment
- Subsidized private sector employment
- Subsidized public sector employment
- Work experience (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector employment is not available
- On-the-job training
- Job search and job readiness assistance
- Community service programs
- Vocational educational training (not to exceed 12 months with respect to any individual)
- Job skills training directly related to employment
- Education directly related to employment, in the case of a recipient who has not received a high school diploma or a certificate of high school equivalency
- Satisfactory attendance at secondary school or in a course of study leading to a certificate of general equivalence, in the case of a recipient who has not completed secondary school or received such a certificate
- Provision of child care services to an individual who is participating in a community service program

Notification Requirements [24 CFR 960.605(c)(2)]

The PHA must give each family a written description of the community service requirement, the process for claiming status as an exempt person, and the process for PHA verification of exempt status. The PHA must also notify the family of its determination identifying the family members who are subject to the service requirement, and the family members who are exempt.

FHA Policy

The FHA will provide the family with a copy of the Community Service Policy found in Exhibit 11-1 of this chapter, at lease-up, lease renewal, when a family member is determined to be subject to the community service requirement during the lease term, and at any time upon the family's request.

On an annual basis, at the time of annual certification, the FHA will notify the family in writing of the family members who are subject to the community service requirement and the family members who are exempt. If the family includes non-exempt individuals the notice will include a documentation form on which they may record the activities they perform and the number of hours contributed. The form will also have a place for a signature by an appropriate official, who will certify to the activities and hours completed.

11-I.C. DETERMINATION OF EXEMPTION STATUS AND COMPLIANCE [24 CFR 960.605(c)(3)]

The PHA must review and verify family compliance with service requirements annually at least 120 days before the annual reexamination effective date. The policy for documentation and verification of compliance with service requirements may be found at Section 11-I.D., Documentation and Verification.

Annual Determination

Determination of Exemption Status

An exempt individual is excused from the community service requirement [24 CFR 960.603(a)].

FHA Policy

At least 120 days before the annual reexamination effective date, the FHA will review and verify the exemption status of all adult family members. This verification will only be done on an annual basis unless the family reports a change or the FHA has reason to believe that an individual's exemption status has changed. For individuals who are exempt because they are 62 years of age and older, verification of exemption status will be done only at the initial examination.

Upon completion of the verification process, the FHA will notify the family of its determination in accordance with the policy in Section 11-I.B., Notification Requirements.

Determination of Compliance

The PHA must review resident family compliance with service requirements annually at least 120 days before the annual reexamination effective date [24 CFR 960.605(c)(3)]. As part of this review, the PHA must verify that any family member that is not exempt from the community service requirement has met his or her service obligation.

FHA Policy

Approximately 120 days before the annual reexamination effective date, the FHA will provide written notice requiring the family to submit documentation that all subject family members have complied with the service requirement. The family will have 10 business days to submit the FHA required documentation form(s).

If the family fails to submit the required documentation within the required timeframe, or FHA approved extension, the subject family members will be considered noncompliant with community service requirements, and notices of noncompliance will be issued pursuant to the policies in Section 11-I.E., Noncompliance.

Change in Status Between Annual Determinations

FHA Policy

Exempt to Non-Exempt Status

If an exempt individual becomes non-exempt during the twelve month reexamination term, it is the family's responsibility to report this change to the FHA within 10 business days.

Within 10 business days of a family reporting such a change, or the FHA determining such a change is necessary, the FHA will provide written notice of the effective date of the requirement, as well as a documentation form on which the family member may record the activities performed and number of hours contributed.

The effective date of the community service requirement will be the first of the month following 30 day notice.

Non-Exempt to Exempt Status

If a non-exempt person becomes exempt during the twelve month reexamination term, it is the family's responsibility to report this change to the FHA within 10 business days. Any claim of exemption will be verified by the FHA in accordance with the policy at 11-I.D., Documentation and Verification of Exemption Status.

Within 10 business days of a family reporting such a change, or the FHA determining such a change is necessary, the FHA will provide the family written notice that the family member is no longer subject to the community service requirement, if the FHA is able to verify the exemption.

The exemption will be effective immediately.

11-I.D. DOCUMENTATION AND VERIFICATION [24 CFR 960.605(c)(4)]

The PHA must retain reasonable documentation of service requirement performance or exemption in participant files.

Documentation and Verification of Exemption Status

FHA Policy

All family members who claim they are exempt from the community service requirement will be required to sign the community service exemption certification form found in Exhibit 11-3. The FHA will provide a completed copy to the family and will keep a copy in the tenant file.

The FHA will verify that an individual is exempt from the community service requirement by following the verification hierarchy and documentation requirements in Chapter 7.

The FHA makes the final determination whether or not to grant an exemption from the community service requirement. If a resident does not agree with the FHA's determination, s/he can dispute the decision through the FHA's grievance procedures (see Chapter 14).

Documentation and Verification of Compliance

If qualifying community service activities are administered by an organization other than the PHA, a family member who is required to fulfill a service requirement must provide certification to the PHA, signed by the organization, that the family member has performed the qualifying activities [24 CFR 960.607].

FHA Policy

If anyone in the family is subject to the community service requirement, the FHA will provide the family with community service documentation forms at admission, at annual reexamination, when a family member becomes subject to the community service requirement during the twelve month reexamination term, or upon request by the family.

Each individual who is subject to the requirement will be required to record their community service or self-sufficiency activities and the number of hours contributed on the required form. The certification form will also include places for signatures and phone numbers of supervisors, instructors, and counselors certifying to the number of hours contributed.

Families will be required to submit the documentation to the FHA, upon request by the FHA.

If the FHA has reasonable cause to believe that the certification provided by the family is false or fraudulent, the FHA has the right to require third-party verification.

11-I.E. NONCOMPLIANCE

Initial Noncompliance

The lease specifies that it is renewed automatically for all purposes, unless the family fails to comply with the community service requirement. Violation of the service requirement is grounds for nonrenewal of the lease at the end of the twelve month lease term, but not for termination of tenancy during the course of the twelve month lease term [24 CFR 960.603(b)].

If the tenant or another family member has violated the community service requirement, the FHA may not renew the lease upon expiration of the twelve-month term of the lease, unless the tenant and any other noncompliant family member enter into a written agreement with the FHA. Under this agreement the tenant or noncompliant family member must agree to cure the noncompliance by completing the additional hours of community service or economic self-sufficiency needed to make up the total number of hours required, over the twelve-month term of the new lease. In addition, all other members of the family who are subject to the service requirement must be currently complying with the service requirement or must no longer be residing in the unit [24 CFR 960.607(c)].

Notice of Initial Noncompliance [24 CFR 960.607(b)]

If the FHA determines that there is a family member who is required to fulfill a service requirement, but who has failed to comply with this obligation (noncompliant resident), the FHA must notify the tenant of this determination.

The notice to the tenant must briefly describe the noncompliance. The notice must state that the FHA will not renew the lease at the end of the twelve-month lease term unless the tenant, and any other noncompliant resident, enter into a written agreement with the FHA to cure the noncompliance, or the family provides written assurance satisfactory to the FHA that the tenant or other noncompliant resident no longer resides in the unit.

The notice must also state that the tenant may request a grievance hearing on the FHA's determination, in accordance with the FHA's grievance procedures, and that the tenant may exercise any available judicial remedy to seek timely redress for the FHA's nonrenewal of the lease because of the FHA's determination.

FHA Policy

The notice of initial noncompliance will be sent at least 60 days prior to annual reexamination effective date.

The family will have 10 business days from the date of the notice of noncompliance to enter into a written agreement to cure the noncompliance during the next twelve month reexamination term, provide documentation that the noncompliant resident no longer resides in the unit, or to request a grievance hearing.

If the family reports that a noncompliant family member is no longer residing in the unit, the family must provide documentation that the family member has actually vacated the unit before the FHA will agree to continued occupancy of the family. Documentation must consist of a certification signed by the head of household as well as evidence of the current address of the family member that previously resided with them.

If the family does not request a grievance hearing, or does not take either corrective action required by the notice of noncompliance within the required 10 business day timeframe, the FHA will terminate tenancy in accordance with the policies in Section 13-IV.D.

Continued Noncompliance [24 CFR 960.607(b)]

If, after the 12 month cure period, the family member is still not compliant, the FHA must terminate tenancy of the entire family, according to the FHA's lease, unless the family provides documentation that the noncompliant resident no longer resides in the unit.

FHA Policy

Notices of continued noncompliance will be sent at least 30 days prior to annual reexamination effective date and will also serve as the family's termination notice. The notice will meet the requirements for termination notices described in Section 13-IV.D, Form, Delivery, and Content of the Notice.

The family will have 10 business days from the date of the notice of non-compliance to provide documentation that the noncompliant resident no longer resides in the unit, or to request a grievance hearing.

If the family reports that a noncompliant family member is no longer residing in the unit, the family must provide documentation that the family member has actually vacated the unit before the FHA will agree to continued occupancy of the family. Documentation must consist of a certification signed by the head of household as well as evidence of the current address of the noncompliant family member that previously resided with them.

If the family does not request a grievance hearing, or provide such documentation within the required 10 business day timeframe, the family's lease and tenancy will automatically terminate at the end of the current lease term without further notice.

PART II: IMPLEMENTATION OF COMMUNITY SERVICE

11-II.A. OVERVIEW

Each PHA must develop a policy for administration of the community service and economic self-sufficiency requirements for public housing. It is in the PHA's best interests to develop a viable, effective community service program, to provide residents the opportunity to engage in the community and to develop competencies.

PHA Implementation of Community Service

The PHA may not substitute any community service or self-sufficiency activities performed by residents for work ordinarily performed by PHA employees, or replace a job at any location where residents perform activities to satisfy the service requirement [24 CFR 960.609].

FHA Policy

The FHA will notify its insurance company if residents will be performing community service at the FHA. In addition, the FHA will ensure that the conditions under which the work is to be performed are not hazardous.

If a disabled resident certifies that s/he is able to perform community service, the FHA will ensure that requests for reasonable accommodation are handled in accordance with the policies in Chapter 2.

FHA Program Design

The FHA may administer qualifying community service or economic self-sufficiency activities directly, or may make community service activities available through a contractor, or through partnerships with qualified organizations, including resident organizations, and community agencies or institutions [24 CFR 960.605(b)].

FHA Policy

The FHA will attempt to provide the broadest choice possible to residents as they choose community service activities.

The FHA's goal is to design a service program that gives residents viable opportunities to become involved in the community and to gain competencies and skills. The FHA will work with resident organizations and community organizations to design, implement, assess and recalibrate its community service program.

The FHA will make every effort to identify volunteer opportunities throughout the community, especially those in proximity to public housing developments. To the greatest extent possible, the FHA will provide names and contacts at agencies that can provide opportunities for residents, including persons with disabilities, to fulfill their community service obligations.

Any written agreements or partnerships with contractors and/or qualified organizations, including resident organizations, are described in the FHA Plan.

EXHIBIT 11-1: COMMUNITY SERVICE AND SELF-SUFFICIENCY POLICY

A. Background

The Quality Housing and Work Responsibility Act of 1998 requires that all non-exempt (see definitions) public housing adult residents (18 or older) contribute eight (8) hours per month of community service (volunteer work) or participate in eight (8) hours of training, counseling, classes or other activities that help an individual toward self-sufficiency and economic independence. This is a requirement of the public housing lease.

B. Definitions

Community Service – volunteer work which includes, but is not limited to:

- Work at a local institution, including but not limited to: school, child care center, hospital, hospice, recreation center, senior center, adult day care center, homeless shelter, indigent feeding program, cooperative food bank, etc.
- Work with a nonprofit organization such as: Parks and Recreation, United Way, Red Cross, Volunteers of America, Boy Scouts, Girl Scouts, Boys or Girls Clubs, 4-H Program, PAL, Garden Center, community clean-up programs, beautification programs, other counseling, aid, youth or senior organizations
- Helping neighborhood groups with special projects
- Working through a resident organization to help other residents with problems
- Serving as an officer in a resident organization
- Serving on the Resident Advisory Board
- Caring for children of other residents so they may volunteer

NOTE: Political activity is excluded.

Self-Sufficiency Activities – activities that include, but are not limited to:

- Job readiness programs
- Job training programs
- GED classes
- Substance abuse or mental health counseling
- English proficiency or literacy (reading) classes
- Apprenticeships
- Budgeting and credit counseling
- Any kind of class that helps a person toward economic independence
- Student status at any school, college or vocation school

Exempt Adult – an adult member of the family who meets any of the following criteria:

- Is 62 years of age or older
- Is blind or a person with disabilities (as defined under section 216[i][l] or 1614 of the Social Security Act), and who certifies that because of this disability he or she is unable to comply with the service provisions, or is the primary caretaker of such an individuals
- Is working at least 20 hours per week
- Meets the requirements for being exempted from having to engage in a work activity under TANF or any other State welfare program including a State-administered welfare-to-work program
- Is a member of a family receiving assistance, benefits or services under TANF or any other State welfare program and has not been found to be in noncompliance with such program

C. Requirements of the Program

1. The eight (8) hours per month may be either volunteer work or self-sufficiency program activity, or a combination of the two.
2. At least eight (8) hours of activity must be performed each month. An individual may not skip a month and then double up the following month, unless special circumstances warrant special consideration. The housing authority will make the determination of whether to allow or disallow a deviation from the schedule based on a family's written request.
3. Family obligation:
   - At lease execution, all adult members (18 or older) of a public housing resident family must:
     - Sign a certification that they have received and read this policy and understand that if they are not exempt, failure to comply with the community service requirement will result in a nonrenewal of their lease; and
     - Declare if they are exempt. If exempt, they must complete the Exemption Form (Exhibit 11-3) and provide documentation of the exemption.
   - Upon written notice from the FHA, non-exempt family members must present complete documentation of activities performed during the applicable lease term. This documentation will include places for signatures of supervisors, instructors, or counselors, certifying to the number of hours contributed.
   - If a family member is found to be noncompliant at the end of the 12-month lease term, he or she, and the head of household, will be required to sign an agreement with the housing authority to make up the deficient hours over the next twelve (12) month period, as a condition of continued occupancy.
4. Change in exempt status:
   - If, during the twelve (12) month lease period, a non-exempt person becomes exempt, it is his or her responsibility to report this to the FHA and provide documentation of exempt status.
   - If, during the twelve (12) month lease period, an exempt person becomes non-exempt, it is his or her responsibility to report this to the FHA. Upon receipt of this information the FHA will provide the person with the appropriate documentation form(s) and a list of agencies in the community that provide volunteer and/or training opportunities.

D. Authority Obligation

1. To the greatest extent possible and practicable, the FHA will:
   - Provide names and contacts at agencies that can provide opportunities for residents, including residents with disabilities, to fulfill their community service obligations.
   - Provide in-house opportunities for volunteer work or self-sufficiency activities.
2. The FHA will provide the family with a copy of this policy, and all applicable exemption verification forms and community service documentation forms, at lease-up, lease renewal, when a family member becomes subject to the community service requirement during the lease term, and at any time upon the family's request.
3. Although exempt family members will be required to submit documentation to support their exemption, the FHA will verify the exemption status in accordance with its verification policies. The FHA will make the final determination as to whether or not a family member is exempt from the community service requirement. Residents may use the FHA's grievance procedure if they disagree with the FHA's determination.
4. Noncompliance of family member:
   - At least thirty(30) days prior to the end of the 12-month lease term, the FHA will begin reviewing the exempt or non-exempt status and compliance of family members;
   - If, at the end of the initial 12-month lease term under which a family member is subject to the community service requirement, the FHA finds the family member to be noncompliant, the FHA will not renew the lease unless:
     - The head of household and any other noncompliant resident enter into a written agreement with the FHA, to make up the deficient hours over the next twelve (12) month period; or
     - The family provides written documentation satisfactory to the FHA that the noncompliant family member no longer resides in the unit.
   - If, at the end of the next 12-month lease term, the family member is still not compliant, a 30-day notice to terminate the lease will be issued and the entire family will have to vacate, unless the family provides written documentation satisfactory to the FHA that the noncompliant family member no longer resides in the unit;
   - The family may use the FHA's grievance procedure to dispute the lease termination.

All adult family members must sign and date below, certifying that they have read and received a copy of this Community Service and Self-Sufficiency Policy.

Resident	Date
Resident	Date
Resident	Date
Resident	Date

EXHIBIT 11-2: DEFINITION OF A PERSON WITH A DISABILITY UNDER SOCIAL SECURITY ACTS 216(i)(l) and Section 1416(excerpt) FOR PURPOSES OF EXEMPTION FROM COMMUNITY SERVICE

Social Security Act:

216(i)(1): Except for purposes of sections 202(d), 202(e), 202(f), 223, and 225, the term "disability" means (A) inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than 12 months, or (B) blindness; and the term "blindness" means central visual acuity of 20/200 or less in the better eye with the use of a correcting lens. An eye which is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees shall be considered for purposes of this paragraph as having a central visual acuity of 20/200 or less.

Section 1416 (excerpt):

SEC. 1614. *[42 U.S.C. 1382c]* (a)(1) For purposes of this title, the term "aged, blind, or disabled individual" means an individual who—

> (A) is 65 years of age or older, is blind (as determined under paragraph (2)), or is disabled (as determined under paragraph (3)), and
>
> (B)(i) is a resident of the United States, and is either (I) a citizen or (II) an alien lawfully admitted for permanent residence or otherwise permanently residing in the United States under color of law (including any alien who is lawfully present in the United States as a result of the application of the provisions of section 212(d)(5) of the Immigration and Nationality Act), or
>
> (ii) is a child who is a citizen of the United States and, who is living with a parent of the child who is a member of the Armed Forces of the United States assigned to permanent duty ashore outside the United States.
>
> (2) An individual shall be considered to be blind for purposes of this title if he has central visual acuity of 20/200 or less in the better eye with the use of a correcting lens. An eye which is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees shall be considered for purposes of the first sentence of this subsection as having a central visual acuity of 20/200 or less. An individual shall also be considered to be blind for purposes of this title if he is blind as defined under a State plan approved under title X or XVI as in effect for October 1972 and received aid under such plan (on the basis of blindness) for December 1973, so long as he is continuously blind as so defined.
>
> (3)(A) Except as provided in subparagraph (C), an individual shall be considered to be disabled for purposes of this title if he is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve months.

EXHIBIT 11-3: FHA DETERMINATION OF EXEMPTION FOR COMMUNITY SERVICE

Family: _____

Adult family member: _____

This adult family member meets the requirements for being exempted from the FHA's community service requirement for the following reason:

❒ 62 years of age or older. *(Documentation of age in file)*

❒ Is a person with disabilities and self-certifies below that he or she is unable to comply with the community service requirement. (*Documentation of HUD definition of disability in file)*

Tenant certification: I am a person with disabilities and am unable to comply with the community service requirement.

_____ _____

Signature of Family Member Date

❒ Is the primary caretaker of such an individual in the above category. *(Documentation in file)*

❒ Is working at least 20 hours per week. *(Employment verification in file)*

❒ Is participating in a welfare-to-work program. (*Documentation in file).*

❒ Meets the requirements for being exempted from having to engage in a work activity under TANF or any other State welfare program, including a State-administered welfare-to-work program (*Documentation in file*)

❒ Is a member of a family receiving assistance, benefits or services under TANF or any other State welfare program and has not been found to be in noncompliance with such program. *(Documentation in file)*

_____ _____

Signature of Family Member Date

_____ _____

Signature of FHA Official Date

Chapter 12

TRANSFER POLICY

INTRODUCTION

This chapter explains the FHA's transfer policy, based on HUD regulations, HUD guidance, and FHA policy decisions.

This chapter describes HUD regulations and FHA policies related to transfers in four parts:

> Part I: Emergency Transfers. This part describes emergency transfers, emergency transfer procedures, and payment of transfer costs.
>
> Part II: FHA Required Transfers. This part describes types of transfers that may be required by the FHA, notice requirements, and payment of transfer costs.
>
> Part III: Transfers Requested by Residents. This part describes types of transfers that may be requested by residents, eligibility requirements, security deposits, payment of transfer costs, and handling of transfer requests.
>
> Part IV: Transfer Processing. This part describes creating a waiting list, prioritizing transfer requests, the unit offer policy, examples of good cause, deconcentration, transferring to another development and reexamination.

The FHA may require the tenant to move from the unit under some circumstances. There are also emergency circumstances under which alternate accommodations for the tenant must be provided, that may or may not require a transfer.

The tenant may also request a transfer, such as a request for a new unit as a reasonable accommodation.

The FHA must have specific policies in place to deal with acceptable transfer requests.

PART I: EMERGENCY TRANSFERS

12-I.A. OVERVIEW

HUD categorizes certain actions as emergency transfers [PH Occ GB, p. 147]. The emergency transfer differs from a typical transfer in that it requires immediate action by the FHA.

In the case of a genuine emergency, it may be unlikely that the FHA will have the time or resources to immediately transfer a tenant. Due to the immediate need to vacate the unit, placing the tenant on a transfer waiting list would not be appropriate. Under such circumstances, if an appropriate unit is not immediately available, the FHA should find alternate accommodations for the tenant until the emergency passes, or a permanent solution, i.e., return to the unit or transfer to another unit, is reached.

12-I.B. EMERGENCY TRANSFERS

If the dwelling unit is damaged to the extent that conditions are created which are hazardous to life, health, or safety of the occupants, the FHA must offer standard alternative accommodations, if available, where necessary repairs cannot be made within a reasonable time [24 CFR 966.4(h)].

FHA Policy

The following is considered an emergency circumstance warranting an immediate transfer of the tenant or family:

> Maintenance conditions in the resident's unit, building or at the site that pose an immediate, verifiable threat to the life, health or safety of the resident or family members that cannot be repaired or abated within 24 hours. Examples of such unit or building conditions would include: a gas leak; no heat in the building during the winter; no water; toxic contamination; and serious water leaks.

12-I.C. EMERGENCY TRANSFER PROCEDURES

FHA Policy

If the transfer is necessary because of maintenance conditions, and an appropriate unit is not immediately available, the FHA will provide temporary accommodations to the tenant by arranging for temporary lodging at a hotel or similar location. If the conditions that required the transfer cannot be repaired, or the condition cannot be repaired in a reasonable amount of time, the FHA will transfer the resident to the first available and appropriate unit after the temporary relocation.

Emergency transfers are mandatory for the tenant.

12-I.D. COSTS OF TRANSFER

FHA Policy

The FHA will bear the reasonable costs of temporarily accommodating the tenant and of long term transfers, if any, due to maintenance conditions.

The reasonable costs of transfers include the cost of temporary lodging at a hotel or similar location.

Rather than reimbursing the family for eligible, reasonable expenses related to the move, the FHA will either complete the move, or make arrangements and pay for the move.

PART II: FHA REQUIRED TRANSFERS

12-II.A. OVERVIEW

HUD regulations regarding transfers are minimal, leaving it up to the FHA to develop reasonable transfer policies.

The FHA may require that a resident transfer to another unit under some circumstances. For example, the FHA may require a resident to transfer to make an accessible unit available to a disabled family. The FHA may also transfer a resident in order to maintain occupancy standards based on family composition. Finally, a FHA may transfer residents in order to demolish or renovate the unit.

A transfer that is required by the FHA is an adverse action, and is subject to the notice requirements for adverse actions [24 CFR 966.4(e)(8)(i)].

12-II.B. TYPES OF FHA REQUIRED TRANSFERS

FHA Policy

The types of transfers that may be required by the FHA, include, but are not limited to, transfers to make an accessible unit available for a disabled family, transfers to comply with occupancy standards, transfers for demolition, disposition, revitalization, or rehabilitation, and emergency transfers as discussed in Part I of this chapter.

Transfers required by the FHA are mandatory for the tenant.

Transfers to Make an Accessible Unit Available

When a family is initially given an accessible unit, but does not require the accessible features, the FHA may require the family to agree to move to a non-accessible unit when it becomes available [24 CFR 8.27(b)].

FHA Policy

When a non-accessible unit becomes available, the FHA will transfer a family living in an accessible unit that does not require the accessible features, to an available unit that is not accessible. The FHA may wait until a disabled resident requires the accessible unit before transferring the family that does not require the accessible features out of the accessible unit.

Occupancy Standards Transfers

The FHA may require a resident to move when a reexamination indicates that there has been a change in family composition, and the family is either overcrowded or over-housed according to FHA policy [24 CFR 960.257(a)(4)]. On some occasions, the FHA may initially place a resident in an inappropriately sized unit at lease-up, where the family is over-housed, to prevent vacancies. The public housing lease must include the tenant's agreement to transfer to an appropriately sized unit based on family composition [24 CFR 966.4(c)(3)].

FHA Policy

The FHA will transfer a family when the family size has changed and the family is now too large (overcrowded) or too small (over-housed) for the unit occupied.

For purposes of the transfer policy, overcrowded and over-housed are defined as follows:

Overcrowded: the number of household members exceeds the maximum number of persons allowed for the unit size in which the family resides, according to the chart in Section 5-I.B.

Over-housed: the family no longer qualifies for the bedroom size in which they are living based on the FHA's occupancy standards as described in Section 5-I.B.

The FHA may also transfer a family who was initially placed in a unit in which the family was over-housed to a unit of an appropriate size based on the FHA's occupancy standards, when the FHA determines there is a need for the transfer.

The FHA may elect not to transfer an over-housed family in order to prevent vacancies.

A family that is required to move because of family size will be advised by the FHA that a transfer is necessary and that the family has been placed on the transfer list.

Families that request and are granted an exception to the occupancy standards (for either a larger or smaller size unit) in accordance with the policies in Section 5-I.C. will only be required to transfer if it is necessary to comply with the approved exception.

Demolition, Disposition, Revitalizations, or Rehabilitation Transfers

These transfers permit the FHA to demolish, sell or do major capital or rehabilitation work at a building site [PH Occ GB, page 148].

FHA Policy

The FHA will relocate a family when the unit or site in which the family lives is undergoing major rehabilitation that requires the unit to be vacant, or the unit is being disposed of or demolished. The FHA's relocation plan may or may not require transferring affected families to other available public housing units.

If the relocation plan calls for transferring public housing families to other public housing units, affected families will be placed on the transfer list.

In cases of revitalization or rehabilitation, the family may be offered a temporary relocation if allowed under Relocation Act provisions, and may be allowed to return to their unit, depending on contractual and legal obligations, once revitalization or rehabilitation is complete.

12-II.C. ADVERSE ACTION [24 CFR 966.4(e)(8)(i)]

A FHA required transfer is an adverse action. As an adverse action, the transfer is subject to the requirements regarding notices of adverse actions. If the family requests a grievance hearing within the required timeframe, the FHA may not take action on the transfer until the conclusion of the grievance process.

12-II.D. COST OF TRANSFER

FHA Policy

The FHA will bear the reasonable costs of transfers that the FHA requires, except that residents will be required to bear the cost of occupancy standards transfers.

The reasonable costs of transfers include the cost of packing, moving, and unloading.

The FHA will establish a moving allowance based on the typical costs in the community of packing, moving, and unloading. To establish typical costs, the FHA will collect information from companies in the community that provide these services.

The FHA will reimburse the family for eligible out-of-pocket moving expenses up to the FHA's established moving allowance.

PART III: TRANSFERS REQUESTED BY TENANTS

12-III.A. OVERVIEW

HUD provides the FHA with discretion to consider transfer requests from tenants. The only requests that the FHA is required to consider are requests for reasonable accommodation. All other transfer requests are at the discretion of the FHA. To avoid administrative costs and burdens, this policy limits the types of requests that will be considered by the FHA.

Some transfers that are requested by tenants should be treated as higher priorities than others due to the more urgent need for the transfer.

12-III.B. TYPES OF RESIDENT REQUESTED TRANSFERS

FHA Policy

The types of requests for transfers that the FHA will consider are limited to requests for transfers to alleviate a serious or life threatening medical condition, transfers due to a threat of physical harm or criminal activity, reasonable accommodation, transfers to a different unit size as long as the family qualifies for the unit according to the FHA's occupancy standards, and transfers to a location closer to employment. No other transfer requests will be considered by the FHA.

The FHA will consider the following as high priority transfer requests:

When a transfer is needed to alleviate verified medical problems of a serious or life-threatening nature

When there has been a verified threat of physical harm or criminal activity. Such circumstances may, at the FHA's discretion, include an assessment by law enforcement indicating that a family member is the actual or potential victim of a criminal attack, retaliation for testimony, a hate crime, or domestic violence, dating violence, sexual assault, or stalking.

When a family requests a transfer as a reasonable accommodation. Examples of a reasonable accommodation transfer include, but are not limited to, a transfer to a first floor unit for a person with mobility impairment, or a transfer to a unit with accessible features

The FHA will consider the following as regular priority transfer requests:

When a family requests a larger bedroom size unit even though the family does not meet the FHA's definition of overcrowded, as long as the family meets the FHA's occupancy standards for the requested size unit

When the head of household or spouse is employed 25 miles or more from the public housing unit, has no reliable transportation and public transportation is not adequate

Transfers requested by the tenant are considered optional for the tenant.

12-III.C. ELIGIBILITY FOR TRANSFER

Transferring residents do not have to meet the admission eligibility requirements pertaining to income or preference. However, the FHA may establish other standards for considering a transfer request [PH Occ GB, p. 150].

FHA Policy

Except where reasonable accommodation is being requested, the FHA will only consider transfer requests from residents that meet the following requirements:

Have not engaged in criminal activity that threatens the health and safety or residents and staff

Owe no back rent or other charges, or have a pattern of late payment

Have no housekeeping lease violations or history of damaging property

Can get utilities turned on in the name of the head of household (applicable only to properties with tenant-paid utilities)

A resident with housekeeping standards violations will not be transferred until the resident passes a follow-up housekeeping inspection.

Exceptions to the good record requirement may be made when it is to the FHA's advantage to make the transfer.

If a family requested to be placed on the waiting list for a unit size smaller than designated by the occupancy guidelines, the family will not be eligible to transfer to a larger size unit for a period of two years from the date of admission, unless they have a change in family size or composition, or it is needed as a reasonable accommodation.

12-III.D. SECURITY DEPOSITS

FHA Policy

When a family transfers from one unit to another, the FHA will transfer their security deposit to the new unit. The tenant will be billed for any maintenance or others charges due for the “old” unit.

12-III.E. COST OF TRANSFER

FHA Policy

The resident will bear all of the costs of transfer s/he requests.

12-III.F. HANDLING OF REQUESTS

FHA Policy

Residents requesting a transfer to another unit or development will be required to submit a written request for transfer.

In case of a reasonable accommodation transfer, the FHA will encourage the resident to make the request in writing using a reasonable accommodation request form. However, the FHA will consider the transfer request any time the resident indicates that an accommodation is needed whether or not a formal written request is submitted.

The FHA will respond by approving the transfer and putting the family on the transfer list, by denying the transfer, or by requiring more information or documentation from the family.

If the family does not meet the "good record" requirements under Section 12-III.C., the manager will address the problem and, until resolved, the request for transfer will be denied.

The FHA will respond within ten (10) business days of the submission of the family's request. If the FHA denies the request for transfer, the family will be informed of its grievance rights.

PART IV: TRANSFER PROCESSING

12-IV.A. OVERVIEW

Generally, transfers should be placed on a transfer list and handled in the appropriate order. The transfer process must be clearly auditable to ensure that residents do not experience disparate treatment.

12-IV.B. TRANSFER LIST

FHA Policy

The FHA will maintain a centralized transfer list to ensure that transfers are processed in the correct order and that procedures are uniform across all properties.

Emergency transfers will not automatically go on the transfer list. Instead emergency transfers will be handled immediately, on a case by case basis. If the emergency will not be finally resolved by a temporary accommodation, and the resident requires a permanent transfer, that transfer will be placed at the top of the transfer list.

Transfers will be processed in the following order:

1. Emergency transfers (hazardous maintenance conditions)
2. High-priority transfers (verified medical condition, threat of harm or criminal activity, and reasonable accommodation)
3. Transfers to make accessible units available
4. Demolition, renovation, etc.
5. Occupancy standards
6. Other FHA-required transfers
7. Other tenant-requested transfers

Within each category, transfers will be processed in order of the date a family was placed on the transfer list, starting with the earliest date.

With the approval of the Director of Housing Services, the FHA may, on a case-by-case basis, transfer a family without regard to its placement on the transfer list in order to address the immediate need of a family in crisis.

Demolition and renovation transfers will gain the highest priority as necessary to allow the FHA to meet the demolition or renovation schedule.

Emergency transfers, high priority tenant requested transfers (verified medical condition, threat of harm or criminal act and reasonable accommodation), transfers to make accessible units available, and demolition transfers will take precedence over waiting list admissions.

All other transfers will be processed at a rate of 1 transfer to 5 admissions.

12-IV.C. TRANSFER OFFER POLICY

FHA Policy

Residents will receive one offer of a transfer.

When the transfer is required by the FHA, refusal of that offer without good cause will result in lease termination.

When the transfer has been requested by the resident, refusal of that offer without good cause will result in the removal of the household from the transfer list and the family must wait one (1) year to reapply for another transfer.

12-IV.D. GOOD CAUSE FOR UNIT REFUSAL

FHA Policy

Examples of good cause for refusal of a unit offer include, but are not limited to, the following:

> Inaccessibility to source of employment, education, or job training, children's day care, or an educational program for children with disabilities, so that accepting the unit offer would require the adult household member to quit a job, drop out of an educational institution or job training program, or take a child out of day care or an educational program for children with disabilities.
>
> The family demonstrates to the FHA's satisfaction that accepting the offer will place a family member's life, health or safety in jeopardy. The family should offer specific and compelling documentation such as restraining orders, other court orders, or risk assessments related to witness protection from a law enforcement agency. Reasons offered must be specific to the family. Refusals due to location alone do not qualify for this good cause exemption.
>
> A health professional verifies temporary hospitalization or recovery from illness of the principal household member, other household members (as listed on final application) or live-in aide necessary to the care of the principal household member.
>
> The unit is inappropriate for the applicant's disabilities, or the family does not need the accessible features in the unit offered and does not want to be subject to a 30-day notice to move.
>
> The unit has lead-based paint and the family includes children under the age of six.

The FHA will require documentation of good cause for unit refusals.

12-IV.E. DECONCENTRATION

FHA Policy

If subject to deconcentration requirements, the FHA will consider its deconcentration goals when transfer units are offered. When feasible, families above the Established Income Range will be offered a unit in a development that is below the Established Income Range, and vice versa, to achieve the FHA's deconcentration goals. A deconcentration offer will be considered a "bonus" offer; that is, if a resident refuses a deconcentration offer, the resident will receive one additional transfer offer.

12-IV.F. REEXAMINATION POLICIES FOR TRANSFERS

FHA Policy

If the family transfers to a new unit in another housing program, the FHA will perform a new annual reexamination, and the annual reexamination date will be changed (i.e. LIPH City to LIPH County or Farm Labor to LIPH City).

If the family transfers to a new unit within in the same housing program, the FHA will not perform a new annual reexamination (i.e., LIPH City to LIPH City or LIPH County to LIPH County).

Chapter 13

LEASE TERMINATIONS

INTRODUCTION

Either party in a lease agreement may terminate the lease under certain circumstances. A public housing lease is different from a private dwelling lease in that the family's rental assistance is tied to their tenancy. When the family moves from their public housing unit, they lose their rental assistance. Therefore, there are additional safeguards to protect the family's tenancy in public housing.

Likewise, there are safeguards to protect HUD's interest in the public housing program, to assure that qualified families are provided decent, safe, and sanitary housing which is in good repair. The FHA may terminate the lease because of the family's failure to comply with HUD regulations, for serious or repeated violations of the terms of the lease, and for other good cause. HUD regulations specify some reasons for which a FHA can terminate a family's lease, and give FHAs authority to determine other reasons.

When determining FHA policy on terminations, state and local landlord-tenant laws must be considered, since such laws could vary from one location to another. These variances may be either more or less restrictive than federal law or HUD regulation.

This chapter presents the policies that govern both the family's and FHA's termination of the lease. It is presented in four parts:

> Part I: Termination by Tenant. This part discusses the family's voluntary termination of the lease and the requirements the FHA places upon families who wish to terminate their lease.
>
> Part II: Termination by FHA - Mandatory. This part describes the policies that govern how, and under what circumstances, a mandatory lease termination by the FHA occurs. This part also includes nonrenewal of the lease for noncompliance with community service requirements.
>
> Part III: Termination by FHA – Other Authorized Reasons. This part describes the FHA's options for lease termination that are not mandated by HUD regulation but for which HUD authorizes FHAs to terminate. For some of these options HUD requires the FHA to establish policies and lease provisions for termination, but termination is not mandatory. For other options the FHA has full discretion whether to consider the options as just cause to terminate as long as the FHA policies are reasonable, nondiscriminatory, and do not violate state or local landlord-tenant law. This part also discusses the alternatives that the FHA may consider in lieu of termination, and the criteria the FHA will use when deciding what actions to take.
>
> Part IV: Notification Requirements. This part presents the federal requirements for disclosure of criminal records to the family prior to termination, the HUD requirements and FHA policies regarding the timing and content of written notices for lease termination and eviction, and notification of the post office when eviction is due to criminal activity. This part also discusses record keeping related to lease termination.

PART I: TERMINATION BY TENANT

13-I.A. TENANT CHOOSES TO TERMINATE THE LEASE [24 CFR 966.4(k)(1)(ii) and 24 CFR 966.4(l)(1)]

The family may terminate the lease at any time, for any reason, by following the notification procedures as outlined in the lease. Such notice must be in writing and delivered to the project office or the FHA central office or sent by pre-paid first-class mail, properly addressed.

FHA Policy

If a family desires to move and terminate their tenancy with the FHA, they must give at least 30 calendar days advance written notice to the FHA of their intent to vacate. When a family must give less than 30 days notice due to circumstances beyond their control the FHA, at its discretion, may waive the 30 day requirement.

The notice of lease termination must be signed by the head of household, spouse, or cohead.

PART II: TERMINATION BY FHA – MANDATORY

13-II.A. OVERVIEW

HUD requires the FHA to terminate the lease in certain circumstances. In other circumstances HUD requires the FHA to establish provisions for lease termination, but it is still a FHA option to determine, on a case-by-case basis, whether termination is warranted. For those tenant actions or failures to act where HUD requires termination, the FHA has no such option. In those cases, the family's lease must be terminated. This part describes situations in which HUD requires the FHA to terminate the lease.

13-II.B. FAILURE TO PROVIDE CONSENT [24 CFR 960.259(a) and (b)]

The FHA must terminate the lease if any family member fails to sign and submit any consent form s/he is required to sign for any reexamination. See Chapter 7 for a complete discussion of consent requirements.

13-II.C. FAILURE TO DOCUMENT CITIZENSHIP [24 CFR 5.514(c) and (d) and 24 CFR 960.259(a)]

The FHA must terminate the lease if (1) a family fails to submit required documentation within the required timeframe concerning any family member's citizenship or immigration status; (2) a family submits evidence of citizenship and eligible immigration status in a timely manner, but United States Citizenship and Immigration Services (USCIS) primary and secondary verification does not verify eligible immigration status of the family, resulting in no eligible family members; or (3) a family member, as determined by the FHA, has knowingly permitted another individual who is not eligible for assistance to reside (on a permanent basis) in the unit. For (3), such termination must be for a period of at least 24 months. This does not apply to ineligible noncitizens already in the household where the family's assistance has been prorated.

See Chapter 7 for a complete discussion of documentation requirements.

13-II.D. FAILURE TO PROVIDE SOCIAL SECURITY DOCUMENTATION [24 CFR 5.218(c) and 24 CFR 960.259(a)(3)]

The FHA must terminate the lease if a resident family fails to provide the documentation or certification required for any family member who obtains a social security number, joins the family, or reaches 6 years of age. See Chapter 7 for a complete discussion of documentation and certification requirements.

13-II.E. FAILURE TO ACCEPT THE FHA'S OFFER OF A LEASE REVISION [24 CFR 966.4(l)(2)(ii)(E)]

The FHA must terminate the lease if the family fails to accept the FHA's offer of a lease revision to an existing lease, provided the FHA has done the following:

- The revision is on a form adopted by the FHA in accordance with 24 CFR 966.3 pertaining to requirements for notice to tenants and resident organizations and their opportunity to present comments.
- The FHA has made written notice of the offer of the revision at least 60 calendar days before the lease revision is scheduled to take effect.
- The FHA has specified in the offer a reasonable time limit within that period for acceptance by the family.

See Chapter 8 for information pertaining to FHA policies for offering lease revisions.

13-II.F. METHAMPHETAMINE CONVICTION [24 CFR 966.4(l)(5)(i)(A)]

The PHA must immediately terminate the lease if the PHA determines that any household member has ever been convicted of the manufacture or production of methamphetamine on the premises of federally-assisted housing.

See Part 13-III.B. below for the HUD definition of *premises.*

13-II.G. NONCOMPLIANCE WITH COMMUNITY SERVICE REQUIREMENTS [24 CFR 966.4(l)(2)(ii)(D), 24 CFR 960.603(b) and 24 CFR 960.607(b)(2)(ii) and (c)]

The PHA is prohibited from renewing the lease at the end of the 12 month lease term when the family fails to comply with the community service requirements as described in Chapter 11.

PART III: TERMINATION BY FHA – OTHER AUTHORIZED REASONS

13-III.A. OVERVIEW

Besides requiring FHAs to terminate the lease under the circumstances described in Part II, HUD requires the FHA to establish provisions in the lease for termination pertaining to certain criminal activity, alcohol abuse, and certain household obligations stated in the regulations. While these provisions for lease termination must be in the lease agreement, HUD does not require FHAs to terminate for such violations in all cases. The FHA has the discretion to consider circumstances surrounding the violation or, in applicable situations, whether the offending household member has entered or completed rehabilitation, and the FHA may, as an alternative to termination, require the exclusion of the culpable household member. The FHA must make policy decisions concerning these options.

In addition, HUD authorizes FHAs to terminate the lease for other grounds, but for only those grounds that constitute serious or repeated violations of material terms of the lease or that are for other good cause. The FHA must develop policies pertaining to what constitutes serious or repeated lease violations, and other good cause, based upon the content of the FHA lease. In the development of the terms of the lease, the FHA must consider the limitations imposed by state and local landlord-tenant law, as well as HUD regulations and federal statutes. Because of variations in state and local landlord-tenant law, and because HUD affords FHAs wide discretion in some areas, a broad range of policies could be acceptable.

The FHA, with some restrictions, also has the option to terminate the tenancies of families who are over income.

The FHA may consider alternatives to termination and must establish policies describing the criteria the FHA will use when deciding what action to take, the types of evidence that will be acceptable, and the steps the FHA must take when terminating a family's lease.

13-III.B. MANDATORY LEASE PROVISIONS [24 CFR 966.4(l)(5)]

This section addresses provisions for lease termination that must be included in the lease agreement according to HUD regulations. Although the provisions are required, HUD does not require PHAs to terminate for such violations in all cases, therefore PHA policies are needed.

Definitions **[24 CFR 5.100]**

The following definitions will be used for this and other parts of this chapter:

Covered person means a tenant, any member of the tenant's household, a guest, or another person under the tenant's control.

Dating violence is defined in section 3-III.F.

Domestic violence is defined in section 3-III.F.

Drug means a controlled substance as defined in section 102 of the Controlled Substances Act [21 U.S.C. 802].

Drug-related criminal activity means the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with the intent to manufacture, sell, distribute, or use the drug.

Guest means a person temporarily staying in the unit with the consent of a tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant.

Household means the family and FHA-approved live-in aide. The term household also includes foster children and/or foster adults that have been approved to reside in the unit [HUD-50058, Instruction Booklet, p. 65].

Immediate family member is defined in section 3-III.F.

Other person under the tenant's control means that the person, although not staying as a guest in the unit, is, or was at the time of the activity in question, on the premises because of an invitation from the tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. Absent evidence to the contrary, a person temporarily and infrequently on the premises solely for legitimate commercial purposes is not *under the tenant's control*.

Premises means the building or complex or development in which the public or assisted housing dwelling unit is located, including common areas and grounds.

Stalking is defined in section 3-III.F.

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

Drug Crime On or Off the Premises [24 CFR 966.4(l)(5)(i)(B)]

The lease must provide that drug-related criminal activity engaged in on or off the premises by the tenant, member of the tenant's household or guest, or any such activity engaged in on the premises by any other person under the tenant's control is grounds for termination.

FHA Policy

The FHA will terminate the lease for drug-related criminal activity engaged in on or off the premises by any tenant, member of the tenant's household or guest, and any such activity engaged in on the premises by any other person under the tenant's control.

The FHA will consider all credible evidence, including but not limited to, any record of arrests or convictions of covered persons related to the drug-related criminal activity.

In making its decision to terminate the lease, the FHA will consider alternatives as described in Section 13-III.D and other factors as described in Section 13-III.E. Upon consideration of such alternatives and factors, the FHA may, on a case-by-case basis, choose not to terminate the lease.

Illegal Use of a Drug [24 CFR 966.4(l)(5)(i)(B)]

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

FHA Policy

The FHA will terminate the lease when the FHA determines that a household member is illegally using a drug or the FHA determines that a pattern of illegal use of a drug interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.

A pattern of illegal drug use means more than one incident of any use of illegal drugs during the previous six months.

The FHA will consider all credible evidence, including but not limited to, any record of arrests or convictions of household members related to the use of illegal drugs.

In making its decision to terminate the lease, the FHA will consider alternatives as described in Section 13-III.D and other factors as described in Section 13-III.E. Upon consideration of such alternatives and factors, the FHA may, on a case-by-case basis, choose not to terminate the lease.

Threat to Other Residents [24 CFR 966.4(l)(5)(ii)(A)]

The lease must provide that any criminal activity by a covered person that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents (including PHA management staff residing on the premises) or by persons residing in the immediate vicinity of the premises is grounds for termination of tenancy.

FHA Policy

The FHA will terminate the lease when a covered person engages in any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents (including FHA management staff residing on the premises) or by persons residing in the immediate vicinity of the premises.

Immediate vicinity means within a three-block radius of the premises.

The FHA will consider all credible evidence, including but not limited to, any record of arrests or convictions of covered persons related to the criminal activity.

In making its decision to terminate the lease, the FHA will consider alternatives as described in Section 13-III.D and other factors as described in Sections 13-III.E and 13-III.F. Upon consideration of such alternatives and factors, the FHA may, on a case-by-case basis, choose not to terminate the lease.

Alcohol Abuse [24 CFR 966.4(l)(5)(vi)(A)]

PHAs must establish standards that allow termination of tenancy if the PHA determines that a household member has engaged in abuse or pattern of abuse of alcohol that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

FHA Policy

The FHA will terminate the lease if the FHA determines that a household member has engaged in abuse or a pattern of abuse of alcohol that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

A pattern of such alcohol abuse means more than one incident of any such abuse of alcohol during the previous six months.

The FHA will consider all credible evidence, including but not limited to, any record of arrests or convictions of household members related to the abuse of alcohol.

In making its decision to terminate the lease, the FHA will consider alternatives as described in Section 13-III.D and other factors as described in Sections 13-III.E and 13-III.F. Upon consideration of such alternatives and factors, the FHA may, on a case-by-case basis, choose not to terminate the lease.

Furnishing False or Misleading Information Concerning Illegal Drug Use or Alcohol Abuse or Rehabilitation [24 CFR 966.4(l)(5)(vi)(B)]

PHAs must establish standards that allow termination of tenancy if the PHA determines that a household member has furnished false or misleading information concerning illegal drug use, alcohol abuse, or rehabilitation of illegal drug users or alcohol abusers.

FHA Policy

The FHA will terminate the lease if the FHA determines that a household member has furnished false or misleading information concerning illegal drug use, alcohol abuse, or rehabilitation of illegal drug users or alcohol abusers.

The FHA will consider all credible evidence, including but not limited to, any record of arrests or convictions of household members related to the use of illegal drugs or the abuse of alcohol, and any records or other documentation (or lack of records or documentation) supporting claims of rehabilitation of illegal drug users or alcohol abusers.

In making its decision to terminate the lease, the FHA will consider alternatives as described in Section 13-III.D and other factors as described in Section 13-III.E. Upon consideration of such alternatives and factors, the FHA may, on a case-by-case basis, choose not to terminate the lease.

Other Serious or Repeated Violations of Material Terms of the Lease – Mandatory Lease Provisions [24 CFR 966.4(l)(2)(i) and 24 CFR 966.4(f)]

HUD regulations require certain tenant obligations to be incorporated into the lease. Violations of such regulatory obligations are considered to be serious or repeated violations of the lease and grounds for termination. Incidents of actual or threatened domestic violence, dating violence, or stalking may not be construed as serious or repeated violations of the lease by the victim or threatened victim of such violence or stalking [Pub.L. 109-162].

FHA Policy

The FHA will terminate the lease for the following violations of tenant obligations under the lease:

Failure to make payments due under the lease, including nonpayment of rent (see Chapter 8 for details pertaining to lease requirements for payments due);

Repeated late payment of rent or other charges. Four late payments within a 12 month period shall constitute a repeated late payment.

Failure to fulfill the following household obligations:

Not to assign the lease or to sublease the dwelling unit. Subleasing includes receiving payment to cover rent and utility costs by a person living in the unit who is not listed as a family member.

Not to provide accommodations for boarders or lodgers

To use the dwelling unit solely as a private dwelling for the tenant and the tenant's household as identified in the lease, and not to use or permit its use for any other purpose

To abide by necessary and reasonable regulations promulgated by the FHA for the benefit and well-being of the housing project and the tenants which shall be posted in the project office and incorporated by reference in the lease

To comply with all obligations imposed upon tenants by applicable provisions of building and housing codes materially affecting health and safety

To keep the dwelling unit and such other areas as may be assigned to the tenant for the tenant's exclusive use in a clean and safe condition

To dispose of all ashes, garbage, rubbish, and other waste from the dwelling unit in a sanitary and safe manner

To use only in a reasonable manner all electrical, plumbing, sanitary, heating, ventilating, air-conditioning and other facilities and appurtenances including elevators

To refrain from, and to cause the household and guests to refrain from destroying, defacing, damaging, or removing any part of the dwelling unit or project

To pay reasonable charges (other than for normal wear and tear) for the repair of damages to the dwelling unit, or to the project (including damages to project buildings, facilities or common areas) caused by the tenant, a member of the household or a guest

To act, and cause household members or guests to act, in a manner which will not disturb other residents' peaceful enjoyment of their accommodations and will be conducive to maintaining the project in a decent, safe and sanitary condition

In making its decision to terminate the lease, the FHA will consider alternatives as described in Section 13-III.D and other factors as described in Sections 13-III.E and 13 III.F. Upon consideration of such alternatives and factors, the FHA may, on a case-by-case basis, choose not to terminate the lease.

13-III.C. OTHER AUTHORIZED REASONS FOR TERMINATION [24 CFR 966.4(l)(2) and (5)(ii)(B)]

HUD authorizes PHAs to terminate the lease for reasons other than those described in the previous sections. These reasons are referred to as "other good cause."

Other Good Cause [24 CFR 966.4(l)(2)(ii)(B) and (C)]

HUD regulations state that the PHA may terminate tenancy for other good cause. The regulations provide a few examples of other good cause, but do not limit the PHA to only those examples. The Violence against Women Reauthorization Act of 2005 explicitly prohibits PHAs from considering incidents of actual or threatened domestic violence, dating violence, or stalking as "other good cause" for terminating the tenancy or occupancy rights of the victim of such violence.

FHA Policy

The FHA will terminate the lease for the following reasons.

Fugitive Felon or Parole Violator. If a tenant is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime, or attempt to commit a crime, that is a felony under the laws of the place from which the individual flees, or that, in the case of the State of New Jersey, is a high misdemeanor; or violating a condition of probation or parole imposed under federal or state law.

Persons subject to sex offender registration requirement. If any member of the household has, during their current public housing tenancy, become subject to a registration requirement under a state sex offender registration program.

Discovery after admission of facts that made the tenant ineligible

Discovery of material false statements or fraud by the tenant in connection with an application for assistance or with reexamination of income

Failure to furnish such information and certifications regarding family composition and income as may be necessary for the FHA to make determinations with respect to rent, eligibility, and the appropriateness of dwelling size

Failure to transfer to an appropriate size dwelling unit based on family composition, upon appropriate notice by the FHA that such a dwelling unit is available

Failure to permit access to the unit by the FHA after proper advance notification for the purpose of performing routine inspections and maintenance, for making improvements or repairs, or to show the dwelling unit for re-leasing, or without advance notice if there is reasonable cause to believe that an emergency exists

Failure to promptly inform the FHA of the birth, adoption or court-awarded custody of a child. In such a case, promptly means within 10 business days of the event.

Failure to abide by the provisions of the FHA pet policy

If the family has breached the terms of a repayment agreement entered into with the FHA

If a family member has violated federal, state, or local law that imposes obligations in connection with the occupancy or use of the premises.

If a household member has engaged in or threatened violent or abusive behavior toward FHA personnel.

Abusive or violent behavior towards FHA personnel includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.

Threatening refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

In making its decision to terminate the lease, the FHA will consider alternatives as described in Section 13-III.D and other factors described in Sections 13-III.E and 13 III.F. Upon consideration of such alternatives and factors, the FHA may, on a case-by-case basis, choose not to terminate the lease.

Family Absence from Unit [24 CFR 982.551(i)]

It is reasonable that the family may be absent from the public housing unit for brief periods. However, the PHA needs a policy on how long the family may be absent from the unit. Absence in this context means that no member of the family is residing in the unit.

FHA Policy

The family must supply any information or certification requested by the FHA to verify that the family is living in the unit, or relating to family absence from the unit, including any FHA-requested information or certification on the purposes of family absences. The family must cooperate with the FHA for this purpose.

The family must promptly notify the FHA when all family members will be absent from the unit for an extended period. An extended period is defined as any period greater than 30 calendar days. In such a case promptly means within 10 business days of the start of the extended absence.

If a family is absent from the public housing unit for more than 60 consecutive days, and the family does not adequately verify that they are living in the unit, the FHA will terminate the lease for other good cause.

Abandonment. If the family appears to have vacated the unit without giving proper notice, the FHA will follow state and local landlord-tenant law pertaining to abandonment before taking possession of the unit. If necessary, the FHA will secure the unit immediately to prevent vandalism and other criminal activity.

Over-Income Families [24 CFR 960.261 and FR 11/26/04, p. 68786]

Subject to certain restrictions, HUD authorizes PHAs to evict or terminate the tenancies of families because they are over income. Unless required to do so by local law, the PHA may not evict or terminate the tenancy of a family solely because the family is over income if: (1) the family has a valid contract of participation in the Family Self-Sufficiency (FSS) program, or (2) the family is currently receiving the earned income disallowance. This rule does not require PHAs to evict over-income residents, but rather gives PHAs the discretion to do so thereby making units available for applicants who are income-eligible.

FHA Policy

The FHA will not evict or terminate the tenancies of families solely because they are over income.

13-III.D. ALTERNATIVES TO TERMINATION OF TENANCY

Exclusion of Responsible Household Member [24 CFR 966.4(l)(5)(vii)(C)]

As an alternative to termination of the lease for criminal activity or alcohol abuse HUD provides that the PHA may consider exclusion of the responsible household member. Such an alternative can be used, by PHA policy, for any other reason where such a solution appears viable.

FHA Policy

The FHA will consider requiring the tenant to exclude a household member in order to continue to reside in the assisted unit, where that household member has participated in or been responsible for action or failure to act that warrants termination.

As a condition of the family's continued occupancy, the head of household must certify that the responsible household member has vacated the unit and will not be permitted to visit or to stay as a guest in the assisted unit. The family must present evidence of the former household member's current address upon FHA request.

Repayment of Family Debts

FHA Policy

If a family owes amounts to the FHA, as a condition of continued occupancy, the FHA will require the family to repay the full amount or to enter into a repayment agreement, within 30 days of receiving notice from the FHA of the amount owed. See Chapter 16 for policies on repayment agreements.

13-III.E. CRITERIA FOR DECIDING TO TERMINATE TENANCY

A PHA that has grounds to terminate a tenancy is not required to do so, except as explained in Part II of this chapter, and may consider all of the circumstances relevant to a particular case before making a decision.

Evidence [24 CFR 982.553(c)]

For criminal activity, HUD permits the PHA to terminate the lease if a *preponderance of the evidence* indicates that a household member has engaged in the activity, regardless of whether the household member has been arrested or convicted, and without satisfying the standard of proof used for a criminal conviction.

FHA Policy

The FHA will use the concept of the preponderance of the evidence as the standard for making all termination decisions.

Preponderance of the evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

Consideration of Circumstances [24 CFR 966.4(l)(5)(vii)(B)]

Although it is required that certain lease provisions exist for criminal activity and alcohol abuse, HUD provides that the FHA may consider all circumstances relevant to a particular case in order to determine whether or not to terminate the lease.

Such relevant circumstances can also be considered when terminating the lease for any other reason.

FHA Policy

The FHA will consider the following factors before deciding whether to terminate the lease for any of the HUD required lease provisions or for any other reasons:

- The seriousness of the offending action, especially with respect to how it would affect other residents
- The extent of participation or responsiblity of the leaseholder, or other household members, in the offending action, including whether the culpable member is a minor, a person with disabilities, or (as discussed further in section 13-III.F) a victim of domestic violence, dating violence, or stalking
- The effects that the eviction will have on other family members who were not involved in the action or failure to act
- The effect on the community of the termination, or of the FHA's failure to terminate the tenancy
- The effect of the FHA's decision on the integrity of the public housing program
- The demand for housing by eligible families who will adhere to lease responsibilities
- The extent to which the leaseholder has shown personal responsibility and whether they have taken all reasonable steps to prevent or mitigate the offending action
- The length of time since the violation occurred, the family's recent history, and the likelihood of favorable conduct in the future
- In the case of program abuse, the dollar amount of the underpaid rent and whether or not a false certification was signed by the family

Consideration of Rehabilitation [24 CFR 966.4(l)(5)(vii)(D)]

HUD authorizes PHAs to take into consideration whether a household member who had used illegal drugs or abused alcohol and is no longer engaging in such use or abuse is participating in or has successfully completed a supervised drug or alcohol rehabilitation program.

FHA Policy

In determining whether to terminate the lease for illegal drug use or a pattern of illegal drug use, or for abuse or a pattern of abuse of alcohol, by a household member who is no longer engaging in such use or abuse, the FHA will consider whether such household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program, or has otherwise been rehabilitated successfully.

For this purpose the FHA will require the tenant to submit evidence of the household member's current participation in, or successful completion of, a supervised drug or alcohol rehabilitation program or evidence of otherwise having been rehabilitated successfully.

Reasonable Accommodation [24 CFR 966.7]

If the family includes a person with disabilities, the PHA's decision to terminate the family's lease is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

FHA Policy

If a family indicates that the behavior of a family member with a disability is the reason for a proposed termination of lease, the FHA will determine whether the behavior is related to the disability. If so, upon the family's request, the FHA will determine whether alternative measures are appropriate as a reasonable accommodation. The FHA will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed lease termination. See Chapter 2 for a discussion of reasonable accommodation.

Nondiscrimination Limitation [24 CFR 966.4(l)(5)(vii)(F)]

The PHA's eviction actions must be consistent with fair housing and equal opportunity provisions of 24 CFR 5.105.

13-III.F. PROHIBITION AGAINST TERMINATING TENANCY OF VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, AND STALKING [Pub.L. 109-162 and 109-271]

The Violence against Women Reauthorization Act of 2005 (VAWA), provides that "criminal activity directly relating to domestic violence, dating violence, or stalking, engaged in by a member of a tenant's household or any guest or other person under the tenant's control, shall not be cause for termination of the tenancy or occupancy rights, if the tenant or immediate family member of the tenant's family is the victim or threatened victim of that abuse." VAWA further provides that incidents of actual or threatened domestic violence, dating violence, or stalking may not be construed either as serious or repeated violations of the lease by the victim of such violence or as good cause for terminating the tenancy or occupancy rights of the victim of such violence.

VAWA does not limit the PHA's authority to terminate the tenancy of any tenant if the PHA can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property.

Victim Documentation

FHA Policy

When a tenant family is facing lease termination because of the actions of a tenant, household member, guest, or other person under the tenant's control and a tenant or immediate family member of the tenant's family claims that she or he is the victim of such actions and that the actions are related to domestic violence, dating violence, or stalking, the FHA will require the individual to submit documentation affirming that claim.

The documentation must include two elements:

A signed statement by the victim that provides the name of the perpetrator and certifies that the incidents in question are bona fide incidents of actual or threatened domestic violence, dating violence, or stalking

One of the following:

A police or court record documenting the actual or threatened abuse

A statement signed by an employee, agent, or volunteer of a victim service provider; an attorney; a medical professional; or another knowledgeable professional from whom the victim has sought assistance in addressing the actual or threatened abuse. The professional must attest under penalty of perjury that the incidents in question are bona fide incidents of abuse, and the victim must sign or attest to the statement.

The required certification and supporting documentation must be submitted to the FHA within 14 business days after the individual claiming victim status receives a request for such certification. The FHA, owner or manager will be aware that the delivery of the certification form to the tenant in response to an incident via mail may place the victim at risk, e.g., the abuser may monitor the mail. The FHA may require that the tenant come into the office to pick up the certification form and will work with tenants to make delivery arrangements that do not place the tenant at risk. This 14-day deadline may be extended at the FHA's discretion. If the individual does not provide the required certification and supporting documentation within 14 business days, or the approved extension period, the FHA may proceed with assistance termination.

The FHA also reserves the right to waive these victim verification requirements and accept only a self-certification from the victim if the FHA deems the victim's life to be in imminent danger.

Once a victim has completed certification requirements, the FHA will continue to assist the victim and may use bifurcation as a tool to remove a perpetrator from assistance. Owners will be notified of their legal obligation to continue housing the victim, while using lease bifurcation to remove the perpetrator from a unit. The FHA will make all best efforts to work with victims of domestic violence before terminating the victim's assistance.

In extreme circumstances when the FHA can demonstrate an actual and imminent threat to other participants or those employed at or providing service to the property if the participant's (including the victim's) tenancy is not terminated, the FHA will bypass the standard process and proceed with the immediate termination of the family's assistance.

Terminating or Evicting a Perpetrator of Domestic Violence

Although VAWA provides protection from termination for victims of domestic violence, it does not provide protection for perpetrators. In fact, VAWA gives the PHA the explicit authority to bifurcate a lease, or to remove a household member from a lease, "in order to evict, remove, terminate occupancy rights, or terminate assistance to any individual who is a tenant or lawful occupant and who engages in criminal acts of physical violence against family members or others, without evicting, removing, terminating assistance to, or otherwise penalizing the victim of such violence who is also a tenant or lawful occupant." This authority supersedes any local, state, or other federal law to the contrary. However, if the PHA chooses to exercise this authority, it must follow any procedures prescribed by HUD or by applicable local, state, or federal law for eviction, lease termination, or termination of assistance [Pub.L. 109-271].

FHA Policy

When the actions of a tenant or other family member result in a determination by the FHA to terminate the family's lease and another family member claims that the actions involve criminal acts of physical violence against family members or others, the FHA will request that the victim submit the above required certification and supporting documentation in accordance with the stated time frame. If the certification and supporting documentation are submitted within the required time frame or any approved extension period, the FHA will bifurcate (divide into two) the lease and evict or terminate the occupancy rights of the perpetrator. If the victim does not provide the certification and supporting documentation, as required, the FHA will proceed with termination of the family's lease.

If the FHA can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property if the tenant's tenancy is not terminated, the FHA will bypass the standard process and proceed with the immediate termination of the family.

PHA Confidentiality Requirements

All information provided to the PHA regarding domestic violence, dating violence, or stalking, including the fact that an individual is a victim of such violence or stalking, must be retained in confidence and may neither be entered into any shared data base nor provided to any related entity, except to the extent that the disclosure (a) is requested or consented to by the individual in writing, (b) is required for use in an eviction proceeding, or (c) is otherwise required by applicable law.

PART IV: NOTIFICATION REQUIREMENTS, EVICTION PROCEDURES AND RECORD KEEPING

13-IV.A. OVERVIEW

HUD regulations specify the requirements for the notice that must be provided prior to lease termination. This part discusses those requirements and the specific requirements that precede and follow termination for certain criminal activities which are addressed in the regulations. This part also discusses specific requirements pertaining to the actual eviction of families and record keeping.

13-IV.B. CONDUCTING CRIMINAL RECORDS CHECKS [24 CFR 5.903(e)(ii) and 24 CFR 960.259]

HUD authorizes PHAs to conduct criminal records checks on public housing residents for lease enforcement and eviction. PHA policy determines when the PHA will conduct such checks.

FHA Policy

The FHA will conduct criminal records checks on all adult household members on an annual basis, including sex offender registration information. In order to obtain such information, all adult household members must sign consent forms for release of criminal conviction and sex offender registration records on an annual basis.

The FHA may not pass along to the tenant the costs of a criminal records check.

13-IV.C. DISCLOSURE OF CRIMINAL RECORDS TO FAMILY [24 CFR 5.903(f), 24 CFR 5.905(d) and 24 CFR 966.4(l)(5)(iv)]

In conducting criminal records checks, if the PHA uses the authority of 24 CFR 5.903 and 5.905 to obtain such information, certain protections must be afforded the tenant before any adverse action is taken. In such cases if the PHA obtains criminal records information from a state or local agency showing that a household member has been convicted of a crime, or is subject to a sex offender registration requirement, relevant to lease enforcement or eviction, the PHA must notify the household of the proposed action and must provide the subject of the record and the tenant a copy of such information, and an opportunity to dispute the accuracy and relevance of the information before an eviction or lease enforcement action is taken.

FHA Policy

In all cases where criminal record or sex offender registration information would result in lease enforcement or eviction, the FHA will notify the household in writing of the proposed adverse action and will provide the subject of the record and the tenant a copy of such information, and an opportunity to dispute the accuracy and relevance of the information before an eviction or lease enforcement action is taken.

The family will be given 10 business days from the date of the FHA notice, to dispute the accuracy and relevance of the information. If the family does not contact the FHA to dispute the information within that 10 business day period, the FHA will proceed with the termination action.

Should the tenant not exercise their right to dispute prior to any adverse action, the tenant still has the right to dispute in the grievance hearing or court trial.

13-IV.D. LEASE TERMINATION NOTICE [24 CFR 966.4(l)(3)]

Form, Delivery, and Content of the Notice

Notices of lease termination must be in writing. The notice must state the specific grounds for termination, the date the termination will take place, the resident's right to reply to the termination notice, and their right to examine PHA documents directly relevant to the termination or eviction. If the PHA does not make the documents available for examination upon request by the tenant, the PHA may not proceed with the eviction [24 CFR 996.4(m)].

When the PHA is required to offer the resident an opportunity for a grievance hearing, the notice must also inform the resident of their right to request a hearing in accordance with the PHA's grievance procedure. In these cases, the tenancy shall not terminate until the time for the tenant to request a grievance hearing has expired and the grievance procedure has been completed.

When the PHA is not required to offer the resident an opportunity for a grievance hearing because HUD has made a due process determination and the lease termination is for criminal activity that threatens health, safety or right to peaceful enjoyment or for drug-related criminal activity, the notice of lease termination must state that the tenant is not entitled to a grievance hearing on the termination. It must specify the judicial eviction procedure to be used by the PHA for eviction of the tenant, and state that HUD has determined that the eviction procedure provides the opportunity for a hearing in court that contains the basic elements of due process as defined in HUD regulations. The notice must also state whether the eviction is for a criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises of other residents or employees of the PHA, or for a drug-related criminal activity on or off the premises.

FHA Policy

The FHA will attempt to deliver notices of lease termination directly to the tenant or an adult member of the household. If such attempt fails, the notice will be sent by first-class mail the same day.

All notices of lease termination will include a statement of the protection against termination provided by VAWA for victims of domestic violence, dating violence, or stalking. Any family member who claims that the cause for termination involves (a) criminal acts of physical violence against family members or others or (b) incidents of domestic violence, dating violence, or stalking of which a family member is the victim will be given the opportunity to provide documentation in accordance with the policies in Section 13-III.F.

Timing of the Notice [24 CFR 966.4(l)(3)(i)]

The PHA must give written notice of lease termination of:

- 14 calendar days in the case of failure to pay rent
- A reasonable period of time considering the seriousness of the situation (but not to exceed 30 calendar days)

  If the health or safety of other residents, PHA employees, or persons residing in the immediate vicinity of the premises is threatened

  If any member of the household has engaged in any drug-related criminal activity or violent criminal activity

  If any member of the household has been convicted of a felony
- 30 calendar days in any other case, except that if a state or local law allows a shorter notice period, such shorter period shall apply

  FHA Policy

  The FHA will give written notice of 14 calendar days for nonpayment of rent.

  The FHA will give written notice of 3 calendar days if the health and safety of other residents, FHA employees, or persons in the immediate vicinity is threatened, any member of the household is engaging in drug-related or violent criminal activity, or if any member of the household has been convicted of a felony.

  For all other lease terminations the FHA will give 30 days written notice.

  If state or local law allows for a shorter notice period (for violations other than non-payment of rent), such shorter notice will be given.

The Notice to Vacate that may be required under state or local law may be combined with or run concurrently with the notice of lease termination.

Notice of Nonrenewal Due to Community Service Noncompliance [24 CFR 966.4(l)(2)(ii)(D), 24 CFR 960.603(b) and 24 CFR 960.607(b)]

When the PHA finds that a family is in noncompliance with the community service requirement, the tenant and any other noncompliant resident must be notified in writing of this determination. Notices of noncompliance will be issued in accordance with the requirements and policies in Section 11-I.E.

FHA Policy

If after receiving a notice of initial noncompliance the family does not request a grievance hearing, or does not take either corrective action required by the notice within the required timeframe, a termination notice will be issued in accordance with the policies above.

If a family agreed to cure initial noncompliance by signing an agreement, and is still in noncompliance after being provided the 12-month opportunity to cure, the family will be issued a notice of continued noncompliance. The notice of continued noncompliance will be sent in accordance with the policies in Section 11-I.E. and will also serve as the notice of termination of tenancy.

Notice of Termination Based on Citizenship Status [24 CFR 5.514 (c) and (d)]

In cases where termination of tenancy is based on citizenship status, HUD requires the notice of termination to contain additional information. In addition to advising the family of the reasons their assistance is being terminated, the notice must also advise the family of any of the following that apply: the family's eligibility for proration of assistance, the criteria and procedures for obtaining relief under the provisions for preservation of families, the family's right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or a written explanation in support of the appeal, and the family's right to request an informal hearing with the PHA either upon completion of the USCIS appeal or in lieu of the USCIS appeal. Please see Chapter 14 for the PHA's informal hearing procedures.

13-IV.E. EVICTION [24 CFR 966.4(l)(4) and 966.4(m)]

Eviction notice means a notice to vacate, or a complaint or other initial pleading used under state or local law to commence an eviction action. The PHA may only evict the tenant from the unit by instituting a court action, unless the law of the jurisdiction permits eviction by administrative action, after a due process administrative hearing, and without a court determination of the rights and liabilities of the parties.

FHA Policy

When a family does not vacate the unit after receipt of a termination notice, by the deadline given in the notice, the FHA will follow state and local landlord-tenant law in filing an eviction action with the local court that has jurisdiction in such cases.

If the eviction action is finalized in court and the family remains in occupancy beyond the deadline to vacate given by the court, the FHA will seek the assistance of the court to remove the family from the premises as per state and local law.

The FHA may not proceed with an eviction action if the FHA has not made available the documents to be used in the case against the family, and has not afforded the family the opportunity to examine and copy such documents in accordance with the provisions of 24 CFR 966.4(l)(3) and (m).

13-IV.F. NOTIFICATION TO POST OFFICE [24CFR 966.4(l)(5)(iii)(B)]

When the PHA evicts an individual or family for criminal activity, including drug-related criminal activity, the PHA must notify the local post office serving the dwelling unit that the individual or family is no longer residing in the unit.

13-IV.G. RECORD KEEPING

For more information concerning general record keeping, see Chapter 16.

FHA Policy

A written record of every termination and/or eviction will be maintained by the FHA at the development where the family was residing, and will contain the following information:

Name of resident, number and identification of unit occupied

Date of the notice of lease termination and any other notices required by state or local law; these notices may be on the same form and will run concurrently

Specific reason(s) for the notices, citing the lease section or provision that was violated, and other facts pertinent to the issuing of the notices described in detail (other than any criminal history reports obtained solely through the authorization provided in 24 CFR 5.903 and 5.905)

Date and method of notifying the resident

Summaries of any conferences held with the resident including dates, names of conference participants, and conclusions

Chapter 14

GRIEVANCES AND APPEALS

INTRODUCTION

This chapter discusses grievances and appeals pertaining to FHA actions or failures to act that adversely affect public housing applicants or residents. The policies are discussed in the following three parts:

> Part I: Informal Hearings for Public Housing Applicants. This part outlines the requirements and procedures for informal hearings for public housing applicants.
>
> Part II: Informal Hearings with Regard to Noncitizens. This part discusses informal hearings regarding citizenship status and where they differ from the requirements for general applicant and tenant grievances.
>
> Part III: Grievance Procedures for Public Housing Residents. This part outlines the requirements and procedures for handling grievances for public housing residents.

Note that this chapter is not the PHA's grievance procedure. The grievance procedure is a document separate from the ACOP. This chapter of the ACOP provides the policies that drive the grievance procedure.

PART I: INFORMAL HEARINGS FOR PUBLIC HOUSING APPLICANTS

14-I.A. OVERVIEW

When the PHA makes a decision that has a negative impact on an applicant family, the family is often entitled to appeal the decision. For applicants, the appeal takes the form of an informal hearing. HUD regulations do not provide a structure for or requirements regarding informal hearings for applicants (except with regard to citizenship status, to be covered in Part II). This part discusses the PHA policies necessary to respond to applicant appeals through the informal hearing process.

14-I.B. INFORMAL HEARING PROCESS [24 CFR 960.208(a) and PH Occ GB, p. 58]

Informal hearings are provided for public housing applicants. An applicant is someone who has applied for admission to the public housing program, but is not yet a tenant in the program. Informal hearings are intended to provide a means for an applicant to dispute a determination of ineligibility for admission to a project [24 CFR 960.208(a)]. Applicants to public housing are not entitled to the same hearing process afforded tenants in the PHA grievance procedure [24 CFR 966.53(a) and PH Occ GB, p. 58].

Informal hearings provide the applicant a means to hear the details of the reasons for rejection, and an opportunity to present evidence to the contrary if available, and to claim mitigating circumstances if possible.

Use of Informal Hearing Process

While the FHA must offer the opportunity of an informal hearing to applicants who have been determined as ineligible for admission, the FHA could make the informal hearing process available to applicants who wish to dispute other FHA actions that adversely affect them.

> **FHA Policy**
>
> The FHA will only offer informal hearings to applicants for the purpose of disputing denials of admission.

Notice of Denial [24 CFR 960.208(a)]

The PHA must give an applicant prompt notice of a decision denying eligibility for admission. The notice must contain a brief statement of the reasons for the PHA decision, and must also state that the applicant may request an informal hearing to dispute the decision. The notice must describe how to obtain the informal hearing.

Prior to notification of denial based on information obtained from criminal or sex offender registration records, the family, in some cases, must be given the opportunity to dispute the information in those records which would be the basis of the denial. See Section 3-III.G for details concerning this requirement.

Scheduling an Informal Hearing

FHA Policy

A request for an informal hearing must be made in writing and delivered to the FHA either in person or by first class mail, by the close of the business day, no later than 10 business days from the date of the FHA's notification of denial of admission.

Except as provided in Section 3-III.F, the FHA will schedule and send written notice of the informal hearing within 10 business days of the family's request.

Conducting an Informal Hearing [PH Occ GB, p. 58]

FHA Policy

The informal hearing will be conducted by a person other than the one who made the decision under review, or a subordinate of this person.

The applicant will be provided an opportunity to present written or oral objections to the decision of the FHA.

The person conducting the informal hearing will make a recommendation to the FHA, but the FHA is responsible for making the final decision as to whether admission should be granted or denied.

Informal Hearing Decision [PH Occ GB, p. 58]

FHA Policy

The FHA will notify the applicant of the FHA's final decision, including a brief statement of the reasons for the final decision.

In rendering a decision, the FHA will evaluate the following matters:

Whether or not the grounds for denial were stated factually in the notice

The validity of grounds for denial of admission. If the grounds for denial are not specified in the regulations or in FHA Policy, then the decision to deny assistance will be overturned. See Chapter 3 for a detailed discussion of the grounds for applicant denial.

The validity of the evidence. The FHA will evaluate whether the facts presented prove the grounds for denial of admission. If the facts prove that there are grounds for denial, and the denial is required by HUD, the FHA will uphold the decision to deny admission.

If the facts prove the grounds for denial, and the denial is discretionary, the FHA will consider the recommendation of the person conducting the informal hearing in making the final decision whether to deny admission.

The FHA will notify the applicant of the final decision, including a statement explaining the reason(s) for the decision. The notice will be mailed, with return receipt requested, within 10 business days of the informal hearing, to the applicant and his or her representative, if any.

If the informal hearing decision overturns the denial, processing for admission will resume.

If the family fails to appear for their informal hearing, the denial of admission will stand and the family will be so notified.

Reasonable Accommodation for Persons with Disabilities [24 CFR 966.7]

Persons with disabilities may request reasonable accommodations to participate in the informal hearing process and the FHA must consider such accommodations. The FHA must also consider reasonable accommodation requests pertaining to the reasons for denial if related to the person's disability. See Chapter 2 for more detail pertaining to reasonable accommodation requests.

PART II: INFORMAL HEARINGS WITH REGARD TO NONCITIZENS

14-II.A. HEARING AND APPEAL PROVISIONS FOR NONCITIZENS [24 CFR 5.514]

Denial or termination of assistance based on immigration status is subject to special hearing and notice rules. These special hearings are referred to in the regulations as informal hearings, but the requirements for such hearings are different from the informal hearings used to deny applicants for reasons other than immigration status.

Assistance to a family may not be delayed, denied, or terminated on the basis of immigration status at any time prior to a decision under the United States Citizenship and Immigration Services (USCIS) appeal process. Assistance to a family may not be terminated or denied while the PHA hearing is pending, but assistance to an applicant may be delayed pending the completion of the informal hearing.

A decision against a family member, issued in accordance with the USCIS appeal process or the PHA informal hearing process, does not preclude the family from exercising the right, that may otherwise be available, to seek redress directly through judicial procedures.

Notice of Denial or Termination of Assistance [24 CFR 5.514(d)]

As discussed in Chapters 3 and 13, the notice of denial or termination of assistance for noncitizens must advise the family of any of the following that apply:

- That financial assistance will be denied or terminated, and provide a brief explanation of the reasons for the proposed denial or termination of assistance.
- The family may be eligible for proration of assistance.
- In the case of a tenant, the criteria and procedures for obtaining relief under the provisions for preservation of families [24 CFR 5.514 and 5.518].
- That the family has a right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or explanation in support of the appeal.
- That the family has a right to request an informal hearing with the PHA either upon completion of the USCIS appeal or in lieu of the USCIS appeal.
- For applicants, assistance may not be delayed until the conclusion of the USCIS appeal process, but assistance may be delayed during the period of the informal hearing process.

United States Citizenship and Immigration Services Appeal Process [24 CFR 5.514(e)]

When the FHA receives notification that the USCIS secondary verification failed to confirm eligible immigration status, the FHA must notify the family of the results of the USCIS verification. The family will have 30 days from the date of the notification to request an appeal of the USCIS results. The request for appeal must be made by the family in writing directly to the USCIS. The family must provide the FHA with a copy of the written request for appeal and proof of mailing.

FHA Policy

The FHA will notify the family in writing of the results of the USCIS secondary verification within 10 business days of receiving the results.

The family must provide the FHA with a copy of the written request for appeal and proof of mailing within 10 business days of sending the request to the USCIS.

The family must forward to the designated USCIS office any additional documentation or written explanation in support of the appeal. This material must include a copy of the USCIS document verification request (used to process the secondary request) or such other form specified by the USCIS, and a letter indicating that the family is requesting an appeal of the USCIS immigration status verification results.

The USCIS will notify the family, with a copy to the FHA, of its decision. When the USCIS notifies the FHA of the decision, the FHA must notify the family of its right to request an informal hearing.

FHA Policy

The FHA will send written notice to the family of its right to request an informal hearing within 10 business days of receiving notice of the USCIS decision regarding the family's immigration status.

Informal Hearing Procedures for Applicants [24 CFR 5.514(f)]

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, an applicant family may request that the FHA provide a hearing. The request for a hearing must be made either within 30 days of receipt of the FHA notice of denial, or within 30 days of receipt of the USCIS appeal decision.

The informal hearing procedures for applicant families are described below.

Informal Hearing Officer

The FHA must provide an informal hearing before an impartial individual, other than a person who made or approved the decision under review, and other than a person who is a subordinate of the person who made or approved the decision.

Evidence

The family must be provided the opportunity to examine and copy at the family's expense, at a reasonable time in advance of the hearing, any documents in the possession of the FHA pertaining to the family's eligibility status, or in the possession of the USCIS (as permitted by USCIS requirements), including any records and regulations that may be relevant to the hearing.

FHA Policy

The family will be allowed to copy any documents related to the hearing at a cost of $.25 per page. The family must request discovery of FHA documents no later than 12:00 p.m. on the business day prior to the hearing.

The family must be provided the opportunity to present evidence and arguments in support of eligible status. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

The family must also be provided the opportunity to refute evidence relied upon by the FHA, and to confront and cross-examine all witnesses on whose testimony or information the FHA relies.

Representation and Interpretive Services

The family is entitled to be represented by an attorney or other designee, at the family's expense, and to have such person make statements on the family's behalf.

The family is entitled to arrange for an interpreter to attend the hearing, at the expense of the family, or the FHA, as may be agreed upon by the two parties. If the family does not arrange for their own interpreter, the FHA is still obligated to provide oral translation services in accordance with its LEP Plan.

Recording of the Hearing

The family is entitled to have the hearing recorded by audiotape. The FHA may, but is not required to provide a transcript of the hearing.

FHA Policy

The FHA will not provide a transcript of an audio taped informal hearing.

Hearing Decision

The FHA must provide the family with a written notice of the final decision, based solely on the facts presented at the hearing, within 14 calendar days of the date of the informal hearing. The notice must state the basis for the decision.

Retention of Documents [24 CFR 5.514(h)]

The FHA must retain for a minimum of 5 years the following documents that may have been submitted to the FHA by the family, or provided to the FHA as part of the USCIS appeal or the FHA informal hearing process:

- The application for assistance
- The form completed by the family for income reexamination
- Photocopies of any original documents, including original USCIS documents
- The signed verification consent form
- The USCIS verification results
- The request for a USCIS appeal
- The final USCIS determination
- The request for an informal hearing
- The final informal hearing decision

Informal Hearing Procedures for Residents [24 CFR 5.514(f)]

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, a resident family may request that the FHA provide a hearing. The request for a hearing must be made either within 30 days of receipt of the FHA notice of termination, or within 30 days of receipt of the USCIS appeal decision.

The informal hearing procedures for resident families whose tenancy is being terminated based on immigration status is the same as for any grievance under the grievance procedures for resident families found in Part III below.

PART III: GRIEVANCE PROCEDURES FOR PUBLIC HOUSING RESIDENTS

14-III.A. REQUIREMENTS [24 CFR 966.52]

FHAs must have a grievance procedure in place through which residents of public housing are provided an opportunity to grieve any FHA action or failure to act involving the lease or FHA policies which adversely affect their rights, duties, welfare, or status.

The FHA grievance procedure must be included in, or incorporated by reference in, the lease.

FHA Policy

The FHA grievance procedure will be included in the tenant lease.

The FHA must provide at least 30 days notice to tenants and resident organizations setting forth proposed changes in the FHA grievance procedure, and providing an opportunity to present written comments. Comments submitted must be considered by the FHA before adoption of any grievance procedure changes by the FHA.

FHA Policy

Residents and resident organizations will have 45calendar days from the date they are notified by the FHA of any proposed changes in the FHA grievance procedure, to submit written comments to the FHA.

The FHA must furnish a copy of the grievance procedure to each tenant and to resident organizations.

14-III.B. DEFINITIONS [24 CFR 966.53; 24 CFR 966.51(a)(2)(i)]

There are several terms used by HUD with regard to public housing grievance procedures, which take on specific meanings different from their common usage. These terms are as follows:

- **Grievance** – any dispute which a tenant may have with respect to FHA action or failure to act in accordance with the individual tenant's lease or FHA regulations which adversely affect the individual tenant's rights, duties, welfare or status
- **Complainant** – any tenant whose grievance is presented to the FHA or at the project management office
- **Due Process Determination** – a determination by HUD that law of the jurisdiction requires that the tenant must be given the opportunity for a hearing in court which provides the basic elements of due process before eviction from the dwelling unit
- **Elements of Due Process** – an eviction action or a termination of tenancy in a state or local court in which the following procedural safeguards are required:
  - Adequate notice to the tenant of the grounds for terminating the tenancy and for eviction
  - Right of the tenant to be represented by counsel
  - Opportunity for the tenant to refute the evidence presented by the FHA including the right to confront and cross-examine witnesses and to present any affirmative legal or equitable defense which the tenant may have
  - A decision on the merits
- **Hearing Officer/Panel** – a person/panel selected in accordance with HUD regulations to hear grievances and render a decision with respect thereto
- **Tenant** – the adult person (or persons) (other than a live-in aide)
  - Who resides in the unit, and who executed the lease with the FHA as lessee of the dwelling unit, or, if no such person now resides in the unit,
  - Who resides in the unit, and who is the remaining head of household of the tenant family residing in the dwelling unit
- **Resident Organization** – includes a resident management corporation

14-III.C. APPLICABILITY [24 CFR 966.51]

Potential grievances could address most aspects of a FHA's operation. However, there are some situations for which the grievance procedure is not applicable.

The grievance procedure is applicable only to individual tenant issues relating to the FHA. It is not applicable to disputes between tenants not involving the FHA. Class grievances are not subject to the grievance procedure and the grievance procedure is not to be used as a forum for initiating or negotiating policy changes of the FHA.

If HUD has issued a due process determination, a FHA may exclude from the FHA grievance procedure any grievance concerning a termination of tenancy or eviction that involves:

- Any criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises of other residents or employees of the FHA
- Any violent or drug-related criminal activity on or off such premises
- Any criminal activity that resulted in felony conviction of a household member

In states without due process determinations, FHAs must grant opportunity for grievance hearings for all lease terminations, regardless of cause, but may use expedited grievance procedures, as described in Section 14-III.E. below, to deal with the first two of the above three categories of lease terminations.

If HUD has issued a due process determination, the FHA may evict through the state/local judicial eviction procedures. In this case, the FHA is not required to provide the opportunity for a hearing under the FHA's grievance procedure as described above.

FHA Policy

The FHA is located in a due process state. Therefore, the FHA will not offer grievance hearings for lease terminations involving criminal activity that resulted in a felony conviction of a household member or that threatens the health, safety, or right to peaceful enjoyment of the premises of other residents or employees of the FHA, or for drug-related criminal activity on or off the premises.

See Chapter 13 for related policies on the content of termination notices.

14-III.D. INFORMAL SETTLEMENT OF GRIEVANCE [24 CFR 966.54]

HUD regulations state that any grievance must be personally presented, either orally or in writing, to the FHA office or to the office of the project in which the complainant resides so that the grievance may be discussed informally and settled without a hearing.

FHA Policy

The FHA will accept requests for an informal settlement of a grievance personally presented either orally or in writing (phone calls will not be accepted), to the FHA office within 10 business days of the grievable event. Within 10 business days of receipt of the request the FHA will arrange a meeting with the tenant at a mutually agreeable time and confirm such meeting in writing to the tenant.

If a tenant fails to attend the scheduled meeting without prior notice, the FHA will reschedule the appointment only if the tenant can show good cause for failing to appear, or if it is needed as a reasonable accommodation for a person with disabilities.

Good cause is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family.

HUD regulations require that a summary of such discussion will be prepared within a reasonable time and one copy will be given to the tenant and one retained in the FHA's tenant file.

The summary must specify the names of the participants, dates of meeting, the nature of the proposed disposition of the complaint and the specific reasons therefore, and will specify the procedures by which a hearing may be obtained if the complainant is not satisfied.

FHA Policy

The FHA will prepare a summary of the informal settlement within 5 business days; one copy to be given to the tenant and one copy to be retained in the FHA's tenant file.

For FHAs who have the option to establish an expedited grievance procedure, and who exercise this option, the informal settlement of grievances is not applicable to those grievances for which the expedited grievance procedure applies.

14-III.E. PROCEDURES TO OBTAIN A HEARING [24 CFR 966.55]

Requests for Hearing and Failure to Request [24 CFR 966.55(a), (c), and (d)]

All grievances must be presented in accordance with the informal procedures prescribed above as a condition prior to a grievance hearing. However, if the complainant can show good cause for failure to proceed with the informal settlement process to the hearing officer/panel, the hearing officer/panel may waive this provision [24 CFR 966.55(d)].

The complainant must submit the request in writing for a grievance hearing within a reasonable time after receipt of the summary of informal discussion [24 CFR 966.55(a)]. The request must specify the reasons for the grievance and the action or relief sought.

FHA Policy

The resident must submit a written request for a grievance hearing to the FHA within 5 business days of the tenant's receipt of the summary of the informal settlement.

If the complainant does not request a hearing, the FHA's disposition of the grievance under the informal settlement process will become final. However, failure to request a hearing does not constitute a waiver by the complainant of the right to contest the FHA's action in disposing of the complaint in an appropriate judicial proceeding [24 CFR 966.55(c)].

Escrow Deposits [24 CFR 966.55(e)]

Before a hearing is scheduled in any grievance involving the amount of rent that the FHA claims is due, the family must pay an escrow deposit to the FHA. When a family is required to make an escrow deposit, the amount is the amount of rent the FHA states is due and payable as of the first of the month preceding the month in which the family's act or failure to act took place. After the first deposit the family must deposit the same amount monthly until the family's complaint is resolved by decision of the hearing officer/panel.

The FHA must waive the requirement for an escrow deposit where the family has requested a financial hardship exemption from minimum rent requirements or is grieving the effect of welfare benefits reduction in calculation of family income [24 CFR 5.630(b)(3)].

Unless the FHA waives the requirement, the family's failure to make the escrow deposit will terminate the grievance procedure. A family's failure to pay the escrow deposit does not waive the family's right to contest the FHA's disposition of the grievance in any appropriate judicial proceeding.

FHA Policy

The FHA will not waive the escrow requirement for grievances involving rent amounts except for the financial hardship exemption from minimum rent requirements or if it is for grievances concerning the effect of welfare benefits reduction in calculation of family income.

Scheduling of Hearings [24 CFR 966.55(f)]

If the complainant has complied with all requirements for requesting a hearing as described above, a hearing must be scheduled by the hearing officer/panel promptly for a time and place reasonably convenient to both the complainant and the FHA. A written notification specifying the time, place and the procedures governing the hearing must be delivered to the complainant and the appropriate FHA official.

FHA Policy

Within 7 business days but no more than 20 business days of receiving a written request for a hearing, the hearing officer will schedule and send written notice of the hearing to both the complainant and the FHA.

The FHA may wish to permit the tenant to request to reschedule a hearing for good cause.

FHA Policy

The tenant may request to reschedule a hearing for good cause, or if it is needed as a reasonable accommodation for a person with disabilities. Good cause is defined as an unavoidable conflict which seriously affects the health, safety, or welfare of the family. Requests to reschedule a hearing must be made orally or in writing prior to the hearing date. At its discretion, the FHA may request documentation of the "good cause" prior to rescheduling the hearing.

Expedited Grievance Procedure [24 CFR 966.55(g)]

The FHA may establish an expedited grievance procedure for any grievance concerning a termination of tenancy or eviction that involves:

- Any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents or employees of the FHA, or
- Any drug-related criminal activity on or near such premises

In such expedited grievances, the informal settlement of grievances as discussed in 14-III.D is not applicable.

The FHA may adopt special procedures concerning expedited hearings, including provisions for expedited notice or scheduling, or provisions for expedited decision on the grievance.

FHA Policy

The FHA will not offer expedited grievance procedures.

14-III.F. SELECTION OF HEARING OFFICER/PANEL [24 CFR 966.55(b)]

The grievance hearing must be conducted by an impartial person or persons appointed by the FHA, other than the person who made or approved the FHA action under review, or a subordinate of such person.

FHA Policy

FHA grievance hearings will be conducted by a single hearing officer or a panel.

The FHA must determine the methodology for appointment of the hearing officer and it must be stated in the grievance procedure.

FHA Policy

The FHA will appoint a person who has been selected in the manner required under the grievance procedure. Efforts will be made to assure that the person selected is not a friend, nor enemy, of the complainant and that they do not have a personal stake in the matter under dispute or will otherwise have an appearance of a lack of impartiality.

The FHA must consult with resident organizations before a person is appointed as a hearing officer or hearing panel member. Comments from the resident organizations must be considered before making the appointment.

14-III.G. PROCEDURES GOVERNING THE HEARING [24 CFR 966.56]

Rights of Complainant [24 CFR 966.56(b)]

The complainant will be afforded a fair hearing. This includes:

- The opportunity to examine before the grievance hearing any FHA documents, including records and regulations that are directly relevant to the hearing. The tenant must be allowed to copy any such document at the tenant's expense. If the FHA does not make the document available for examination upon request by the complainant, the FHA may not rely on such document at the grievance hearing.

  FHA Policy

  The tenant will be allowed to copy any documents related to the hearing at a cost of $.25 per page. The family must request discovery of FHA documents no later than 12:00 p.m. on the business day prior to the hearing.

- The right to be represented by counsel or other person chosen as the tenant's representative and to have such person make statements on the tenant's behalf.

  FHA Policy

  Hearings may be attended by the following applicable persons:

  A FHA representative(s) and any witnesses for the FHA

  The tenant and any witnesses for the tenant

  The tenant's counsel or other representative

  Any other person approved by the FHA as a reasonable accommodation for a person with a disability

- The right to a private hearing unless the complainant requests a public hearing.
- The right to present evidence and arguments in support of the tenant's complaint, to controvert evidence relied on by the FHA or project management, and to confront and cross-examine all witnesses upon whose testimony or information the FHA or project management relies.
- A decision based solely and exclusively upon the facts presented at the hearing.

Decision without Hearing [24 CFR 966.56(c)]

The hearing officer/panel may render a decision without proceeding with the hearing if the hearing officer/panel determines that the issue has been previously decided in another proceeding.

Failure to Appear [24 CFR 966.56(d)]

If the complainant or the FHA fails to appear at a scheduled hearing, the hearing officer/panel may make a determination to postpone the hearing for not to exceed five business days or may make a determination that the party has waived his/her right to a hearing. Both the complainant and the FHA must be notified of the determination by the hearing officer/panel: Provided, That a determination that the complainant has waived his/her right to a hearing will not constitute a waiver of any right the complainant may have to contest the FHA's disposition of the grievance in an appropriate judicial proceeding.

There may be times when a complainant does not appear due to unforeseen circumstances which are out of their control and are no fault of their own.

FHA Policy

If the tenant does not appear at the scheduled time of the hearing, the hearing officer will wait up to 30 minutes. If the tenant appears within 30 minutes of the scheduled time, the hearing will be held. If the tenant does not arrive within 30 minutes of the scheduled time, they will be considered to have failed to appear.

If the tenant fails to appear, the FHA will not reschedule the hearing unless needed as a reasonable accommodation for a person with disabilities.

General Procedures [24 CFR 966.56(e), (f), and (g)]

At the hearing, the complainant must first make a showing of an entitlement to the relief sought and thereafter the FHA must sustain the burden of justifying the FHA action or failure to act against which the complaint is directed [24 CFR 966.56(e)].

The hearing must be conducted informally by the hearing officer/panel. The FHA and the tenant must be given the opportunity to present oral or documentary evidence pertinent to the facts and issues raised by the complaint and question any witnesses. In general, all evidence is admissible and may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings [24 CFR 966.56(f)].

FHA Policy

Any evidence to be considered by the hearing officer must be presented at the time of the hearing. There are four categories of evidence.

Oral evidence: the testimony of witnesses

Documentary evidence: a writing which is relevant to the case, for example, a letter written to the FHA. Writings include all forms of recorded communication or representation, including letters, emails, words, pictures, sounds, videotapes or symbols or combinations thereof.

Demonstrative evidence: Evidence created specifically for the hearing and presented as an illustrative aid to assist the hearing officer, such as a model, a chart or other diagram.

Real evidence: A tangible item relating directly to the case.

Hearsay Evidence is evidence of a statement that was made other than by a witness while testifying at the hearing and that is offered to prove the truth of the matter. Even though evidence, including hearsay, is generally admissible, hearsay evidence alone cannot be used as the sole basis for the hearing officer's decision.

If the FHA fails to comply with the discovery requirements (providing the tenant with the opportunity to examine FHA documents prior to the grievance hearing), the hearing officer will refuse to admit such evidence.

Other than the failure of the FHA to comply with discovery requirements, the hearing officer has the authority to overrule any objections to evidence.

The hearing officer/panel must require the FHA, the complainant, counsel and other participants or spectators to conduct themselves in an orderly fashion. Failure to comply with the directions of the hearing officer/panel to obtain order may result in exclusion from the proceedings or in a decision adverse to the interests of the disorderly party and granting or denial of the relief sought, as appropriate [24 CFR 966.56(f)].

The complainant or the FHA may arrange, in advance and at the expense of the party making the arrangement, for a transcript of the hearing. Any interested party may purchase a copy of such transcript [24 CFR 966.56(g)].

Accommodations of Persons with Disabilities [24 CFR 966.56(h)]

The FHA must provide reasonable accommodation for persons with disabilities to participate in the hearing. Reasonable accommodation may include qualified sign language interpreters, readers, accessible locations, or attendants.

If the tenant is visually impaired, any notice to the tenant which is required in the grievance process must be in an accessible format.

See Chapter 2 for a thorough discussion of the FHA's responsibilities pertaining to reasonable accommodation.

14-III.H. DECISION OF THE HEARING OFFICER/PANEL [24 CFR 966.57]

The hearing officer/panel must issue a written decision, stating the reasons for the decision, within a reasonable time after the hearing. Factual determinations relating to the individual circumstances of the family must be based on a preponderance of evidence presented at the hearing. A copy of the decision must be sent to the tenant and the FHA. The FHA must retain a copy of the decision in the tenant's folder. A copy of the decision, with all names and identifying references deleted, must also be maintained on file by the FHA and made available for inspection by a prospective complainant, his/her representative, or the hearing officer/panel [24 CFR 966.57(a)].

FHA Policy

In rendering a decision, the hearing officer will consider the following matters:

FHA Notice to the Family: The hearing officer will determine if the reasons for the FHA's decision are factually stated in the notice.

Discovery: The hearing officer will determine if the family was given the opportunity to examine any relevant documents in accordance with **FHA Policy**.

FHA Evidence to Support the FHA Decision: The evidence consists of the facts presented. Evidence is not conclusion and it is not argument. The hearing officer will evaluate the facts to determine if they support the FHA's conclusion.

Validity of Grounds for Termination of Tenancy (when applicable): The hearing officer will determine if the termination of tenancy is for one of the grounds specified in the HUD regulations and FHA policies. If the grounds for termination are not specified in the regulations or in compliance with FHA policies, then the decision of the FHA will be overturned.

The hearing officer will issue a written decision to the family and the FHA no later than 10 business days after the hearing. The report will contain the following information:

Hearing information:

Name of the complainant

Date, time and place of the hearing

Name of the hearing officer

Name of the FHA representative(s)

Name of family representative (if any)

Names of witnesses (if any)

Background: A brief, impartial statement of the reason for the hearing and the date(s) on which the informal settlement was held, who held it, and a summary of the results of the informal settlement. Also includes the date the complainant requested the grievance hearing.

Summary of the Evidence: The hearing officer will summarize the testimony of each witness and identify any documents that a witness produced in support of his/her testimony and that are admitted into evidence.

Findings of Fact: The hearing officer will include all findings of fact, based on a preponderance of the evidence. *Preponderance of the evidence* is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

Conclusions: The hearing officer will render a conclusion derived from the facts that were found to be true by a preponderance of the evidence. The conclusion will result in a determination of whether these facts uphold the FHA's decision.

Order: The hearing report will include a statement of whether the FHA's decision is upheld or overturned. If it is overturned, the hearing officer will instruct the FHA to change the decision in accordance with the hearing officer's determination. In the case of termination of tenancy, the hearing officer will instruct the FHA to restore the family's status.

Procedures for Further Hearing

FHA Policy

The hearing officer may ask the family for additional information and/or might adjourn the hearing in order to reconvene at a later date, before reaching a decision. If the family misses an appointment or deadline ordered by the hearing officer, the action of the FHA will take effect and another hearing will not be granted.

Final Decision [24 CFR 966.57(b)]

The decision of the hearing officer/panel is binding on the FHA which must take the action, or refrain from taking the action cited in the decision unless the FHA Board of Commissioners determines within a reasonable time, and notifies the complainant that:

- The grievance does not concern FHA action or failure to act in accordance with or involving the complainant's lease on FHA policies which adversely affect the complainant's rights, duties, welfare, or status; or
- The decision of the hearing officer/panel is contrary to Federal, state, or local law, HUD regulations or requirements of the annual contributions contract between HUD and the FHA

FHA Policy

When the FHA considers the decision of the hearing officer to be invalid due to the reasons stated above, it will present the matter to the FHA Board of Commissioners within 10 business days of the date of the hearing officer's decision. The Board has 30 calendar days to consider the decision. If the Board decides to reverse the hearing officer's decision, it must notify the complainant within 10 business days of this decision.

A decision by the hearing officer/panel, or Board of Commissioners in favor of the FHA or which denies the relief requested by the complainant in whole or in part must not constitute a waiver of any rights the complainant may have to a subsequent trial or judicial review in court [24 CFR 966.57(c)].

Chapter 15

PROGRAM INTEGRITY

INTRODUCTION

The FHA is committed to ensuring that funds made available to the FHA are spent in accordance with HUD requirements.

This chapter covers HUD and FHA policies designed to prevent, detect, investigate and resolve instances of program abuse or fraud. It also describes the actions that will be taken in the case of unintentional errors and omissions.

> Part I: Preventing, Detecting, and Investigating Errors and Program Abuse. This part presents FHA policies related to preventing, detecting, and investigating errors and program abuse.
>
> Part II: Corrective Measures and Penalties. This part describes the corrective measures the FHA must and may take when errors or program abuses are found.

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PART I: PREVENTING, DETECTING, AND INVESTIGATING ERRORS AND PROGRAM ABUSE

15-I.A. PREVENTING ERRORS AND PROGRAM ABUSE

FHA Policy

The FHA anticipates that the vast majority of families and FHA employees intend to and will comply with program requirements and make reasonable efforts to avoid errors.

To ensure that the PHA's program is administered effectively and according to the highest ethical and legal standards, the FHA will employ a variety of techniques to ensure that both errors and intentional program abuse are rare.

The FHA will provide each applicant and resident with the publication *Things You Should Know (HUD-1140-OIG)* that explains the types of actions a family must avoid and the penalties for program abuse.

The FHA will require mandatory orientation sessions for all prospective residents either prior to or upon execution of the lease. The FHA will discuss program compliance and integrity issues. At the conclusion of all program orientation sessions, the family representative will be required to sign a program briefing certificate to confirm that all rules and pertinent regulations were explained to them.

The FHA will routinely provide resident counseling as part of every reexamination interview in order to clarify any confusion pertaining to program rules and requirements.

FHA staff will be required to review and explain the contents of all HUD- and PHA-required forms prior to requesting family member signatures.

The FHA will place a warning statement about the penalties for fraud (as described in the False Statement Act, U.S.C. 1001 and 1010) on key FHA forms and form letters that request information from a family member.

The FHA will provide each FHA employee with the necessary training on program rules and the organization's standards of conduct and ethics.

For purposes of this chapter the term *error* refers to an unintentional error or omission. P*rogram abuse or fraud* refers to a single act or pattern of actions that constitute a false statement, omission, or concealment of a substantial fact, made with the intent to deceive or mislead.

15-I.B. DETECTING ERRORS AND PROGRAM ABUSE

In addition to taking steps to prevent errors and program abuse, the FHA will use a variety of activities to detect errors and program abuse.

Quality Control and Analysis of Data

FHA Policy

The FHA will employ a variety of methods to detect errors and program abuse, including:

The FHA routinely will use available sources of up-front income verification to compare with family-provided information.

At each annual reexamination, current information provided by the family will be compared to information provided at the last annual reexamination to identify inconsistencies and incomplete information.

The FHA will compare family-reported income and expenditures to detect possible unreported income.

Independent Audits and HUD Monitoring

OMB Circular A-133 requires all PHAs that expend $500,000 or more in federal awards annually to have an independent audit (IPA). In addition, HUD conducts periodic on-site and automated monitoring of FHA activities and notifies the FHA of errors and potential cases of program abuse.

FHA Policy

The FHA will use the results reported in any IPA or HUD monitoring reports to identify potential program abuses as well as to assess the effectiveness of the PHA's error detection and abuse prevention efforts.

Individual Reporting of Possible Errors and Program Abuse

FHA Policy

The FHA will encourage staff, residents, and the public to report possible program abuse.

15-I.C. INVESTIGATING ERRORS AND PROGRAM ABUSE

When the FHA Will Investigate

FHA Policy

The FHA will review all referrals, specific allegations, complaints, and tips from any source including other agencies, companies, and individuals, to determine if they warrant investigation. In order for the FHA to investigate, the allegation must contain at least one independently-verifiable item of information, such as the name of an employer or the name of an unauthorized household member.

The FHA will investigate inconsistent information related to the family that is identified through file reviews and the verification process.

Consent to Release of Information [24 CFR 960.259]

The FHA may investigate possible instances of error or abuse using all available FHA and public records. If necessary, the FHA will require applicant/resident families to give consent to the release of additional information.

Analysis and Findings

FHA Policy

The FHA will base its evaluation on a preponderance of the evidence collected during its investigation.

Preponderance of the evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence that as a whole shows that the fact sought to be proved is more probable than not. Preponderance of evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

For each investigation the FHA will determine (1) whether an error or program abuse has occurred, (2) whether any amount of money is owed the PHA, and (3) what corrective measures or penalties will be assessed.

Consideration of Remedies

All errors and instances of program abuse must be corrected prospectively. Whether the FHA will enforce other corrective actions and penalties depends upon the nature of the error or program abuse.

FHA Policy

In the case of family-caused errors or program abuse, the FHA will take into consideration (1) the seriousness of the offense and the extent of participation or responsibility of individual family members, (2) any special circumstances surrounding the case, (3) any mitigating circumstances related to the disability of a family member, (4) the effects of a particular remedy on family members who were not involved in the offense.

Notice and Appeals

FHA Policy

The FHA will inform the relevant party in writing of its findings and remedies within 10 business days of the conclusion of the investigation. The notice will include (1) a description of the error or program abuse, (2) the basis on which the FHA determined the error or program abuses, (3) the remedies to be employed, and (4) the family's right to appeal the results through an informal hearing or grievance hearing (see Chapter 14).

PART II: CORRECTIVE MEASURES AND PENALTIES

15-II.A. UNDER- OR OVERPAYMENT

An under- or overpayment includes an incorrect tenant rent payment by the family, or an incorrect utility reimbursement to a family.

Corrections

Whether the incorrect rental determination is an overpayment or underpayment, the FHA must promptly correct the tenant rent and any utility reimbursement prospectively.

> **FHA Policy**
>
> Increases in the tenant rent will be implemented only after the family has received 60 days notice.
>
> Any decreases in tenant rent will become effective the first of the month following the discovery of the error.

Reimbursement

Whether the family is required to reimburse the FHA or the FHA is required to reimburse the family depends upon which party is responsible for the incorrect payment and whether the action taken was an error or program abuse. Policies regarding reimbursement are discussed in the three sections that follow.

15-II.B. FAMILY-CAUSED ERRORS AND PROGRAM ABUSE

General administrative requirements for participating in the program are discussed throughout the ACOP. This section deals specifically with errors and program abuse by family members.

An incorrect rent determination caused by a family generally would be the result of incorrect reporting of family composition, income, assets, or expenses, but also would include instances in which the family knowingly allows the FHA to use incorrect information provided by a third party.

Family Reimbursement to FHA

FHA Policy

In the case of family-caused errors or program abuse, the family will be required to repay any amounts of rent underpaid. The FHA may, but is not required to, offer the family a repayment agreement in accordance with Chapter 16. If the family fails to repay the amount owed, the FHA will terminate the family's lease in accordance with the policies in Chapter 13.

FHA Reimbursement to Family

FHA Policy

The FHA will not reimburse the family for any overpayment of rent when the overpayment clearly is caused by the family.

Prohibited Actions

An applicant or resident in the public housing program must not knowingly:

- Make a false statement to the PHA [Title 18 U.S.C. Section 1001].
- Provide incomplete or false information to the PHA [24 CFR 960.259(a)(4)].
- Commit fraud, or make false statements in connection with an application for assistance or with reexamination of income [24 CFR 966.4(l)(2)(iii)(C)].

FHA Policy

Any of the following will be considered evidence of family program abuse:

Offering bribes or illegal gratuities to the FHA Board of Commissioners, employees, contractors, or other FHA representatives

Offering payments or other incentives to a third party as an inducement for the third party to make false or misleading statements to the FHA on the family's behalf

Use of a false name or the use of falsified, forged, or altered documents

Intentional misreporting of family information or circumstances (e.g., misreporting of income or family composition)

Omitted facts that were obviously known by a family member (e.g., not reporting employment income)

Admission of program abuse by an adult family member

The FHA may determine other actions to be program abuse based upon a preponderance of the evidence, as defined earlier in this chapter.

Penalties for Program Abuse

In the case of program abuse caused by a family the FHA may, at its discretion, impose any of the following remedies.

- The FHA may require the family to repay any amounts owed to the program (see 15-II.B., Family Reimbursement to PHA).
- The FHA may require, as a condition of receiving or continuing assistance, that a culpable family member not reside in the unit. See policies in Chapter 3 (for applicants) and Chapter 13 (for residents).
- The FHA may deny admission or terminate the family's lease following the policies set forth in Chapter 3 and Chapter 13 respectively.
- The FHA may refer the family for state or federal criminal prosecution as described in section 15-II.D.

15-II.C. PHA-CAUSED ERRORS OR PROGRAM ABUSE

The responsibilities and expectations of FHA staff with respect to normal program administration are discussed throughout the ACOP. This section specifically addresses actions of a FHA staff member that are considered errors or program abuse related to the public housing program. Additional standards of conduct may be provided in the FHA personnel policy.

PHA-caused incorrect rental determinations include (1) failing to correctly apply public housing rules regarding family composition, income, assets, and expenses, and (2) errors in calculation.

Repayment to the FHA

The family is not required to repay an underpayment of rent if the error or program abuse is caused by the FHA staff.

FHA Reimbursement to Family

FHA Policy

The FHA will reimburse a family for any family overpayment of rent, regardless of whether the overpayment was the result of staff-caused error or staff program abuse.

Prohibited Activities

FHA Policy

Any of the following will be considered evidence of program abuse by FHA staff:

- Failing to comply with any public housing program requirements for personal gain
- Failing to comply with any public housing program requirements as a result of a conflict of interest relationship with any applicant or resident
- Seeking or accepting anything of material value from applicants, residents, vendors, contractors, or other persons who provide services or materials to the FHA
- Disclosing confidential or proprietary information to outside parties
- Gaining profit as a result of insider knowledge of FHA activities, policies, or practices
- Misappropriating or misusing public housing funds
- Destroying, concealing, removing, or inappropriately using any records related to the public housing program
- Committing any other corrupt or criminal act in connection with any federal housing program

15-II.D. CRIMINAL PROSECUTION

FHA Policy

When the FHA determines that program abuse by a family or FHA staff member has occurred and the amount of underpaid rent meets or exceeds the threshold for prosecution under local or state law, the FHA will refer the matter to the appropriate entity for prosecution. When the amount of underpaid rent meets or exceeds the federal threshold, the case will also be referred to the HUD Office of Inspector General (OIG).

Other criminal violations related to the public housing program will be referred to the appropriate local, state, or federal entity.

15-II.E. FRAUD AND PROGRAM ABUSE RECOVERIES

PHAs who enter into a repayment agreement with a family to collect rent owed, initiate litigation against the family to recover rent owed, or begin eviction proceedings against a family may retain 100 percent of program funds that the PHA recovers [Notice PIH 2005-7 (HA)].

If the FHA does none of the above, all amounts that constitute an underpayment of rent must be returned to HUD.

The family must be afforded the opportunity for a hearing through the FHA's grievance process.

Chapter 16

PROGRAM ADMINISTRATION

INTRODUCTION

This chapter discusses administrative policies and practices that are relevant to the activities covered in this ACOP. The policies are discussed in seven parts as described below:

Part I: Setting Utility Allowances. This part describes how utility allowances are established and revised. Also discussed are the requirements to establish surcharges for excess consumption of FHA-furnished utilities.

Part II: Establishing Flat Rents and Public Housing Maximum Rents. This part describes the requirements and policies related to establishing and updating flat rent amounts and public housing maximum rents.

Part III: Repayment of Family Debts. This part contains policies for recovery of monies that have been underpaid by families, and describes the circumstances under which the FHA will offer repayment agreements to families. Also discussed are the consequences for failure to make payments in accordance with a repayment agreement.

Part IV: Public Housing Assessment System (PHAS). This part describes the PHAS indicators, how PHAs are scored under PHAS, and how those scores affect a FHA.

Part V: Record-Keeping. All aspects of the program involve certain types of record-keeping. This part outlines the privacy rights of applicants and participants and record retention policies the FHA will follow.

Part VI: Reporting and Record Keeping for Children with Environmental Intervention Blood Lead Level. This part describes the FHA's reporting responsibilities related to children with environmental intervention blood lead levels that are living in public housing.

Part VII: Notification to Applicants and Tenants regarding Protections under the Violence against Women Reauthorization Act of 2005 (VAWA). This part includes policies for notifying applicants and tenants of VAWA requirements.

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PART I: SETTING UTILITY ALLOWANCES [24 CFR 965 Subpart E]

16-I.A. OVERVIEW

PHAs must establish allowances for PHA-furnished utilities for all check metered utilities and for resident-purchased utilities for all utilities purchased directly by residents from a utility supplier [24 CFR 965.502(a)].

PHAs must also establish surcharges for excess consumption of PHA-furnished utilities [24 CFR 965.506].

The PHA must maintain a record that documents the basis on which utility allowances and scheduled surcharges are established and revised, and the record must be made available for inspection by residents [24 CFR 965.502(b)].

16-I.B UTILITY ALLOWANCES

The PHA must establish separate allowances for each utility and for each category of dwelling units the PHA determines to be reasonably comparable as to factors affecting utility usage [24 CFR 965.503].

The objective of a PHA in establishing utility allowances for each dwelling unit category and unit size is to approximate a reasonable consumption of utilities by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful living environment [24 CFR 965.505].

Utilities include gas, electricity, fuel for heating, water, sewerage, and solid waste disposal for a dwelling unit. In addition, if the PHA does not furnish a range and refrigerator, the family must be granted a utility allowance for the range and refrigerator they provide [24 CFR 965.505].

Costs for telephone, cable/satellite TV, and internet services are not considered utilities [PH Occ GB, p. 138].

Utility allowance amounts will vary by the rates in effect, size and type of unit, climatic location and sitting of the unit, type of construction, energy efficiency of the dwelling unit, and other factors related to the physical condition of the unit. Utility allowance amounts will also vary by residential demographic characteristics affecting home energy usage [PH Occ GB, p. 138].

Chapter 14 of the *PH Occupancy Guidebook* provides detailed guidance to the PHA about establishing utility allowances.

Air-Conditioning

"If a PHA installs air conditioning, it shall provide, to the maximum extent economically feasible, systems that give residents the option of choosing to use air conditioning in their units. The design of systems that offer each resident the option to choose air conditioning shall include retail meters or check meters, and residents shall pay for the energy used in its operation. For systems that offer residents the option to choose air conditioning but cannot be check metered, residents are to be surcharged in accordance with 965.506. If an air conditioning system does not provide for resident option, residents are not to be charged, and these systems should be avoided whenever possible." [24 CFR 965.505(e)].

FHA Policy

The FHA has installed air conditioners.

Utility Allowance Revisions [24 CFR 965.507]

The PHA must review at least annually the basis on which utility allowances have been established and must revise the allowances if necessary in order to adhere to the standards for establishing utility allowances that are contained in 24 CFR 965.505.

The PHA may revise its allowances for resident-purchased utilities between annual reviews if there is a rate change, and is required to do so if such change, by itself or together with prior rate changes not adjusted for, results in a change of 10 percent or more from the rate on which the allowance was based.

Adjustments to resident payments as a result of such changes must be retroactive to the first day of the month following the month in which the last rate change taken into account became effective.

FHA Policy

Between annual reviews of utility allowances, the PHA will only revise its utility allowances due to a rate change, when required to by the regulation.

16-I.C. SURCHARGES FOR PHA-FURNISHED UTILITIES [24 CFR 965.506]

For dwelling units subject to allowances for PHA-furnished utilities where check meters have been installed, the PHA must establish surcharges for utility consumption in excess of the allowances. Surcharges may be computed on a straight per unit of purchase basis or for stated blocks of excess consumption, and must be based on the PHA's average utility rate. The basis for calculating the surcharges must be described in the PHA's schedule of allowances. Changes in the amount of surcharges based directly on changes in the PHA's average utility rate are not subject to the advance notice requirements discussed under 16-I.D.

For dwelling units served by PHA-furnished utilities where check meters have not been installed, the PHA must establish schedules of surcharges indicating additional dollar amounts residents will be required to pay by reason of estimated utility consumption attributable to resident-owned major appliances or to optional functions of PHA-furnished equipment. The surcharge schedule must state the resident-owned equipment (or functions of PHA-furnished equipment) for which surcharges will be made and the amounts of such charges. Surcharges must be based on the cost to the PHA of the utility consumption estimated to be attributable to reasonable usage of such equipment.

FHA Policy

The PHA does have PHA-furnished utilities.

16-I.D. NOTICE REQUIREMENTS [965.502]

The PHA must give notice to all residents of proposed allowances and scheduled surcharges, and revisions thereof. The notice must be given in the manner provided in the lease and must:

- Be provided at least 60 days before the proposed effective date of the allowances, scheduled surcharges, or revisions.
- Describe the basis for determination of the allowances, scheduled surcharges, or revisions, including a statement of the specific items of equipment and function whose utility consumption requirements were included in determining the amounts of the allowances and schedule of surcharges.
- Notify residents of the place where the PHA's documentation on which allowances and surcharges are based is available for inspection.
- Provide all residents an opportunity to submit written comments during a period expiring not less than 30 days before the proposed effective date of the allowances, scheduled surcharges, or revisions.

16-I.E. REASONABLE ACCOMMODATION [24 CFR 965.508]

On request from a family that includes a disabled or elderly person, the PHA must approve a utility allowance that is higher than the applicable amount for the dwelling unit if a higher utility allowance is needed as a reasonable accommodation to make the program accessible to and usable by the family [PH Occ GB, p. 172].

Likewise, residents with disabilities may not be charged for the use of certain resident-supplied appliances if there is a verified need for special equipment because of the disability [PH Occ GB, p. 172].

See Chapter 2 for policies regarding the request and approval of reasonable accommodations.

PART II: ESTABLISHING FLAT RENTS AND PUBLIC HOUSING MAXIMUM RENTS

16-II.A. OVERVIEW

Flat rents are designed to encourage self-sufficiency and to avoid creating disincentives for continued residency by families who are attempting to become economically self-sufficient.

Public housing maximum rents are needed to prorate assistance for a mixed family. A mixed family is one whose members include those with citizenship or eligible immigration status, and those without citizenship or eligible immigrations status [24 CFR 5.504].

This part discusses how the PHA establishes and updates flat rents and public housing maximum rents. Policies related to the use of flat rents, family choice of rent, flat rent hardships, and public housing maximum rents are discussed in Chapter 6.

16-II.B. FLAT RENTS [24 CFR 960.253(b)]

Establishing Flat Rents

Flat rents for public housing units are based on the market rent charged for comparable units in the private unassisted rental market. The flat rent should be equal to the estimated rent for which the PHA could promptly lease the public housing unit after preparation for occupancy.

The PHA must use a reasonable method to determine flat rents. In determining flat rents, PHAs must consider the following:

- Location
- Quality
- Unit size
- Unit type
- Age of property
- Amenities at the property and in immediate neighborhood
- Housing services provided
- Maintenance provided by the PHA
- Utilities provided by the PHA

Review of Flat Rents

The PHA must ensure that flat rents continue to mirror market rent values [24 CFR 960.253(b)].

FHA Policy

The FHA will review flat rents on an annual basis, and adjust them as necessary to ensure that flat rents continue to mirror market rent values.

Posting of Flat Rents

FHA Policy

The FHA will publicly post the schedule of flat rents in a conspicuous manner in the applicable FHA or project office.

Documentation of Flat Rents [24 CFR 960.253(b)(5)]

The PHA must maintain records that document the method used to determine flat rents, and that show how flat rents were determined by the PHA in accordance with this method.

16-II.C. PUBLIC HOUSING MAXIMUM RENTS

Establishing Public Housing Maximum Rents

PHAs are prohibited from making financial assistance available to persons who are not citizens or nationals of the United States, and to those who do not have eligible immigration status [24 CFR 5.500]. Therefore, in order to assist mixed families, PHAs must prorate assistance. Public housing maximum rents are needed in order to calculate the tenant rent for a mixed family.

The public housing maximum rent is based on value of the 95th percentile of the total tenant payment (TTP) for each tenant within the PHA. PHAs may calculate a maximum rent on either a PHA- or project wide basis. A separate maximum rent can be provided for each separate project or projects may be combined into logical groups, if appropriate. HUD recommends that a single project basis be avoided for a project unless at least 50 dwelling units are involved.

PHAs may use the "direct comparison" or the "unit distribution" method for establishing the public housing maximum rents for each unit size. Appendix H, of Guidebook 7465.G, Restrictions on Assistance to Noncitizens provides detailed guidance on how to establish public housing maximum rents using the methodologies identified above.

Review of Public Housing Maximum Rents

FHA Policy

The FHA will recalculate the public housing maximum rents on an annual basis.

Posting of Public Housing Maximum Rents

FHA Policy

The FHA will publicly post the schedule of public housing maximum rents in a conspicuous manner in the applicable FHA or project office.

Documentation of Public Housing Maximum Rents

FHA Policy

The FHA will maintain records that document how the FHA determined the 95th percentile of TTP, whether the maximum rent was determined FHA-wide, project-wide, or with groupings of projects, and the methodology used to determine maximum rents for each unit size.

PART III: FAMILY DEBTS TO THE PHA

16-III.A. OVERVIEW

This part describes the FHA's policies for recovery of monies that have been underpaid by families.

FHA Policy

When an action or inaction of a resident family results in the underpayment of rent or other amounts, the FHA holds the family liable to return any underpayments to the FHA.

The FHA will enter into repayment agreements in accordance with the policies contained in this part as a means to recover overpayments. The term r*epayment agreement* refers to a formal document signed by a tenant and provided to the FHA in which a tenant acknowledges a debt in a specific amount and agrees to repay the amount due at specific time periods.

When a family refuses to repay monies owed to the FHA, the FHA will utilize other available collection alternatives including, but not limited to, the following:

Collection agencies

Small claims court

Civil law suit

State income tax set-off program

16-III.B. REPAYMENT POLICY

Family Debts to the PHA

FHA Policy

Any amount due to the FHA by a public housing family must be repaid. If the family is unable to repay the debt within 30 days, the FHA will offer to enter into a repayment agreement in accordance with the policies below.

If the family refuses to repay the debt, enter into a repayment agreement, or breaches a repayment agreement, the FHA will terminate the family's tenancy in accordance with the policies in Chapter 13. The FHA will also pursue other modes of collection.

Repayment Agreement Guidelines

Down Payment Requirement

FHA Policy

Prior to the execution of a repayment agreement, the family must pay 10 percent of the balance owed to the FHA.

Payment Thresholds

FHA Policy

Amounts between $3,000 and the Federal or State threshold for criminal prosecution must be repaid within 36 months.

Amounts between $2,000 and $2,999 must be repaid within 30 months.

Amounts between $1,000 and $1,999 must be repaid within 24 months.

Amounts under $1,000 must be repaid within 12 months.

Execution of the Agreement

FHA Policy

The head of household and spouse/cohead (if applicable) must sign the repayment agreement.

Due Dates

FHA Policy

All payments are due by the close of business on the 1st day of the month.

Non-Payment

FHA Policy

If a payment is not received by the end of the business day on the date due, and prior approval for the missed payment has not been given by the PHA, the FHA will send the family a delinquency notice giving the family 10 business days to make the late payment. If the payment is not received by the due date of the delinquency notice, it will be considered a breach of the agreement and the FHA will terminate tenancy in accordance with the policies in Chapter 13.

If a family receives three delinquency notices for unexcused late payments in a 12 month period, the repayment agreement will be considered in default, and the FHA will terminate tenancy in accordance with the policies in Chapter 13.

No Offer of Repayment Agreement

FHA Policy

The FHA will not enter into a repayment agreement if there is already a repayment agreement in place with the family, or the amounts owed by the family exceed the Federal or State threshold for criminal prosecution.

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PART IV: PUBLIC HOUSING ASSESSMENT SYSTEM (PHAS)

16-IV.A. OVERVIEW

The purpose of the Public Housing Assessment System (PHAS) is to improve the delivery of services in public housing and enhance trust in the public housing system among PHAs, public housing residents, HUD and the general public by providing a management tool for effectively and fairly measuring the performance of a public housing agency in essential housing operations.

16-IV.B. PHAS INDICATORS [24 CFR 902 Subparts A, B, C, D, and E]

The table below lists each of the PHAS indicators, the points possible under each indicator, and a brief description of each indicator. A PHA's performance is based on a combination of all four indicators.

Indicator 1: Physical condition of the PHA's properties **Maximum Score: 30** • The objective of this indicator is to determine the level to which a PHA is maintaining its public housing in accordance with the standard of decent, safe, sanitary, and in good repair. • To determine the physical condition of a PHA's properties, inspections are performed of the following five major areas of public housing: site, building exterior, building systems, dwelling units, and common areas. The inspections are performed by an independent inspector arranged by HUD, and include a statistically valid sample of the units in the PHA's public housing portfolio.
Indicator 2: Financial condition of a PHA **Maximum Score: 30** • The objective of this indicator is to measure the financial condition of a PHA for the purpose of evaluating whether it has sufficient financial resources and is capable of managing those financial resources effectively to support the provision of housing that is decent, safe, sanitary, and in good repair. • A PHA's financial condition is determined by measuring the PHA's entity-wide performance in each of the following components: current ratio, number of months expendable fund balance, tenant receivable outstanding, occupancy loss, expense management/utility consumption, and net income or loss divided by the expendable fund balance.

Indicator 3: Management operations of a PHA **Maximum Score: 30** • The objective of this indicator is to measure certain key management operations and responsibilities of a PHA for the purpose of assessing the PHA's management operations capabilities. • A PHA's management operations are assessed based on the following sub-indicators: vacant unit turnaround time, capital fund, work orders, PHA annual inspection of units and systems, security, and economic self-sufficiency.
Indicator 4: Resident service and satisfaction **Maximum Score: 10** • The objective of this indicator is to measure the level of resident satisfaction with living conditions at the PHA. • The PHA's score for this indicator is based on the results of resident surveys and the level of implementation and follow-up or corrective actions the PHA takes based on the results of the survey.

16-IV.C. PHAS SCORING [24 CFR 902.63 and 902.67]

HUD's Real Estate Assessment Center (REAC) issues overall PHAS scores, which are based on the scores of the four PHAS indicators, and the components under each indicator. PHAS scores translate into a designation for each PHA as high performing, standard, or troubled.

A high performer is a PHA that achieves a score of at least 60 percent of the points available under each of the four indicators, and achieves an overall PHAS score of 90 or greater.

A standard performer is a PHA that has an overall PHAS score between 60 and 89, and does not achieve less than 60 percent of the total points available under one of the following Indicators: 1, 2, or 3.

A troubled performer is a PHA that achieves an overall PHAS score of less than 60, or achieves less than 60 percent of the total points available under more than one of the following indicators: 1, 2, or 3.

These designations can affect a PHA in several ways:

- High-performing PHAs are eligible for incentives including relief from specific HUD requirements and bonus points in funding competitions [24 CFR 902.71].
- PHAs that are standard performers may be required to submit an improvement plan to eliminate deficiencies in the PHA's performance [24 CFR 902.73(a)].
- PHAs with an overall rating of "troubled" are subject to additional HUD oversight, and are required to enter into a memorandum of agreement (MOA) with HUD to improve PHA performance [24 CFR 902.75].
- PHAs that fail to execute or meet MOA requirements may be referred to the Departmental Enforcement Center [24 CFR 902.77].

PHAs must post a notice of its final PHAS score and status in appropriate conspicuous and accessible locations in its offices within two weeks of receipt of its final score and status.

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PART V: RECORD KEEPING

16-V.A. OVERVIEW

The FHA must maintain complete and accurate accounts and other records for the program in accordance with HUD requirements, in a manner that permits a speedy and effective audit. All such records must be made available to HUD or the Comptroller General of the United States upon request.

In addition, the FHA must ensure that all applicant and participant files are maintained in a way that protects an individual's privacy rights.

16-V.B. RECORD RETENTION

FHA Policy

During the term of each public housing tenancy, and for at least four years (This time frame ensures that the FHA will have tenant file records for the entire 48 month period that a tenant may qualify for the earned income disallowance) thereafter, the FHA will keep all documents related to a family's eligibility, tenancy, and termination.

In addition, the FHA will keep the following records for at least four years:

- An application from each ineligible family and notice that the applicant is not eligible
- Lead-based paint records as required by 24 CFR 35, Subpart B
- Documentation supporting the establishment of flat rents and the public housing maximum rent
- Documentation supporting the establishment of utility allowances and surcharges
- Documentation supporting PHAS scores
- Accounts and other records supporting FHA budget and financial statements for the program
- Other records as determined by the FHA or as required by HUD

If a hearing to establish a family's citizenship status is held, longer retention requirements apply for some types of documents. For specific requirements, see Section 14-II.A.

16-V.C. RECORDS MANAGEMENT

PHAs must maintain applicant and participant files and information in accordance with the regulatory requirements described below.

FHA Policy

All applicant and participant information will be kept in a secure location and access will be limited to authorized FHA staff.

FHA staff will not discuss personal family information unless there is a business reason to do so. Inappropriate discussion of family information or improper disclosure of family information by staff will result in disciplinary action.

Privacy Act Requirements [24 CFR 5.212 and Form-9886]

The collection, maintenance, use, and dissemination of social security numbers (SSN), employer identification numbers (EIN), any information derived from these numbers, and income information of applicants and participants must be conducted, to the extent applicable, in compliance with the Privacy Act of 1974, and all other provisions of Federal, State, and local law.

Applicants and participants, including all adults in the household, are required to sign a consent form, HUD-9886, Authorization for Release of Information. This form incorporates the Federal Privacy Act Statement and describes how the information collected using the form may be used, and under what conditions HUD or the PHA may release the information collected.

Upfront Income Verification (UIV) Records

PHAs that access UIV data through HUD's Enterprise Income Verification (EIV) System are required to adopt and follow specific security procedures to ensure that all EIV data is protected in accordance with Federal laws, regardless of the media on which the data is recorded (e.g. electronic, paper). These requirements are contained in the HUD issued document, *Enterprise Income Verification (EIV) System, Security Procedures for Upfront Income Verification (UIV) Data*.

FHA Policy

Prior to utilizing HUD's EIV system, the FHA will adopt and implement EIV security procedures required by HUD.

Criminal Records

The FHA may only disclose the criminal conviction records which the FHA receives from a law enforcement agency to officers or employees of the PHA, or to authorized representatives of the FHA who have a job-related need to have access to the information [24 CFR 5.903(e)].

The FHA must establish and implement a system of records management that ensures that any criminal record received by the FHA from a law enforcement agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the FHA action without institution of a challenge or final disposition of any such litigation [24 CFR 5.903(g)].

The FHA must establish and implement a system of records management that ensures that any sex offender registration information received by the FHA from a State or local agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the FHA action without institution of a challenge or final disposition of any such litigation. This requirement does not apply to information that is public information, or is obtained by a FHA other than under 24 CFR 5.905.

Medical/Disability Records

PHAs are not permitted to inquire about the nature or extent of a person's disability. The FHA may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the FHA receives a verification document that provides such information, the FHA should not place this information in the tenant file. The FHA should destroy the document.

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PART VI: REPORTING REQUIREMENTS FOR CHILDREN WITH ENVIRONMENTAL INTERVENTION BLOOD LEAD LEVEL

16-VI.A. REPORTING REQUIREMENTS [24 CFR 35.1130(e)]

The PHA has certain responsibilities relative to children with environmental intervention blood lead levels that are living in public housing.

The PHA must report the name and address of a child identified as having an environmental intervention blood lead level to the public health department within 5 business days of being so notified by any other medical health care professional. The PHA must also report each known case of a child with an environmental intervention blood lead level to the HUD field office.

FHA Policy

The FHA will provide the public health department written notice of the name and address of any child identified as having an environmental intervention blood lead level.

The FHA will provide written notice of each known case of a child with an environmental intervention blood level to the HUD field office within 5 business days of receiving the information.

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PART VII: NOTIFICATION TO APPLICANTS AND TENANTS REGARDING PROTECTIONS UNDER THE VIOLENCE AGAINST WOMEN REAUTHORIZATION ACT OF 2005 (VAWA)

16-VII.A. NOTIFICATION TO APPLICANTS

FHA Policy

The FHA will provide all applicants with notification of their protections and rights under VAWA at the time they request an application for housing assistance.

The notice will explain the protections afforded under the law, inform each applicant of FHA confidentiality requirements, and provide contact information for local victim advocacy groups or service providers.

The FHA will also include in all notices of denial a statement explaining the protection against denial provided by VAWA (see section 3-III.F).

16-VII.B. NOTIFICATION TO TENANTS [Pub.L. 109-162]

VAWA requires PHAs to notify tenants assisted under public housing of their rights under this law, including their right to confidentiality and the limits thereof.

FHA Policy

The FHA will provide all tenants with notification of their protections and rights under VAWA at the time of admission and at annual reexamination.

The notice will explain the protections afforded under the law, inform the tenant of FHA confidentiality requirements, and provide contact information for local victim advocacy groups or service providers.

The FHA will also include in all lease termination notices a statement explaining the protection against termination or eviction provided by VAWA (see Section 13-IV.D).

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HOUSING AUTHORITY
OF THE COUNTY OF FRESNO

ADMINISTRATIVE PLAN
HOUSING CHOICE DEPARTMENT

JANUARY 1, 2009 (DRAFT COPY)

2009 Administrative Plan
Housing Choice Department

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Chapter 1
STATEMENT OF POLICIES AND OBJECTIVES

1.1 INTRODUCTION

The Housing Choice Voucher (HCV) Program, formerly known as the Section 8 Program, was enacted as part of the Housing and Community Development Act of 1974 for the purpose of providing housing assistance to low-income families. The HCV program is administered by the Housing Authorities of the County of Fresno (hereafter referred to as the "HA"). FHA receives its funding for the HCV program from the Department of Housing and Urban Development (HUD); and is currently assisting approximately 6,600 families.

To administer the program, FHA enters into an Annual Contributions Contract with HUD to administer the program requirements on behalf of HUD. The FHA must be in compliance with federal laws, regulations and notices and must establish policy and procedures to clarify federal requirements and to ensure consistency in program operation.

In administering the program, FHA is committed to maintaining compliance with the following:

- The regulations which govern the HCV program which are located in the Code of Federal Regulations at 24 CFR 982;
- The Fair Housing Act, 42 U.S.C. 3610-3619;
- Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d;
- The Age Discrimination Act of 1975, 42 U.S.C. 6101-6107;
- Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. ;
- Title II of the Americans with Disabilities Act, 42 U.S.C. 12101; and
- Title IX of the Education Amendments of 1972, as amended 20 U.S.C. 1681,

1.2 CERTIFICATIONS OF OBLIGATIONS

FHA must submit a signed certification to HUD that:

- FHA will administer the program in conformity with the Fair Housing Act of 1964, Section 504 of the Rehabilitation Act of 1973, and Title II of the Americans with Disabilities Act.
- FHA will affirmatively further fair housing in the administration of the program.

1.3 HOUSING AUTHORITY OVERVIEW

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

The City and County Housing Authorities function as separate public agencies with separate governing bodies. Through a unique arrangement, the two Housing Authorities share a single Executive Director and staff, thus making it possible to draw on a more comprehensive staff while realizing the cost advantages that result from avoiding duplication, ordering in larger quantities, and sharing equipment and services. Both Housing Authorities are public housing agencies as defined in the United States Housing Act of 1937, as amended, and in 24 C.F.R. Chapter VIII. Both agencies have been organized under Section 31000, et a seq., of the California Health and Safety Code.

The Housing Authority of the City of Fresno and the Housing Authority of Fresno County are each governed by a seven-member Board of Commissioners. The City Board is appointed by the Mayor. Five of the seven commissioners are appointed to four-year, staggered terms. The other two members are appointed to two-year terms from among both the HCV and Public Housing programs. County Board of Commissioners is structured in the same manner, except that the County Commissioners are appointed by the Board of Supervisors.

The Housing Authority of the County of Fresno' s Housing Choice Department (HCD) administers the following Section 8 programs:

PROGRAM	ALLOCATIONS
HCV Vouchers	5,425

In addition to these vouchers the HCD also administers the Family Self-Sufficiency (FSS) Program to assist approximately 350 families. With the assistance of FSS coordinators, each FSS family works toward the attainment of a personal five-year written plan to move from dependency to self-reliance. The Department also assists eligible qualifying families to pursue the dream of home ownership through the Section 8 Homeownership option.

Jurisdiction

The jurisdiction of the HA is the County of Fresno.

1.4 LOCAL OBJECTIVES

The primary objective of the HA is to provide decent, safe and sanitary housing to low-income families at an affordable price.

The HCV Program is designed to achieve these major objectives:

1. To ensure that all units meet Housing Quality Standards and families pay fair and reasonable rents.

2. To promote fair housing and the opportunity for very low-income families of all ethnic backgrounds to experience freedom of housing choice.

3. To promote a housing program which maintains quality service and integrity while providing an incentive to private property owners to rent to very low -income families.

4. To assist the local economy by maintaining a high lease up rate of available voucher funding to provide a steady flow of money into the community.

5. To encourage self sufficiency of participant families and assist in the expansion of family opportunities which addresses educational, socioeconomic, recreational and other human service needs.

6. To create positive public awareness and expand the level of family, owner, and community support in accomplishing the HA's mission.

7. To attain and maintain a high level of professionalism in our day-to-day management of all program components.

8. To administer an efficient, high-performing agency through continuous improvement of the HA's support systems and commitment to our employees and their development.

1.5 PURPOSE OF THE PLAN

[24 CFR 982.54]

The purpose of the Administrative Plan is to clearly outline the policies that govern the Housing Authority's administration of rental assistance programs. The plan includes program requirements established by HUD, as well as discretionary policies established by the Housing Authority.

The policies of this Administrative Plan comply with applicable local and State laws, as well as HUD and other Federal regulations and guidelines, including fair housing and equal opportunity requirements. If applicable regulatory changes conflict with this plan, regulations will have precedence.

FHA adheres to the Administrative Plan in administering all rental assistance programs.

1.6 HOW THE PLAN IS REVISED

The original plan and any changes must be approved by the Board of Commissioners of the City of Fresno. A copy of the plan must be provided to HUD.

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

The Administrative Plan is a supporting document to the HA Agency Plan, and is available for public review as required by CFR 24 Part 903.

1.7 ADMINISTRATIVE FEE RESERVE

[24 CFR 982.155]

All expenditures from the administrative fee reserve will be approved by the HA Board of Commissioners or the Executive Director and made in accordance with the approved budget.

1.8 RULES AND REGULATIONS

[24 CFR 982.52]

This Administrative Plan is set forth to define the HA's local policies for operation of the housing programs in the context of Federal laws and Regulations. All issues related to Section 8 not addressed in this document are governed by such Federal regulations, HUD Memos, Notices and guidelines, or other applicable law. The policies in this Administrative Plan have been designed to ensure compliance with the consolidated ACC (Annual Contributions Contract) and all HUD-approved applications for program funding.

1.9 MONITORING HA PERFORMANCE

1.9.1 The Section Eight Management Assessment Program (SEMAP)

[24 CFR 985.3]

SEMAP was designed by HUD as a tool to measure the performance of housing authorities administering the Housing Choice Voucher program and the family self-sufficiency component of the voucher program.

SEMAP is a performance measure tool designed to:

- Assess whether the housing choice voucher program is assisting eligible families to afford decent, safe, and sanitary housing at the correct subsidy cost;
- Measure HA performance in key areas of the housing choice voucher program to ensure program integrity and accountability;
- Assist housing authorities in assessing and improving their own program operations; and
- Evaluate whether the HA affirmatively furthers fair housing.

1.9.2 The Fourteen SEMAP Indicators

SEMAP includes the following 14 performance indicators and one bonus indicator:

1. Selection from the Waiting List
2. Reasonable Rent
3. Determination of Adjusted Income
4. Utility Allowance Schedule
5. HQS Quality Control Inspections
6. HQS Enforcement
7. Expanding Housing Opportunities
8. Payment Standards

9. Annual Re-examinations
10. Correct Tenant Rent Calculations
11. Pre-Contract HQS Inspections
12. Annual HQS Inspections
13. Lease-up
14. a. Family Self-Sufficiency Enrollment
    b. Percent of FSS Participants with Escrow Account Balances
15. Bonus indicator (De-concentration)

During the HA fiscal year, the HA will track its own performance on the 14 SEMAP indicators and the deconcentration bonus indicator. Within 60 days of the end of the HA fiscal year, the HA will complete and submit HUD-52648, SEMAP Certification to HUD.

The certification must attest to the results of quality control review FHA performed on four indicators: selection from the waiting list; rent reasonableness; determination of adjusted income; and HQS enforcement.

Each indicator is assigned a numerical value, based upon FHA performance. For indicators 9 through 14, HUD independently assesses and verifies FHA's performance using data submitted electronically through HUD's Multifamily Tenant Characteristics System (MTCS) using the Family Report, form HUD-50058 and other available information.

Once all indicators have been scored, the overall score is determined by summing all earned points and dividing by the total possible points.

HUD will prepare a SEMAP profile for each HA, assign an overall rating, and notify the FHA in writing of its rating on each SEMAP indicator, its overall SEMAP scores and its overall rating.

There are four possible ratings:

- High Performer Rating: score of 90 percent or higher
- Standard Performer Rating: score of 60 percent to 89 percent
- Troubled Performer Rating: score of less than 60 percent
- Modified or Withheld Rating: only when warranted by special circumstances

If the FHA receives a troubled rating, the HUD field office must conduct an on-site confirmatory review before changing the rating to either "standard performer" or high performer".

FHA is required to correct any performance deficiencies within 45 days of notification by HUD. If the HA is unable to correct deficiencies within 45 days, it must submit a corrective action plan for each deficiency within 30 calendar days from the date of the HUD notice.

1.9.3 SEMAP Compliance Goals

FHA commits to administer its programs with a high degree of efficiency; therefore the

department has set the following goals:

- Determining whether at least 98% of families were selected from the waiting list in accordance with the Admin Plan policies and met the selection criteria that determine their placement on the waiting list and the order selection.
- Determining whether at least 98% of randomly selected tenant files indicate that the HA approved reasonable rents to the owner at the time of initial lease-up and before any increase in rent and at the anniversary date (if there is a five percent decrease in the published FMR in effect 60 days before the contract anniversary).
- Determining at the time of admission and reexamination that in at least 90% of cases sampled, the HA properly did the following:

  a) Obtained 3rd Party verification of adjusted income or documented why 3rd party verification was not available;

  b) Used the verified information in determining the adjusted income;

  c) Properly attributed allowances for expenses; and

  d) Where the family is responsible for utilities under the lease, the HA used the appropriate utility allowances for the unit leased in determining the gross rent.

- The PHA reviews utility rate data that it obtained within the last 12 months, and adjusts its utility allowance schedule if there has been a change of 10% or more in a utility rate since the last time the utility allowance schedule was revised.
- Determining that during the fiscal year the HA performs supervisory HQS quality control inspections which meet the minimum sample size required by HUD. The PHA supervisor's re-inspected sample was drawn from recently completed HQS inspections and represents a cross section of neighborhoods and the work of a cross section of inspectors.
- Determining that a review of selected files indicate that for 100% of life-threatening fail items and for at least 98% of non-emergency items which failed inspection, the HA ensures timely correction of HQS deficiencies or abates Housing Assistance Payments (HAPs) or takes vigorous action to enforce family obligations.
- Demonstrating that the HA provides families and owners information which actively promotes the de-concentration of assisted families in low-income neighborhoods.
- Demonstrating that voucher payment standards are not less than 90% or more than 110% of the current applicable published FMR, unless a higher or lower payment standard is approved by HUD.
- Determining whether at least 96% of re-exams are processed on time.
- Determining whether at least 98% of all sampled tenant files have had the tenant rent calculated correctly.
- Determining whether at least 98% of newly leased units passed HQS inspections

before HAP contract date.

- Determining whether the HA performs annual HQS inspections on time for at least 96% of all units under contract.
- Determining whether the percent of units leased during the last HA fiscal year was 98% or more, or the percent of allocated budget authority expended during the last HA fiscal year was 98% or more.
- Determining whether the HA has filled 80 -100% of its FSS slots
- Demonstrating whether at least 30% of the HA's FSS participants have escrow account balances.

1.9.4 Supervisory Monitoring

To ensure quality control, in addition to SEMAP factors above, supervisory monitoring will be conducted in accordance with departmental Performance Standards.

1.9.5 Internal Audits

The Quality Assurance Division conducts monthly audits to document compliance with SEMAP goals, regulatory requirements and department procedures so quality is consistently maintained. If an issue of noncompliance is detected, the matter will be reported with recommendations for corrective actions.

1.9.6 Security Protection Policies Regarding EIV

The HA accesses upfront income verification data through HUD's Enterprise Income Verification (EIV) System. The HA is required to adopt and follow specific security procedures to ensure that all EIV data is protected in accordance with Federal laws, regardless of the media on which the data is recorded (e.g., electronic, paper). These requirements are contained in the HUD-issued document, *Enterprise Income Verification (EIV) System, Security Procedures for Upfront Income Verification Data*. The HA has adopted and implemented EIV security procedures required by HUD.

1.10 RECORDS RETENTION

In order to demonstrate compliance with HUD and other pertinent regulations, the HA will maintain records, reports and other documentation for three years as outlined in 24 CFR 982.158, and in a manner that will allow a speedy and effective audit.

1.11 TERMINOLOGY

[24 CFR 982.4]

The Housing Authorities of the City of Fresno is referred to as "HA" or "Housing

Authority" throughout this document.

The Housing Choice Voucher program is referred to as "HCV" throughout this document.

"Family" is used interchangeably with "Applicant" or "Participant" and can refer to a single

person family.

"Tenant" is used to refer to participants in terms of their relation to landlords.

"Landlord" and "owner" are used interchangeably.

See Glossary for other terminology.

1.12 FAIR HOUSING POLICY

[24 CFR 982.54(d)(6)]

It is the policy of the Housing Authority to comply fully with all Federal, State, and local nondiscrimination laws and with the rules and regulations governing Fair Housing and Equal Opportunity in housing and employment.

The HA shall not deny any family or individual the opportunity to apply for or receive assistance under the Section 8 Programs on the basis of race, color, sex, religion, creed, national or ethnic origin, age, family or marital status, handicap or disability, or sexual orientation.

To further its commitment to full compliance with applicable Civil Rights laws, the HA will provide Federal/State/local information to voucher holders regarding "discrimination" and any recourse available to them if they are victims of discrimination. Such information will be made available during the family briefing session, and all applicable Fair Housing Information and Discrimination Complaint Forms will be made a part of the voucher holder's briefing packet.

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

Posters and housing information are displayed in locations throughout the HA's office in such a manner as to be easily readable from a wheelchair.

The HA’s central office **is** accessible to persons with disabilities. Accessibility for the hearing impaired is provided by the TDY telephone service provider.

1.13 ACCOMMODATIONS POLICY

[24 CFR 8.28]

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

In accordance with Section 504 of the Rehabilitation Act of 1973, as amended, no otherwise qualified individual with handicaps shall, solely by reason of his/her handicap, be excluded from the participation in, be denied the benefit of, or be subjected to discrimination under any program or activity of the HA. The HA will take appropriate measures to ensure that an

individual with handicaps shall have equal access to available services, programs, and activities offered. Such appropriate measures include, but are not limited to:

- provision of telecommunication devices for the deaf;
- provision of sign language interpreters, as requested;
- provision of readers and amanuenses, as requested;
- utilization of barrier-free meeting places;
- provision of a discrimination complaints procedure;
- alist of accessible units will be provided, when available.

The HA may contact and obtain services from one of, but not limited to, the following Agencies to accommodate person with disabilities:

- California State Department of Rehabilitation
- Center for Independent Living
- Central Valley Regional Center
- Deaf and Hard of Hearing Service Center, Inc.
- Friendship Center for the Blind, Inc.
- Self Help for Hard of Hearing People, Inc.

Accessibility for the hearing impaired is provided by the TDY telephone service provider.

1.13.1 Persons with Disabilities

The HA's policies and practices will be designed to provide assurances that all persons with disabilities will be provided reasonable accommodation so that they may fully access and utilize the housing program and related services. The availability of specific accommodations will be made available on HA forms and letters to all families, and requests may be verified with a reliable, knowledgeable professional so that the HA can properly accommodate the need presented by the disability.

1.13.2 Federal Americans with Disabilities Act of 1990

With respect to an individual, the term "disability" means:

- A physical or mental impairment that substantially limits one or more of the major life activities of an individual;
- A record of such impairment; or
- Being regarded as having such an impairment

Those "regarded as having such an impairment" may include those with conditions such as obesity or cosmetic disfigurement, and individuals perceived to be at high risk of incurring a work-related injury.

Individuals with contagious diseases who do not pose a direct threat to others are covered by the Act. AIDS victims and those who test positive for the HIV virus are considered to have a disability.

1.13.3 Approval/Denial of a Requested Accommodation

Requests for reasonable accommodation from persons with disabilities will be granted upon verification that they meet the need presented by the disability and they do not create an "undue financial and administrative burden" for the HA, meaning an action requiring "significant difficulty or expense". This standard is not specifically defined in the Act.

In determining whether accommodation would create an undue hardship, the following guidelines will apply:

- The nature and cost of the accommodation needed;
- The overall financial resources of the facility or facilities involved in the provision of the reasonable accommodation; and
- The number of persons employed at such facility, the number of families likely to need such accommodation, the effect on expenses and resources, or the likely impact on the operation of the facility as a result of the accommodation.

The HA will encourage the family to make its request in writing using a reasonable accommodation request form. However, the HA will consider the accommodation any time the family indicates that an accommodation is needed whether or not a formal written request is submitted.

Before making a determination whether to approve the request, the HA may enter into discussion and negotiation with the family, request more information from the family, or may require the family to sign a consent form so that the HA may verify the need for the requested accommodation.

1.13.4 Timelines for Responding to a Requested Accommodation

- After a request for an accommodation is presented, the HA will respond, in writing, within 10 business days.
- If the HA denies a request for an accommodation because it is not reasonable (i.e.: it would impose an undue financial and administrative burden or fundamentally alters the nature of the HA's operations), the HA will discuss with the family whether an alternative accommodation could effectively address the family's disability-related needs without a fundamental alteration to the HCV program and without imposing an undue financial and administrative burden.
- If the HA believes that the family has failed to identify a reasonable alternative accommodation after interactive discussion and negotiation, the HA will notify the family, in writing, of its determination within 10 business days from the date of the most recent discussion or communication with the family.

1.13.5 Record Retention Requirements

If the HA is able to make an accommodation as a part of the normal day-to-day operations (e.g. , a homebound disabled client who requests and is granted a home visit), without the need for a case-by-case review at the supervisory level or above, the granting of the request will simply be documented and routed to the family's HCV file.

For any case which requires a case-by-case review of the accommodation request, the HA will formally track the outcome of each request and retain the record for a period of three years from the date of the HA determination.

1.14 WHEN TRANSLATION SERVICES ARE NEEDED

The HA will take affirmative steps to communicate with people who need services or information in a language other than English. These will be referred to as Persons with Limited English Proficiency (LEP). LEP is defined as persons who do not speak English as their primary language and who have a limited ability to read, write, speak or understand English. For the purposes of this administrative plan, LEP persons are HCV applicants and participants.

In its commitment to provide meaningful access to the Authority's programs and services to all eligible persons, including those who have limited English proficiency because of their national origin. The HA has analyzed its operations and the populations it serves, and has developed a Language Assistance Plan which is part of our Five-Year Plan/Annual Plan. The plan details the steps the HA will take to provide meaningful access in connection with our programs and services to these populations. The two primary language assistance needs in the Fresno area are for persons speaking Spanish and Hmong.

1.14.1 Oral Translation

The Housing Authority has bilingual staff to assist non-English speaking families in Spanish and Hmong and orally translates documents into Spanish and Hmong. Where bilingual staff is not available to interpret for these families, the HA will use an online language interpretation service, which offers translation in over 100 languages, to communicate effectively with clients.

1.14.2 Written Translation

In determining whether it is feasible to provide translation of documents written in English into other languages, the HA will consider the following factors:

- Number of applicants and participants in the jurisdiction who do not speak English and speak the other language.
- Estimated cost to HA per client of translation of English written documents into the other language.
- The availability of local organizations to provide translation services to non English -speaking families.
- Availability of bi-lingual staff to provide translation for non English -speaking families.

1.15 PRIVACY RIGHTS

[24 CFR 5.230]

Applicants and participants, including all adults in their households, are required to sign the HUD-9886, Authorization for Release of Information. This document incorporates the Federal

Privacy Act Statement and describes the conditions under which HUD will release family information.

The HA's policy regarding release of information is in accordance with State and local laws which may restrict the release of family information.

In the event the HA should come into possession of confidential medical information, such information must be kept confidential. The personal information must not be released except on an "as needed" basis in cases where an accommodation is under consideration. All requests for access and granting of accommodations based on this information must be approved by a supervisor. Personal medical information of a confidential nature must not be retained in the client's file.

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

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

All files must be signed for when removed from the secured file storage area.

1.16 FAMILY OUTREACH

[24 CFR 982.266]

The HA will publicize and disseminate information to make known the availability of housing assistance and related services for very low-income families on a regular basis. When the HA's waiting list is open, the HA will publicize the availability and nature of housing assistance for very low income families in a newspaper of general circulation, minority media, and by other suitable means. Notices will also be provided in other languages.

To reach persons who cannot read the newspapers, the HA will distribute fact sheets to the broadcasting media, and initiate contact~~s~~ with members of the news media and community service personnel. The HA may also utilize public service announcements.

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

1.17 OWNER OUTREACH

[24 CFR 982.54(d)(5)]

The HA encourages owners of decent, safe and sanitary housing units to lease to Section 8 families. Owners may list available units on the agency website at **www.hafresno.org**.

The staff of the HA initiates personal contact with private property owners and managers by conducting formal and informal discussions and meetings.

Printed material is offered to acquaint owners and managers with the opportunities available

under the program.

The HA has active participation in a community based organization(s) comprised of private property and apartment owners and managers.

The HA encourages program participation by owners of units located outside areas of poverty or minority concentration. The purpose of these activities is to provide more choice and better housing opportunities to families. Voucher holders are informed of the full range of areas where they may lease units inside the HA's jurisdiction and given a list of landlords or other parties who are willing to lease units or help families who desire to live outside areas of poverty or minority concentration .

The HA provides a direct phone line to handle owner questions and concerns. The Owner Services Division, in addition to taking calls daily, has also compiled information regarding commonly asked questions and answers for our website. Owners seeking information or forms can access the website at www.hafresno.org

The HA conducts periodic meetings with participating owners to improve owner relations and to recruit new owners.

1.18 VIOLENCE AGAINST WOMEN ACT (VAWA) 2005

On January 5, 2006, the Violence Against Women Act of 2005 (VAWA) was signed into law. The Act is intended to protect the rights of victims of domestic violence, dating violence, sexual assault, or stalking. The legislation imposes several important requirements on public housing agencies that operate a Housing Choice Voucher (HCV) program.

One important provision in the Act applies directly to the HA as well as to landlords, owners and managers participating in the HCV program. This provision protects victims of domestic violence from being evicted from their subsidized unit or having their housing assistance terminated solely because they are victims as defined under this Act.

Specific policy in regards to VAWA is covered in the following sections in this Administrative Plan:

- Verification under the Violence Against Women Act – See Chapter 7, Section 7.12
- Request to move related to VAWA – See Chapter 13, Section 13.2
- VAWA and termination of assistance – See Chapter 15, Section 15.5

Chapter 2
APPLYING FOR ASSISTANCE, ESTABLISHING A WAIT LIST & WAIT LIST MAINTENANCE

[24 CFR 982.201-207]

2.1 INTRODUCTION

The policy of the HA is to ensure that all families who express an interest in housing assistance are given an equal opportunity to apply, and are treated in a fair and consistent manner. At the time the wait list is open, families wishing to participate in the housing choice voucher program must submit a pre-application providing all information requested by the HA. This information allows the HA to place each applicant on the wait list in accordance with the policies in this Administrative Plan.

This chapter will explain the policies for the initial pre-application intake process. It describes how the HA accepts the pre-applications and how the HA maintains the wait list with accurate information. The policies that guide the HA are outlined and are organized into two sections, as follows:

Section One: Initial Pre-Application Process: This section covers an overview of the initial pre-application intake process. It will explain how an applicant may apply for rental assistance and describe what information is required from each applicant.

Section Two: Managing the Wait List: This section describes the structure and establishment of a preliminary wait list and how it is maintained with current and accurate information. It will explain the HA policies on how to notify the public of the opening and closing of the wait list.

Other related information such as selection from the wait list, completion of the full application, and local preferences are covered in Chapter 3. Eligibility for program admission as well as grounds for denial of admissions is covered in Chapter 4.

SECTION ONE: Initial Pre-Application Process

2.2 HOW TO APPLY

The HA is permitted by HUD to determine the format and content of applications. For the purpose of establishing a wait list, pre-applications will be accepted from any family wishing to apply for Housing Choice Voucher rental assistance. The HA may select one or more of the following methods for pre-applications:

- By phone
- By mail
- Submitted in person
- By other method as described in the public announcement

At the time the HA announces its intent to open the wait list, the actual methods for accepting pre-applications will be clearly stated in the public announcement and similar outreach methods.

If an applicant is disabled and requires special accommodation in submitting an application, the accommodation request must be made in writing prior to the closure of the wait list. Specific instructions for making a reasonable accommodation request will be included in the public notice and other pre-application outreach materials.

2.2.1 Pre-Application by Web Application

When this method is available, families can apply on-line @ www.hafresno.org.

2.2.2 Pre-Application Intake by Phone or by Mail

When this method is available, pre-applications taken by phone or mail will be recorded according to date and time received.

2.2.3 Pre-Application Intake In Person

When this method is available, pre-applications will be completed by the family and HA will record the date and time the application is received.

In accordance with HUD regulations {24 CFR 982.205 (ii)}at the time an applicant is applying for HCV assistance, if applications are being accepted for Public Housing, the family must be offered an opportunity to apply for the other program.

Duplicate applications, including applications from a segment of an applicant household, will not be accepted.

2.2.4 Special Admissions: Assistance Targeted by HUD

[24 CFR 982.203]

If HUD awards the HA program funding that is targeted for families living in specified units:

- The HA must use the assistance for the families living in these units.
- The HA may admit a family that is not on the HA wait list.
- The HA must maintain records showing that the family was admitted with HUD-targeted assistance.

The following are examples of types of program funding that may be targeted for a family living in a specified unit:

- A family displaced because of demolition or disposition of a public housing project;
- A family residing in a multifamily rental housing project when HUD sells, forecloses, or demolishes the project;
- For housing covered by the Low Income Housing Preservation and Resident Homeownership Act of 1990;

- A non-purchasing family residing in a project subject to a homeownership program (under 24 CFR 248.173;
- A family displaced because of mortgage prepayment or voluntary termination of a mortgage insurance contract (as provided in 24 CFR 248.165);
- A family residing in a project covered by a project-based Section 8 HAP contract at or near the end of the HAP contract term; and
- A non-purchasing family residing in a HOPE 1 or HOPE 2 project.

2.2.5 Targeted Admissions

Applicants who are admitted under targeted funding which are not identified as a Special Admission are identified by codes in the automated system and are not maintained on separate wait lists.

2.3 VETERANS AFFAIR SUPPORTIVE HOUSING (VASH) PROGRAM

The HA has been selected to make 35 vouchers available in our community for homeless veterans through the 2008 Appropriations Act. This program combines tenant-based HCV assistance with supportive services through the local Veterans Affairs medical centers (VAMC).

Wait list and local preferences do not apply to these families who will be referred to the HA directly by the VAMC. Families must be tracked via the HUD-50058 with the coding "VASH" on line 2n, "other special program". Admission screening (as covered in Chapter 4) does not apply to these families except to ensure prohibition of admission of any household member who is subject to a lifetime registration requirement under a State sex offender registration program.

HUD program requirements and procedures for the VASH program are detailed in the Federal Register, Vol 73, No. 88 dated May 6, 2008, *Section 8 Housing Choice Vouchers: Implementation of the HUD-VA Supportive Housing Program.*

2.4 PRE-APPLICATION

[24 CFR 982.204]

The HA utilizes a pre-application form and applicants must provide all requested information. Pre-applications are taken to compile a preliminary wait list. The following is true of the pre-application process:

- Pre-applications **will not** require an interview.
- Pre-applications will contain questions designed to obtain pertinent information from the applicant.
- The information provided and certified by the applicant on the application **will not** be verified until the applicant has been selected for final eligibility determination.
- Final eligibility will be determined when the full application process is completed and all information is verified.

In accordance with HUD, but not limited to, the following information will be requested from the family at the time the pre-application is completed.

1. Applicant name;*(Head of Household is identified by the applicant)*
2. Family unit size (number of bedrooms for which family qualifies under HA occupancy standards);
3. Date and time of application;
4. Address of current residence and phone numbers (message and contact numbers);
5. Whether a current member of the U.S. Armed Forces; a veteran; or surviving spouse of a veteran;
6. Information pertaining to qualification for any local preference;
7. Racial or ethnic designation of all members;
8. Social Security numbers of all members;
9. Names and ages of all members;
10. Sex and relationship to head-of-household of all members;
11. Amount(s) and source(s) of income received by all household members;
12. Whether any household member is a person with disabilities; and
13. Citizenship/eligible immigration status.

SECTION TWO: Managing the Wait List

2.5 PRELIMINARY WAIT LIST ESTABLISHMENT

[24 CFR 982.204 and 205]

HUD requires the HA to maintain a single wait list for the HCV program unless it serves more than one county or municipality.

2.5.1 Opening and Closing of the Wait List

[24 CFR 982.206, 982.54(d)(1)]

The HA announces its intent to accept pre-applications for the purpose of establishing a wait list by placing a public notice in *The Fresno Bee,* a local newspaper of general circulation, and also by minority media and other suitable means, including the agency website at www.hafresno.org..

The notice will comply with HUD fair housing requirements. The notice will contain:

- The dates, times, and the locations where families may apply.
- The program(s) for which applications will be taken.
- A brief description of the program(s).
- The methods by which pre-applications will be accepted.
- Limitations, if any, on who may apply.

Normally, the opening and closing dates for application intake will be clearly stated in the notice.

However, if at the time the wait list is opened, the closing date for pre-application intake has not yet been determined, the notice will indicate that application intake will be until further notice. Once it becomes necessary to close the wait list due to the existing wait list containing an adequate pool of applicants (i.e., expected time before families will be selected is anticipated to be between 12 and 24 months) for use of available program funding, the HA will apply the same advertising methods of broad general circulation for closing the wait list as were used for opening the wait list.

2.6 PRELIMINARY WAIT LIST STRUCTURE

Once the pre-application is complete, the HA will place all applicants on the wait list; determination of eligibility will not be assessed until the full formal application process which is covered in Chapter 3 under Section Two, *The Full Application Process* and Section Three, *Determining Applicants Eligible or Ineligible*. Families will receive confirmation that their application was accepted and will be informed to notify the HA in writing within 10 business days of address changes.

At the time of the pre-application, any information indicating the applicant may qualify for a local preference (e.g., an applicant's certification that they reside within the jurisdiction qualifying them for the Residency Preference) will be accepted without verification at the pre-application. Actual entitlement for a local preference will be developed and verified during the full application process.

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

1. The pre-application will be a permanent file.
2. Applications must include as a minimum the following information to be placed on the preliminary wait list with the following information about each applicant: 1) name; 2) family unit size; 3) date and time of the completed pre-application; 4) information pertaining to possible qualification for a local preference; and 5) race and ethnicity of the head of household.
3. Applications will be maintained in order of preference. Applications equal in preference will be maintained by date and time sequence.

False statements on the pre-application regarding preferences are grounds for denial of admission and the pre-application would be cancelled; see Section 3.9 in this Administrative Plan for related information about preference denials.

2.7 APPLICANT STATUS WHILE ON WAIT LIST

[CFR 982.202 (c), 982.204]

No applicant has a right or entitlement to be listed on the wait list, or to any particular position on the wait list.

Applicants are required to inform the HA in writing of changes of their address within 10 business days of the occurrence. This will also assist the HA in establishing and maintaining a current and updated wait list to more effectively plan for future application intake. Applicants are also required to respond to requests from the HA to update information on their application, or to determine their continued interest in assistance.

The wait list will be maintained with accurate information.

2.8 PURGING THE WAIT LIST

[24 CFR 982.204 (c)]

The wait list will be purged as needed to ensure that all applicants and applicant information is current and accurate. To update the wait list, the HA will send an update request via first-class mail to each family on the wait list. The applicant will be asked whether the family continues to be interested in the program and will provide a deadline by which the family must respond. This update request will be sent to the last address that the HA has on record for the family.

2.9 GROUNDS FOR CANCELLATION FROM THE WAIT LIST

Any mailings to the applicant which require a response by a specific deadline will state that failure to respond by the deadline will result in the applicant's name being removed from the wait list.

If a letter is returned by the Post Office, the application will be canceled without further notice, and the envelope and letter will be maintained in the file.

If the applicant did not respond to the HA request for information or updates because of a family member's disability, this fact will be verified and documented, and the HA will reinstate the applicant in the family's former position on the wait list.

The HA will cancel the application when the applicant does not respond to the HA's request for response or when the application expires, whichever occurs first. Applicants may be reinstated after the HA has conducted a review of the case and is approved.

Chapter 3
SELECTION FROM THE WAIT LIST FOR ADMISSION
[982.54(d)(1); 982.202 (d) 982.204, 982.205, 982.206, 982.207]

3.1 INTRODUCTION

After the preliminary wait list has been established and as vouchers become available for admission, the HA will create an application pool, verify whether the applicant qualifies for any local preference and begin the full application process. For information about Applying for Assistance, refer to Chapter 2; or for information about Eligibility for Admission, refer to Chapter 4.

This chapter will describe the following policies:

- Selecting families from the preliminary wait list
- Establishing and verifying preferences
- Completing the full application for final eligibility determination
- Selecting of eligible applicants for voucher issuance

The policies are outlined and are organized into three sections, as follows:

Section One: Creating an Application Pool. This section will cover creating an application pool from the preliminary wait list based on preferences. Applicants with equal preference points will be selected according to date and time of the pre-application.

Section Two: The Full Application Process. This section will explain how the applicants are invited to the formal initial eligibility interview to complete the full application.

Section Three: Determining Applicants Eligible or Ineligible. This section will explain the process of the final eligibility determination for voucher issuance, determining families ineligible or returning applicants to the preliminary wait list.

SECTION ONE: Creating an Application Pool

3.2 APPLICATION POOL
[24 CFR 982.204]

As families reach the top of the preliminary wait list and based on the HA's turnover and the availability of funding, applicants will be selected from the preliminary wait list to form a final eligibility pool.

It is the HA's objective to pull names from the wait list within a reasonable amount of time and determine if the family is eligible for assistance. The information provided on the pre-application will be verified during this final eligibility process.

3.3 LOCAL PREFERENCES
[24 CFR 982.207]

Preferences affect only the order of the applicants on the waiting list. They do not make

anyone eligible who was not eligible before.

The HA may establish local preferences based upon housing needs and priorities as determined by the HA and based on accepted data sources, after providing an opportunity for public comment, and will consider the public comments received.

Although no verification of preference is required at pre-application, before the family is provided assistance, the family's eligibility for the preference based on the current circumstances will be verified.

The HA has established the local preferences which will be given a cumulative point value so the more preference points an applicant has, the higher the applicant's place on the waiting list.

1. **Shelter Plus Care Resident Preference (10 Points)**

   This preference is for an individual or family that needs a voucher to prevent displacement because of a shortage of funding in the Shelter Plus Care program.

2. **Residency Preference (10 Points)**

   This local preference would continue to give a preference for applicants who reside and/or work in the City and County of Fresno.

   This is further defined to mean:

   - The family must live, or at least one member must have a job, within the limits of Fresno County.
   - Applicants who have been notified that they are hired to work in Fresno County must be treated as a resident.
   - A resident is also defined to mean at least one adult member of the applicant household is currently enrolled in a Fresno County institution of higher education.

   HUD regulations state that a residency preference must not be based on how long an applicant has resided or worked in a residency preference area.

3. **United States Veteran's Preference (9 Points)**

   This preference applies to active U.S. Armed Forces, veterans and their spouses.

4. **Single Applicants Who are Elderly, Disabled or Displaced over "Other Single Persons" (8 Points)**

   This preference gives a single person who is 1) age 62 or older, 2) displaced by governmental action or 3) a disabled person (see Glossary under "a person with disabilities" for definition) a selection preference over all "other single" persons regardless of preference status.

"Other Singles" denotes a one-person household in which the individual member is not elderly, disabled or displaced by government action. Such applicants will be placed on the wait list in accordance with any other preference to which they are entitled, but they cannot be selected for assistance before any one-person elderly, disabled or displaced family regardless of local preferences.

Referrals from Law Enforcement Agencies

This preference is subject to the approval of the Executive Director. The HA may distribute application forms and may issue a voucher to families or single persons that are referred by law enforcement agencies. The types of referrals that will be considered include, but are not limited to:

- Victims under witness protection programs, or
- Victims of domestic violence.

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

3.4 METHOD OF SELECTION

[24 CFR 982.202(d) and 982.207 (c)]

The HA selects families from the preliminary wait list according to highest cumulative point value of any preference(s) claimed. Applicants with equal preference points will be selected according to date and time of the pre-application. [The HA is considering a lottery selection method for future intake. Should this method be used in the future, it will be announced to all applicants].

Once the initial application pool is established, each applicant will be invited to the full application process. The HA will conduct this method of selection so there is a clear audit trail that can be used to verify that each applicant has been selected in accordance with the method specified in this administrative plan.

3.5 PREFERENCE ELIGIBILITY

[24 CFR 982.207]

Change in Circumstances

Change in an applicant's circumstances while on the wait list may affect the family's entitlement to a preference. Applicants are required to notify the HA in writing when their circumstances change. When an applicant supplies information which indicates qualification for an additional preference, the applicant will be placed on the wait list in the appropriate order determined by the newly-claimed preference**, in combination with any previously-claimed preference.**

SECTION TWO: The Full Application Process

3.6 FULL APPLICATION COMPLETION

HUD recommends obtaining the information and documents needed to make an eligibility determination through a face-to-face interview.

The HA utilizes the full application interview to discuss the family's circumstances in greater detail, to clarify information which has been provided by the family, and to ensure that the information is complete. The interview is also used as a vehicle to provide information about

the application and verification process, as well as to advise the family of other HA services or programs for which the family may be available.

The interviews are scheduled based on order of selection from the preliminary wait list. Applicants will be required to complete a Personal Declaration Packet which is mailed to the applicant in advance to complete.

Being invited to attend an interview does not constitute admission to the program. The head of household and spouse may both be required to attend the interview.

Applicants who want to reschedule an appointment must make the request to reschedule no later than 2 days prior to the original appointment date. If the applicant does not reschedule or misses one scheduled meeting, the HA will reject the application.

The family will be required to provide the following information for each family member within the household:

- Applicant name
- Family composition
- Racial or ethnic designation of the head of household
- Names, sex and ages
- Relationship to head of household
- Street Address and phone numbers (message and contact numbers)
- Mailing Address (If PO Box or other permanent address)
- Amount(s) and source(s) of income received by all household members
- Information regarding disabilities to determine qualifications for allowances and deductions
- Information related to qualification for preferences
- Social Security Numbers
- Citizenship/eligible immigration status
- Answers to questions regarding arrests/convictions for drug-related or violent criminal activity or child molestation
- If applicable, a Request for Specific Accommodation, if needed by a person with disabilities in order to fully utilize program and services
- Current and previous landlords names and addresses
- Emergency contact person and address
- Program integrity questions regarding previous participation in HUD programs
- Verification of local preferences

3.7 VERIFICATION

[24 CFR 982.201(e)]

All adult members must sign and complete the Application for Initial Occupancy, HUD Form 9886 (Release of Information), the declarations and consents related to citizenship/immigration status and any other documents required by the HA. Applicants will be required to sign specific verification forms for information which is not covered by the HUD Form-9886.

Applicant is required to provide necessary verification which may not be more than 60 days old from the date of the initial eligibility interview. All information provided by the applicant, will be verified, using the verification procedures described in Chapter 7. If any information is not supplied or if the family fails to sign any of the forms required, the application may be denied. These and other grounds for denial of admission are described in Chapter 4.

As part of the full application process, the HA will verify the family's eligibility for a local preference based on current circumstances

If the information is not supplied or if the family fails to sign any of the forms required, the application may be denied. These and other grounds for denial of admission are described in Chapter 4.

After the verification process is completed, the HA will make a final determination of eligibility. This decision is based upon information provided by the family, the verification completed by the HA, and the current eligibility criteria in effect.

SECTION THREE: Determining Applicants Eligible or Ineligible

3.8 FINAL ELIGIBILITY DETERMINATION

[24 CFR 982.201]

Each applicant will be interviewed by HA staff to review the information on the Application for Initial Occupancy Packet.

If the HA determines at or after the interview that additional information or document(s) are needed, the HA will request the document(s) or information **in writing.** The family will be given **7 calendar** days to supply the information. Extensions beyond 7 days may be permitted upon approval of the intake staff member. If the information is not supplied in this time period, the HA will provide the family a notification of denial for assistance.

3.8.1 Placement on the Waiting List

If the family is determined eligible, they will be notified of the approximate time that assistance should be available. They may be placed on the waiting list until the criminal background checks have cleared for all required family members. Once cleared, the eligible applicants will be required to attend a briefing appointment in order to receive the voucher.

3.9 PREFERENCE DENIAL

[24 CFR 982.207]

If upon verification the HA determines that the family does not qualify for the preference claimed, the family does not receive the preference and will be returned to the wait list. The applicant will be placed on the wait list without benefit of the preference. In this situation the HA must provide a written notice stating the reasons for the determination. An informal review is not required.

If the applicant falsifies documents or makes false statements regarding a preference, the application will be denied and cancelled. The family will be notified in writing when this occurs, and advised of the family's right to request an informal review.

Chapter 4
ELIGIBILITY FOR ADMISSION

4.1 INTRODUCTION

[24 CFR Part 5, Subparts B, D & E; Part 982, Subpart E]
The HA is responsible for ensuring that every individual and family admitted to the HCV program meets all program eligibility requirements. This includes any individual approved to join the family after the family has been admitted to the program. The family must provide any information needed by the HA to confirm eligibility and determine the level of the family's assistance. This chapter also covers the grounds for denial of admission and screening for criminal background checks related to this program.

This chapter is divided into three sections.

Section One: This section contains HUD and HA definitions of family and household members and explains initial and ongoing eligibility issues related to these members.

Section Two: This section discusses income eligibility, and rules regarding citizenship, social security numbers, and family consent.

Section Three: This section covers factors related to denial of assistance and criminal background checks.

SECTION ONE: Eligibility Factors and Definitions

4.2 ELIGIBILITY FACTORS AND REQUIREMENTS

There are five eligibility requirements for admission to Section 8. An applicant must:

- Qualify as a family;
- Have income within the income limits;
- Meet citizenship/eligible immigrant criteria ;
- Provide documentation of Social Security Numbers for each household member; and
- Sign consent authorization documents for each adult in the household.

In addition to the above, in order for a family to be determined eligible the HA will conduct criminal background checks in accordance with this chapter. A family may be denied assistance if the results show evidence which would prohibit admission to the HCV program. For more information, see Section Three in this Chapter.

4.3 FAMILY COMPOSITION
[24 CFR 5.403, 982.201]

The applicant must qualify as a Family. A Family may be a single person or a group of persons.

A group of persons may be:

- Two or more persons sharing residency, who are not categorized as an elderly or disabled family, whose income and resources are available to meet the family' needs. There must be a relation by blood, marriage or operation of law, or the group must provide evidence of a significant relationship determined to be stable by the HA. The following is to be considered as relation by blood: mother, father, children, cousin, niece, nephew, aunt, grandfather, grandmother.
- Two or more elderly or persons with disabilities living together, or one or more elderly, near elderly or persons with disabilities living with one or more live-in aides is a family.

A child who is temporarily away from home because of placement in foster care is to be considered a member of the family. This provision only pertains to the foster child's temporary absence from the home, and is not intended to artificially enlarge the space available for other family members.

A single person may be:

- An elderly person
- A displaced person
- A person with a disability
- Any "other single" person

4.3.1 Stable Relationship

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

The HA defines a stable relationship as

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

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

4.4 DEFINITIONS RELATED TO FAMILY COMPOSITION

4.4.1 Head of Household

The head of household is the adult member of the household who is designated by the family as head, is wholly or partly responsible for paying the rent, and has the legal capacity to enter into a lease under State/local law. Emancipated minors who qualify under State law will be recognized as head of household.

4.4.2 Spouse of Head

Spouse means the husband or wife of the head. For proper application of the Non-citizens Rule, the definition of spouse is: the marriage partner who, in order to dissolve the

relationship, would have to be divorced. It includes the partner in a common law marriage. The term "spouse" does not apply to boyfriends, girlfriends, significant others, or co-heads.

4.4.3 Co-Head

An individual in the household who is equally responsible for the lease with the head of household. A family may have a spouse or co-head, but not both. A co-head never qualifies as a dependent.

4.4.4 Live-in Aide

[24 CFR 982.316]

A Family may include a live-in aide, provided that such live-in aide:

- Is determined by the HA to be essential to the care and well being of an elderly person, near-elderly (50-61) person, or a person with disabilities,
- Is not obligated for the support of the person(s),
- Would not be living in the unit except to provide care for the person(s), and
- Must be a specific person, approved by the HA, who lives in the unit as his or her primary residence.

Relatives are not automatically excluded from being live-in aides, but they must meet all of the elements in the live-in aide definition described above.

A live-in aide is treated differently than family members:

- Income of the live-in aide will not be counted for purposes of determining eligibility or level of benefits.
- Live-in aides are not subject to Non-Citizen Rule requirements.
- Live-in aides may not be considered as a remaining member of the tenant family.

4.5 VERIFICATION OF NEED FOR A LIVE-N AIDE

A live-in aide may only reside in the unit with the approval of the HA. Written verification will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or case worker. The verification provider must certify that a live-in aide is needed for the care of the family member who is elderly, near-elderly (50-61) or a person with disabilities.

4.6 APPROVAL OR DISAPPROVAL OF A PARTICULAR PERSON AS LIVE-IN AIDE

A live-in aide may only reside in the unit with the approval of the HA. At any time, the HA may refuse to approve a particular person as a live-in aide or may withdraw such approval if:

- The person commits fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program;
- The person commits drug-related criminal activity or violent criminal activity; or

- The person currently owes rent or other amounts to the HA or to another HA in connection with Section 8 or public housing assistance under the 1937 Act.
- The person does not pass the HA's criminal background check requirements.
- Does not reside in the unit, but has a residence elsewhere.

4.7 SPLIT HOUSEHOLDS PRIOR TO VOUCHER ISSUANCE

When a family on the waiting list splits into two otherwise eligible families due to divorce or legal separation, and the new families both claim the same placement on the waiting list, and there is no court determination, the HA will make the decision taking into consideration the following factors:

1. Which family member applied as head of household.
2. Which family unit retains the children or any disabled or elderly members.
3. Restrictions that were in place at the time the family applied.
4. Role of domestic violence in the split.
5. Recommendations of social service agencies or qualified professionals such as children's protective services.

Documentation of these factors is the responsibility of the applicant families. If either or both of the families do not provide the documentation, they may be denied placement on the waiting list for failure to supply information requested by the HA.

4.8 MULTIPLE FAMILIES IN THE SAME HOUSEHOLD

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

4.9 JOINT CUSTODY OF CHILDREN

Children who are subject to a joint custody agreement but live with one parent at least 51% of the time will be considered members of the household. The term, "51% of the time" is defined as 183 days of the year, which do not have to run consecutively. When both parents are on the Waiting List and both are trying to claim the child, the parent whose address is listed in the school records will be allowed to claim the school-age child as a dependent.

SECTION TWO: Basic Eligibility Criteria

After determining the applicant meets the definition of family as described in this chapter, the following eligibility criteria must also be met.

4.10 INCOME LIMITATIONS

[24 CFR 982.201, 982.353]

With respect to Section 8 tenant-based assistance, for each fiscal year, not less than 75% of its new admissions must have incomes at or below 30% of the area median income. In order to be eligible for assistance, an applicant must be either:

- A very low-income family; or
- A low-income family in any of the following categories:
  - A low-income family that is continuously assisted under the 1937 Housing Act. (An applicant is continuously assisted if the family has received assistance under any 1937 Housing Act program within 90 days of voucher issuance. Programs include Public Housing, all Housing Choice programs, and all Section 23 programs).
  - A low-income non-purchasing family residing in a HOPE 1 or HOPE 2 project.
  - A low-income non-purchasing family residing in a project subject to a resident homeownership program under 24 CFR 248.173.
  - A low-income or moderate-income family displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract under 24 CFR 248.165.

In order to determine if the family is income-eligible, the HA compares the annual income of the family to the applicable income limit based on the family's size. Families must have incomes at or below 50% of the Area Median Income. Tracking will be done to ensure the HA does not exceed these income targeting limits. Families whose annual income exceeds the income limit will be denied admission and offered an informal review.

4.10.1 Portability:

For initial lease-up, families who exercise portability must be within the very low-income limit for the jurisdiction of the receiving HA in which they want to live.

4.11 MANDATORY SOCIAL SECURITY NUMBERS

[24 CFR 5.216, 5.218]

Families are required to provide verification of Social Security numbers for all family members, or a self-certification stating that no SSN has been issued. The HA will request the family provide a Social Security Card for each family member. If the family cannot provide a Social Security Card, the HA will also accept the following documents as evidence if the SSN is provided on the document:

- Driver's License
- Other identification card issued by a federal, state, or local agency, a medical insurance company or provider, or employer or trade union.
- Payroll Stubs
- Benefit award letters from government agencies; retirement benefit letters; life insurance policies
- Court records (real estate, tax notices, marriage and divorce, judgment or bankruptcy records)

If the family reports an SSN but cannot provide acceptable documentation of the number, the HA will require a self-certification stating that documentation of the SSN cannot be provided at this time. The HA will require documentation of the SSN within 60 calendar days from the date

of the family member's self-certification mentioned above. If the family is an applicant, assistance cannot be provided until proper documentation of the SSN is provided.

The HA will instruct the family to obtain a duplicate card from the local Social Security Administration (SSA) office.

For individuals who are at least 62 years of age and are unable to submit the required documentation of their SSN within the initial 60-day period, the HA will grant an additional 60 calendar days to provide documentation.

The social security numbers of household members, such as live-in aids, must be verified for the purpose of conducting criminal background checks.

4.12 CITIZENSHIP/ELIGIBLE IMMIGRATION STATUS

[24 CFR Part 5, Subpart E]

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 contend their status. Eligible immigrants are persons who are in one of the immigrant categories as specified by HUD in 24 CFR 5.504 and 5.508. For the citizenship/eligible Immigration requirement, the status of each member of the family is considered individually before the family's status is defined.

4.12.1 Mixed Families

A family is eligible for assistance as long as at least one member is a citizen or eligible immigrant. Families that include eligible and ineligible individuals are called "mixed". 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.

4.12.2 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.

4.12.3 Non-Citizen Students

Defined by HUD in the non-citizen regulations are not eligible for assistance.

4.12.4 Appeals

For this eligibility requirement only, the applicant is entitled to a hearing exactly like those provided for participants.

4.12.5 When to Verify Citizenship/Eligible Immigration Status

Evidence of citizenship/eligible immigrant status will not be verified until the family is selected from the waiting list for final eligibility processing for issuance of a voucher, unless the HA determines that such eligibility is in question, whether or not the family is at or near the top of the waiting list.

4.13 FAMILY CONSENT TO RELEASE OF INFORMATION

[24 CFR 5.230, HCV GB, p. 5-13]

HUD requires each adult family member, and the head of household, spouse, or co-head, regardless of age, to sign form HUD-9886, Authorization for the Release of Information/Privacy Act Notice and other consent forms as needed to collect information relevant to the family's eligibility and level of assistance. Chapter 7 provides detailed information concerning the consent forms and verification requirements.

4.14 RESTRICTION ON ELIGIBILITY OF STUDENTS

[24 CFR 5.612]

The student rule applies to all students who are applying as individuals, apart from their parents. The rule applies to students enrolled as a full or part-time student at an institution of higher education for the purpose of obtaining a degree, certificate, or other program leading to a recognized educational credential. This does not apply to students who are living with his/her parents who are applying for or receiving section 8 assistance.

No assistance shall be provided to any individual student that meets the following criteria:

- Is enrolled as a student at an institution of higher education, as defined under section 102 of the Higher Education Act of 1965 (20 U.S.C.1002), and is
- Under the age of 24,
- Not a veteran,
- Unmarried, or
- Does not have a dependent child.

Unless the student is determined independent from his or her parents, the eligibility of a student seeking assistance will be based on the income of both student and the parents. The student must be determined income eligible for assistance based on whether the student's parents, individually or jointly, are income eligible for assistance. Both the student's income and the parent's income must be separately assessed for income eligibility.

HUD defines *"parents"* for the purposes of Section 8 programs to mean the biological or adoptive parents, or guardians (e.g., step-parents, grandparents, aunt/uncle, godparents, etc.). The HA will adopt this definition without adding any further stipulations.

The HA will adopt the following definition of "*veteran"* for the purposes of this section to mean a person who served in the active military, naval, or air service, and who was discharged or released there from under conditions other than dishonorable.

SECTION THREE: Denial of Assistance

This section describes the reasons why an applicant may be denied assistance.

A family that does not meet eligibility requirements will be notified in writing of the reason for denial and given an opportunity to request an informal review; or an informal hearing if they

were denied due to non-citizen status. See Chapter 19, "Complaints and Appeals" for additional information about reviews and hearings.

This section also describes the HA's policy regarding conducting criminal background checks which may result in the denial of admission.

4.15 DENIAL OF ASSISTANCE, WHEN IT APPLIES

Denial of assistance includes any of the following:

- Not placing the family's name on the waiting list
- Denying or withdrawing a voucher
- Not approving a request for tenancy or refusing to enter into a HAP contract

4.16 PROHIBITED ADMISSION CRITERIA

[24 CFR 982.202(b)]

Denial of admission to the program may not be based on:

- Where a family lives prior to admission to the program
- Where the family will live with assistance under the program. Although eligibility is not affected by where the family will live, there may be restrictions on the family's ability to move outside the HA's jurisdiction (See Chapter 13, Portability.)
- Certain family characteristics, such as:
  - Discrimination because members of the family are unwed parents, recipients of public assistance, or children born out of wedlock;
  - Discrimination because a family includes children;
  - Discrimination because of age, race, color, religion, sex, or national origin;
  - Discrimination because of disability; ;
  - Whether a family decides to participate in a family self-sufficiency program; or
  - Whether or not a qualified applicant has been a victim of domestic violence, dating violence, or stalking.

4.17 MANDATORY DENIAL OF ASSISTANCE

[24 CFR 982.553(a)]

HUD regulations require mandatory denial of assistance for the reasons listed below, with the following clarifiers:

"Currently engaged in" is defined as any use of illegal drugs during the previous twelve months.

"Pattern of abuse" is defined as the use of a controlled substance or alcohol if there is more than one incident during the previous 12 months. "Incident" includes but is not limited to arrests, convictions, no contest pleas, fines, and city ordinance violations.

In determining reasonable cause, the HA will consider all credible evidence, including but not limited to, any record of convictions, arrests, or evictions of household members related to the use of illegal drugs or the abuse of alcohol. A conviction will be given more weight than an arrest. The HA will also consider evidence from treatment providers or community-based organizations providing services to household members.

1. ***Methamphetamine*** – if any member of the household has ever been convicted of manufacturing or producing methamphetamine on the premises of federally assisted housing [24 CFR 982.553 (a)(1) (c)].
2. ***Alcohol Abuse*** – if the HA determines that a household member's abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents [24 CFR 982.553 (a) (3)]. Admission will be prohibited for three years from the date of the offense.
3. ***Current illegal drug use for any household member*s** – if the HA determines that any household member is currently engaged in any illegal use of a drug [24 CFR 982.553 (a) (1) (ii) (A)].
4. ***A pattern of illegal use of a drug*** – if the HA determines that it has reasonable cause to believe that a household member's illegal drug use or a pattern of illegal drug use may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents [24 CFR 982.553 (a) (1)(ii) (B)]. Admission will be prohibited for up to three years from the date of the offense.
5. ***Criminal Activity (Drug-Related)*** - Any member of the household has been evicted from federally-assisted housing in the last 3 years for drug-related criminal activity. However, the HA will admit an otherwise-eligible family who was evicted from federally-assisted housing within the past 3 years for drug-related criminal activity, if the HA is able to verify that the household member who engaged in the criminal activity has completed a supervised drug rehabilitation program approved by the HA; or that the circumstances leading to eviction no longer exist (for example, the criminal household member has died or is imprisoned) [24 CFR 982.553 (a) (1)(i)].
6. **Lifetime Registration** - If any member of the household is subject to a lifetime registration requirement under a State sex offender registration program [24 CFR 982.553 (a) (2)].
7. **Consent Forms** - The HA will deny admission if any member of the family fails to sign and submit HUD or HA-required consent forms for obtaining information [24 CFR 982.552 (b) (3)].
8. **Citizenship Status** - The HA will deny program assistance if no member of the family is a U.S. citizen or eligible immigrant (See Chapter 14, Section 14.8) [24 CFR 982.552 (b) (4)].
9. **Students in Higher Education** -- If any family member fails to meet the eligibility requirements concerning individuals enrolled at an institution of higher education as described in Section 4.13 of this chapter; [24 CFR 982.552 (b) (5)].

4.18 ADDITIONAL PROHIBITIONS

[24 CFR 982.552(c), 982.553(a)(2)(ii]

The HA may at any time deny program assistance for any of the following reasons:

- Family Violates Any Family Obligations: If the family violates any family obligations under the HCV program as defined in CFR 24 982.551" [24 CFR 982.552 (c) (1) (i)];
- Evicted from Federally Assisted Housing: If any member of the family has ever been evicted from federally assisted housing in the last five years [24 CFR 982.552 (c) (1) (ii)];
- Past Termination from a HA Program: If the HA has ever terminated assistance under the program for any member of the family [24 CFR 982.552 (c) (1) (iii)];
- Outstanding Debt: If the family currently owes rent or other amounts to the HA or to another HA in connection with Section 8 or public housing assistance under the 1937 Act [24 CFR 982.552 (c) (1) (v)];
- Fraud, Bribery, or Other Corrupt or Criminal Act Within a Federal Housing Program: If any family member has committed such acts in connection with a Federal housing program [24 CFR 982.552 (c) (1) (iv)].
- Actual or Threatened Abusive or Violent Behavior Toward HA Personnel: If the family has engaged in or threatened abusive or violent behavior toward HA personnel [24 CFR 982.552 (c) (1) (ix)].
- Repayment Breach with a HA: If the family breaches an agreement owed to a HA [24 CFR 982.552 (c) (1) (vi)].
- Fraud Against Another Agency: Misrepresentation of income or other eligibility factors to an agency other than the HA, for example welfare fraud, is grounds for denial of assistance.

"Abusive or violent behavior toward HA personnel" includes verbal as well as physical abuse or violence. Use of expletives that are generally considered insulting, racial epithets, or other language (written or oral) that is customarily used to insult or intimidate, may be cause for denial of admission.

"Threatened" refers to oral or written threats or physical gestures that communicate an intent to abuse or commit violence.

Actual physical abuse or violence will always be cause for denial of admission.

The HA may prohibit admission of a household to the program if the HA determines that any household member is currently engaging in, or has engaged in during a reasonable time before admission:

a. Drug-related criminal activity;
b. Other criminal activity which may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity;
c. Other criminal activity which may threaten the health or safety of the owner, property management staff, or persons performing a contract administration function or responsibility on behalf of the HA (including a HA employee or a HA contractor, subcontractor or agent); or
d. Violent criminal activity.

Period of time prohibited from admission for a, b and c above would be up to three years from the date of the offense. Period of time prohibited from admission for item "d" above would be up to five years from the date of offense; however depending upon the seriousness of the crime committed the prohibition would be up to seven years from the date of the offense.

4.19 SCREENING FOR ADMISSION

[24 CFR 982.552, 982.553, 5.903, 5.905]

The HA is required to screen for eviction and criminal activity as part of the rental assistance program. HUD requires the HA to set screening standards to ensure that those persons who are prohibited from being admitted to the program will not receive assistance.

4.19.1 Screening Standards

The screening for eviction and criminal activity will occur after an applicant family has been pulled from the waitlist and attends a formal eligibility interview. All adults (age 18 and above) in the applicant household, including live-in attendants, and all incoming families porting into the HA's jurisdiction must go through the screening process.

The family will be required to disclose criminal/drug-related activity for all family members at the time of completing their full application. All adult family members must submit a signed Criminal Background Consent form. During the criminal background checks, the HA will also check for persons subject to a lifetime registration requirement under a State sex offender registration program.

When conducting a background check the HA will obtain the following reports:

- Credit report
- Eviction report
- Criminal background report
- Sex offender report

4.19.2 Factors to Consider Prior to Final Determination

Prior to making a final determination as to admission relevant to HA criminal background and eviction screening, the HA will consider factors such as disclosure, completion of rehabilitative treatment for drug-related offenses, and type and longevity of the conviction will be considered. A criminal conviction alone may not necessarily result in the denial of assistance.

Other factors to be considered are covered in Section 4.19.

4.19.3 Grievance Rights When HA Decision is to Deny Admission

If the HA obtains criminal record information from a State or local agency showing that a household member has been convicted of a crime relevant to applicant screening, the HA will notify the household of the proposed action to be based on the information and must provide the subject of the record and the applicant or tenant a copy of such information, and an opportunity to dispute the accuracy and the relevance of the information. This opportunity must be provided before a denial of admission on the basis of such information.

If denied as a result of the criminal background check, HA will send a written notification of the denial which will include:

- The reason for the denial,
- The right of an individual to review the evidence regarding his criminal background which was the basis of the denial,
- An explanation of the right to request an informal review, and
- A description of how to obtain the informal review.

The family will be given 10 business days from the date of the HA notice, to dispute the accuracy and relevance of the information. IF the family does not contact the HA to dispute the information within that 10 business day period, the HA will proceed with the termination action.

4.19.4 Records Management

[24 5.903 (g)]

Consistent with the limitations on disclosure of records, the HA has established and implemented a system of records management that ensures that any criminal record received by the HA from a law enforcement agency is:

a. Maintained confidentially;
b. Not misused or improperly disseminated; and
c. Destroyed, once the purpose(s) for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the HA action without institution of a challenge or final disposition of any such litigation.

All eviction and criminal background history is retained by the contracted provider. The HA will not print search results unless there is a need to due to an applicant's request for an Informal Review or as needed for review.

The results of the HA's background check will be maintained in a secure and confidential database.

A copy of the Consent for Release of Information along with the approval/denial status will be kept in a confidential filing system separate from the applicant file. The confidential file will be maintained for three years from the date of Decision.

4.20 CONSIDERATION OF CIRCUMSTANCES

HUD authorizes the HA to consider all relevant circumstances when deciding whether to deny admission based on a family's past history except in the situations for which denial of admission is mandated (see Section 15.3).

In deciding whether to deny assistance because of action or failure to act by members of the family; the HA has [24 CFR 982.552 (c) (2)]:

1. Discretion to consider all relevant circumstances in each case, including the seriousness of the case. The HA will use its discretion in reviewing the extent of participation or culpability of individual family members, mitigating circumstances related to the disability of a family member, and the passage of time since the family's action or failure to act .
2. When the ground for denial of assistance is related to criminal activity, such factors as disclosure of the criminal act, completion of rehabilitative treatment for drug-related offenses, and type and longevity since the conviction will be considered.
3. The HA may also review the family's more recent history and record of compliance, and the effects of denial of admission on other family members who were not involved in the action or failure to act [24 CFR 982.552 (c) (2) (i)].
4. The HA may impose a requirement that family members who participated in or were culpable for the action or failure will not reside in the unit. The HA may permit the other members of a family to be admitted to the program [24 CFR 982.552 (c) (2) (ii)]. If the violating member is a *minor*, the HA may consider individual circumstances with the advice of Juvenile Court officials. The HA will also consider whether the culpable member is a victim of domestic violence, dating violence, or stalking.
5. In determining whether to deny admission for illegal use of drugs or alcohol abuse by a household member who is no longer engaged in such behavior, the HA [24 CFR 982.552 (c) (2) (iii)]:
   - Will consider whether such household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program, or
   - Has otherwise been rehabilitated successfully (42 U.S.C. 13661).
   - May require the family to submit evidence of the household member's current participation, or successful completion of a supervised drug or alcohol rehabilitation program.
6. *Reasonable Accommodation:* If denial is based upon behavior resulting from a disability, the HA will delay the denial in order to determine if there is an accommodation which would negate the behavior resulting from the disability in accordance with part 8 of this title.
7. The HA will also consider whether the family disclosed the information to the HA under penalty of perjury when completing the certification packet.
8. If an applicant is or has been a victim of domestic violence, dating violence or stalking, this is not an appropriate basis for denial of admission, if the applicant otherwise qualifies for admission.

If the family is intentionally willingly and knowingly *commits fraud* or is involved in any other illegal scheme with the owner, the HA will terminate assistance. *In making this determination*, the HA will carefully consider the possibility of overt or implied intimidation of the family by the owner and the family's understanding of the events.

4.20.1 Required Evidence

The HA will use the concept of the preponderance of the evidence as the standard for making all termination decisions.

Preponderance of evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a

whole shows that the fact sought to be proved is more probable than not. The intent is not to prove criminal liability, but to establish that the act(s) occurred.

1. *Preponderance of evidence* will not be determined by the number of witnesses, but by the greater weight of all evidence.

2. *Credible evidence* may be obtained from police and/or court records. Testimony from neighbors, when combined with other factual evidence, can be considered credible evidence. Other credible evidence includes documentation of drug raids or arrest warrants.

3. The HA will pursue fact-finding efforts as needed to obtain credible evidence.

4.21 INFORMAL REVIEWS

[24 CFR 982.554]

Details regarding the informal review process and how to request one are covered in Chapter 19, Section 19.3.

Chapter 5
SUBSIDY STANDARDS
[24 CFR 982.54(d)(9)]

5.1 INTRODUCTION

HUD guidelines require that HA's establish subsidy standards for the determination of voucher bedroom size, and that such standards provide for a minimum commitment of subsidy while avoiding overcrowding. The standards used for the voucher size also must be within the minimum unit size requirements of HUD's Housing Quality Standards (Section 5.6 of this chapter). Chapter 5 explains the subsidy standards which will be used to determine the voucher size for families of different sizes when they are first determined eligible for the HCV program; as well as the HA's procedures when a family's size changes, or a family selects a unit size that is different from the voucher.

5.2 DETERMINING VOUCHER SIZE
[24 CFR 982.402]

The HA does not determine who shares a bedroom/sleeping room. The HA's subsidy standards for determining the family unit size shall be applied in a manner consistent with Fair Housing guidelines. All standards in this section relate to the number of bedrooms on the voucher (level of subsidy), not the family's actual living arrangements.

The family unit size on the voucher remains the same as long as the family composition remains the same, regardless of the actual unit size rented.

HUD regulations stipulate the following about the HA's subsidy standards:

- The subsidy standards must provide for the smallest number of bedrooms needed to house a family without overcrowding.
- They must be consistent with space requirements under the housing quality standards. (See Section 5.6 of this chapter).
- They must be applied consistently for all families of like size and composition.
- A child who is temporarily away from the home because of placement in foster care is considered a member of the family unit size.
- A family that consists of a pregnant woman (with no other persons) must be treated as a two-person family.
- Any live-in aide (approved by the HA to reside in the unit to care for a family member who is disabled or is at least 50 years of age) must be counted in determining the family unit size. The HA will not approve an unidentified live-in aide; nor a larger unit than the family qualifies for under the HA subsidy standards, for an unidentified aide.

Generally, the HA assigns one bedroom to two people within the following guidelines:

- Foster children will be included in determining unit size only if they will be in the unit for more than twelve months.
- Live-in attendants will be provided a separate bedroom if the assisted unit is the attendant's principle residence. No additional bedrooms are provided for the attendants' family.
- A single-person family will be allocated a one-bedroom.
- The head of household (with spouse or co-head, if any) will be allocated a separate bedroom from other household members.

5.2.1. Guidelines for Determining Voucher Size

Voucher Size	Persons in Household (Minimum #)	Persons in Household (Maximum #)
0 Bedroom	**1**	**1**
1 Bedroom	**1**	**2**
2 Bedrooms	**2**	**4**
3 Bedrooms	**4**	**6**
4 Bedrooms	**6**	**8**
5 Bedrooms	**8**	**10**
6 Bedrooms	**10**	**12**

5.3 EXCEPTIONS TO THE SUBSIDY STANDARDS

[24 CFR 982.402 (b)(8)]

The HA shall grant exceptions to the subsidy standards if the family requests and the HA determines the exceptions are justified by the age, sex, health, handicap, or relationship of family members or other personal circumstances.

The HA will grant an exception upon request as an accommodation for persons with disabilities. Circumstances may dictate a larger size than the subsidy standards permit when persons cannot share a bedroom due to a documented need, such as:

- A verified medical or health reason;
- Elderly persons or persons with disabilities who may require a live-in attendant; or

- If there is a need, which is documented by a health care provider, that an additional bedroom is needed for medical equipment. This will be verified by the HA during the annual inspection process.

5.3.1 Request for Exceptions to Subsidy Standards

The family may request a larger voucher size than indicated by the HA's subsidy standards. Such request must be made in writing within 10 business days of the HA's determination of bedroom size. The request must explain the need or justification for a larger bedroom. Documentation verifying the need or justification will be required as appropriate.

The HA will not issue a larger voucher due to additions of family members other than by birth, adoption, marriage, or court-awarded custody.

Requests based on health-related reasons must be verified by a doctor, medical professional, or social service professional.

5.4 CHANGES IN VOUCHER SIZE

5.4.1 Changes for Applicants

The voucher size is determined prior to the briefing by comparing the family composition to the HA subsidy standards. If an applicant requires a change in the voucher size, the above guidelines will apply.

5.4.2 Changes for Participants

The members of the family residing in the unit must be approved by the HA. The family must obtain approval of any additional family member before the new member occupies the unit except for additions by birth, adoption, or court-awarded custody, in which case the family must inform the HA within 10 business days. See "Changes in Family and Household Composition" in Section 12.8 for further information.

5.4.3 Under-Housed Families (Unit Too Small for Size of Family)

If a unit does not meet HQS space standards due to an increase in family size, (i.e., the unit is too small), the HA will issue a new voucher. The HA will also notify the family of the circumstances under which an exception will be granted, such as:

- If a family with a disability is under-housed in an accessible unit.
- If a family requires the additional bedroom because of a health problem which has been verified by the HA.

5.4.4 Over-Housed Families (Unit Too Large for Size of Family)

If a participant has a decrease in the family size, the family has the option to be issued a new voucher or remain in the unit they are renting. If the family chooses to remain in the unit, the subsidy standard will be lowered at the next annual re-examination.

If the family chooses to move, the voucher will be issued with the correct subsidy standard. The amount the family pays for rent must be affordable and the tenant portion of rent cannot exceed 40% of their adjusted income at the time of lease up (24 CFR 982.508). The approved rent will be based on the payment standard for the number of bedrooms the family is eligible for, or the actual number of bedrooms in the unit, whichever is less.

5.5 UNIT SIZE SELECTED

The family may select a different size dwelling than that listed on the voucher. The family may lease an otherwise acceptable dwelling unit with fewer bedrooms than the voucher size, provided the dwelling unit meets the applicable HQS space requirements (in Section 5.6 below).

The family may lease an otherwise acceptable dwelling unit with more bedrooms than the voucher size, provided it meets the initial affordability test, where the family does not pay more than 40% of their income towards rent and utilities.

5.6 HQS GUIDELINES FOR UNIT SIZE SELECTED

The standards allow two persons per living/sleeping room and permit maximum occupancy levels (assuming a living room is used as a living/sleeping area) as shown in the table below. The levels may be exceeded if a room in addition to bedrooms and living room is used for sleeping.

Unit Bedroom Size	Maximum # in Household
0	2
1	4
2	6
3	8
4	10
5	12
6	14

Chapter 6
DETERMINING THE TOTAL TENANT PAYMENT AND HOUSING AUTHORITY ABSENCE POLICY
[24 CFR Part 5, Subparts E and F]

6.1 INTRODUCTION

This chapter explains how the Total Tenant Payment (TTP) is calculated at admission and during annual re-examinations. It covers HA and HUD standards used to calculate income inclusions and deductions; how the Earned Income Disallowance is applied in determining the rent portion of persons with disabilities with increases in earned income; and the minimum rent which must be paid by a participant family.

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

6.2 TOTAL TENANT PAYMENT (TTP)

The TTP is calculated for each household based on family income. It is used to determine the tenant contribution toward rent. The TTP is affected by who is included in the family composition. Accurate calculation of annual income and adjusted income ensures that families do not pay more or less for rent than obligated and required by the regulations.

Total subsidy is the lower of:

- The payment standard minus the TTP, or
- The gross rent minus the TTP

TTP is the higher of:

- 30% of monthly adjusted income
- 10% of total monthly gross income,
- Welfare rent (in as paid states), or
- Minimum rent ($50)

Changes in Total Tenant Payment (TTP)

For policies on how to work up interims and reexaminations that will result in an increase or decrease to the TTP please see Chapter 12.

6.2.1 Family Share

The family share is calculated by subtracting the amount of the housing assistance payment from the gross rent. The family rent to the owner is calculated by subtracting the amount of the housing assistance payment to the owner from the rent to owner (contract rent).

Payment of the whole family share is the responsibility of the family.

6.3 INCOME AND ALLOWANCES

[24 CFR 5.609]

6.3.1 Income

Income includes all monetary amounts which are received on behalf of the family. For purposes of calculating the Total Tenant Payment HUD defines what is to be calculated and what is to be excluded in the federal regulations. In accordance with this definition, all income which is not specifically excluded in the regulations is counted.

6.3.2 Annual Income.

Annual income is defined as the gross amount of income anticipated to be received by the family during the 12 months after certification or recertification. Gross income is the amount of income prior to any HUD allowable expenses or deductions, and does not include income which has been excluded by HUD. Annual income is used to determine whether or not applicants are within the applicable income limits.

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

1. Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to 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 not specifically excluded in Section 6.3.4, "Excludable Income" and Section 6.3.5, "Federally Mandated Income Exclusions" .

4. Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

Annual income includes, but is not limited to:

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

6. The net income from the operation of a business or profession. Expenditures for business expansion or amortization (paying off or paying down) of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on

straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;

7. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization (paying off or paying down) of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as described in the paragraph above. Authorized in paragraph (b)(2) of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of $5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;

8. The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except lump-sum payments caused by delays in processing periodic payments for Social Security or SSI are not included as income);

9. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay;

10. Welfare assistance payments. Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income only to the extent such payments: (A) Qualify as assistance under the TANF program definition at 45 CFR 260.31; and (B) Are not otherwise excluded.

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

12. All regular pay, special pay and allowances of a member of the Armed Forces (except special pay to a family member serving in the Armed Forces who is exposed to hostile fire).

13. For individuals enrolled at an institution of higher education who are under the age of 24, not a veteran, unmarried, and do not have a dependent child, AND are seeking Section 8 assistance in their individual capacity, any financial assistance, in excess of amounts received for tuition, that an individual received under the Higher Education Act of 1965, from private sources, or from an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual. Such assistance, however, would not be included for persons over the age of 23 with dependent children. Also the student's parents' income must be considered in determining if the student is income eligible according to guidance given in the HUD Notice, Eligibility of Students for Assisted Housing under Section 8 of the U.S. Housing Act of 1937; Supplementary Guidance, published on April 10, 2006.

6.3.3 Adjusted Income

Adjusted Income is defined as the Annual Income minus any HUD allowable expenses and deductions. HUD has five allowable deductions from Annual Income:

1. Dependent Allowance: $480 for each family member (other than the head or spouse) who is under 18; and for family members (other than the head of household or spouse) who are 18 and older who are full-time students or who is a person with disabilities.

2. Elderly/Disabled Allowance: $400 per family for families whose head or spouse is 62 or over, or a person with disabilities.

3. Allowable Medical Expenses: Deducted for all family members of an eligible elderly/disabled family. (After expenses exceed 3% of annual income which is referred to as the medical threshold.)

4. Child Care Expenses: Deducted for the care of children under 13 when child care is necessary to allow an adult member to work, attend school, or actively seek employment.

5. Allowable Disability Assistance Expenses: Deducted for attendant care or auxiliary apparatus for persons with disabilities if needed to enable the individual or an adult family member to work.

6.3.4 Excludable Income

The following kinds of income are excluded:

- Any subsidy received for transitional prescription drug assistance and any discounts negotiated in connection with the Medicare prescription drug discount card
- Income from employment of children under the age of 18
- Payments received for foster children or foster adults including SSI/SSA
- Lump sum additions to family assets (counted as assets)
- Medical reimbursements
- Income of a live-in aide
- Full amount of student financial assistance*
- Special armed forces pay (Hostile Fire Pay)

*This applies only to students residing with their parents in a Section 8-assisted unit or who reside with parents who are applying to receive Section 8 assistance.

- Resident service stipends
- Sporadic income
- Holocaust reparation payments
- Earnings for full-time students in excess of $480 for each student 18 years or older (excluding head or spouse)
- Adoption assistance payment in excess of $480 per adopted child
- Developmental disability care payments paid to a family with a member who has a developmental disability; enables the family to offset the cost necessary to keep the member at home.
- Refunds and rebates for property taxes
- Amounts set aside for use under a Plan for Achieving Self-support (PASS); pertains to SSI recipients
- Federally mandated income exclusions listed in Federal Register, 04/20/01 page #1287. See Section 6.3.5 of this chapter.
- Earned income disallowance. See Section 6.3.4 of this chapter.
- Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program.
- Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff.

For the last exclusion above, the following definitions apply:

"Training Program" - A learning process with goals and objectives, generally having a variety of components, and taking place in a series of sessions over a period of time. It is designated to lead to a higher level of proficiency and it enhances the individual's ability to obtain employment.

Training may include, but is not limited to:

- Classroom training in a specific occupational skill;
- On-the-job training with wages subsidized by the program; or
- Basic education.

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

"Supportive Services" - Employment training programs offering supportive services must include at least one of the following, or similar types of social services:

a. Child care

b. Transportation

c. Personal welfare counseling (family-parental development counseling, parenting skills training for adult and teenage parents, substance/alcohol abuse treatment and counseling, self-development counseling);

d. Health care services (including outreach and referrals);

e. Youth leadership skills; youth mentoring.

The duration of time when the incremental earnings are excluded is for the length of the training program, or until the training ends, whichever comes first. (A training program should have definite goals and a definite ending date. When documenting this type of excludable income, staff will include the anticipated ending date of the training program).

Scenario of this type of excludable income: A family member is receiving $300 per month in Temporary Assistance to Needy Families (TANF) benefits. She enrolls in a Qualifying State employment training program and receives $450 per month in training income. The TANF benefits stop.

Action: To determine the incremental amount of earnings and benefits, subtract $300 (benefits prior to enrollment in the training program) from $450 (earnings while enrolled in the training program). The incremental amount is $150. In determining income, $300 is counted and $150 is excluded. After completion of the training program, the exclusion ends.

6.3.5 Federally Mandated Income Exclusions

1. Value of Food Stamps

2. Domestic Volunteer Services Act

- Payments under the Domestic Volunteer Services Act of 1973 are excluded. These programs include:

  - VISTA - Volunteers in Service to America

- RSVP - Retired Senior Volunteer Program
- Foster Grandparents
- Senior Companions Program

3. Heating Assistance

   - Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (LHEAP).

4. JTPA/Workforce Investment Act of 1988

   - Payments or allowances received under programs funded in whole or in part under the Job Training Partnership Act, now referred to as the Workforce Investment Act of 1998.

5. Americorps Living Allowance under the National and Community Service Act of 1990 (this falls under JTPA)

6. Indian Settlements/Trusts

7. Title IV of the Higher Education Act of 1965

8. Spina bifida

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

9. Agent Orange Settlements

10. Child Care and Development Block Grant Act of 1990

    - The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990.

11. Earned Income Tax Credit Refunds

12. Crime Victim Compensation

    - Any amount of crime victim compensation under the Victims of Crime Act.

13. Title V of the Older Americans Act

- Payments under Title V are excluded. This is the Senior Community Service in Employment Program (SCSEP) funded through the Department of Labor.
- This program is administered by national contractors such as:
  - Green Thumb
  - AARP - American Association of Retired Persons
  - NCOA - National Council on Aging
  - National Council of Senior Citizens (sometimes called Senior Aides)
  - US Forest Services
  - NCBA - National Caucus Black
  - Urban League
  - National Association for the Spanish Elderly
- State Coordinators for Title V can provide a list of additional contractors who administer Title V.
- Even if there is 90% federal and 10% local funding, 100% of the income funded through Title V is excluded.

6.4 DISALLOWANCE OF EARNED INCOME FROM RENT DETERMINATIONS FOR PERSONS WITH DISABILITIES

[24 CFR 5.617; 982.201(b)(3)]

6.4.1 Definition of Earned Income Disallowance

The annual income for qualified disabled families may not be increased as a result of increases in earned income of a family member who is a person with disabilities beginning on the date on which the increase in earned income begins and continues for a cumulative 12-month period. After the disabled family receives 12 cumulative months of the full exclusion, annual income will include a HAse-in of half the earned income excluded from annual income.

A family qualified for the earned income exclusion is a family that is receiving tenant-based rental assistance under the Housing Choice Voucher Program; and

1. Whose annual income increases as a result of employment of a family member who is a person with disabilities and who was previously unemployed for one or more years

prior to employment;

2. Whose annual income increases as a result of increased earnings by a family member who is a person with disabilities during participation in any economic self-sufficiency or other job training program; or

3. Whose annual income increases, as a result of new employment or increased earnings of a family member, during or within six months after receiving assistance, benefits or services under any State program for TANF provided that the total amount over a six-month period is at least $500. The qualifying TANF assistance may consist of any amount of monthly income maintenance, and/or at least $500 in such TANF benefits and services as one-time payments, wage subsidies and transportation assistance.

The HUD definition of "previously unemployed" includes a person with disabilities who has earned in the previous 12 months no more than the equivalent earnings for working 10 hours per week for 50 weeks at the minimum wage. Minimum wage is the prevailing minimum wage in the State or locality.

The HUD definition of economic self-sufficiency program is: any program designed to encourage, assist, train or facilitate economic independence of assisted families or to provide work for such families. Such programs may include job training, employment counseling, work placement, basic skills training, education, English proficiency, workfare, financial or household management, apprenticeship, or any other program necessary to ready a participant to work (such as substance abuse or mental health treatment).

Qualifying increases are any earned income increases of a family member who is a person with disabilities during participation in an economic self-sufficiency or job training program and not increases that occur after participation, unless the training provides assistance, training or mentoring after employment.

The amount that is subject to the disallowance is the amount of incremental increase in income of a family member who is a person with disabilities. The incremental increase in income is calculated by comparing the amount of the disabled family member's income before the beginning of qualifying employment or increase in earned income to the amount of such income after the beginning of employment or increase in earned income.

6.4.2 Initial Twelve-Month Exclusion

During the cumulative 12-month period beginning on the date a member who is a person with disabilities of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, the HA will exclude from annual income of a qualified family any increase in income of the family member who is a person with disabilities as a result of employment over the prior income of that family member.

6.4.3 Second Twelve-Month Exclusion and Phase-in

During the second cumulative 12-month period after the expiration of the initial cumulative 12 month period referred to above, the HA must exclude from annual income of a qualified family 50 percent of any increase in income of a family member who is a person with disabilities as a result of employment over income of that family member prior to the beginning of such employment.

6.4.4 Maximum Four Year Disallowance

The earned income disallowance is limited to a lifetime 48-month period for each family member who is a person with disabilities. For each family member who is a person with disabilities, the disallowance only applies for a maximum of 12 months of full exclusion of incremental increase, and a maximum of 12 months of phase-in exclusion during the 48-month period starting from the date of the initial exclusion.

If the period of increased income does not last for 12 consecutive months, the disallowance period may be resumed at any time within the 48-month period, and continued until the disallowance has been applied for a total of 12 months of each disallowance (the initial 12-month full exclusion and the second 12-month phase-in exclusion).

No earned income disallowance will be applied after the 48-month period following the initial date the exclusion was applied.

6.4.5 Applicability to Child Care Expense Deductions

The amount deducted for child care necessary to permit employment shall not exceed the amount of employment income that is included in annual income. Therefore, for families entitled to the earned income disallowance, the amounts of the full and phase-in exclusions from income shall not be used in determining the cap for child care deductions.

6.4.6 Tracking the Earned Income Exclusion

The earned income exclusion will be reported on the HUD 50058 form. Documentation will be included in the family's file to show the reason for the reduced increase in rent.

Such documentation will include:

- Date the increase in earned income was reported by the family
- Name of the family member whose earned income increased
- Reason (new employment, participation in job training program, within 6 months after receiving TANF) for the increase in earned income
- Amount of the increase in earned income (amount to be excluded)
- Date the increase in income is first excluded from annual income
- Date(s) earned income ended and resumed during the initial cumulative 12-month

period of exclusion (if any)

- Date the family member has received a total of 12 months of the initial exclusion Date the 12-month phase-in period began

- Date(s) earned income ended and resumed during the second cumulative 12-month period (phase-in) of exclusion (if any)

- Date the family member has received a total of 12 months of the phase-in exclusion

- Ending date of the maximum 48-month (four year) disallowance period (48 months from the date of the initial earned income disallowance)

The HA will maintain a tracking system to ensure correct application of the earned income disallowance.

6.4.7 Inapplicability to Admission

The earned income disallowance is only applied to determine the annual income of disabled families who are participants in the Housing Choice Voucher Program, and therefore does not apply for purposes of admission to the program (including the determination of income eligibility or any income targeting that may be applicable).

6.5 MINIMUM RENT

[24 CFR 5.630]

"Minimum rent" is $50 in the Housing Choice Voucher Program. Minimum rent refers to the minimum Total Tenant Payment and includes the combined amount a family pays towards rent and/or utilities when it is applied.

6.5.1 Hardship Requests for an Exception to Minimum Rent

The HA recognizes that in some circumstances even the minimum rent may create a financial hardship for families. The HA will review all relevant circumstances brought to the HA's attention regarding financial hardship as it applies to the minimum rent. The following section states the HA's procedures and policies in regard to minimum rent financial hardship as set forth by the Quality Housing and Work Responsibility Act of 1998. HUD has defined circumstances under which a hardship could be claimed. (24 CFR 5.630)

6.5.2 Criteria for Hardship Exception

When the HA's Minimum Rent is more than zero and the family is paying the minimum rent, the HA must suspend the Minimum Rent in certain specific instances: [24 CFR 5.630]:

- When the family has lost eligibility for or is awaiting an eligibility determination for a government assistance program;
- When the family would be evicted because it is unable to pay the minimum rent;
- When the income of the family has decreased because of changed circumstances, including loss of employment, death in the family, or other circumstances as

determined by the HA or HUD.

In addition to the HUD hardships, the HA has added these hardship qualifications:

- If there is a substantial decrease of income, which was beyond the family's control.
- If there is a substantial increase in expenses, which was beyond the family's control.

If the family requests a hardship exemption, the HA will immediately suspend the minimum rent for the family until the HA can determine whether the hardship exists and whether the hardship is of a temporary or long-term nature.

Hardship exemptions must be approved by a supervisor.

6.5.3 No Hardship

If the HA determines there is no qualifying hardship, the minimum rent will be reinstated, including requiring back payment of minimum rent for the time of suspension.

6.5.4 Temporary Hardship

If the HA reasonably determines that there is qualifying hardship but that it is of a temporary nature, the minimum rent will not be imposed for a period of 90 days from the date of the family's request. At the end of the 90-day period, the minimum rent will be imposed retroactively to the time of suspension. The HA will offer a repayment agreement in accordance with this policy for any rent not paid during the period of suspension.

6.5.5 Long-term Hardship

If the HA determines there is a long-term hardship, the family will be exempt from the minimum rent requirement until the hardship no longer exists.

6.6 AVERAGING INCOME

When Annual Income cannot be anticipated for a full twelve months, the HA may:

- Average all known sources of income that vary to compute an annual income.
- If there are bonuses or overtime which the employer cannot anticipate for the next twelve months, bonuses and overtime received the previous year will be used.
- If by averaging, an estimate can be made for those families whose income fluctuates from month to month; this estimate will be used so as to reduce the number of interim adjustments.

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

6.7 MINIMUM INCOME

There is no minimum income requirement. Families who report zero income are required to complete an interim every 90 calendar days.

If the family reports less than $3,600 annual income, the HA will require the family to attend an appointment to complete the Monthly Living Expense worksheet. If the family's expenses exceed its known income, the HA will question the family about contributions and gifts.

6.8 INCOME OF PERSON PERMANENTLY CONFINED TO NURSING HOME

[24 CFR 982.54(d)(10)]

If a family member is permanently confined to a hospital or nursing home and there is a family member left in the household, the HA will calculate the income by using the following methodology and use the income figure which would result in a lower payment by the family:

a. Exclude the income of the person permanently confined to the nursing home and give the family no deductions for medical expenses of the confined family member.

   OR

b. Include the income of the person permanently confined to the nursing home and give the family the medical deductions allowable on behalf of the person in the nursing home.

6.9 REGULAR CONTRIBUTIONS AND GIFTS

[24 CFR 5.609]

Regular contributions and gifts received from persons outside the household are counted as income for calculation of the Total Tenant Payment.

6.9.1 Temporary Income

Temporary, non-recurring or sporadic income and gifts are not counted as income for calculation of the TTP.

If the family's expenses exceed its known income, the HA will question the family about contributions and gifts.

6.10 ALIMONY AND CHILD SUPPORT

[24 CFR 5.609]

Regular alimony and child support payments are counted as income for calculation of Total Tenant Payment.

If the amount of child support or alimony received is less than the amount awarded by the court, the HA will use the amount awarded by the court unless the family can verify that they are not receiving the full amount and verification of item(s) below are provided.

The HA will accept as verification that the family is receiving an amount less that the award if:

- The family furnishes documentation of child support or alimony collection action filed through a child support enforcement/collection agency, or has filed an enforcement or collection action through an attorney.

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

6.11 LUMP-SUM RECEIPTS

[24 CFR 5.609]

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

Lump-sum payments caused by delays in processing periodic payments such as unemployment or welfare assistance are counted as income. Lump sum payments from Social Security or SSI are excluded from income, but any amount remaining will be considered an asset. Deferred periodic payments which have accumulated due to a dispute will be treated the same as periodic payments which are deferred due to delays in processing.

In order to determine the amount of retroactive tenant rent that the family owes as a result of the lump sum receipt:

- The HA will calculate prospectively if the family reported the payment within 10 business; days and retroactively to date of receipt if the receipt was not reported within that time frame.

6.11.1 Prospective Calculation Methodology

If the payment is reported on a timely basis, the calculation will be done prospectively and will result in an interim adjustment calculated as follows:

1. The entire lump-sum payment will be added to the annual income at the time of the interim.

2. The HA will determine the percent of the year remaining until the next annual recertification as of the date of the interim.

3. At the next annual recertification, the HA will apply the percentage balance to the lump sum and add it to the rest of the annual income.

4. The lump sum will be added in the same way for any interims which occur prior to the next annual recertification.

6.11.2 Retroactive Calculation Methodology

1. The HA will go back to the date the lump-sum payment was received, or to the date of admission, whichever is closer.

2. The HA will determine the amount of income for each certification period, including the lump sum, and recalculate the tenant rent for each certification period to determine the amount due the HA.

The family has the choice of paying this "retroactive" amount to the HA in a lump sum.

At the HA's option, the HA may enter into a Repayment Agreement with the family.

The amount owed by the family is a collectible debt even if the family becomes unassisted.

6.11.3 Attorney Fees

The family's attorney fees may be deducted from lump-sum payments when computing annual income if the attorney's efforts have recovered a lump-sum compensation, and the recovery paid to the family does not include an additional amount in full satisfaction of the attorney fees.

6.12 CONTRIBUTIONS TO RETIREMENT FUNDS - ASSETS

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

1. While an individual is employed, count as assets only amounts the family can withdraw without retiring or terminating employment.

2. After retirement or termination of employment, count any amount the employee elects to receive as a lump sum.

6.13 ASSETS DISPOSED OF FOR LESS THAN FAIR MARKET VALUE

The HA must count assets disposed of for less than fair market value during the two years preceding certification or reexamination. The HA will count the difference between the market value and the actual payment received in calculating total assets.

Assets disposed of as a result of foreclosure or bankruptcy are not considered to be assets disposed of for less than fair market value. Assets disposed of as a result of a divorce or separation are not considered to be assets disposed of for less than fair market value.

The HA's minimum threshold for counting assets disposed of for less than Fair Market value is $1,000.00. If the total value of assets disposed of within a one-year period is less than $1,000.00, they will not be considered an asset.

6.14 CHILD CARE EXPENSES

[24 CFR 5.611 (a)]

Child care expenses for children under 13 may be deducted from annual income if they enable an adult to work or attend school full time, or to actively seek employment.

In the case of a child attending private school, only after-hours care can be counted as child care expenses.

The HA will not disallow a deduction for childcare expenses just because there is an

unemployed adult family member that may be available to provide childcare.

Allowability of deductions for child care expenses is based on the following guidelines:

Child care to work: The maximum child care expense allowed must be less than the amount earned by the person enabled to work. The "person enabled to work" will be the adult member of the household who earns the least amount of income from working.

Child care for school: The number of hours claimed for child care may not exceed the number of hours the family member is attending school, including *reasonable* travel time to and from school.

Amount of Expense: The HA will survey the local care providers in the community and collect data as a guideline. If the hourly rate materially exceeds the guideline, the HA may calculate the allowance using the guideline.

Reasonable hours for child care must be proportionate with the number of hours the adult is away due to work, school, or actively seeking employment, and will include reasonable travel time to and from those activities.

Changes in expenses due to the child's school schedule or other factors will be built into the annual estimation, so that an interim will not be required later on when the child care hours change.

When an adult is "actively seeking employment" it will be established by acceptable documentation, or the child care expense cannot be given. Acceptable documentation may include a record of companies contacted, their business addresses, phone numbers and the dates on which employment was sought.

The HA will be maintaining a child care expenses guideline.

6.15 MEDICAL EXPENSES

[24 CFR 5.611 (a)]

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

Nonprescription medicines anticipated for the coming 12 months must be doctor-recommended in order to be considered a medical expense.

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

6.16 PRORATION OF ASSISTANCE FOR "MIXED" FAMILIES

[24 CFR 5.520]

6.16.1 When Pro-Ration of Assistance Applies

Pro-ration of assistance must be offered to any "mixed" applicant or participant family. A "mixed" family is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible members.

"Mixed" families that were participants on June 19, 1995, and that do not qualify for continued

assistance must be offered prorated assistance. (See Chapter 12, "Re-certifications") Applicant mixed families are entitled to prorated assistance. Families that become mixed after June 19, 1995 by addition of an ineligible member are entitled to prorated assistance.

6.16.2 Prorated Assistance Calculation

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

6.17 REDUCTION IN BENEFITS

The HA must consider the reason a family's welfare benefit has been reduced before the HA can determine whether it is appropriate to reduce the rental contribution. The HA will apply the following criteria in making this determination:

The HA will reduce the rental contribution if the welfare assistance reduction is a result of:

- The expiration of a lifetime time limit on receiving benefits;
- Family Support Division penalty;
- Family sanction because a school-age child is not attending school; or
- A situation where a family member has complied with welfare agency economic self-sufficiency or work activities requirements but cannot or has not obtained employment,; e.g., the family member has complied with welfare program requirements, but the durational time limit, such as a cap on the length of time a family can receive benefits, causes the family to lose their welfare benefits.

The HA **will not reduce** the rental contribution for families whose welfare assistance is reduced specifically because of:

- fraud by a family member in connection with the welfare program;
- or failure to participate in an economic self-sufficiency program; or noncompliance with a work activities requirement.

For other reduction in benefits, not related to a welfare program, such as Social Security and SSI, the HA will use the net amount of benefits if they are reduced through no fault of the family.

6.17.1 Verification Before Denying a Request to Reduce Rent

The HA will obtain written verification from the welfare agency stating that the family's benefits have been reduced for fraud or noncompliance with economic self-sufficiency or work activities requirements before denying the family's request for rent reduction.

The welfare agency, at the request of the HA, will inform the HA of:

- Amount and term of specified welfare benefit reduction for the family; Reason for the reduction and subsequent changes in term or amount of reduction.

6.17.2 Imputed Welfare Income

A family's annual income includes the amount of imputed welfare income (because of a specified welfare benefits reduction, as specified in notice to the HA by the welfare agency), plus the total amount of other annual income as determined in accordance with the information in this chapter. At the request of the HA, the welfare agency will inform the HA in writing of the amount and term of any specified welfare benefit reduction for a family member, and the reason for such reduction, and will also inform the HA of any subsequent changes in the term or amount of such specified welfare benefit reduction. The HA will use this information to determine the amount of imputed welfare income for a family. A family's annual income includes imputed welfare income during the term of the welfare benefits reduction (as specified in information provided to the HA by the welfare agency). The amount of the imputed welfare income is offset by the amount of additional income a family receives that commences after the time the sanction was imposed. When such additional income from other sources is at least equal to the imputed welfare income, the imputed welfare income is reduced to zero. The HA may not include imputed welfare income in annual income if the family was not an assisted resident at the time of sanction.

6.18 ABSENCE POLICY

[24 CFR 982.54(d)(10), 982.551 (i)]

The HA must compute all applicable income of every family member who is on the lease, including those who are temporarily absent. In addition, the HA must count the income of the spouse or the head of the household if that person is temporarily absent, even if that person is not on the lease.

Temporarily absent is defined as away from the unit for 180 calendar days or less.

Income of persons permanently absent will not be counted. If the spouse is temporarily absent and in the military, all military pay and allowances (except hazardous duty pay when exposed to hostile fire and any other exceptions to military pay HUD may define) is counted as income.

It is the responsibility of the head of household to report changes in family composition. The HA will evaluate absences from the unit using this policy.

6.18.1 Absence of Any Member

Any member of the household will be considered permanently absent if s/he is away from the unit for 181 calendar days or more except as otherwise provided in this chapter.

If a member of the household is subject to a court order that restricts him/her from the home for more than 3 months, the person will be considered permanently absent.

6.18.2 Absence Due to Medical Reasons

If any family member leaves the household to enter a facility such as hospital, nursing home, or rehabilitation center, the HA will seek advice from a reliable qualified source as to the likelihood and timing of their return. If the verification indicates that the family member will be permanently confined to a nursing home, the family member will be considered permanently absent. If the verification indicates that the family member will return in less than 180 consecutive days, the family member will not be considered permanently absent.

If the person who is determined to be permanently absent is the sole member of the household, assistance will be terminated in accordance with the HA's "Absence of Entire Family" policy; see Section 6.18.6.

6.18.3 Absence Due to Full-time Student Status

Full time students who attend school away from the home will be treated in the following manner:

- A student (other than head of household or spouse) who attends school away from home but lives with the family during school recesses may, at the family's choice, be considered either temporarily or permanently absent.
- If the family decides that the member is permanently absent, income of that member will not be included in total household income, the member will not be included on the lease, and the member will not be included for determination of voucher size.

6.18.4 Absence Due to Incarceration

If the sole member is incarcerated for more than 30 consecutive days, s/he will be considered permanently absent. Any member of the household, other than the sole member, will be considered permanently absent if s/he is incarcerated for 181 consecutive calendar days in a twelve-month period.

The HA will determine if the reason for incarceration is for drug-related or violent criminal activity. For further information regarding such activity, see Chapter 15.

6.18.5 Absence of Children Due to Placement in Foster Care

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

If the time period is to be greater than 6 months from the date of removal of the child/ren, the voucher size will be reduced during the recertification process. If all children are removed from the home permanently, the voucher size will be reduced in accordance with the HA's subsidy standards.

6.18.6 Absence of Entire Family

These policy guidelines address situations when the family is absent from the unit, but has not moved out of the unit. In cases where the family has moved out of the unit, the HA will terminate assistance in accordance with appropriate termination procedures contained in this Plan.

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

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

If the entire family is absent from the assisted unit for more than 61 consecutive days, the unit will be considered to be vacated and the assistance may be terminated.

If it is determined that the family is absent from the unit, the HA will not continue assistance payments.

HUD regulations require the HA to terminate assistance if the entire family is absent from the unit for a period of more than 180 consecutive calendar days.

"Absence" means that no family member is residing in the unit.

In order to determine if the family is absent from the unit, the HA may:

- Write letters to the family at the unit
- Telephone the family at the unit
- Interview neighbors
- Verify if utilities are in service
- Verify with the post office

A person with a disability may request an extension of time as an accommodation, provided that the extension does not go beyond the HUD-allowed 180 consecutive calendar days limit.

If the absence which resulted in termination of assistance was due to a person's disability, and the family can verify they were unable to notify the HA in accordance with the family's responsibilities, and if funding is available, the HA may reinstate the family as an accommodation if requested by the family.

6.18.7 Caretaker for Children

If neither parent remains in the household and the appropriate agency has determined that another adult is to be brought into the assisted unit to care for the children for an indefinite period, the HA will treat that adult as a visitor for the first 90 days.

If by the end of that period, court-awarded custody or legal guardianship has been awarded to the caretaker, the voucher will be transferred to the caretaker. The care taker must meet program eligibility criteria.

If the appropriate agency cannot confirm the guardianship status of the caretaker, the HA will review the status at 90-day intervals.

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

If custody is awarded for a limited time in excess of stated period, the HA will state in writing that the transfer of the voucher is for that limited time or as long as they have custody of the children. The HA will use discretion as deemed appropriate in determining any further assignation of the voucher on behalf of the children.

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

The HA will transfer the voucher to the caretaker, in the absence of a court order, if the caretaker has been in the unit for more than 120 calendar days and it is reasonable to expect that custody will be granted.

When the HA approves a person to reside in the unit as caretaker for the child/ren, the income should be counted pending a final disposition. The HA will work with the appropriate service agencies and the landlord to provide a smooth transition in these cases.

6.18.8 Reporting Absences to the HA

Reporting changes in household composition is both a HUD and an HA requirement.

If a family member leaves the household, the family must report this change to the HA, within 10 business days of the change and certify as to whether the member is temporarily absent or permanently absent.

The HA will conduct an interim evaluation for changes which affect the Total Tenant Payment in accordance with the interim policy.

6.19 DETERMINING A VISITOR FROM AN UNAUTHORIZED HOUSEHOLD MEMBER

Any adult not included on the HUD-50058 who has been in the unit more than 60 consecutive days without HA approval, or a total of 90 days in a 12-month period, will be considered to be living in the unit as an unauthorized household member.

Note: If the owner's lease stipulates guests are not allowed beyond a specified period which is shorter than HA policy,(e.g. visitors may not reside in the unit over two weeks), the lease will prevail over the HA policy.

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

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

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

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

Minors and college students who were part of the family but who now live away from home during the school year and are no longer on the lease may visit for up to 180 days per year without being considered a member of the household.

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

6.20 UTILITY ALLOWANCE AND UTILITY REIMBURSEMENT PAYMENTS

[24 CFR 5.632]

The Utility Allowance Schedule is used for vouchers. The HA will maintain an up-to-date utility allowance schedule.

The utility allowance is intended to cover the cost of utilities not included in the rent. The allowance is based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. Allowances are not based on an individual family's actual energy consumption.

The HA will review the utility allowance schedule annually. If the review finds a utility rate has changed by 10 percent or more since the last revision of the utility allowance schedule, the schedule will be revised to reflect the new rate. Revised utility allowances will be applied in a participant family's rent calculation at their next reexamination.

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

Where families provide their own range and refrigerator, the HA will establish an allowance adequate for the family to purchase or rent a range or refrigerator, even if the family already owns either appliance. Allowances for tenant-provided ranges and refrigerators will be based on the lower of the cost of leasing the equipment or the cost of purchasing it on an installment plan.

Where the Utility Allowance exceeds the family's Total Tenant Payment, the HA will provide a Utility Reimbursement Payment for the family each month. The check will be made out directly to the tenant:

- unless the HA determines that utility companies should receive the check, in which case the check will be sent to appropriate utility companies without the tenant's written agreement.

6.20.1 Utility Allowance Schedule

The HA must maintain a utility allowance schedule for all tenant-paid utilities (except telephone), for cost of tenant-supplies refrigerators and ranges, and for other tenant-paid housing services (e.g., trash collection (disposal of waste and refuse)).

The HA must give HUD a copy of the utility allowance schedule. At HUD's request, the HA also must provide any information or procedures used in preparation of the schedule.

6.20.2 How Allowances are Determined

The utility allowance schedule must be determined based on the typical cost of utilities and services paid by energy-conservative household that occupy housing of similar size and type in the same locality. In developing the schedule, the HA must use normal patterns of consumption for the community as a whole and current utility rates.

A HA's utility allowance schedule, and the utility allowance for an individual family, must include the utilities and services that are necessary in the locality to provide housing that complies with the housing quality standards. However, the HA may not provide any allowance for non-essential utility costs, such as costs of cable or satellite television.

In the utility allowance schedule, the HA must classify utilities and other housing services according to the following general categories: space heating; air conditioning; cooking; water heating; electric; refrigerator (cost of tenant-supplied refrigerator); range (cost of tenant-supplied range); and other specified housing services. The HA must provide a utility allowance for tenant-paid air-conditioning costs if the majority of housing units in the market provide centrally air-conditioned units or there is appropriate wiring for tenant-installed air conditioners.

The cost of each utility and housing service category must be stated separately. For each of these categories, the utility allowance schedule must take into consideration unit size (by number of bedrooms), and unit types (e.g., apartment, row-house, town house, single-family detached, and manufactured housing) that are typical in the community.

The utility allowance schedule must be prepared and submitted in accordance with HUD requirements on the form prescribed by HUD.

6.20.3 Revisions of Utility Allowance Schedule

The HA will review its schedule of utility allowances each year, and revise its allowance for a utility category if there has been a change of 10 percent or more in the utility rate since the last time the utility was revised. The HA must maintain information supporting its annual review of utility allowances and any revisions made in its utility allowance schedule.

At HUD's direction, the HA must revise the utility allowance schedule to correct any errors, or as necessary to update the schedule.

6.20.4 Use of Utility Allowance Schedule

The HA must use the appropriate utility allowance for the size of dwelling unit actually leased by the family (rather than the family unit size as determined under the HA subsidy standards).

At reexamination, the current utility allowance schedule will apply.

6.20.5 Higher Utility Allowances as Reasonable Accommodation for a Person with Disabilities

On request from a family that includes a person with disabilities, the HA must approve a utility allowance which is higher than the applicable amount on the utility allowance schedule if a higher utility allowance is needed as a reasonable accommodation in accordance with 24 CFR Part 8 to make the program accessible to and usable by the family member with a disability.

6.21 HA POLICY ON REIMBURSEMENT TO FAMILY

HUD regulation states housing authorities are required to reimburse families for overpayment of family share in accordance with HA policy. While every effort is made to ensure accurate rent calculations, errors occasionally will occur. In this event, the HA will correct the error from the point it is discovered, but no retroactive corrections will be made.

Chapter 7
VERIFICATION PROCEDURES

[24 CFR Part 5, Subparts B, D, E and F; HUD HB 74 20.7; PIH 01-15; HUD Guidebook for HCV Program Chart on pgs 5-46 through 5-53]

7.1 INTRODUCTION

HUD regulations require that all factors affecting eligibility and the family's payment must be verified, preferably through direct third-party contact with the independent source. Applicants and program participants must provide true and complete information to the HA whenever information is requested. The HA will obtain proper authorization from the family before requesting information from independent sources. All verifications will be kept in the client's file in a way that allows HUD to conduct a speedy and effective audit. The methods of verification are outlined in Section 7.2 below and generally apply to all types of income which must be verified.

In addition, before sending for verification from independent sources, the HA will utilize Upfront Income Verifications to verify income and, when doing face-to-face interviewing, will discuss any discrepancies with the family at the time of the certification interview.

Families will be made aware that the HA does independent verification. Families are encouraged to fully divulge all factors related to their entitlement and the amount of their subsidy assistance.

7.1.1 Family Disclosure of Information to the HA and Verification

HUD regulations require that when a family is assisted under any Section 8 program and receives a letter or notice from HUD requesting information concerning the amount or verification of family income, that family must promptly furnish this information to the HA. The HA must verify the accuracy of the income information received from the family, and change the amount of the total tenant payment, tenant rent or Section 8 housing assistance payment, or terminate assistance, as appropriate, based on such information.

7.2 METHODS OF VERIFICATION AND TIME ALLOWED

[24 CFR 982.516; 982.210(e)]

The HA will verify information regarding income and expenses by following a basic hierarchy, starting with the most reliable method. All participant-provided documents must be dated within 60 calendar days of the date they are provided to the HA. If for any reason, third-party written/up front verification cannot be obtained, the file will be documented with the reason and the next highest method of verification will be used.

The HA must receive information verifying that an applicant is eligible within the period of 60 days before the HA issues a voucher to the applicant.

7.2.1 Hierarchy of Verification

Following is the established verification hierarchy, from the most reliable to the least reliable:

1. Up-front Income Verification (UIV)
2. Written Third Party Verification
3. Third-Party Oral Verification
4. Review of Documents
5. Family Declaration or Certification

The HA will document the file as to why third party verification was not used.

Third party verification must be no more than 120 days old on the effective date.

7.2.2 Up-Front Income Verification

Up-front income verification (UIV) refers to the HA's use of the verification tools available from independent sources that maintain computerized information about earnings and benefits. Currently, the HA uses HUD's Enterprise Income Verification (EIV) system primarily as a validation tool (with the exception of benefits from the Social Security Administration). HUD's EIV system contains data showing earned income, unemployment benefits, Social Security and SSI benefits for participant families. HUD requires the HA to use the EIV system.

The purpose of UIV data is to VALIDATE tenant-reported income and supplement tenant-provided documents. Use of the EIV system simplifies the verification process because:

- Tenant reports income
- Tenant provides the HA with CURRENT documentation
- The HA consults the EIV system and prints income details report

7.2.3 Using EIV in the Eligibility Process

If EIV validates the tenant-reported income, the HA uses the CURRENT tenant-provided documents to calculate anticipated annual income. (If additional information is needed, the HA will request written third-party verification).

There may be legitimate differences between the information provided by the family and EIV-generated information. If the family disputes information provided by the EIV system, HCV staff will refer to the procedural guidelines on how to resolve this issue. No adverse action can be taken against a family until the HA has independently verified the UIV information and the family has been granted an opportunity to contest any adverse findings through the informal review/hearing process of the HA.

7.2.4 Third-Party Written Verification

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

verification forms will be sent and returned via first class mail or fax machine. The family will be required to sign an authorization for the information source to release the specified information. Verifications received electronically directly from the source are considered third-party written verifications. Verifications must be returned to the HA directly from the source and may not at any time touch the client's hands.

7.2.5 Third-Party Oral Verification

Oral third-party verification will be attempted immediately and used when written third-party verification is not received within 10 business days of the request date or is not available. When third-party oral verification is used, staff will be required to complete the HA-created form designed for this purpose, noting with whom they spoke, the date of the conversation, and the facts provided. When third-party oral verification is provided by telephone the HA must originate the call.

7.2.6 Review of Documents

If neither written or oral third party verification can be obtained, the HA will notate the file accordingly and utilize documents provided by the family as the primary source if the documents provide complete information.

The HA will accept verifications in the form of computerized printouts delivered by the family from the following:

- Social Security Administration
- Veterans Administration
- Welfare Assistance
- Unemployment Compensation Board
- City or County Courts
- Banking institutions
- Medical institutions
- Educational institutions
- District Attorney's office
- Printed wage stubs
- Computer print-outs from the employer
- Signed letters (provided that the information is confirmed by phone or notarized statements)
- Other documents noted in this Chapter as acceptable verification

The HA will accept faxed documents.

If third-party verification is received after documents have been accepted as provisional verification, and there is a discrepancy, the HA will:

- Contact the parties necessary to resolve any discrepancy,
- Analyze the reason for the discrepancy,
- Explain how the discrepancy was resolved. Where appropriate, the rent will be recalculated and a rent change letter will be sent to reflect the corrected tenant rent portion.

The HA will not delay the processing of an certification or recertification packet beyond 10 business days because a third-party information provider does not return the verification in a timely manner.

7.2.7 Self-Certification/Self-Declaration

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

Self-certification means statement under penalty of perjury.

7.3 RELEASE OF INFORMATION

[24 CFR 5.230]

All adult family members will be required to sign specific authorization forms when information is needed that is not covered by the HUD form 9886, Authorization for Release of Information / Privacy Act Notice and the ES75 for Welfare-to-Work families.

Each member requested to consent to the release of specific information will be provided with a copy of the appropriate forms for their review and signature.

Family refusal to cooperate with the HUD prescribed verification system will result in denial of admission or termination of assistance because it is a family obligation to supply any information and to sign consent forms requested by the HA or HUD.

7.4 ITEMS TO BE VERIFIED

[24 CFR 982.516]

The following is a list of items which must be verified:

- All income not specifically excluded by the regulations.
- Full-time student status including high school students who are 18 or over.
- Current assets including assets disposed of for less than fair market value in the preceding two years.
- Child care expense where it allows an adult family member to be employed or to

further his/her education.

- Total medical expenses of all family members in households whose head or spouse is elderly or disabled.
- Disability assistance expenses to include only those costs associated with attendant care or auxiliary apparatus for a disabled member of the family which allow an adult family member to be employed.
- Legal identity of all family members
- Disability for determination of allowances or deductions.
- U.S. citizenship/eligible immigrant status
- Social Security Numbers for all family members
- "Preference" status, based upon Local preferences.
- Familial/marital status when needed for head or spouse definition.
- Verification of Reduction in Benefits for Noncompliance:
- The HA will obtain written verification from the welfare agency stating that the family's benefits have been reduced for fraud or noncompliance before denying the family's request for rent reduction.

7.5 VERIFICATION OF INCOME

Acceptable methods of verification, starting with UIV/third-party written verification, will be used by the HA whenever obtainable. This applies to income, assets, expenses, and any other factor which HUD requires us to verify in determining the applicant/participant's eligibility.

7.5.1 Employment Income

Verification forms request the employer to specify the:

- Dates of employment
- Amount and frequency of pay (If paid twice a month for example, on the 15th and 30th, frequency of pay is 24 times per year. If paid every two weeks, frequency of pay is 26 times per year).
- Date of the last pay increase
- Likelihood of change of employment status and effective date of any known salary increase during the next 12 months
- Year to date earnings
- Estimated income from overtime, tips, bonus pay expected during next 12 months

Acceptable methods of verification include, in this order:

1. Employment verification form completed by the employer.

2. Telephone contact with employer documented on HA's oral verification form.

3. Documents provided by applicants and program participants:

   - Check stubs for most recent two months which indicate the employee's gross pay, frequency of pay or year to date earnings.

   - W-2 forms plus income tax return forms.

4. Self-certifications or income tax returns signed by the family may be used for verifying self-employment income, or income from tips and other gratuities.

Applicants and program participants may be requested to sign an Authorization for Release of Information from the Internal Revenue Service for further verification of income.

Where doubt regarding income exists, a referral to IRS for confirmation will be made on a case-by-case basis.

7.5.2 Social Security and Supplemental Security Income (SSI) Income

1. Report supplied through Enterprise Income Verification (EIV) showing the amount of benefits and the current pay status.

2. If EIV is unavailable or does not reflect what the client reports, ask client to provide a current benefit verification letter from the Social Security Administration.

7.5.3 Unemployment Compensation

1. Report supplied through Enterprise Income Verification (EIV) showing the amount of benefits and the current pay status.

2. Mail EDD form to Sacramento for written third-party verification.

3. Telephone contact with appropriate agency is documented in HA file.

4. Copies of checks or records from agency provided by applicant/participant stating payment amounts and dates; or benefit notification letter or Employment Development Department (EDD) printout provided by applicant/participant.

7.5.4 Welfare Payments or General Assistance

1. HA verification form completed by payment provider or provided directly to HA by phone.

2. WHIS or Notice of Action provided by applicant/participant.

3. Self-declaration by family or by applicant/participant is not applicable.

7.5.5 Income of Individuals Who are Enrolled at an Institution of Higher Education and Applying for or Are Participants of Section 8 assistance in their Individual Capacity

Income must be verified for the student according to all other regular verification requirements stated in this Administrative Plan, with the following exception:

As it relates to the verification of a parent(s) income, the HA may accept from a parent(s) a declaration and certification of income, which includes a penalty of perjury.

7.5.6 Alimony or Child Support Payments

1. Written third party can include:

   - Copy of a separation or settlement agreement or a divorce decree provided by the court stating amount and type of support and payment schedules; or

   - Print out supplied directly to the HA by Family Support Division or other agency showing amount of child support being paid to client; or

   - Written statement provided by ex-spouse or income source indicating all of the above.

2. Telephone contact with ex-spouse or income source documented by HA in client file.

3. Documentation provided by the applicant/participant

   - Printout from Family Support Division

A written statement from an attorney certifying that a collection or enforcement action has been filed.

7.5.7 Net Income from a Business

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

Acceptable methods of verification include:

1. IRS Form 1040, including:

- Schedule C (Small Business)

- Schedule E (Rental Property Income)

- Schedule F (Farm Income)

Note: If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense, computed using straight-line depreciation rules.

Note: If client does not have a copy of his tax return, he can send to IRS for Form 4506, to

supply a copy.

2. Third-party verification from customers as to how much they paid the self-employed person.

3. Documents such as manifests, appointment books, cash books, bank statements, and receipts will be used as a guide for the prior six months (or lesser period if not in business for six months) to project income for the next 12 months. The family will be advised to maintain these documents in the future if they are not available.

Note: This type of verification is only acceptable until the HA educates the family on the verification method required of the family; the HA may require the family come back in 90 days for an interim appointment with the verifications required for this type of income.

4. HUD will not accept a self-certification for self-employment income.

7.5.8 Child Care Business

If an applicant/participant is operating a licensed day care business, income will be verified as with any other business.

If the applicant/participant is operating a "cash and carry" operation (which may or may not be licensed), the HA will require that the applicant/participant complete a form for each customer which indicates: name of person(s) whose child (children) is/are being cared for, phone number, number of hours child is being cared for, method of payment (check/cash), amount paid, and signature of person.

If the family has filed a tax return, the family will be required to provide it.

If child care services were terminated, a third-party verification will be sent to the parent whose child was cared for.

7.5.9 Recurring Gifts

The family must furnish the following information:

- The person who provides the gifts
- The value of the gifts
- The regularity (dates) of the gifts
- The purpose of the gifts

The HA will verify information provided by participants. A verification form will be sent to the provider for certification purposes.

7.5.10 Zero Income Status

The HA will employ the use of the UIV process (e.g., TANF, EIV, EDD work history) and other written third party verifications when the family claims to have no other income.

The HA will request information from the State Employment Development Department.

7.5.11 Full-Time Student Status

Only the first $480 of the earned income of full-time students, other than head or spouse, will be counted towards family income.

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

Verification of full-time student status includes:

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

2. Oral third-party must be documented in the applicant/participant file.

3. If verification cannot be received directly from the educational institution to the HA, the file must be documented with the reason.

7.6 INCOME FROM ASSETS

Acceptable methods of verification include, in this order:

7.6.1 Savings Account Interest Income and Dividends

Will be verified if account balance is more than $500.00 (see Section 7.7) by:

1. Account statements, passbooks, certificates of deposit, or HA verification forms completed by the financial institution.

2. Broker's statements showing value of stocks or bonds and the earnings credited the family. Earnings can be obtained from current newspaper quotations or oral broker's verification.

3. IRS Form 1099 from the financial institution, provided that the HA must adjust the information to project earnings expected for the next 12 months.

7.6.2 Interest Income from Mortgages or Similar Arrangements

1. A letter from an accountant, attorney, real estate broker, the buyer, or a financial institution stating interest due for next 12 months. (A copy of the check paid by the buyer to the family is not sufficient unless a breakdown of interest and principal is shown.)

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

7.6.3 Net Rental Income from Property Owned by Family

1. IRS Form 1040 with Schedule E (Rental Income).

2. Copies of latest rent receipts, leases, or other documentation of rent amounts.

3. Documentation of allowable operating expenses of the property: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.

4. Lessee's written statement verifying rent payments to the family and family's self-certification as to net income realized.

7.7 VERIFICATION OF ASSETS

The HA will use review of documents in lieu of requesting third-party verification when the market value of an individual asset is less than $500 and the family has original documents that support the declared amount.

The HA will require the following necessary information to determine the current cash value, (the net amount the family would receive if the asset were converted to cash):

1 Verification forms, letters, or documents from a financial institution or broker.

2 Passbooks, checking account statements, certificates of deposit, bonds, or financial statements completed by a financial institution or broker.

3 Quotes from a stock broker or realty agent as to net amount family would receive if they liquidated securities or real estate.

4 Real estate tax statements if the approximate current market value can be deduced from assessment.

5 Financial statements for business assets.

6 Copies of closing documents showing the selling price and the distribution of the sales proceeds.

7 Appraisals of personal property held as an investment.

7.7.1 Assets Disposed of for Less than Fair Market Value (FMV)

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

1. If the family certifies that they have disposed of assets for less than fair market value, verification or certification is required that shows: (a) all assets disposed of for less than FMV, (b) the date they were disposed of, (c) the amount the family received, and (d) the market value of the assets at the time of disposition.

7.8 VERIFICATION OF ALLOWABLE DEDUCTIONS FROM INCOME

The HA will use review of documents in lieu of requesting third-party verification when an expense is less than $500 annually and the family has original documents that support the declared amount.

7.8.1 Child Care Expenses

1. Written verification from the person who receives the payments is required. If the child care provider is an individual, he or she must provide a statement of the amount they are charging the family for their services.

2. Verifications must specify the child care provider's name, address, telephone number, Social Security Number, the names of the children cared for, the number of hours the child care occurs, the rate of pay, and the typical yearly amount paid, including school and vacation periods.

3. Family's certification as to whether any of those payments have been or will be paid or reimbursed by outside sources.

7.8.2 Medical Expenses

Families who claim medical expenses or expenses to assist a person(s) with disability will be required to submit a certification as to whether or not any expense payments have been, or will be, reimbursed by an outside source. All expense claims will be verified by one or more of the methods listed below:

1. Examples of Written Third-Party Verification include:

   - Written verification by a doctor, hospital or clinic personnel, dentist, pharmacist, of

     (a) the anticipated medical costs to be incurred by the family and regular payments due on medical bills; and

     (b) extent to which those expenses will be reimbursed by insurance or a government agency.

   - Written confirmation by the insurance company or employer of health insurance premiums to be paid by the family.

   - Written confirmation from the Social Security Administration of Medicare premiums to be paid by the family over the next 12 months. A computer printout will be accepted.

   Note: For attendant care:

   - A reliable, knowledgeable professional's certification that the assistance of an attendant is necessary as a medical expense and a projection of the number of hours the care is needed for calculation purposes.

   - Attendant's written confirmation of hours of care provided and amount and frequency of payments received from the family or agency (or copies of canceled

checks the family used to make those payments) or stubs from the agency providing the services.

2. Documents Provided by the Applicant/Participant, may include:

- Receipts, canceled checks, or pay stubs that verify medical costs and insurance expenses likely to be incurred in the next 12 months.
- Copies of payment agreements or most recent invoice that verify payments made on outstanding medical bills that will continue over all or part of the next 12 months.
- Receipts or other record of medical expenses incurred during the past 12 months that can be used to anticipate future medical expenses. HA may use this approach for "general medical expenses" such as non-prescription drugs and regular visits to doctors or dentists, but not for one time, nonrecurring expenses from the previous year.

Note: The HA will use mileage at the IRS rate, or cab, bus fare, or other public transportation cost for verification of the cost of transportation directly related to medical treatment.

7.8.3 Assistance to Persons with Disabilities
[24 CFR 8.28]

1. In All Cases:

   a. Written certification from a reliable, knowledgeable professional that the person with disabilities requires the services of an attendant and/or the use of auxiliary apparatus to permit him/her to be employed or to function sufficiently independently to enable another family member to be employed.

   b. Family's certification as to whether they receive reimbursement for any of the expenses of disability assistance and the amount of any reimbursement received.

2. Attendant Care:

   a. Attendant's written certification of amount received from the family, frequency of receipt, and hours of care provided. And, written certification from doctor or rehabilitation agency that care is necessary to employment of household member. (Always obtain this).

   b. Certification of family and attendant and/or copies of canceled checks family used to make payments.

3. Auxiliary Apparatus:

   a. Written certification from source of cost and purpose of apparatus. Written certification from doctor or rehabilitation agency that use of apparatus is necessary to employment of any household member. In case where the disabled person is employed, statement from employer that apparatus is necessary for employment.

b. Copies of receipts or evidence of periodic payments for apparatus.

7.8.4 Medicare Prescription Drug

HA's must treat any Medicare prescription drug discount cards and transitional assistance received by a family as a standard medical deduction so that the family continues to receive a deduction for the full cost of its prescription drugs.

- This means that neither the drug discount nor the transitional assistance should be considered in reimbursement for the purpose of calculating the family's medical expense deduction.

- This also means that the HA must verify the FULL cost of the family's prescription drugs, not the out-of-pocket cost to the family.

7.9 VERIFYING NON-FINANCIAL FACTORS

7.9.1 Verification of Legal Identity

In order to prevent program abuse, the HA will require applicants to furnish verification of legal identity for all family members.

The documents listed below will be considered acceptable verification of legal identity for adults. If a document submitted by a family is illegible or otherwise questionable, more than one of these documents may be required.

- Certificate of Birth, naturalization papers
- Church issued baptismal certificate
- Current, valid Driver's license
- U.S. military discharge (DD 214)
- U.S. passport
- Voter's registration
- Company/agency Identification Card
- Department of Motor Vehicles Identification Card
- Hospital records

Documents considered acceptable for the verification of legal identity for minors may be one or more of the following:

- Certificate of Birth
- Adoption papers
- Custody agreement

- Health and Human Services ID (Medical Card)
- School records

7.9.2 Verification of Marital Status

Verification of divorce status will be a certified copy of the divorce decree, signed by a Court Officer.

Verification of a separation may be a copy of court-ordered maintenance or other records.

2. Verification of marriage status is a marriage certificate.

7.9.3 Familial Relationships

The following verifications will always be required if applicable:

1. Verification of Relationship:
   - Official identification showing names
   - Birth Certificates
   - Baptismal certificates
2. Verification of Guardianship is:
   - Court-ordered assignment
   - Affidavit of parent
   - Verification from social services agency
   - School records
3. Evidence of a stable family relationship:
   - Joint bank accounts or other shared financial transactions
   - Leases or other evidence of prior cohabitation
   - Credit reports showing relationship

7.9.4 Verification of Permanent Absence of Family Member

If an adult member who was formerly a member of the household is reported permanently absent by the family, the HA will consider any of the following as verification:

- Husband or wife institutes divorce action.
- Husband or wife institutes legal separation.

- Order of protection/restraining order obtained by one family member against another.

- Proof of another home address, such as utility bills, canceled checks for rent, driver's license, or lease or rental agreement, if available.

- Statements from other agencies such as social services or a written statement from the landlord or manager that the adult family member is no longer living at that location.

- If no other proof can be provided, the HA will accept a self-certification from the head of household or the spouse or co-head, if the head is the absent member.

- If the adult family member is incarcerated, a document or verbal verification from the court or prison should be obtained stating how long they will be incarcerated.

7.9.5 Verification of Change in Family Composition

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

7.9.6 Verification of Disability

Verification of disability must be receipt of SSI or SSA disability payments under Section 223 of the Social Security Act or 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(7) or verified by appropriate diagnostician such as physician, psychiatrist, psychologist, therapist, rehab specialist, or licensed social worker, using the HUD language as the verification format.

If the HA gets written certification that the disability is permanent, the HA will only require documentation of disability one time.

Targeted programs serving the disabled population are referral-based programs. The referring agency will certify on the referral form that the client is disabled, will maintain clinical analysis records in their files, and attach the signed physician's certification that the client meets the HUD definition of disability. (Needed only if client is not already receiving Social Security or SSI disability benefits).

7.9.7 Verification of Citizenship/Eligible Immigrant Status

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

a. Citizens or Nationals of the United States are required to sign a declaration under penalty of perjury. The HA will require citizens to provide documentation of citizenship.

   Acceptable documentation will include at least one of the following original documents:

- United States birth certificate
- United States passport
- Resident alien/registration card
- Social security card
- Other appropriate documentation as determined by the HA

b. Eligible Immigrants age 62 and over are required to sign a declaration of eligible immigration status and provide proof of age.

c. Non-citizens with eligible immigration status must sign a declaration of status and verification consent form and provide their original immigration documents which are copied front and back and returned to the family. The HA verifies the status through the INS SAVE system. If this primary verification fails to verify status, the HA must request within ten days that the INS conduct a manual search.

d. Ineligible family members who do not claim to be citizens or eligible immigrants must be listed on a statement of ineligible family members signed by the head of household or spouse.

e. Non-citizen students on student visas are ineligible members even though they are in the country lawfully. They must provide their student visa but their status will not be verified and they do not sign a declaration but are listed on the statement of ineligible members.

Failure to Provide. If an applicant or participant family member fails to sign required declarations and consent forms or provide documents, as required, they must be listed as an ineligible member. If the entire family fails to provide and sign as required, the family may be denied or terminated for failure to provide required information.

Time of Verification

For applicants, verification of U.S. citizenship/eligible immigrant status occurs at the same time as verification of other factors of eligibility for final eligibility determination.

For participants, it is done at the first regular recertification after June 19, 1995. For family members added after other members have been verified, the verification occurs at the first recertification after the new member moves in.

Once verification has been completed for any covered program, it need not be repeated except that, in the case of port-in families, if the Initial HA does not supply the documents, the HA must conduct the determination.

Extensions of Time to Provide Documents

The HA will grant an extension of up to 30 calendar days for families to submit evidence of eligible immigrant status.

Acceptable Documents of Eligible Immigration

The regulations stipulate that only the following documents are acceptable unless changes are published in the Federal Register.

- Resident Alien Card (I-551)
- Alien Registration Receipt Card (I-151)
- Arrival-Departure Record (I-94)
- Temporary Resident Card (I-688)
- Employment Authorization Card (I-688B)
- Receipt issued by the INS for issuance of replacement of any of the above documents that shows individual's entitlement has been verified

A birth certificate is not acceptable verification of status. All documents in connection with U.S. citizenship/eligible immigrant status must be kept five years.

If the HA determines that a family member has knowingly permitted another individual who is not eligible for assistance to reside permanently in the family's unit, the family's assistance will be terminated for 24 months, unless the ineligible individual has already been considered in prorating the family's assistance [24 CFR 5.514(c)(1)(iii).

7.9.8 Verification of Social Security Numbers

[24 CFR 5.216]

Social security numbers must be provided as a condition of eligibility for all family members if they have been issued a number. Verification of Social Security numbers will be done through a Social Security card issued by the Social Security Administration. If a family member cannot produce a Social Security card, the member must go to the local Social Security Administration office and request a printout to verify their social security number and have it stamped with the Social Security Administration stamp. The family is required to provide both the original for review and a copy of the document for our records.

New family members will be required to produce their Social Security card or provide the substitute documentation described above together with their certification that the substitute information provided is complete and accurate. This information is to be provided at the time the change in family composition is reported to the HA.

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

In the case of an individual at least 62 years of age, the HA may grant an extension for an additional 60 days to a total of 120 days. If, at the end of this time, the elderly individual has not provided documentation, the family's assistance will be terminated.

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

7.10 MEDICAL NEED FOR LARGER UNIT

A written certification that a larger unit is necessary must be obtained from a reliable, knowledgeable professional. If the family member gets written certification that the need for the larger unit is based on a permanent disability, this certification will only need to be obtained once. If the certification does not indicate how long the larger unit is necessary, the medical need will be verified annually at the recertification.

7.11 VERIFICATION OF WAITING LIST PREFERENCES

See Chapter 3, Section D of this Administrative Plan for verification of preferences.

7.12 VERIFICATION UNDER THE VIOLENCE AGAINST WOMEN ACT

When a victim of domestic violence requests special consideration,(e.g. to transfer to another unit during the first year of tenancy, or to refrain from being terminated from the HCV program due to being evicted from a unit as the result of being a victim of a domestic violence act) , the HA will require that the individual certify via a HUD-approved certification form that s/he is a victim of domestic violence, dating violence, or stalking, and that the incident or incidents in question are bona fide incidents of the actual or threatened abuse; as well as to provide any documentation required by the HA such as a police report, court record, or a report from one of the following: a victim service provider, an attorney, or a medical professional from whom the victim has sought assistance in addressing the violent act covered under VAWA.

Chapter 8
VOUCHER ISSUANCE AND BRIEFINGS
[24 CFR 982.301, 982.302, 985 (g) (3) (c)]

8.1 INTRODUCTION

When eligibility has been determined, the HA will conduct a mandatory briefing to ensure that families know how the program works. The briefing will provide a broad description of owner and family responsibilities, HA procedures, and how to lease a unit. The family will also receive a briefing packet which provides more detailed information about the program including the benefits of moving outside areas of poverty and minority concentration.

This chapter describes how briefings will be conducted, the information that will be provided to families, and the policies for the issuance and term of the voucher. It consists of two sections: briefing and voucher issuance.

SECTION 1: BRIEFING

8.2 MANDATORY HA BRIEFING OF THE FAMILY
[24 CFR 982.301]

8.2.1 Initial Applicant Briefing

A full HUD-required briefing will be conducted for applicant families who are determined to be eligible for assistance prior to issuance of a voucher. The briefing will be conducted in groups or individual meetings. Families who attend a group briefing and still have the need for individual assistance will be referred to a Housing Program Coordinator.

Briefings for the HCV program will be conducted in English. For Limited English Proficiency (LEP) applicants, the HA will provide translation services as described in Chapter 1, Section 1.13, *When Translation Services are Needed*).

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

The documents and information provided in the briefing packets for the voucher program will comply with all HUD requirements. The HA also includes other information and/or materials which are not required by HUD.

If the family includes a person with disabilities, the HA will ensure compliance with CFR 8.6 to ensure effective communication.

8.2.2 Oral Briefing
[24 CFR 982.301 (a)]

The briefing will include information on the following topics:

- How the HCV program works
- Family and owner responsibilities
- Where the family may lease a unit, including renting a unit inside or outside the HA jurisdiction
- For a family that qualifies to lease a unit outside the HA's jurisdiction under portability procedures, the information packet must include an explanation of how portability works. The HA will not discourage the family from choosing to live anywhere inside or outside HA's jurisdiction under portability procedures. (See Chapter 13, *Restrictions on Moves* if the family requests to exercise portability procedures during the initial year of assisted occupancy).

- An explanation of the advantages of moving to areas outside of high-poverty concentrations; and

- Maps that shows various areas with housing opportunities outside areas of poverty or minority concentration both within its jurisdiction and neighboring its jurisdiction. The HA has assembled information about the characteristics of those area which may include information about job opportunities, schools, transportation and other services. The HA can demonstrate that it uses the maps and area characteristics information when briefing rental voucher holders about the full range of areas where they may look for housing.

8.2.3 Briefing Packet
[24 CFR 982.301(b)]

The family is provided with the following information and materials:

1. The term of the voucher (the amount of search time the family has to locate a unit), along with the HA policy for approving a request for additional search time; and the HA's policy on any extensions or suspensions of the term.

2. If extensions are allowed, an explanation of how the family can request an extension.

3. How the HA determines housing assistance payment for the family including:

   a) How the HA determines the payment standard for the family

   b) How the HA determines Total Tenant Payment (TTP); and

   c) Information on the payment standard and the HA utility allowance schedule

4. How the HA determines the maximum allowable rent for an assisted unit, including the rent reasonableness standard.

5. Where the family may lease a unit, along with an explanation of how portability works.

6. HUD-required tenancy addendum, which must be included in the lease.

7. The Request for Tenancy Approval form, and a description of the procedure for requesting approval for a unit.

8. The HA policy on providing information about families to prospective owners.

9. The HA subsidy standards (how the bedroom size of a voucher is determined by the HA) including when the HA will consider granting exceptions to the standards; also how voucher size relates to the unit size selected.

10. The HUD brochure entitled "A Good Place to Live" on how to select a unit that complies with HQS.

11. The HUD brochure on lead-based paint and information about where blood level testing is available.

12. Information on federal, State and local equal opportunity laws and a copy of the housing discrimination complaint form. The HA will also include the pamphlet "Fair Housing: It's Your Right" and other information about fair housing laws.

13. A list of landlords willing to lease to assisted families, as posted on the HA website.

14. If the family includes a person with disabilities, the HA will provide a list of available accessible units known to the HA.

15. The Family Obligations under the program,

16. The grounds on which the HA may terminate assistance for a participant family because of family action or failure to act.

17. HA informal hearing procedures including when the HA is required to offer a participant family the opportunity for an informal hearing, and how to request the hearing.

18. An HQS checklist and sample contract.

19. Procedures for notifying the HA and/or HUD of program abuses such as side payments, extra charges, violations of tenant rights, and owner failure to repair.

20. The family's rights as a tenant and a program participant.

21. Requirements for reporting changes between certifications.

Families must sign a statement acknowledging receipt and understanding of the briefing packet.

8.2.4 Scheduling the Briefing

The HA will not issue a voucher to a family unless the household representative has attended a briefing and signed the voucher. Applicants who provide prior notice of inability to attend a briefing will automatically be scheduled for the next briefing. Applicants who fail to attend 2 scheduled briefings, without prior notification and approval of the HA, may be denied issuance of a voucher based on failure to attend the briefing.

The HA will conduct individual briefings for families with disabilities at their home, upon request by the family, if required for reasonable accommodation.

8.3 ENCOURAGING PARTICIPATION IN AREAS WITHOUT LOW INCOME OR MINORITY CONCENTRATION

8.3.1 HA-Identified Areas of Poverty and Minority Concentration

(See Maps A and B at the end of this chapter).

The HA is committed to taking action to encourage participation by owners of units located outside areas of poverty or minority concentration. These areas have been identified in Map A and are described later in this chapter under the section entitled, "Identifying Non-Impacted Areas of Housing Opportunities". Map A will be available to voucher holders and program participants searching for housing.

Also included is a map of the City of Fresno's Empowerment Zones which encompasses the key areas of poverty and minority concentration in our metropolitan area. The Fresno Empowerment Zone encompasses census tracts 2, 3, 4, 5, 6, 7, 9, 11, 20, and 23, all near the urban core. They are roughly bordered by the following:

- North of Annadale Avenue,
- East of Marks Avenue,
- South of McKinley Avenue, and
- West of First Street.

This information is shared at the briefings with our families as an incentive to consider locating in other non-impacted areas of the City. [There were no high poverty areas in the City of Clovis].

8.3.2 Identifying Non-Impacted Areas of Housing Opportunities

Non-impacted areas are predominantly located north of Shields Avenue, both in Fresno and in Clovis, and east of Minnewawa Avenue in Southeast Fresno, as shown in Map A which is available for families searching for units. This map is also used in briefing families to explain the benefits of locating outside areas of poverty or minority concentration.

The HA conducts active outreach to landlords in the community through its monthly participation at the California Apartment Association meetings. In addition, periodic outreach is done to large apartment complexes. Encouraging owners to rent units which are located throughout the city, including non-impacted areas is a part of this outreach.

8.3.3 Maps and Criteria about Non-Impacted Areas

The briefing materials contain maps and information about the characteristics of various non-impacted areas in the Fresno jurisdiction to educate families regarding various opportunities in these areas.

8.3.4 Lists of Owners Which Includes Properties in Non-Impacted Areas

The HA has a list of owners that can assist families in locating units outside impacted areas. This Rental Listing is located on our website. Copies may be obtained by the family when they attend a briefing. The location of these properties is indicated via a link to Mapquest which can be accessed by using the Rental Listing on the Fresno Housing Authority website

8.3.5 Portability/Areas Where the Family Can Live

The briefing packet contains HA policy on allowable moves under portability as well as any restrictions on such a move. It also includes a list of housing authorities with their address and phone numbers in the surrounding area for families who wish to exercise their portability options. For additional information on portability, see Chapter 13.

8.3.6 Analysis of Need for Exception Payment Standards

Each year when the SEMAP certification is completed, an analysis is conducted to compare families with children who live in areas of low poverty with those who live in areas which are at or above the overall poverty rate for the principal operating area of the HA. Each year over 40% or more of the families have been living in low poverty areas. While Fresno County does have pockets of high poverty, with over 100 census tracts, most program participants have succeeded in locating in non-impacted areas. Therefore, there has not been a need for an exception payment standard to provide

SECTION 2: VOUCHER ISSUANCE

8.4 ISSUANCE OF VOUCHERS

[24 CFR 982.302, 982.54(d)(2)]

When funding is available, the HA will issue vouchers to applicants whose eligibility has been determined. The issuance of vouchers must be within the dollar limitations set by the Annual Contributions Contract (ACC) budget.

8.5 TERM OF VOUCHER

[24 CFR 982.303, 982.54(d) (2)]

During the briefing session, each household will be issued a voucher which represents a contractual agreement between the HA and the Family specifying the rights and responsibilities of each party. The voucher certifies that the family is eligible to participate in the HCV program, the unit size of the voucher, and how long the family has to search for a unit. It does not constitute admission to the program which occurs when the lease and contract become effective.

The HA will set the voucher term at 60 days. If more search time is needed the family may request an extension, according to the policies in Section 8.5.2.

The family must submit a Request for Tenancy Approval and a copy of their lease within the term listed on the voucher, unless an extension has been granted by the HA.

8.5.1 Suspensions

[982.303]

When a Request for Tenancy Approval is received, the HA will deduct the number of days

required to process the request from the term of the voucher (called tolling or suspension).

8.5.2 Extensions

Any requests for an extension of the voucher time period, must be made prior to the expiration date of the voucher. Extensions may be granted with supervisory approval at the discretion of the HA, primarily for, but not exclusive of, any of the following reasons:

- It is necessary as a reasonable accommodation for a person with disabilities,
- Extenuating circumstances such as illness, hospitalization or a family emergency, which affected the family's ability to find a unit within the voucher time period;
- Family can show evidence, through a completed search record, that they were unable to locate a unit;
- Family has submitted Request(s) for Tenancy Approval that the HA has disapproved (i.e., HA unable to negotiate rent(s) with owner or unit(s) do not meet HQS);
- Family size or other special requirements made finding a unit difficult.

The HA will request proof to substantiate the need for an extension.

The family may request one or more extensions.

8.5.3 Assistance to Voucher Holders

Families who require additional assistance during their search may call the HA Office to request assistance. Families may also access listings of available units by contacting our office or visiting our agency website at www.hafresno.org.

8.5.4 Expirations

If the voucher has expired, or expires after an extension, the applicant will be denied assistance and a participant family's assistance will end. The family will not be entitled to a review or a hearing.

8.6 VOUCHER ISSUANCE DETERMINATION FOR SPLIT HOUSEHOLDS

[24 CFR 982.315]

In those instances when a family assisted under the Section 8 program becomes divided into two otherwise eligible families due to divorce, legal separation, or the division of the family, the HA will require additional information to determine who will be issued the voucher. If the family cannot agree as to which new family unit should continue to receive the assistance, and there is no determination by a court, the HA shall consider the following factors to determine which of the families will continue to be assisted:

1. Whether the assistance should remain with family members remaining in the original assisted unit.
2. The interest of minor children or of ill, elderly or disabled family members.

3. Whether family members are forced to leave the unit as a result of actual or threatened physical violence against family members by a spouse or other member of the household.

4. Recommendations of social service professionals.

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

If documentation is not provided, the HA will terminate assistance on the basis of failure to provide information necessary for a recertification.

8.7 REMAINING MEMBER OF TENANT FAMILY - RETENTION OF VOUCHER

To be considered the remaining member of the tenant family, the person must have been previously approved by the HA to be living in the unit. A live-in attendant, by definition, is not a member of the family and will not be considered a remaining member of the tenant family.

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

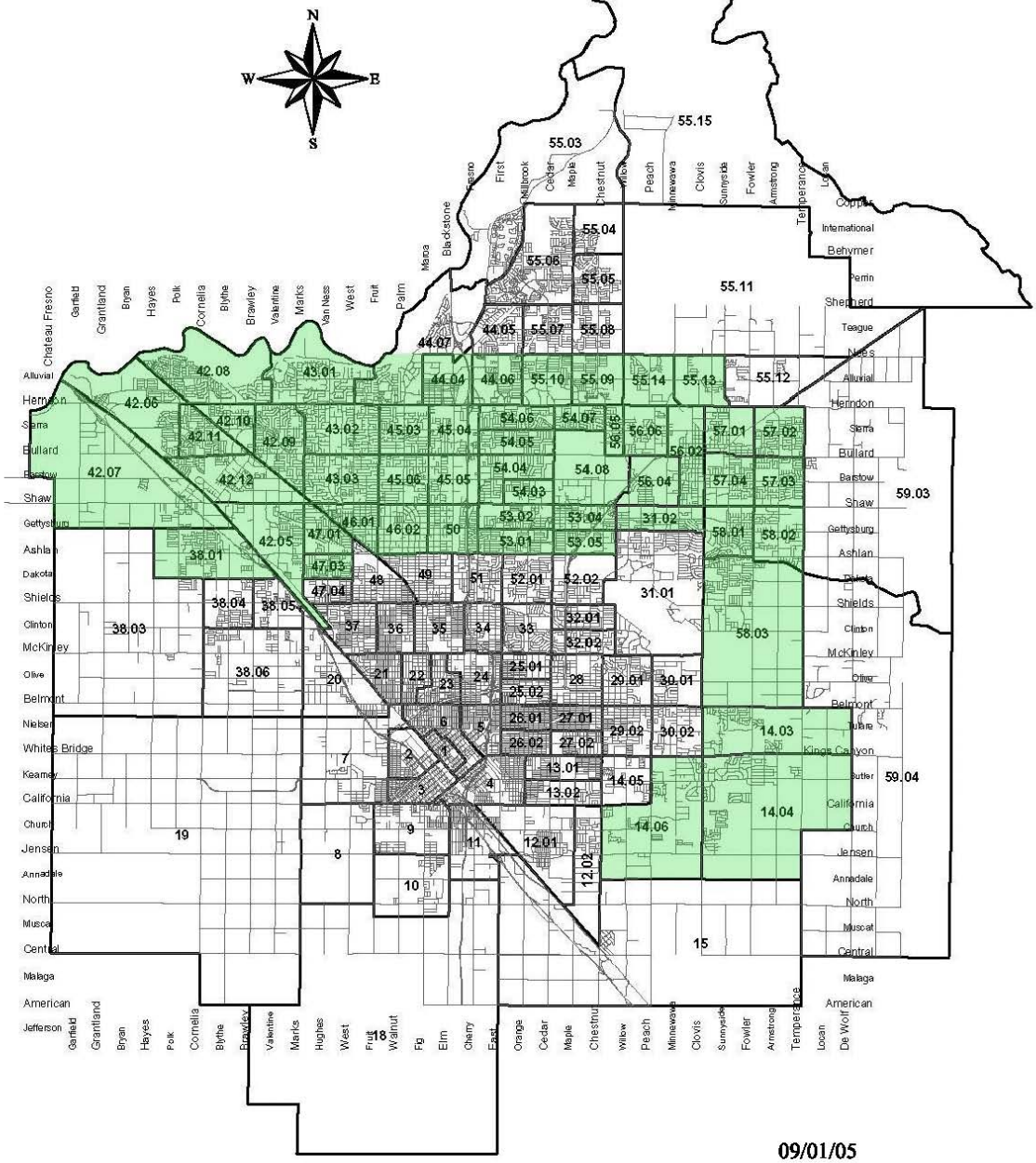
1. The court has to have awarded emancipated minor status to the minor; or

2. The HA has to have verified that the local social services agency and/or the Juvenile Court has arranged for another adult to be brought into the assisted unit to care for the child(ren) for an indefinite period.

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

MAP A

AREAS OUTSIDE OF POVERTY AND MINORITY CONCENTRATION, FRESNO METROPOLITAN AREA



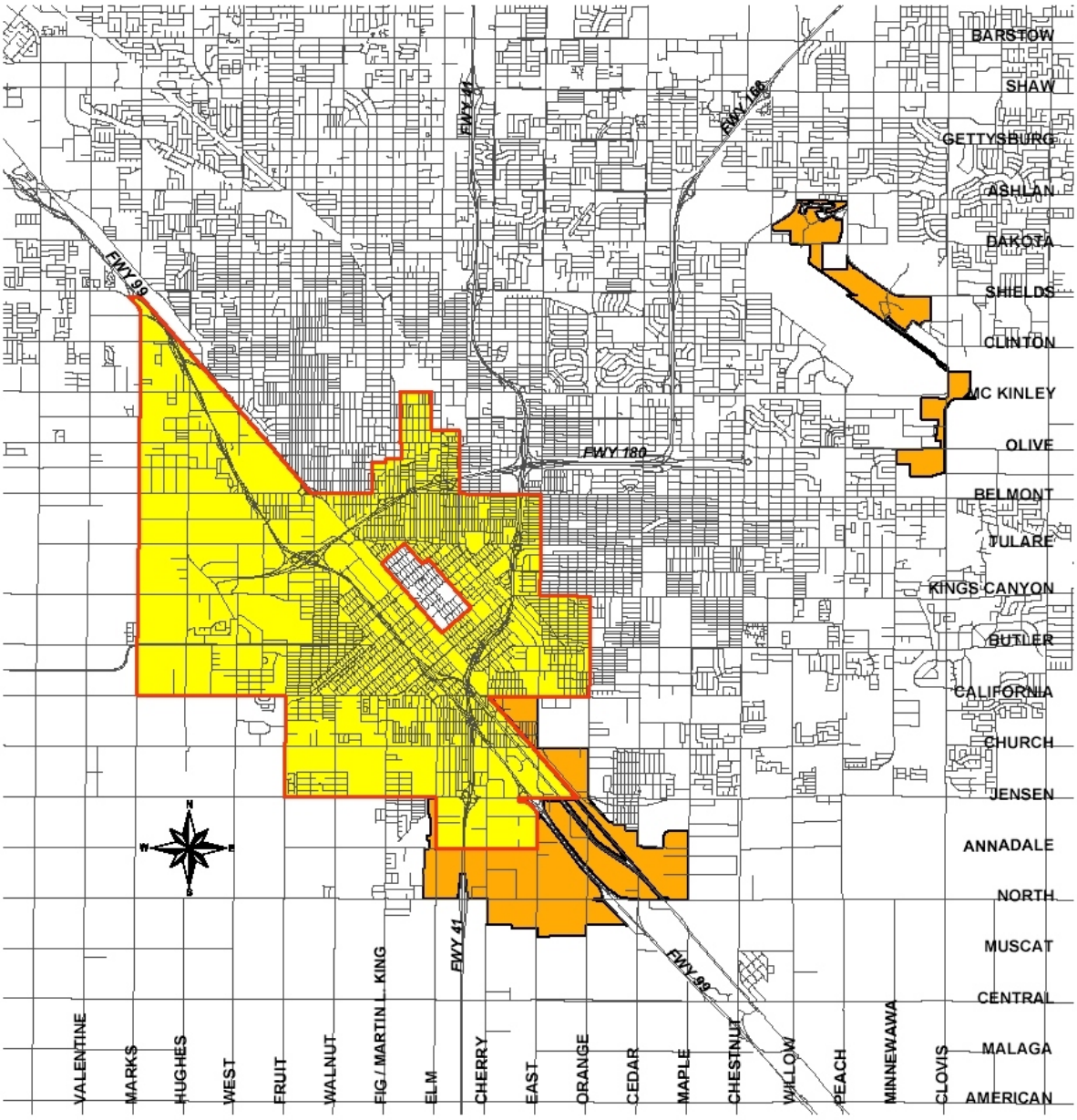
CITY OF FRESNO
EMPOWERMENT ZONE MAP

MAP B

LEGEND

Empowerment Zone Core Area

Empowerment Zone Developable Sites



Updated June 10, 2005

Chapter 9
REQUEST FOR TENANCY APPROVAL AND CONTRACT EXECUTION

9.1 INTRODUCTION
[24 CFR 982.302(b)]

After families are issued a voucher, they must find an eligible unit under the program rules, with an owner/landlord who is willing to enter into a Housing Assistance Payments (HAP) Contract with the HA. This chapter covers the HA's policies which pertain to the processing of Requests for Tenancy Approval (RFTA); the types of eligible housing which may be assisted; lease requirements; reasons for owner disapproval, and the HAP contract execution process.

Information regarding the initial inspection is covered in Chapter 10.

9.2 REQUEST FOR TENANCY APPROVAL
[24 CFR 982.305]

A Request for Tenancy Approval (RFTA) is the written request from the voucher holder and owner, submitted to the HA for consideration and approval of a new tenancy.

9.2.1 Requirements for RFTA Approval
[24CFR 982.302(c), 982.305]

The family must submit the RFTA and a copy of the proposed lease during the term of the voucher. The RFTA must be signed by both the owner and voucher holder. The HA will not permit the family to submit more than one RFTA at a time.

The HA will consider an RFTA approvable if all of the following criteria are met:

1. The unit is an eligible type of housing

2. The unit meets HUD's Housing Quality Standards (and any additional criteria as identified in this Administrative Plan); (see Section 10.3 for HQS information).

3. The rent is reasonable and approvable; (see Section 9.5 and Chapter 11).

4. The proposed lease complies with HUD and HA requirements; (see Section 9.7).

5. The owner is approvable, and there are no conflicts of interest; (see Section 9.11).

6. All applicable lead-based paint disclosure requirements have been met; (see Section 10.12 (Lead Base Paint & HQS).

9.3 TYPES OF HOUSING

[24 CFR 982.352, 982.54(d) (16)]

The family may receive tenant-based assistance to lease a unit located anywhere within the initial HA's jurisdiction or outside the initial HA's jurisdiction under the portability requirements.

The family may select the dwelling unit they have been residing in prior to participation in the program if the unit is approvable. This is called leasing in-place.

9.3.1 Eligible Housing Types

Eligible housing types include the following:

- Single-family dwellings, including condos and townhouses.
- Manufactured homes where the family leases the mobile home and the pad [24 CFR 982.620(a) (2)].
- Manufactured homes where the family owns the mobile home and leases the pad [24 CFR 982.620(a) (3)].
- Multi-family dwellings (apartment buildings).
- Units owned but not subsidized by the HA (HUD-prescribed requirement); see [24 CFR 982.352(b)].

However, there are some restrictions to the above:

- If the unit has other housing subsidy attached to it as described in [24 CFR 982.352(c)], a family may not receive the benefit of tenant-based assistance in such unit.
- The HA may not permit a voucher holder to lease a unit which is receiving project-based Section 8 assistance or any duplicative rental assistance

9.3.2 Special Housing Types *[Moved to Chap 9 from Chap 20*]

[24 CFR 982.601-624]

The HA will permit the following as eligible housing types if needed as a reasonable accommodation so that the program is readily accessible to and useable by persons with disabilities in accordance with 24 CFR Part 8:

- Shared housing
- Single room occupancy
- Congregate housing

- Group housing

- Cooperative housing

9.3.3 Ineligible Housing Types
[24 CFR 982.352(a)]

The HA will not approve:

- A unit occupied by the owner or by any person with an interest in the unit, other than manufactured homes and shared housing as described above; or for the Homeownership Option described in Chapter 21 of this administrative plan.

- Nursing homes or other institutions that provide care.

- School dormitories and institutional housing.

- Structures that have not been properly converted. Owners will be required to provide finalized permits for all conversion work when the integrity and/or soundness of a structure are in question.

- Converted garages or other structures not intended to be living areas.

- Any other types of housing prohibited by HUD.

9.4 RESTRICTION ON RENTING TO RELATIVES
[24 CFR 982.306(d)]

A family may not lease properties owned by a parent, child, grandparent, grandchild, sister or brother of any family member. The HA will waive this restriction as a reasonable accommodation for a family member who is a person with a disability upon submission of proper documentation.

9.5 AFFORDABILITY
[24 CFR 982.507, 982.308]

An affordability test will be completed by HA to determine the family's ability to qualify for a unit indicated on RFTA. This will ensure that the family does not pay more than 40% of their adjusted income for the family's portion of rent due to the owner (TTP).

Criteria used in calculating affordability are as follows:

- 30% of voucher holder's adjusted income;
- Voucher size
- Unit size
- Type of unit
- Utilities and appliances and who supplies them
- Payment standard (lesser of voucher size or unit size)

If the proposed gross rent is not affordable, at the family's request, the HA will contact the owner to see if the owner is willing to reduce the amount of proposed rent. HA will

explain to owner that this is only for family to qualify for unit. Contract rent will be negotiated at the initial inspection by the HA representative conducting the inspection.

If the rent becomes affordable, the HA will continue processing the RFTA.

If owner does not agree to reduce rent to an affordable amount HA will inform the owner and family that the RFTA is disapproved.

9.6 DISAPPROVAL OF RFTA

[24 CFR 982.302(d)]

If the HA determines that the request cannot be approved for any reason, the landlord and the family will be notified in writing. The HA will instruct the owner and family of the steps that are necessary to approve the request.

When, for any reason, an RFTA is not approved, the HA will notify the family of the disapproval and furnish another RFTA form so that the family can continue to search for eligible housing.

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

The family must submit an approvable RFTA before the end of the voucher period or assistance will terminate. For information regarding term of voucher as it relates to search time; see Section 8.7 Term of Voucher [24 CFR 982.303, 982.54(d)(2)]

9.7 LEASE AGREEMENTS

[24 CFR 982.308, 982.309]

The HA will review the lease, particularly noting the approvability of optional charges and compliance with regulations and State law. Responsibility for utilities, appliances and optional services must correspond to those provided on the RFTA. If there are any discrepancies the Tenancy Addendum will supersede.

At minimum, the lease must specify the following information:

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

The HUD-prescribed tenancy addendum must be attached and executed.

9.7.1 Separate Agreements
[24 CFR 982.510(c)]

Separate agreements are not necessarily illegal side agreements. Families and owners will be advised at initial inspection of the prohibition of illegal side payments for additional rent, or for items normally included in the rent of unassisted families, or for items not shown on the approved lease.

Owners and families may execute separate agreements for services, appliances (other than range and refrigerator) and other items that are not included in the lease if the agreement is in writing and approved by the HA.

Any appliances, services or other items which are routinely provided to unassisted families as part of the lease (such as air conditioning, dishwasher or garage) or are permanently installed in the unit, cannot be put under separate agreement and must be included in the lease. If there is to be a separate agreement, the family must have the option of not utilizing the service, appliance or other item.

The HA is not liable under the lease for unpaid charges for items covered by separate agreements and nonpayment of these agreements cannot be cause for eviction.

If the family and owner have come to a written agreement on the amount of allowable charges for a specific item, so long as those charges are reasonable and not a substitute for higher rent, they will be allowed. All agreements for special items or services must be attached to the lease approved by the HA. If agreements are entered into at a later date, they must be approved by the HA and attached to the Lease.

9.8 LEASE PURCHASE AGREEMENTS
[24 CFR 982.317(a)(b)]

A family leasing a unit with assistance under the program may enter into an agreement with an owner to purchase the unit. As long as the family is receiving rental assistance, all tenant-based program requirements apply.

Any homeownership premium included in the rent to the owner must be absorbed by the family, such as:

- Increment of value attributable to the value of the lease-purchase right; and
- Agreement such as an extra monthly payment to accumulate a down payment or reduce the purchase price.

Any homeownership premium paid by the family to the owner must also be excluded when the HA determines rent reasonableness.

9.9 TERM OF ASSISTED TENANCY
[24 CFR 982.309]

The initial lease term must be for at least one year under HUD regulations.

During the initial lease term, the owner may not raise the contract rent, except when permitted by special rules for subsidized units as described in [24 CFR 982.521].

9.10 INFORMATION TO OWNERS

[24 CFR 982.307(b), 982.54(d)(7)]

In accordance with HUD requirements, the HA will furnish prospective owners upon receipt of written request, copy of application to rent and signed consent to release information from client, with the following information:

- The family's current address as shown in the HA's records; and
- If known to the HA, the name and address of the landlord at the family's current and prior address.

The HA will make an exception to this requirement if the family's whereabouts must be protected due to domestic abuse or witness protection.

The HA will inform owners that it is the responsibility of the landlord to determine the suitability of prospective tenants. Owners will be encouraged to screen applicants for rent payment history, eviction history, damage to units, and other factors related to the family's suitability as a tenant.

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

The HA will provide this information orally to the prospective landlord.

The HA's policy on providing information to owners is included in the briefing packet and will apply uniformly to all families and owners.

9.11 OWNER DISAPPROVAL

[24 CFR 982.306]

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

The HA will disapprove the owner for the following reasons:

- HUD or other agency directly related has informed the HA that the owner has been disbarred, suspended, or subject to a limited denial of participation under [24 CFR part 24].
- HUD has informed the HA that the federal government has instituted an administrative or judicial action against the owner for violation of the Fair Housing Act or other federal equal opportunity requirements and such action is pending.
- HUD has informed the HA that a court or administrative agency has determined that the owner violated the Fair Housing Act or other federal equal opportunity requirements.
- The owner has a conflict of interest as described in HUD regulation [24 CFR 982.161(a)], and would therefore be unable to enter into a contract with the HA.

- The owner has violated obligations under a Housing Assistance Payments Contract under Section 8 of the 1937 Act (42 U.S.C. 1437f).

- The owner has committed fraud, bribery or any other corrupt act in connection with any federal housing program.

- The owner has engaged in drug trafficking.

- For restrictions on renting from a relative, see Section 9.4 of this chapter.

9.12 CONTRACT EXECUTION PROCESS

[24 CFR 982.305(c)]

The HA prepares the Housing Assistance Contract for execution. The family and the owner will execute the Lease agreement, and the owner and the HA will execute the HAP Contract. Copies of the documents will be furnished to the parties who signed the respective documents. The HA will retain a copy of all signed documents.

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

The Director of the Housing Choice Voucher department is the only person authorized to execute a contract on behalf of the department.

Owners must provide the following information for contract execution:

- Owners must provide a current mailing address. If property is owned by a relative (where the HA approved the unit as a reasonable accommodation) the owner must provide the current address of their residence (not a Post Office box) for comparison to the subsidized unit's address.

- Owners must provide an Employer Identification Number or Social Security Number**.**

- Owners must also submit a completed and accurate W-9 form.

- Owners must provide their financial institution account information for the mandatory Electronic Funds Transfer (EFT) processing of HAP payments.

- Owners must provide a copy of management agreement between owner and person and/or company managing assisted property on owner's behalf.

9.12.1 Change in Total Tenant Payments (TTP) Prior to HAP Effective Date

When the family reports changes in factors that will affect the Total Tenant Payment (TTP) prior to the effective date of the HAP Contract at admission, the information will be recorded. An interim adjustment to the TTP will be deferred until after the family leases up in the unit, unless to defer the interim adjustment would result in a hardship for the family. The HA will review the need for an interim on a case-by-case basis.

9.13 CHANGE IN OWNERSHIP

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

The HA will process a change of ownership only upon the written request of the new owner and only if accompanied by the following:

- A copy of the final closing escrow statement, recorded grant deed or other legal document showing the transfer of title;
- W-9 indicating the Employee Identification Number or Social Security Number of the new owner;
- Owners current address and phone number
- Financial institution account information for EFT payment processing.

9.14 CHANGE IN MANAGEMENT

The HA must receive a written request by the owner in order to change the HAP payee and/or the address to which payment is to be sent along with copy of management agreement between owner and managing agent/company and/or new account information if applicable.

Chapter 10
HOUSING QUALITY STANDARDS AND INSPECTIONS
[24 CFR 982.401]

10.1 INTRODUCTION

This chapter describes the HA's procedures for conducting different types of inspections, and the HA standards for the timeliness of repairs. It also explains the responsibilities of the owner and family, and the consequences of non-compliance with Housing Quality Standards (HQS) requirements for both families and owners. The use of the term "HQS" in this Administrative Plan refers to the combination of both HUD and HA requirements.

10.2 GUIDELINES/TYPES OF INSPECTIONS
[24 CFR 982.401(a), 982.405]

Housing Quality Standards (HQS) is the minimum quality standards set forth by HUD in 24 CFR 982.401 for tenant based programs. The standards are set in place to ensure that the assisted housing is decent, safe and sanitary. HQS standards apply to the building and premises, as well as the unit.

There are four types of inspections the HA will perform:

- Initial/Move-in: A unit must pass this HQS inspection before the Housing Authority can enter into a HAP Contract with the owner.
- Annual: A unit must be inspected at least once every 12 months to ensure the unit continues to meet minimum HQS requirements.
- Special/Complaint: This inspection is usually conducted at the request of the owner, family or HA approved agency. This inspection may be conducted without notice to verify program compliance.
- Quality Control: The HA is required to perform supervisor quality control HQS inspections.

10.2.1 Initial - Move-In HQS Inspection
[24 CFR 982.401(a)]

The Initial Inspection will be conducted to:

- Determine if the unit and property meet the HQS defined in this Plan.
- Document the current condition of the unit as to assist in future evaluations whether the condition of the unit exceeds normal wear and tear.
- Document the information to be used for determination of rent-reasonableness.

If the unit fails the initial Housing Quality Standards inspection, the family and owner will be advised to notify the HA once repairs are completed. The owner will be given up to 20

days to correct the items noted as “fail”; the time allowed for the repair will depend on the inspector's discretion, depending on the amount and complexity of work to be done.

The owner will be allowed up to one re-inspection for repair work to be completed.

If the time period given by the housing authority to correct the repairs has elapsed, or the unit fails the re-inspections, the unit will be disqualified and the family must search for a unit which meets minimum HQS.

10.2.2 Annual HQS Inspections

[24 CFR 982.405(a)]

In accordance with HUD requirements the HA will conduct a Housing Quality Standards inspection for each unit on the program at least once every 12 months. The family must allow the HA to inspect the unit at reasonable times with reasonable notice. [24 CFR 982.551 (d)]

Inspection: The family and owner are notified of the date and time of the inspection appointment by mail. If the family is unable to be present, they may authorize a representative who is 18 years of age or older to be present to allow the inspector access to unit to conduct the inspection. The family may provide written permission for the property manager or owner to allow the inspector entry into the unit.

If the family misses one inspection appointment, the HA will consider the family to have violated a Family Obligation. The family will be sent a non-compliance letter giving the family one final inspection appointment.

Re-inspection: The family and owner are mailed a notice of the inspection appointment by mail. If the family is not at home for the inspection appointment, a card will be left at the unit and another appointment is automatically scheduled. The appointment letter contains a warning of abatement (in the case of owner responsibility).

The family is also notified that it is a Family Obligation to allow the HA to inspect the unit. If the family was responsible for a breach of HQS identified in Chapter 15, "Denial or Termination of Assistance," they will be advised of their responsibility to correct.

10.2.3 Time Standards for Repairs

1. Emergency items which endanger the family's health or safety must be corrected by the owner within 24 hours of the inspection.

2. For non-emergency items, repairs must be completed within 20 days.

3. For major repairs, the supervisor may approve an extension beyond 20 days.

The extension will be made for a period of time not to exceed 60 calendar days. At the end of that time, at the HA's discretion, if the work is not completed, the HA will begin the abatement for owners or termination of assistance for family breach of HQS.

10.2.4 Special/Complaint Inspections

[24 CFR 982.405(c)]

If at any time the family or owner notifies the HA that the unit does not meet Housing Quality Standards, the HA may conduct an inspection. The HA may attempt to verify that the family has submitted a maintenance request to the property manager or owner prior to requesting a complaint inspection.

The HA may also conduct a special inspection based on information from third parties such as neighbors or public officials.

The HA will inspect only the items which were reported, but if the Inspector notices additional deficiencies that would cause the unit to fail HQS, the responsible party will be required to make the necessary repairs. If the annual inspection is due, the special inspection may be categorized as an annual inspection and all annual procedures will be followed.

10.2.5 Quality Control Inspections

[24 CFR 982.405(b) and 985.3(e)]

The purpose of Quality Control inspections is to ensure that each Housing Program Coordinator is conducting accurate and complete inspections, and to ensure that there is consistency among Housing Program Coordinators in the enforcement of the Housing Quality Standards.

10.3 ADDITIONS TO HQS

[24 CFR 982.401(a)]

The HA adheres to the acceptability criteria in the program regulations and HUD Inspection Booklet with the additions described below.

Security:

If window security bars or security screens are present on emergency exit window, they must be equipped with a quick release system. The owner is responsible for ensuring that the family is instructed on the use of the quick release system.

Deadbolts:

All exterior doors must have thumbnail deadbolt.

Bedrooms:

Minimum bedroom ceiling height is 7'6" or local code, whichever is greater. Sloping ceilings may not slope to lower than five feet in the 70 square foot area.

10.4 HQS DEFICIENCIES

10.4.1 Emergency Fail Deficiencies

[24 CFR 982. 404(a)(3)]

Only life-threatening items are considered of an emergency nature and must be corrected by the owner or tenant (whoever is responsible) within 24 hours of inspection.

The following deficiencies are considered life threatening emergency fails, and will cause a unit to be labeled uninhabitable:

- Gas leaks
- Major plumbing problems
- Utilities not in service
- No running water
- No functioning toilet
- Unstable roof/structure

The HA may give a short extension (not more than 72 additional hours) whenever the responsible party cannot be notified or it is impossible to effect the repair within the 24-hour period. In the event it is not feasible to extend the time frame for the required emergency repair, but the HA is not physically able to go out and confirm the repair has been corrected in 24-hours, the owner can provide a faxed self-certification to the HA stating he has corrected the 24-hour emergency deficiency(s). The HA will make every effort to confirm with the client by phone that the emergency repairs have been completed. The HA also will follow up to confirm the repair has been corrected by conducting a re-inspection within no more than 3 business days.

In those cases where there is leaking gas, potential of fire, or other threat to public safety, and the responsible party cannot be notified or it is impossible to make the repair, proper authorities will be notified by the HA.

If the emergency repair item(s) are not corrected in the time period required by the HA, and the owner is responsible, the Housing Assistance Payment will be abated and the HAP Contract will be terminated.

If the emergency repair item(s) are not corrected in the time period required by the HA, and it is an HQS breach which is a family obligation, the HA will terminate HAP contract and begin the termination of assistance process for the family.

10.4.2 Non-Emergency Fail Deficiencies

Non-emergency deficiencies that cause a unit to fail the inspection must be corrected within the time specified by the HA, usually within 20 calendar days. The family and owner will be notified of the failed items in writing.

If the necessary repairs have been completed prior to the next scheduled inspection, the family or owner may request an earlier inspection date. Requests for earlier repair dates

will be reviewed and accommodated on a case-by-case basis.

If the family is not home for the reinspection appointment, a card will be left at the unit with instructions. A second reinspection will be scheduled automatically and the owner and family will be notified by mail.

10.4.3 Non-Emergency Fail Deficiencies Not Requiring Reinspection

The following deficiencies will not require a reinspection if cleared by proper owner certification.

- Inoperable gas wall or floor heater
- Damaged (not missing) outlet covers
- Inoperable secondary smoke detectors
- Presence of vermin/roaches
- Minor faucet and/or plumbing leaks

The deficiencies must be cleared by a certification signed by owner and participant. If the certification is not approved by a supervisor, a reinspection must be performed.

Appropriate third party documentation must be supplied where appropriate, including gas/utility receipt or invoice.

10.5 CONSEQUENCES IF FAMILY IS RESPONSIBLE

[24 CFR 982.404(b)]

If non-emergency violations of HQS are determined to be the responsibility of the family, the HA will require the family make any repair(s) or corrections within 20 calendar days. If the repair(s) or correction(s) are not made in this time period, the HA will terminate assistance to the family. Extensions in these cases must be approved by supervisors. The owner's rent will not be abated for items which are the family's responsibility.

If the tenant is responsible and corrections are not made, the HAP Contract will terminate when assistance is terminated.

10.6 CONSEQUENCES IF OWNER IS RESPONSIBLE (NON-EMERGENCY ITEMS)

[24 CFR 982. 404, 982.453]

If owner-caused deficiencies are not corrected in the time period required by the Housing Authority, housing assistance payments will be abated and the contract may be terminated.

10.6.1 Abatement

A Notice of Abatement will be sent to the owner. The abatement will be effective the 1st of the following month. The notice of intent to cancel the contract is generally for 30 calendar days, depending on the nature of the repair(s) needed.

The HA will inspect abated units within 30 calendar days of the owner's notification that the work has been completed.

If the owner makes repairs prior to the first of the following month the abatement will be cancelled. If repairs are completed during the abatement period, payment will resume on the day the unit passes inspection.

No retroactive payments will be made to the owner for the period of time the rent was abated and the unit did not comply with HQS. The notice of abatement states that the tenant is not responsible for the HA's portion of rent that is abated.

10.6.2 Termination of Contract

If the owner is responsible for repairs, and fails to correct all the deficiencies cited prior to the end of the abatement period, the owner will be sent a HAP Contract Proposed Termination Notice. Prior to the effective date of the termination, the abatement will remain in effect. The tenant will be issued a voucher to search for another unit.

If repairs are completed before the effective termination date, the termination may be rescinded by the HA if the tenant chooses to remain in the unit. Only two Housing Quality Standards inspections will be conducted after the termination notice is issued.

10.7 DETERMINATION OF RESPONSIBILITY

[24 CFR 982.404]

Certain HQS deficiencies are considered the responsibility of the family:

- Tenant-paid utilities not in service.
- Failure to provide or maintain family-supplied appliances
- Damage to the unit or premises caused by a household member or guest beyond normal wear and tear

The owner is responsible for all HQS violations other than those bulleted in the paragraph directly above.

The owner is responsible for vermin infestation even if caused by the family's living habits. However, if such infestation is serious and repeated, it may be considered a lease violation and the owner may evict for serious or repeated violation of the Lease. The HA may terminate the family's assistance on that basis.

The inspector will make a determination of owner or family responsibility during the inspection. The owner or tenant may appeal this determination to the HA within 10 business days of the inspection.

If the family is responsible but the owner carries out the repairs, the owner will be encouraged to bill the family for the cost of the repairs and the family's file will be noted.

10.7.1 Normal Wear and Tear

"Normal wear and tear" is defined as items which could be charged against the tenant's security deposit under state law or court practice.

10.8 LEAD-BASED PAINT AND HQS

[24 CFR Part 35]

In order to comply with the Residential Lead-Based Paint Hazard Reduction Act of 1992 and the HUD regulations of September 15, 1999 the HA will adopt the following policies. For all pre1978 dwelling units with a child under six years of age, during the initial and annual inspections, the HA will conduct a visual assessment of all painted surfaces in order to identify any deteriorated paint. If deteriorated paint is found, the owner will be required to perform paint stabilization. If the area to be stabilized is above “de minims levels”, the owner will be required to use “safe work practices” as defined in 24 CFR Part 35.1350. For common terms used regarding lead hazard reduction see the end of this section.

10.8.1 Owner Responsibilities

The owner must notify the HA and the family if aware of any known lead-based paint or lead-based paint hazards on the premises. This must occur prior to execution of the HAP contract.

The owner must perform paint stabilization when required by the HA as a result of an HQS inspection.

Where a pre-1978 dwelling unit is occupied by a child of less than six years of age with an environmental intervention blood lead level (EIBLL),the owner will:

- be required to allow the HA to conduct a risk assessment of the dwelling unit;
- be advised of the risk assessment inspection and given the opportunity to be present;
- upon receipt of a written report of the results of the above inspection, the owner must post notice to the tenant;
- if hazard conditions exist, the owner must comply with the scope of the work within 30 days;
- once interim controls or abatement (corrective actions to reduce or eliminate LBP hazards) have been completed, the owner must contract with a Certified Lead Inspector (CLI) for a clearance examination;
- once cleared by the CLI, a copy of the Clearance Report must be provided by the owner to the HA.

10.8.2 HA Responsibilities

The HA staff will conduct a visual assessment at initial and periodic inspections. If during the inspection the family informs the HA staff person there is a child under 6 years of age with an EIBLL, staff is to give a written report to a Housing Choice Voucher manager.

The Ha will attempt to obtain from the health department names and/or addresses of children with EIBLL's. Such information will be matched with HA address records of assisted families.

The HA will report to the health department addresses of assisted units, unless the health department states it does not want such a report.

Lead-based paint inspection reports, with owner certifications, will be kept for a minimum of three years; indefinitely if chewable surfaces require testing.

As part of the briefing of applicant/participant families, the HA will provide the household with a copy of the HUD brochure, "Protect Your Family from Lead in Your Home."

Where a pre-1978 dwelling unit is occupied by a child of less than six years of age with an environmental intervention blood lead level (EIBLL), and the HA has received EIBLL notification by the health department or other medical health care provider, the HA will:

- schedule a risk assessment within 15 days and give the owner an opportunity to be present;
- place the housing assistance payment on hold, if the written report reveals items which must be corrected;
- notify the owner in writing of the hold, and of the Lead Based Paint Hazard Reduction Procedures [letter], giving 30 days to correct all items;
- upon receipt of a clearance form per 24 CRF 35.1340, will release the housing assistance payment;
- notify the owner and family in writing of termination of the contract and housing assistance payments if the required clearance form is not provided by the end of the 30-day correction period;
- if the owner does not obtain a clearance, or if the family decides not to stay in the unit, the HA will process the family's request to transfer to another unit, if the family serves a proper notice of intent to vacate and meets the other requirements to transfer as described in Chapter 13 of this Plan.

The unit will be taken off the program and the property tracked so that it will not be allowed back on the program until such time as a clearance is supplied.

10.8.3 Common Definitions Regarding Lead-Based Paint

Below are some of the key terms used in this section. Other definitions are located in 24 CFR Part 35.7, 35.110.

Abatement means any set of measures designed to permanently eliminate lead-based paint or lead-based paint hazards. Abatement includes:

(1) The removal of lead-based paint and dust-lead hazards, the permanent enclosure or encapsulation of lead-based paint, the replacement of components or fixtures painted with lead-based paint, and the removal or permanent covering of soil-lead hazards; and

(2) All preparation, cleanup, disposal, and post abatement clearance testing activities associated with such measures.

Certified [Inspector] means licensed or certified to perform such activities as risk assessment, lead-based paint inspection, or abatement supervision, either by a State or Indian tribe with a lead-based paint certification program authorized by the Environmental Protection Agency (EPA), or by the EPA, in accordance with 40 CFR part 745, subparts L or Q.

Clearance Examination means an activity conducted following lead-based paint hazard reduction activities to determine that the hazard reduction activities are complete and that no soil-lead hazards or settled dust-lead hazards, as defined in 24 CFR part 35, exist in the dwelling unit or worksite. The clearance process includes a visual assessment and collection and analysis of environmental samples. Dust-lead standards for clearance are found in 24 CFR Part 35.1320.

De Minimis Levels (aka De Minimis Rule) means

- 20 sq ft on exterior surfaces,
- sq ft in any one interior room, or
- 10% of total surface area of an interior or exterior type component with a smaller surface area (e.g., window sills)

Deteriorated Paint means any interior or exterior paint or other coating that is peeling, chipping, chalking or cracking, or any paint or coating located on an interior or exterior surface or fixture that is otherwise damaged or separated from the substrate.

Environmental Intervention Blood Lead Level (EIBLL) means a confirmed concentration of lead in whole blood equal to or greater than 20 ug/dL (micrograms of lead per deciliter) for a single test or 15 to 19 ug/dL in two tests taken at least 3 months apart.

Hazard Reduction means measures designed to reduce or eliminate human exposure to lead-based paint hazards through methods including interim controls or abatement or a combination of the two.

Interim Controls means a set of measures designed to reduce temporarily human exposure or likely exposure to lead-based paint hazards. Interim controls include, but are not limited to, repairs, painting, temporary containment, specialized cleaning, clearance, ongoing lead-based paint maintenance activities, and the establishment and operation of management and resident education programs.

Paint Stabilization means repairing any physical defect in the substrate of a painted surface that is causing paint deterioration, removing loose paint and other material from the surface to be treated, and applying new protective coating or paint.

Risk Assessment means: (1) An on-site investigation to determine the existence, nature, severity, and location of lead-based paint hazards; and (2) The provision of a report by the individual or firm conducting the risk assessment explaining the results of the investigation and options for reducing lead-based paint hazards.

Visual Assessment means looking for, as applicable: (1) Deteriorated paint; (2) Visible surface dust, debris, and residue as part of a risk assessment or clearance examination; or (3) The completion or failure of a hazard reduction measure.

Chapter 11
PAYMENT STANDARDS, RENT REASONABLENESS, AND OWNER RENTS
[24 CFR 982. 503, 982. 507, 982. 505]

11.1 INTRODUCTION

It is the HA's responsibility to ensure that the rents charged by owners are reasonable based upon objective comparables in the rental market. The HA will not approve the lease or execute a payments contract until it has determined that the unit meets the minimum HQS and that the rent is reasonable. The HA will determine rent reasonableness at initial lease-up, before any increases in rent to owner and at other times as described in this section.

This chapter explains the HA's procedures for determination of payment standards, rent-reasonableness, payments to owners, and rent adjustments.

11.2 SETTING THE PAYMENT STANDARDS FOR THE VOUCHER PROGRAM
[24 CFR 982. 503(b)(1)]

HUD regulations allow the HA to set payment standards at a level that is between 90 percent to 110 percent of the Fair Market Rent (FMR) for its jurisdiction. The HA must set the payment standard at a level that is high enough to ensure that families are able to afford quality housing, ensure the payment standard does not inflate the rental market rates while balancing the need to provide assistance to as many families as possible.

Effective October 1, 2007 the HA has set the payment standards at 90% of the FY 2008 FMRs.

Manufactured Home Space Payment Standard: The Payment Standard for a manufactured home space is to 40 % of the published FMR for a 2-bedroom unit.

11.2.1 Exception Payment Standard

Exception Payment Standards exceeding 120% of the FMR will require HUD approval for the total area of a HA jurisdiction or place.

Justification for Payment Standard exceptions above 120% must demonstrate that the approval is:

- needed to prevent financial hardship for families
- supported by a program justification
- justified by rental survey results.

HA’s may request HUD approval up to 120% as reasonable accommodation for a family with a disabled member.

11.3 MAXIMUM INITIAL RENT BURDEN

Any new admission or any family who moves may not pay more than 40% of adjusted income toward the initial rent and utilities for the unit if the gross rent for the unit exceeds the applicable payment standard for the family.

EXAMPLE: **Maximum Initial Rent Burden**

Tenant Rent exceeds 40% of Adjusted Monthly Income

Family's monthly adjusted income	$600
TTP @ 30%	$180
40% adjusted income	$240
Payment Standard	$500
TTP	-180
Maximum subsidy	$320
Unit gross rent (above Payment Standard)	$575
Maximum subsidy	-320
Family Share	$255

HA cannot approve the unit because the family would be required to pay more than 40% of its monthly adjusted income.

11.4 ADJUSTMENTS TO PAYMENT STANDARD

The HA will review Payment Standards at least annually. A quarterly review will be done if any of the following occurs:

- 25% or more Voucher holders cannot locate housing within the term of the Voucher
- 40% or more of families of a particular unit size pay more than 30% of adjusted income as their family share
- based on a review of its rent reasonableness data base and vacancy rate data, there is an insufficient supply of vacant units below the payment standard in areas without minority concentration and/or poverty-impacted areas.

11.5 PAYMENT STANDARD FOR A FAMILY

The payment standard is used to calculate the monthly housing assistance payment (HAP) for a family under the Housing Choice Voucher program. The HAP, or subsidy, is arrived at by taking the lower of:

- Payment standard minus the Total Tenant Payment (TTP) or
- Gross rent for the unit minus the TTP.

Under the HCV program, if the gross rent for the unit is lower than the payment standard, the family will pay the full TTP. If the gross rent for the unit is higher than the

payment standard, the family will pay the TTP plus the amount by which the gross rent exceeds the payment standard.

The payment standard amount for a family is the lower of:

- Payment standard amount for the family unit size, or
- Payment standard amount for the size of the unit leased by the family

If the unit is located in an exception area, the HA must use the appropriate payment standard amount for the exception area.

The payment standard in place on the effective date of the HAP contract remains in place for the duration of the contract term unless the HA increases or decreases its payment standard.

11.5.1 When the Payment Standard Increases

If a payment standard is increased, the higher payment standard is used in calculating the HAP at the time of the family's first regular (annual) reexamination. Families requiring or requesting interim reexaminations will *not* have their HAP payments calculated using the higher payment standard until their next annual reexamination.

11.5.2 When the Payment Standard Decreases

[24CFR 982.505]

If the amount of the payment standard decreased during the term of the HAP contract, the lower payment standard amount generally must be used to calculate the monthly housing assistance payment. The HA must determine the payment standard for the family as follows:

Step 1:	At the first regular reexamination following the decrease in the payment standard amount, the HA will determine the payment standard using the decreased payment standard amount.
Step 2:	(First reexamination payment standard amount). The HA will compare the payment standard amount from Step 1 to the payment standard amount last used to calculate the monthly housing assistance payment for the family. The payment standard amount used by the HA to calculate the monthly HAP at the first regular reexamination following the decrease in the payment standard amount is the higher of these two payment standard amounts. The HA will advise the family that the application of the lower payment standard amount will be deferred until the second regular reexamination following the effective date of the decrease in the payment standard amount.

Step 3:	(Second reexamination payment standard Amount). At the second regular reexamination following the decrease in the payment standard amount, the lower payment standard amount will be used to calculate the monthly HAP for the family unless the HA has subsequently increased the payment standard amount. Current regulations do not give a housing authority discretion to set policy in this matter.

11.5.3 Change in the Family Unit Size

Irrespective of any increase or decrease in the payment standard amount, if the family unit size increases or decreases during the HAP contract term, the new family unit size must be used to determine the payment standard for the family beginning at the family's first regular reexamination following the change in family unit size.

11.6 RENT REASONABLENESS DETERMINATIONS

[24 CFR 982.503, 982.507]

The Housing Authority is responsible for ensuring that the rents charged by owners are reasonable based upon objective comparables in the rental market.

The Housing Authority will complete a rent-reasonable determination prior to entering in to a new contract with the owner. The Housing Authority will also complete a rent-reasonableness determination upon request by the owner to increase the contract rent. The Housing Authority will ensure that the requested rent:

1. Does not exceed rents currently charged on new leases by the same owner for an equivalent assisted or unassisted unit in the same building or complex, and

2. Is reasonable in relation to rents currently charged by other owners for comparable units in the unassisted market.

The Housing Authority must re-determine rent reasonableness if directed by HUD and based on a need identified by the Housing Authority's auditing system. The Housing Authority may elect to re-determine rent reasonableness at any other time.

At all times during the assisted tenancy, the rent paid to the owner may not exceed the reasonable rent as determined by the Housing Authority.

If requested, the owner must give the Housing Authority information on rents charged by the owner for other units in the complex or elsewhere.

The Housing Authority maintains a database which contains current open market rents for use by staff to determine rent reasonableness determinations. Data is collected on an ongoing basis and purged when it is more than 12 months old. The data for the open market rents is gathered from owners, newspapers, realtors, professional associations, inquiries of owners, internet, and other available sources.

The data collected is used in a rent comparable system. This system calculates a variety of criteria to provide rent comparable information, including:

1. Size
2. Location
3. Quality
4. Amenities
5. Age of unit
6. Unit type
7. Utilities
8. Housing Services
9. Maintenance

The rent reasonableness database will retrieve at least 3 open market comparables to be used for rent determination. All comparables will be based on the rent that the unit would command if leased in the current rental market.

11.6.1 Making and Documenting the Rent Reasonableness Determination

Rent reasonableness data will be used to make a side-by-side comparison of the proposed unit against three open market rental units. The 9 comparability factors will be reviewed to ensure consistency. While not all factors will be identical they should be sufficiently similar to demonstrate they are comparable units.

If data retrieved is insufficient to meet 3 open market comparables the Housing Authority may exercise one of the following methods for making rent reasonableness determinations, **and will document why an alternate method of documenting was needed**. Alternate methods include:

- Owner will be asked to supply additional rental amounts for comparable unassisted units.
- When there are no comparable units of like bedroom size, HA will use a multiplier of 15% per bedroom size to estimate the rental value of the larger-size bedroom unit.
- Comparables may be used from outside areas which are considered comparable to the proposed unit.

11.7 OWNER PAYMENT IN THE VOUCHER PROGRAM

[24 CFR 982. 503]

The maximum subsidy for each family is determined by the Payment Standard for the Voucher size issued to the family, less 30% of the family's Monthly Adjusted Income. The actual subsidy level could be less if the family is required to pay the Minimum Total Tenant Payment (10% of the family's Monthly Income).

The Voucher size issued to the family is based on the HA's Subsidy Standards. The Payment Standard for the family is based on the lesser of the Payment Standard for the Voucher size issued and the Payment Standard for the unit selected.

The Housing Assistance Payment to the owner is the lesser of the subsidy described above or the rent charged by the owner.

11.7.1 Subsidy Calculation

Under the Housing Choice Voucher Program, the HAP subsidy is *the lower of*:

- the Payment Standard minus the Total Tenant Payment, OR
- the gross rent (rent to the owner plus utility allowance) minus the Total Tenant Payment

Total Tenant Payment is the highest of:

- thirty (30) percent of the monthly adjusted income
- ten (10) percent of monthly gross income
- welfare rent (in as paid states) or
- the HA minimum rent (see Chapter 6)

A family renting a unit above the Payment Standard also pays the highest of the amounts above, plus the amount by which the gross rent for the unit exceeds the Payment Standard. An example of the subsidy calculation is as follows:

EXAMPLE: Subsidy Calculation:

Gross Rent is lower than Payment Standard

$575	Payment Standard
-150	TTP
$425	Maximum Subsidy
$570	Gross Rent
-150	TTP
$420	HAP Subsidy

11.8 MAKING PAYMENTS TO OWNERS

[24 CFR 982.451, 982.311(d)(1)]

Once the HAP Contract is executed, the HA begins processing payments to the landlord. The effective date and the amount of the HA payment is communicated in writing to the family and owner. A HAP Register will be used as a basis for monitoring the accuracy and timeliness of payments. Changes are made automatically to the HAP Register for

the following month. Payments are disbursed by Accounting to the owner each month as described below.

The owner is allowed to keep the housing assistance payment for the month when the family moves out of the unit.

Payments will only be disbursed on the first of the month and at mid-month through Electronic Funds Transfer (EFT) process. Exceptions may be made with the approval of the Director in cases of hardship**.**

Payments that are not received will not be replaced until a written request has been received from the payee and a stop payment has been put on the check. Owners will be advised there may be a $10 processing fee for re-issuance of a HAP payment.

11.9 RENT ADJUSTMENTS

[24 CFR 982.519 and 982.308 (g)]

Rent adjustment is a request to increase the existing contract rent. The request for a rent adjustment must be completed by the owner/agent. The owner/agent can request a rent adjustment after the initial lease term by providing a copy of the written 60 day notice to increase rent to both the family and the HA. The following steps must take place before the request can be approved:

- All requests must be submitted to the family and the HA at least 60 days prior to the effective date of the rent adjustment.
- The unit must pass the Housing Quality Standard inspection within the last twelve months.
- If there are any other changes to the lease agreement such as who is responsible for utilities/appliances or the term of the lease, these changes must be in writing. The owner must immediately provide the HA with a copy of these changes. The HA will execute a new HAP contract reflecting these changes.
- The amount requested cannot exceed rents currently charged by the owner for a comparable unassisted units in the same building or complex (on the premises), and
- The amount requested must be reasonable in relation to rents currently charged by other owners for comparable units in the unassisted market.
- Family must give consent of their acceptance of proposed rent increase by owner.

11.9.1 Rent Adjustment Determination

All rent adjustment determinations will be based on the rent reasonableness determination method previously described in this chapter. If the rent adjustment is approved, the change in rent does not affect the automatic renewal of the lease and does not require a new lease/contract or an executed amendment. A notice of rent adjustment letter will be sent to the owner and the family.

If the HA is not able to accept the amount of the owner's proposed increase because it exceeds the HA's rent reasonableness determination for a comparable unassisted unit, the HA will contact the owner to negotiate rent. HA may inspect the unit for the purpose of determining rent reasonableness. Once the amount has been negotiated and approved, a notice of rent adjustment letter will be sent to the owner and the family.

If, during the negotiation process, the HA and the owner cannot reach an agreement on the rent adjustment, the HA will send a letter to the owner denying the request for rent adjustment.

11.9.2 Special Adjustments

[24 CFR 982. 520]

An owner may request a special adjustment based on substantial and general increases in real property such as: taxes, special government assessments, or costs of utilities. The rent requested must be found to be reasonable and must be approved by HUD.

Chapter 12
REEXAMINATIONS

12.1 INTRODUCTION

The HA is required to reexamine each family's income and composition at least every twelve months, and to adjust the family's level of assistance accordingly. Interim reexaminations are also needed in certain situations. This chapter discusses both annual and interim reexaminations, and the recalculation of family share and subsidy that occurs as a result. HUD regulations and Housing Authority (HA) policies concerning reexaminations are presented in three parts:

Part I: Annual Reexaminations. This part discusses the process for conducting annual reexaminations.

Part II: Interim Reexaminations. This part details the requirements for families to report changes in family income and composition between annual reexaminations.

Part III: Outcomes from Recertifications. This part discusses the recalculation of family share and subsidy amounts based on the results of annual and interim reexaminations.

Policies governing reasonable accommodation, family privacy, required family cooperation, and program abuse, as described elsewhere in this plan, apply to both annual and interim reexaminations.

PART I: ANNUAL REEXAMINATIONS

12.2 OVERVIEW

The HA must conduct a reexamination of family income and composition at least every twelve months. This includes gathering and verifying current information about family composition, income, and expenses. Based on this updated information, the family's income and rent must be recalculated. This part discusses the schedule for annual reexaminations, the information to be collected and verified, and annual reexamination effective dates.

12.3 SCHEDULING ANNUAL REEXAMINATIONS

The HA must establish a policy to ensure that the annual reexamination for each family is completed within a 12-month period, and may require reexaminations more frequently.

The HA will begin the annual reexamination process 120 days in advance of its scheduled effective date. Generally, the HA will schedule annual reexamination effective dates to coincide with the family's anniversary date.

Anniversary date is defined as 12 months from the effective date of the family's last annual reexamination or, during a family's first year in the program, from the effective date of the family's initial examination (admission).

If the family moves to a new unit, the HA will perform a new annual reexamination, and change the reexamination anniversary date to reflect one year from the effective date of the moving reexamination.

12.3.1 Notification of and Participation in the Annual Reexamination Process

The HA is required to obtain the information needed to conduct annual reexaminations. How that information will be collected is described below.

Families generally are required to complete the annual reexamination process by mail.

Notification of the annual reexamination process will be sent by first-class mail and will contain the certification packet for completion and must be returned by the specified due date.

If the family is unable to return the packet within the deadline, the family should contact the HA in advance of the due date to request an extension. If a family does not provide required information by the deadline, including any extension granted, or if the notice is returned by the post office with no forwarding address, a notice of termination (see Chapter 15) will be sent to the family's address of record.

12.4 CONDUCTING ANNUAL REEXAMINATIONS

As part of the annual reexamination process, families are required to provide updated information to the HA regarding the family's income, expenses, and composition [24 CFR 982.551(b)]. (For policy regarding how the family should request to add new family members to their family composition, see Section 12.8).

12.4.1 Annual Reexamination by Mail

The family will be notified by mail up to 120 calendar days in advance of the anniversary date of the requirement to complete their annual reexamination process. If requested as an accommodation by a person with disabilities, the HA will provide the notice in an accessible format; home visits may also be requested for this purpose so the HA can assist the family in completing their annual reexamination requirement. The HA will also mail the notice to a third party, if requested as a reasonable accommodation for a person with disabilities. These accommodations will be granted upon verification that they meet the need presented by the disability.

Families will be asked to mail in all required information (as described in the reexamination notice) with their completed reexamination packet. The required information will include the Personal Declaration Packet, an Authorization for the Release of Information/Privacy Act Notice, as well as supporting documentation related to the family's income, expenses, and family composition.

Any required documents or information that the family is unable to provide at the time their packet is mailed to the HA, must be provided within 10 business days of the written request for the incomplete information which the HA will mail to the family. If the family

is unable to obtain the information or materials within the required time frame, the family may request an extension.

If the family does not provide the required documents or information requested within the required time frame, including any extensions, the family will be sent a notice of the HA's intent to terminate the family's assistance; (see Chapter 15).

12.4.2 Conducting Face-to-Face Interviews

While most reexaminations are conducted by mail, face-to-face interviews may be conducted at any time at the HA discretion, or if needed by a person with disabilities as a reasonable accommodation. (Also the face-to-face interview method is commonly selected when conducting the initial certification during the intake process for new admissions).

When using this method the HA will normally require the head of household and spouse to attend the interview. If the head of household is unable to attend the interview, the spouse, co-head or any adult member of the family composition may certify for the family.

12.4.3 Documents Required from the Family

In the notification letter to the family, the HA will include instructions for the family to mail in (or bring to the interview) the following documents:

- Documentation of income for all family members
- Documentation of all assets
- Documentation of any deductions/allowances
- Personal declaration form completed by the head-of-household
- Immigration cards for any new family members
- Consent forms for criminal background checks

12.4.4 Failure to Respond to Notification of Requirement for Annual Reexamination

After receiving the Personal Declaration reexamination packet, the family is required to complete and return the packet with all requested documents on or before the due date listed in the reexamination notification. Failure to meet the deadline is grounds for termination of assistance. For more details on missed deadlines, and for exceptions to the policy which may be made by a supervisor if the family is able to document an emergency situation which requires an extension on the time needed to comply with the annual reexamination requirement,, see Section 15.8.

12.4.5 Criminal Background Checks

Each household member age 18 and over will be required to execute a signed Criminal Background Consent form as part of the annual reexamination process. Criminal background checks will be conducted for all adults (age 18 and above) in the household, including live-in aids, new household members being added to a currently assisted household, and all incoming families porting into the HA's jurisdiction.

12.5 DETERMINING ONGOING ELIGIBILITY OF CERTAIN STUDENTS

[24 CFR 982.552(b)(5)]

Section 327 of Public Law 109-115 established new restrictions on the ongoing eligibility of certain students (both part- and full-time) who are enrolled in institutions of higher education.

If a student enrolled in an institution of higher education is under the age of 24, is not a veteran, is not married, and does not have a dependent child, the student's eligibility must be reexamined along with the income eligibility of the student's parents on an annual basis. In these cases, both the student and the student's parents must be income eligible for the student to continue to receive HCV assistance. If, however, a student in these circumstances is determined independent from his or her parents in accordance with HA policy, the income of the student's parents will not be considered in determining the student's ongoing eligibility.

Students who reside with parents in an HCV assisted unit are not subject to this provision. It is limited to students who are receiving assistance on their own, separately from their parents.

During the annual reexamination process, the HA will determine the ongoing eligibility of each student who is subject to the eligibility restrictions in 24 CFR 5.612(see Section 4.13) by reviewing the student's individual income as well as the income of the student's parents. If the student has been determined "independent" from his/her parents based on the policies in the criteria for admission in Chapter 4, the parents' income will not be reviewed.

If the student is no longer income eligible based on his/her own income or the income of his/her parents, the student's assistance will be terminated in accordance with the policies in Chapter 15.

If the student continues to be income eligible based on his/her own income and the income of his/her parents (if applicable), the HA will process a reexamination in accordance with the policies in this chapter.

12.6 ANNUAL RECERTIFICATION EFFECTIVE DATES

The HA must establish policies concerning the effective date of changes that result from an annual reexamination [24 CFR 982.516].

In general, **an *increase* in the family share** of the rent that results from an annual reexamination will take effect on the family's anniversary date, and the family will be notified at least 30 days in advance.

- If less than 30 days remain before the scheduled effective date, the increase will take effect on the first of the month following the end of the 30-day notice period.
- If a family moves to a new unit, the increase will take effect on the effective date of the new lease and HAP contract, and no 30-day notice is required.
- If the family causes a delay in processing the annual reexamination, the family will be sent a notice of the HA's intent to terminate program assistance due to the

family's non-compliance with supplying information requested by the HA. In the event the intent to terminate should be reversed, the i*ncrease* in the family share of the rent will be applied retroactively, to the anniversary effective date of the annual reexamination. The family will be responsible for any overpaid subsidy and may be offered a repayment agreement in accordance with the policies in Chapter 18.

- If the HA causes a delay in processing the annual reexamination, increases in the family share of the rent will take effect on the first of the month following the end of a 30-day notice period.

In general, a ***decrease* in the family share** of the rent that results from an annual reexamination will take effect on the first day of the month following the date the change occurred; e.g., family reports a decrease of income in the reexamination packet on 01/15/08; regardless of when the verification comes (see exceptions below) the HA will make the new family portion effective on 02/01/08. Also, the family's reexamination anniversary date will change to 02/01/09, which is the new effective date plus one year.

- If the family causes a delay in processing the annual reexamination, d*ecreases* in the family share of the rent will be applied prospectively, from the first day of the month following the date all required documentation was submitted by the family.
- Any delay in processing of the interim change caused by the HA will be made effective the first of the month following the date the change was reported.

12.6.1 Determining Whether Delay was Caused by the Family or the HA

Delays in reexamination processing are considered to be caused by the family if the family fails to provide information requested by the HA by the date specified, and this delay prevents the HA from completing the reexamination as scheduled.

Delays in reexamination processing are considered to be caused by the HA if the HA fails to act promptly in requesting additional verifications needed; or in following up on verifications not received timely (refer to Chapter 7 for each of these); or if the HA fails to recalculate the rent portions within a reasonable time (within no more than 10 business days) from the date all information has been received by the HA.

PART II: INTERIM REEXAMINATIONS [24 CFR 982.516]

12.7 OVERVIEW

Family circumstances may change throughout the period between annual reexaminations. HUD and HA policies dictate what kind of information about changes in family circumstances must be reported, and under what circumstances the HA must process interim reexaminations to reflect those changes. HUD regulations also permit the HA to conduct interim reexaminations of income or family composition at any time. When an interim reexamination is conducted, only those factors that have changed are verified and adjusted.

In addition to specifying what information the family must report, HUD regulations permit the family to request an interim determination if other aspects of the family's income or composition changes. The HA must complete the interim reexamination within a reasonable time after the family's request.

This part includes HUD and HA policies describing the changes families are required to report, what changes families may choose to report, and how the HA will process both HA- and family-initiated interim reexaminations.

12.8 CHANGES IN FAMILY AND HOUSEHOLD COMPOSITION

HUD requires the HA adopt policies prescribing when and under what conditions the family must report changes in family composition; and when the HA will conduct an interim reexamination.

The HA will conduct interim reexaminations to account for any changes in household composition that occur between annual reexaminations. Reporting requirements are described in the following sections.

12.8.1 New Family Members Not Requiring Approval

The addition of a family member as a result of birth, adoption, or court-awarded custody does not require HA approval. However, the family is required to promptly notify the HA of the addition [24 CFR 982.551(h)(2)]. The family must inform the HA of the birth, adoption or court-awarded custody of a child within 10 business days.

12.8.2 New Family and Household Members Requiring Approval

With the exception of children who join the family as a result of birth, adoption, or court-awarded custody, a family must request HA approval to add a new family member [24 CFR 982.551(h)(2)] or other household member (live-in aide or foster child) [24 CFR 982.551(h)(4)].

When any new family member is added, the HA will conduct a interim reexamination to determine any new income or deductions associated with the additional family member, and to make appropriate adjustments in the family share of the rent and the HAP payment [24 CFR 982.516(e)].

All changes in family composition must be reported within 10 business days of the occurrence and approved by the HA prior to the individual moving in the unit.

The HA will not approve the addition of a new family or household member unless the individual meets all eligibility requirements for admission (see Chapter 4).

If the HA determines an individual meets the HA's eligibility criteria as defined in Chapter 4, and if the owner provides written permission to add the new family member to the lease, the HA will provide written approval to the family. If the approval of a new family member or live-in aide will cause overcrowding according to HQS standards, the approval letter will explain that the family will be issued another voucher and will be required to move.

If the HA determines that an individual does not meet the HA's eligibility criteria as defined in Chapter 4, the HA will notify the family in writing of its decision to deny approval of the new family or household member and the reasons for the denial.

In considering whether to approval additional family members the HA will consider current available funding if the change in family size would require the issuance of a larger voucher.

12.8.3 Departure of a Family or Household Member

Families must promptly notify the HA if any family member no longer lives in the unit [24 CFR 982.551(h)(3)]. Because household members are considered when determining the family unit (voucher) size [24 CFR 982.402], the HA also needs to know when any live-in aide, foster child, or foster adult ceases to reside in the unit.

If a household member ceases to reside in the unit, the family must inform the HA within 10 business days. This requirement also applies to a family member who has been considered temporarily absent at the point that the family concludes the individual is permanently absent.

If a live-in aide, foster child, or foster adult ceases to reside in the unit, the family must inform the HA within 10 business days.

Failure to report to the HA within 10 business days the departure of a family or household member is a violation of the family's obligations under the HCV program and may be ground for termination of assistance. For actions the HA will take when non-reporting issues occur, see Section 23.4, *Investigating Errors and Program Abuse*.

12.9 CHANGES AFFECTING INCOME OR EXPENSES

The family is required to report all changes of income to the HA. The two sections below will outline when the HA will conduct an interim reexaminations based on the reported changes.

12.9.1 Required Reporting

The HA requires that the family report all changes in income to the HA within 30 calendar days of the change, though a rent adjustment will be deferred until the annual reexamination.

12.9.2 HA-Initiated Interim Reexaminations

When the family reports zero income, the HA will conduct an interim reexaminations. The HA will also schedule a follow up interim reexamination (or annual if within 120 days of the annual reexamination) every three months as long as the family continues to report that they have no income.

The HA will not conduct an interim reexamination for increases in the family income, unless the family requests the HA to do so. Normally, increase of income result in an adjustment of the family's share of rent at the annual reexamination.

12.9.3 Family-Initiated Interim Reexaminations

HUD regulations require that the family be permitted to obtain an interim reexamination any time the family has experienced a change in circumstances since the last determination [24 CFR 982.516(b)(2)].

12.9.4 Optional Reporting

The family may request an interim reexamination any time the family has experienced a change in circumstances since the last determination [24 CFR 982.516(b)(2)]. The HA must process the request if the family reports a change that will result in a reduced family income.

If a family reports a decrease in income from the loss of welfare benefits due to fraud or non-compliance with a welfare agency requirement to participate in an economic self-sufficiency program, the family's share of the rent will not be reduced [24 CFR 5.615]. For more information regarding the requirement to impute welfare income see Chapter 6.

If a family reports a change that it was not required to report (e.g., an increase in an expense which would result in reducing the family's annual adjusted income; see Chapter 6 for a list of allowable expenses) and the change would result in a decrease in the family share of rent, the HA will conduct an interim reexamination. See Section 12.10 for effective dates.

Families may report changes in income or expenses at any time.

12.10 PROCESSING THE INTERIM REEXAMINATION

12.10.1 Method of Reporting

The family may notify the HA of changes either orally or in writing. If the family provides oral notice, the HA may also require the family to submit the changes in writing.

Generally, the family will not be required to attend an interview for an interim reexamination.

However, if the HA determines that an interview is warranted, the family may be required to attend.

Based on the type of change reported, the HA will determine the documentation the family will be required to submit. The family must submit any required information or documents within 10 business days of receiving a request from the HA. This time frame may be extended for good cause with HA approval. The HA will accept required documentation by mail, by fax, or in person.

12.10.2 Effective Dates

The HA must establish the time frames in which any changes that result from an interim reexamination will take effect [24 CFR 982.516(d)]. The changes may be applied either

retroactively or prospectively, depending on whether there is to be an increase or a decrease in the family share of the rent, and whether the family reported any required information within the required time frames [HCV GB, p. 12-10].

If the family share of the rent is to *increase*:

- The increase generally will be effective on the first of the month following 30 days' notice to the family.

If the family share of the rent is to *decrease*:

- The decrease will be effective on the first day of the month following the date of the reported change.

If an interim is within 120 days of the reexamination anniversary date, the HA will do a full reexamination and change the anniversary date to match the new effective date plus one year.

PART III: OUTCOMES FROM RECERTIFICATIONS: RENT CHANGE NOTICES AND HANDLING DISCREPANCIES

12.11 NOTIFICATION OF NEW FAMILY SHARE AND HAP AMOUNT

The HA must notify the owner and family of any changes in the amount of the HAP payment [HUD-52641, HAP Contract]. The notice must include the following information:

- The amount and effective date of the new HAP payment
- The amount and effective date of the new family share of the rent

The family must be given an opportunity for an informal hearing regarding the HA's determination of their annual or adjusted income, and the use of such income to compute the housing assistance payment [24 CFR 982.555(a)(1)(i)] (see Chapter 19).

The notice to the family will include the annual and adjusted income amounts that were used to calculate the family share of the rent and the housing assistance payment. The notice also will state the procedures for requesting an informal hearing.

12.12 DISCREPANCIES

During an annual or interim reexamination, the HA may discover that information previously reported by the family was in error, or that the family intentionally misrepresented information. When errors resulting in the overpayment or underpayment of subsidy are discovered, corrections will be made in accordance with the policies in Chapter 18.

Chapter 13
MOVES WITH CONTINUED ASSISTANCE AND PORTABILITY
[24 CFR 982.314; 982.353 (b); 982.355]

13.1 INTRODUCTION

HUD regulations permit families to move with continued assistance to another unit within the HA's jurisdiction, or to a unit outside of the HA's jurisdiction under Portability procedures. The regulations also allow the HA the discretion to develop policies which define any limitations or restrictions on moves. This chapter is separated into three sections which will explain the procedures for moves, both within and outside of, the HA's jurisdiction, and the policies for restriction and limitations on moves.

Section One: Policies Relating to Transfers Within the HA's Jurisdiction
This section will explain the policies that the HA must follow when a family is requesting to transfer their assistance from one unit to another within the jurisdiction, and any restrictions that apply.

Section Two: Portability
This section will explain the policies that the HA must follow when a family is requesting to move outside of the jurisdiction which is referred to as Portability.

Section Three: Restrictions on Portability
This section covers the policies regarding restrictions which apply when a family requests to move outside the HA's jurisdiction.

SECTION ONE: POLICIES RELATING TO TRANSFERS WITHIN THE HA'S JURISDICTION

This section pertains to any request which does not involve portability. For information about portability see Sections Two and Three of this chapter.

13.2 ALLOWABLE MOVES

A family may move to a new unit under the following conditions; however, for restrictions within the first year of the HAP contract, see Section 13.3.1:

1. The assisted lease for the old unit has terminated because the HA has terminated the HAP contract for owner breach.

2. The lease was terminated by mutual agreement of the owner and the family.

3. The owner has given the family a notice to vacate, or has commenced an action to evict the tenant, or has obtained a court judgment or other process allowing the owner to evict the family (unless assistance to the family will be terminated).

4. The family has given proper notice of lease termination (if the family has a right to terminate the lease on notice to owner) for owner breach or otherwise.

5. The family has given proper notice of lease termination, and the move is needed to protect a victim who is covered under the Violence Against Women Act of 2005, subject to the victim providing the necessary documentation required of victims of this Act, as described in the Verification chapter of this Plan."

13.3 RESTRICTIONS ON MOVES

[24 CFR 982.314, 982.552; 982.54 (d) (19)]

The HA will deny permission to move if:

- The family has violated a Family Obligation.
- The family owes the HA money.

A family requesting to move must:

- have a current recertification and
- a current inspection (provided there is no breach of HQS by the family, which has not been corrected

13.3.1 Within the First Year of the HAP Contract

Families will not be permitted to move until they have been under contract at least a year according to the effective date of their HAP contract.

The supervisor may make exceptions to these restrictions if there is proper supporting documentation from the client. The following are examples of when a mutual agreement would be accepted before the end of the first year:

1. To protect the health and or safety of a family member (e.g. domestic violence, witness protection programs, emergency fail HQS items);
2. To address an emergency situation over which the family or owner has no control (e.g. owner is going through foreclosure);
3. To allow a move, if needed as a reasonable accommodation, for a family who is a person with disabilities; and
4. To accommodate a change in family circumstances which requires a move to a distant area (e.g. new employment or school attendance in a distant city)

The HA will deny permission to move if there is insufficient funding for continued assistance.

13.4 PROCEDURE FOR MOVES

[24 CFR 982.314]

13.4.1 Issuance of Voucher

The HA will issue the voucher when the recertification is current.

13.4.2 Rescinding of Vacate Notice

If the family does not locate a new unit, they may remain in the current unit so long as the owner and family submit a rescinding letter.

13.4.3 Notice Requirements

Briefing sessions emphasize the family's responsibility to give the owner and the HA proper written notice of any intent to move.

The family must give the owner the required number of days written notice of intent to vacate specified in the lease and must give a copy to the HA simultaneously.

13.4.4 Time of Contract Change

A move within the same building or project, or between buildings owned by the same owner, will be processed like any other move except that there will be no overlapping assistance.

In a move, assistance will start on the new unit on the effective date of the lease and contract. Assistance payments may overlap for the month in which the family moves. The landlord is allowed to retain the Housing Assistance Payment (HAP) for the month in which the HAP contract was terminated.

SECTION TWO: PORTABILITY [24 CFR 982.353]

Portability applies to families moving out of (Outgoing Portability) or into (Incoming Portability) a HA's jurisdiction within the United States and its territories. Under portability, families are eligible to receive assistance to lease a unit outside of the initial HA's jurisdiction. The unit may be located anywhere in the USA in the jurisdiction of a HA with a tenant-based assistance program.

13.5 OUTGOING PORTABILITY
[24 CFR 982.353, 982.355]

Within the limitations of the regulations and this policy, a voucher-holder or participant family has the right to receive tenant-based voucher assistance to lease a unit outside HA's jurisdiction, anywhere in the United States, in the jurisdiction of a Public Housing Authority (HA) with a tenant-based program.

When a family requests to move to an area outside of the HA's jurisdiction , they are exercising their right to outgoing portability. In this instance the HA acts as the Initial HA and the following information is a list of the responsibilities the HA is responsible for.

If the head or spouse of the assisted family does not have a legal residence in the jurisdiction of the HA at the time of its application, the family will not have any right to portability, until after the family has leased up for a year within the jurisdiction of the Initial HA. Refer to Section 13.7 for more information.

13.5.1 Responsibility of the Family

The family must consider and verify whether they are eligible before taking any action to move.

- Provide a valid vacate notice to the HA and the owner
- Provide the HA the specific information of the Receiving HA
- Supply the name, address, phone number and portability contact name for the housing authority which has jurisdiction in the area where they want to move
- If there is more than one HA in the area in which the family has selected a unit, the family will choose the receiving HA
- Be in compliance with all of their family obligations
- The family will be required to meet with the HA portability specialist to complete the portability request

13.5.2 Responsibility of the Initial HA

- The HA will brief the family on the process that must take place to exercise portability.
- The HA will determine whether the family is income-eligible in the area where the family wants to lease a unit (if applicable).
- The HA will advise the family how to contact and request assistance from the Receiving Housing Authority.
- The HA will, within ten (10) business days, notify the Receiving Housing Authority to expect the family.
- The HA will immediately send to the Receiving Housing Authority the most recent HUD Form 50058 (Family Report) for the family, and related verification information.
- Advise the family how to contact and request assistance from the Receiving HA.
- Advise the family that they must promptly contact the Receiving HA and comply with Receiving HA's procedures for incoming portable families.
- Promptly notify the Receiving HA to expect the family.
- If the family has not yet been admitted to the program, determine whether a family is income eligible in the area where the family wants to lease a unit.
- Pay the Receiving HA 80% of the Initial HA's ongoing administrative fee.
- Reimburse the Receiving HA for the HAP payment made in behalf of the family.
- Make payment to the Receiving HA per the Portability Billing Form.

13.5.3 Responsibility for Sending Documents

The Initial HA must also send to the Receiving HA the following documents:

- The current HUD-50058
- Copies of the income verification for the current HUD-50058
- Copies of the citizen/eligible immigrant verification
- A copy of the family's voucher
- The Portability Form, HUD-52665, with Part I completed
- Family Self-Sufficiency information if the family is participating in FSS

13.6 INCOMING PORTABILITY

[24 CFR 982.355]

When a family exercises their rights under portability to move into a new jurisdiction, the new HA is called the Receiving HA. Below is a list of the responsibilities of the Receiving HA in terms of assisting the family.

13.6.1 Responsibilities of the Receiving HA

[24 CFR 982.355]

These are the responsibilities of the Receiving HA:

- The Receiving HA does not re-determine eligibility for a portable family that was already receiving assistance in the Initial HA tenant-based program.
- Must provide assistance when a family has a right to lease up under portability.
- The Receiving HA's selection preferences do not apply.
- The Receiving HA's waiting list is not used.
- The Receiving HA may opt to screen using the Receiving HA's screening criteria only if the family is not a current participant.
- Must promptly notify the Initial HA whether it will bill the Initial HA for assistance or absorb the family.
- The Receiving HA must issue a voucher to the family.
- The voucher cannot expire before any expiration date of any Initial HA voucher. The Receiving HA decides whether to extend or suspend.
- Promptly inform the Initial HA if absorbing.
- Determine the family unit size based on the subsidy standards of the Receiving HA.
- Promptly notify the Initial HA if the family fails to submit a request for tenancy approval within the term of the voucher.
- Promptly notify the Initial HA if the family has leased an eligible unit under the program.

The family must submit a request for approval of tenancy to the Receiving HA during the term of the Receiving HA voucher.

To provide tenant-based assistance for portable families, the Receiving HA must perform all HA program functions such as reexaminations of family income and composition.

At any time the Initial HA or the Receiving HA may make a determination to deny or terminate assistance to the family in accordance with program regulations.
The Receiving HA may deny or terminate assistance for action or inaction of the family.

13.6.2 When the Receiving HA Chooses to Bill the Initial HA

If a HAP contact is executed, the Receiving HA must bill the Initial HA within six months from the date the Initial HA issued the voucher, sending the Initial HA the following documents:

- The Portability Form, HUD-52665, with the applicable sections of Part IIB completed.
- A current HUD-50058 if item 3 or 4 are completed on Part II-B of the Portability Billing Form.
- Supply the name of HA staff designated for inquiries on eligibility and billing.
- The Administrative Fee schedule for billing purposes.
- The Receiving HA tax ID number.

13.6.3 Absorption

The HA will absorb all port-in families into its own voucher program provided that there is funding available. After absorption, the family is assisted with funds available under the HA's voucher program.

13.6.4 Income and TTP of Incoming Portables

As Receiving HA, the HA will conduct a recertification interview but only re-verify the information provided if the documents are missing or are over 120 calendar days old, or if there has been a change in the family's circumstances. If the family's income exceeds the income limit of the HA, the family will not be denied assistance unless the family is an applicant and over the Very-Low Income Limit. If the family's income is such that a $0 subsidy amount is determined prior to lease-up in the HA's jurisdiction, the HA will refuse to enter into a contract on behalf of the family at $0 assistance.

13.6.5 Requests for Tenancy Approval

A briefing will be mandatory for all portability families.

When the Family submits a Request for Tenancy Approval, it will be processed using the Receiving HA's policies. If the Family does not submit a Request for Tenancy Approval or does not execute a lease, the Initial HA will be notified within 60 calendar days by the Receiving HA. If the Family leases up successfully, the Receiving HA will notify the Initial HA within **60 calendar days,** and the billing process will commence. If the Receiving HA denies assistance to the family, the HA will notify the Initial HA within 60 calendar days and the family will be offered a review or hearing. The Receiving HA will notify the Family of its responsibility to contact the Initial HA if the family wishes to move outside the HA's jurisdiction under continued portability.

13.6.6 Payment to the Receiving HA

When billed, the Initial HA will reimburse the Receiving HA for 100% of the Housing Assistance Payment, 100% of the Special Claims paid on HAP contracts effective prior to 10/2/95, and 80% of the Administrative Fee (at the Initial HA's rate).

SECTION THREE: RESTRICTIONS ON PORTABILITY

[24 CFR 982.314, 982.552; 982.54 (d) (19)]

With regard to a request to move with continued assistance, participant families will not be permitted to move until they have been under contract at least a year according to the effective date of their HAP contract. Families will not be permitted to move outside the HA's jurisdiction under portability procedures during the initial year of assisted occupancy without supervisor approval. An example of such an exception would be where the family obtains new employment outside the HA jurisdiction which was secured after issuance of the voucher.

The supervisor may make exceptions to these restrictions if there is an emergency reason for the move over which the participant has no control. The HA will deny permission to move if there is insufficient funding for continued assistance.

13.7 RESTRICTIONS ON PORTABILITY

The HA will deny permission to move for the same reasons listed in Section 13.3.1 of this chapter, plus the following reason:

> A program participant who wishes to take their voucher and move to a higher cost area will be allowed to do so, regardless of whether or not the Receiving HA will absorb the family; unless the Receiving HA will not absorb the family into their voucher program, and the Initial HA would have insufficient funding to serve that currently-assisted family for the remainder of the calendar year.

13.7.1 When a Non-Resident Applicant Requests to Move

A family whose head or spouse has a domicile (legal residence) in the jurisdiction of the city and county of Fresno at the time the family first submits its application for participation in the program to the HA may lease a unit anywhere in the jurisdiction of the HA or outside the HA jurisdiction as long as there is another entity operating a tenant-based Section 8 program covering the location of the proposed unit.

A *non-resident* applicant, however, does not have that right. A non-resident applicant [as described in 24 CFR 982.353(c)] is one where neither the head of household nor the spouse had a legal residence in the jurisdiction of the Initial HA at the time when the family first submitted an application for participation in the program to the Initial HA. Such an applicant who was living in another jurisdiction at the time he or she made an application in Fresno County for assistance, will not be permitted to take the voucher and lease up in another city. The applicant may only lease up within the jurisdiction of the Fresno Housing Authority and is not permitted to move outside HA's jurisdiction during the initial lease term.

13.7.2 Exceptions to the Non-Resident Restriction

The HA will consider granting an exception to the above restriction pertaining to non-resident voucher holders for the following reasons:

- To protect the health or safety of a family member;
- To accommodate a change in family circumstances (e.g., new employment, school attendance in a distant area);
- To address an emergency situation over which a family has no control;
- For purposes of reasonable accommodation of a family member who is a person with disabilities.

Chapter 14
CONTRACT TERMINATIONS

14.1 INTRODUCTION

This chapter identifies the key documents/contracts that set forth the responsibilities of each party involved in the rental assistance relationship and outlines the policies and procedures under which these contracts can be terminated.

14.2 DESCRIPTION OF DOCUMENTS

There are three parties involved in the rental relationship: the assisted family, the owner and the Housing Authority.

The rights and responsibilities of the assisted family are defined in the voucher and the Statement of Family Obligations. A copy of the voucher is provided to the family at admission and each time a new voucher is issued. The family signs the Statement of Family Obligations annually.

The relationship between the family and the owner is outlined in the rental lease. Generally, the term of the lease is for one year and then turns into a month-to-month tenancy. Although the Housing Authority is not a part of the lease, HUD regulations allow public housing agencies to act against the family for serious or repeated violations of the lease.

The terms of the relationship between the owner and the Housing Authority are outlined in the Housing Assistance Payment (HAP) contract. The term of the HAP contract is the same as the term of the lease.

14.3 TERMINATION OF THE LEASE BY THE FAMILY: MOVES

[24 CFR 982.309(c)]

For continued tenant assistance, the family cannot terminate the lease until after the initial term of the lease except for material breach of the lease by the owner. The lease determines the notice period for termination to the owner. Most leases require, at minimum, a 30-day notification.

14.4 TERMINATION OF THE LEASE BY THE OWNER

An owner or manager may bifurcate (separate) a lease in order to evict, remove, or terminate assistance to any individual who is a tenant or lawful occupant and who engages in criminal acts of physical violence against family members or others, without evicting, removing, terminating assistance, or otherwise penalizing the victim of such violence which is also a tenant or lawful occupant.

14.4.1 Terminating the Lease During the Initial Term of the Lease

[24 CFR 982.310(a)]

During the term of the lease, the owner may not terminate the tenancy except for good cause, which includes serious or repeated violations of the lease and/or violations of federal, state or local law that imposes obligations on the family in connection with the use of the unit.

Under such conditions, the owner must provide both the family and the Housing Authority with a copy of any notice to move or eviction action. An eviction action is defined as a notice to vacate, or a complaint, or other initial pleading used under state and local law to commence an eviction action. Any eviction notice served to a family must specify the grounds for termination of the tenancy.

An owner may commence termination of a tenancy for good cause by serving a legal notice of termination on the family for the following reasons:

1. Serious or repeated violation of the terms and conditions of the lease [24 CFR 982.310 (a)(1)];

2. Violation of federal, state or local law that imposes obligations on the tenant in connection with the occupancy or use of the premises [24 CFR 982.310(a)(2)]

3. Other good cause, [24 CFR 982.301(a)(3)] including:

   - Criminal activity by the tenant, any member of the household, a guest, or another person under the tenant's control that threatens the health, safety or right to peaceful enjoyment of the premises by the other residents, or persons residing in the immediate vicinity of the premises [24 CFR 982.310(d)]
   - Any drug-related criminal activity on or near the premises; or
   - Tenant disturbance of neighbors, destruction of property, or behavior resulting in the damage of the premises.

14.4.2 Terminating the Lease After the Initial Term of the Lease

After the initial term of the lease, the owner may terminate the lease for other good cause. Examples of other good cause include:

- Business or economic reason for regaining possession of the unit
- Owner's desire to repossess the unit for personal or family use or for a purpose other than residential property;

When terminating the lease for business or economic reasons, the owner is required to provide a 90-day notice to both the family and the Housing Authority.

14.5 MUTUAL TERMINATION OF THE LEASE

In cases where the owner and the family agree to terminate the lease, both parties have an obligation to notify the Housing Authority in writing at least 30 calendar days in advance of the vacate date in order that the Housing Authority may avoid overpayment to the owner. If the family has properly notified the Housing Authority and is in good standing, they will be scheduled for a transfer appointment where they will receive a voucher and all the necessary documents to search for a new unit.

14.6 TERMINATION OF THE HAP CONTRACT BY HOUSING AUTHORITY

[24 CFR 982.453-982.454]

The Housing Authority will terminate the HAP contract as follows:

1. When the Housing Authority terminates program assistance for the family.
2. When the owner has breached the HAP contract.
3. If the family is required to move from a unit which is overcrowded based on the Housing Authority's current subsidy standards [24 CFR 982.403(a)]
4. If funding is no longer available under the ACC [24 CFR 982.454].
5. If the lease is terminated by the owner or tenant.
6. If the family moves from the contract unit, the HAP contract terminates automatically.
7. The HAP contract terminates automatically 180 calendar days after the last housing assistance payment to the owner.
8. Upon receipt of a notice of foreclosure on the contract unit due to owner failure to comply with mortgage agreement.

Any of the following actions will be considered a breach of the HAP contract by the owner:

- The owner has violated any obligation under the HAP contract for the dwelling unit, including the owner's obligation to maintain the unit according to the Housing Quality Standards (HQS), including any standards the Housing Authority has adopted in this policy [24 CFR 982.453(a)(1)].
- The owner has violated any obligation under any other HAP contract under section 8 of the 1937 Act (42 U.S.C. 1437f) [24 CFR 982.453(a) (2)].
- The owner has committed fraud, bribery or any other corrupt criminal act in connection with any federal housing program [24 CFR 982.453(a) (3)].
- The owner has failed to comply with regulations, the mortgage or note, or the regulatory agreement for the projects with mortgages insured by HUD or loans made by HUD [24 CFR 982.453(a) (4)].
- The owner has engaged in drug-related criminal activity [24 CFR 982.453(a) (5)].
- The owner has committed any violent criminal activity [24 CFR 982.453(a) (6)].

14.7 HAP PAYMENTS AND CONTRACT TERMINATIONS
[24 CFR 982.311]

When a HAP contract terminates, the Housing Authority will make payments in accordance with the HAP contract. The Housing Choice Department (HCD) will:

- Allow the landlord to retain the HAP for the month in which the termination or vacate occurred.
- Not provide any additional payments beyond the month of termination or vacancy.
- This does not apply if the unit is in abatement due to the landlord non-compliance.

If the family continues to occupy the unit after the HAP contract is terminated, the family is responsible for the total amount of rent due to the owner.

14.8 TERMINATIONS DUE TO RESTRICTIONS ON ASSISTANCE TO NONCITIZENS
[24 CFR 5.514]

A tenant's assistance will be terminated upon the following events if evidence of citizenship (i.e. the declaration) and eligible immigration status is not submitted:

- At initial occupancy, or
- For new occupants of assisted units (i.e. A new family member comes to live in the assisted unit), at first interim or regular reexamination following the person's occupancy.
- Evidence of citizenship and eligible immigration status is timely submitted, but INS primary and secondary verification does not verify eligible immigration status of a family member; and the family does not pursue INS appeal or information hearing rights as provided in this section; or
- INS appeal and information hearing rights are pursued; but the final appeal or hearing decisions are decided against the family member; or
- The responsible entity determines that a family member has knowingly permitted another individual who is not eligible for assistance to reside (on a permanent basis) in the assisted housing unit of the family member. Such termination shall be for a period of not less than 24 months. This provision does not apply to a family if the ineligibility of the ineligible individual was considered in calculating any pro-ration of assistance provided for the family.

Chapter 15
TERMINATION OF ASSISTANCE
24 CFR 982.551 - 553

15.1 INTRODUCTION

The HA may terminate assistance for a family because of the family's action or failure to act. The HA will provide families with 1) written description of the Family Obligations under the program, 2) the grounds under which the HA can terminate assistance, and 3) the HA's informal hearing procedures. This chapter covers termination of assistance under HUD regulations and HA policies; how circumstances are factored into the HA's decision to terminate assistance; how a non-citizenship determination is reached; and how missed appointments and deadlines can result in the HA decision to terminate assistance.

General Definitions

Criminal-related activities committed by a family member are fraud, bribery or other corrupt or criminal act in a federal housing program [24 CFR 982.552 (c) (1) (iv)].

Drug-related criminal activity (as defined in law) is the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug [24 CFR 5.100].

Violent criminal activity means any criminal activity in the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury against HA personnel or property.

15.2 TERMINATION OF FAMILY ASSISTANCE

Form of Termination of Assistance (Participants) [24 CFR 982.552(a)] **–** Due to a household's action or failure to act, the HA may terminate assistance to participants by:

- Refusing to enter into a HAP contract or approve a lease
- Terminating housing assistance payments under an outstanding HAP contract
- Refusing to process or provide assistance under portability procedures

15.3 MANDATORY TERMINATION

The HA **must** terminate assistance for the following reasons:

1. ***Methamphetamine*** – if any member of the household has ever been convicted of manufacturing or producing methamphetamine on the premises of federally assisted housing [24 CFR 982.553 (b)(1) (ii)].
2. ***Alcohol Abuse*** – if the HA determines that a household member's abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents [24 CFR 982.553 (b) (3)].

3. ***Serious violation of the lease*** - if the family is evicted from housing assisted under the program for serious violation of the lease. [24 CFR 982.552 (b) (2)]
4. ***Current illegal drug use for any household member***s: if any household member is currently engaged in any illegal use of a drug [24 CFR 982.553 (b) (i) (A)].
5. ***A pattern of illegal use of a drug*** – if the HA determines that a pattern of illegal use of a drug by any household member interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents [24 CFR 982.553 (b) (i) (B)].
6. ***Criminal Activity (Violent Criminal Activity)*** - Any household member has violated the family's obligation under 982.551 not to engage in violent criminal activity [24 CFR 982.553 (b) (2)].
7. ***Criminal Activity (Drug-Related)*** - Any household member has violated the family's obligation under 982.551 not to engage in drug-related criminal activity [24 CFR 982.553 (b) (1)(iii)].
8. **Lifetime Registration:** If any member of the household is subject to a lifetime registration requirement under a State sex offender registration program [24 CFR 982.553 (a) (2)]. The termination applies to sex offenders only.
9. **Consent Forms:** The HA will terminate program assistance if any member of the family fails to sign and submit HUD or HA required consent forms for obtaining information [24 CFR 982.552 (b) (3)].
10. **Citizenship Status:** The HA will terminate program assistance if no member of the family is a U.S. citizen or eligible immigrant (See Chapter 14, Section 14.8) [24 CFR 982.552 (b) (4)].
11. **Students in Higher Education:** If a student, applying for or participating in the HCV program separately from his parents, is a student enrolled at an institution of higher education AND is under the age of 24, not a veteran, unmarried, and does not have any dependent children, the student will be denied (if an applicant) or terminated (if a current HCV participant) and his income separately or his parent's joint income do not meet the income requirements for admission to the HCV program [24 CFR 982.552 (b) (5)].
12. **End of Participation:** If the family is under contract and 180 days (six months) have elapsed since the HA's last housing assistance payment was made, the family will be terminated.

"Currently engaged in" is defined as any use of illegal drugs during the previous twelve months.

"Pattern of abuse" is defined as the use of a controlled substance or alcohol if there is more than one incident during the previous 12 months. "Incident" includes but is not limited to arrests, convictions, no contest pleas, fines, and city ordinance violations.

Zero Assistance Tenants

The family may remain in the unit at $0 assistance for up to 180 days after the last HAP payment. If the family is still in the unit after 180 days, the assistance *will be terminated*. If, within the 180 day timeframe, an owner rent increase or a decrease in the Total Tenant Payment causes the family to be eligible for a housing assistance payment, the HA will resume assistance payments for the family.

In order for a family to move to another unit during the 180 days, the rent for the new unit would have to be high enough to necessitate a housing assistance payment [24 CFR 982.455 (a)].

15.4 GROUNDS FOR TERMINATION OF ASSISTANCE

The HA **may** at any time terminate program assistance for a participant, for any of the following violation:

Family Obligations: The family violates any family obligation under the program as listed in 24 CFR 982.551 [24 CFR 982.552 (c) (1) (i)] see §982.553 concerning termination of assistance for crime by family members.

Balance Owing by Family:

- The family currently owes rent or other amounts to the HA or to another HA in connection with Section 8 or public housing assistance under the 1937 Act [24 CFR 982.552 (c) (1) (v)].
- The family breaches an agreement with the HA to pay amounts owed to HA, or amounts paid to an owner by the HA [24 CFR 982.552 (c) (1) (vii].

Family Self-Sufficiency (FSS) Non-compliance: If a family participating in the FSS program fails to comply, without good cause, with the family's FSS contract of participation [24 CFR 982.552 (c) (1) (viii)].

Actual or Threatened Abusive or Violent Behavior toward HA Personnel: If the family has engaged in or threatened abusive or violent behavior toward HA personnel [24 CFR 982.552 (c) (1) (ix)].

Evicted from Federally Assisted Housing: If any member of the family has ever been evicted from federally assisted housing in the last five years [24 CFR 982.552 (c) (1) (ii)].

Fraud, Bribery, or Other Corrupt or Criminal Act within a Federal Housing Program: If any family member has committed such acts in connection with a Federal housing program [24 CFR 982.552 (c) (1) (iv).

Misrepresentation of income or other eligibility factors to an agency other than the HA, for example welfare fraud, is grounds for denial of assistance.

"Abusive or violent behavior toward HA personnel" includes verbal as well as physical abuse or violence. Use of expletives that are generally considered

insulting, racial epithets, or other language (written or oral) that is customarily used to insult or intimidate, may be cause for termination of assistance.

"Threatened" refers to oral or written threats or physical gestures that communicate an intent to abuse or commit violence.

Actual physical abuse or violence will always be cause for termination of assistance.

15.5 VIOLENCE AGAINST WOMEN ACT (VAWA)

Under the Violence Against Women Act 2005 (VAWA) statues, the abuser's criminal activity directly related to abuse and beyond control of the victim **shall not be** grounds for termination. The legislation clarifies that the HA may terminate a VAWA victim if the individual is an actual and imminent threat to other tenants or the community. Also if the victim is evicted for unrelated criminal activity, this may be grounds for termination of the HCV assistance, provided the HA does not hold the victim to a more demanding standard than other program participants.

When a participant family is facing assistance termination because of the actions of a participant, household member, guest, or other person under the participant's control and a participant or other household member claims that she or he is the victim of such actions and that the actions are related to domestic violence, dating violence, or stalking, the HA will require the individual to provide a signed statement certifying that claim.

The required certification must be submitted to the HA within 14 business days after the HA request is received by the victim. If the individual does not submit the required certification within the required 14-business-day period, the HA will proceed with termination of the family's assistance.

15.6 CONSIDERATION OF CIRCUMSTANCES

HUD authorizes the HA to consider all relevant circumstances when deciding whether to termination assistance based on a family's past history except in the situations for which termination of assistance is mandated (see Section 15.3).

In deciding whether to terminate assistance because of action or failure to act by members of the family; the HA has [24 CFR 982.552 (c) (2)]:

1. Discretion to consider all relevant circumstances in each case, including the seriousness of the case. The HA will use its discretion in reviewing, the extent of participation or culpability of individual family members, mitigating circumstances related to the disability of a family member, and the length of time since the violation occurred. The HA may also review the family's more recent history and record of compliance, and the effects of termination of assistance on other family members who were not involved in the action or failure to act [24 CFR 982.552 (c) (2) (i)].

2. The HA may impose, as a condition of continued assistance for other family members, a requirement that family members who participated in or were culpable for the action or failure will not reside in the unit. The HA may permit the other members of a family to continue in the program [24 CFR 982.552 (c) (2) (ii)]. If the violating member is a *minor*, the HA may consider individual circumstances with the advice of Juvenile Court officials. The HA will also consider whether the culpable member is a victim of domestic violence, dating violence, or stalking.

3. In determining whether to terminate assistance for illegal use of drugs or alcohol abuse by a household member who is no longer engaged in such behavior, the HA [24 CFR 982.552 (c) (2) (iii)]:

    - Will consider whether such household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program, or
    - Has otherwise been rehabilitated successfully (42 U.S.C. 13661).
    - May require the family to submit evidence of the household member's current participation, or successful completion of a supervised drug or alcohol rehabilitation program.

4. *Reasonable Accommodation:* If termination is based upon behavior resulting from a disability, the HA will delay the termination in order to determine if there is an accommodation which would negate the behavior resulting from the disability in accordance with part 8 of this title.

5. The HA will also consider whether the family disclosed the information to the HA under penalty of perjury when completing the certification packet.

If the HA seeks to terminate assistance because of illegal use or possession for personal use of a controlled substance, such use or possession must have occurred within *one year* before the date that the HA provides notice to the family of the HA determination to terminate assistance.

If the family is intentionally willingly and knowingly *commits fraud* or is involved in any other illegal scheme with the owner, the HA will terminate assistance. *In making this determination*, the HA will carefully consider the possibility of overt or implied intimidation of the family by the owner and the family's understanding of the events.

15.6.1 Required Evidence

The HA will use the concept of the preponderance of the evidence as the standard for making all termination decisions.

Preponderance of evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. The intent is not to prove criminal liability, but to establish that the act(s) occurred.

1. *Preponderance of evidence* will not be determined by the number of witnesses, but by the greater weight of all evidence.

2. *Credible evidence* may be obtained from police and/or court records. Testimony from neighbors, when combined with other factual evidence, can be considered credible evidence. Other credible evidence includes documentation of drug raids or arrest warrants.

3. The HA will pursue fact-finding efforts as needed to obtain credible evidence.

15.6.2 Notice of Termination of Assistance

In any case where the HA decides to terminate assistance to the family, the HA must give the family written notice which states:

1. The reason(s) for the proposed termination,

2. The effective date of the proposed termination,

3. The family's right, if they disagree, to request an Informal Hearing to be held before termination of assistance.

4. The date by which a request for an informal hearing must be received by the HA.

5. The HA will simultaneously provide written notice of the contract termination to the owner so that it will coincide with the Termination of Assistance. The Notice to the owner will not include any details regarding the reason for termination of assistance.

15.6.3 Termination of Assistance Based on Criminal Records

[24 5.903 (f)]

In all cases where criminal record or sex offender registration information would result in termination of assistance, the HA will notify the household in writing of the proposed adverse action and will provide the subject of the record and the tenant a copy of such information and an opportunity to dispute the accuracy and relevance of the information before a termination action is taken.

The family will be given 10 business days from the date of the HA notice, to dispute the accuracy and relevance of the information. IF the family does not contact the HA to dispute the information within that 10 business day period, the HA will proceed with the termination action.

15.6.4 Confidentiality of Criminal Records

Consistent with the limitations on disclosure of records, the HA has established and implemented a system of records management that ensures that any criminal record received by the HA from a law enforcement agency is:

a. Maintained confidentially;
b. Not misused or improperly disseminated; and

c. Destroyed, once the purpose(s) for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the HA action without institution of a challenge or final disposition of any such litigation.

All eviction and criminal background history is retained by the contracted provider. The HA will not print search results unless there is a need to due to an applicant's request for an Informal Review or as needed for review.

The results of the HA's background check will be maintained in a secure and confidential database. A copy of the Consent for Release of Information along with the approval/denial status will be kept in a confidential filing system separate from the applicant file. The confidential file will be maintained for three years from the date of Decision.

15.7 PROCEDURES FOR NON-CITIZENS

- *Termination due to Ineligible Immigrant Status*: Applicant or participant families in which all members are neither U.S. citizens nor eligible immigrants are not eligible for assistance and must have their assistance terminated. The HA must offer the family an opportunity for a hearing. (See "Eligibility for Admission" chapter, section on Citizenship/Eligible Immigration Status.)

  Assistance *may not* be terminated while verification of the participant family's eligible immigration status is pending.

- *False or Incomplete Information:* When the HA has clear, concrete, or substantial documentation (such as a permanent resident card or information from another agency) that contradicts the declaration of citizenship made by an applicant or participant, an investigation will be conducted and the individual given an opportunity to present relevant information.

  If the individual is unable to verify their citizenship, the HA may give him/her an opportunity to provide a new declaration as an eligible immigrant or to elect not to contend their status. The HA will then verify eligible status, deny, terminate, or prorate as applicable.

  The HA will terminate assistance based on the submission of false information or misrepresentations.

- *Procedure for Termination:* If the family (or any member) claimed eligible immigrant status and the INS primary and secondary verifications failed to document the status, the family may make an appeal to the INS and request a hearing with the HA either after the INS appeal or in lieu of the INS appeal.

After the HA has made a determination of ineligibility, the family will be notified of the determination and the reasons and informed of the option for prorated assistance (if applicable) [24 CFR 5.514, 5.516, 5.518].

15.8 MISSED APPOINTMENTS AND DEADLINES

[24 CFR 982.551, 982.552 (c)]

It is a Family Obligation to supply information, documentation, certification and not miss appointments as needed for the HA to fulfill its responsibilities. A Notice of Termination of Assistance will be sent to families who are in non-compliance for:

1. Verification Procedures
2. Housing Quality Standards and Inspections
3. Re-certifications
4. Appeals

Acceptable reasons for missing appointments or *failing to provide information* by deadlines are accepted for extenuating circumstances such as medical, family emergency or other reasons that may need to be approved by a supervisor or manager.

15.8.1 Procedure when Appointments are Missed or Information Not Provided

1. The family will be given an opportunity to comply before being issued a Notice Termination of Assistance for breach of a family obligation.
2. The Notice of Termination may be rescinded for the following reasons:
   - If the family offers to correct the breached item(s) or cause within the time allowed to request a hearing and
   - If the family offers to cure and the family does not have a history of non-compliance, the notice will be rescinded

See Chapter 12, “Failure to Respond to Notification to Recertify” and Chapter 10 “Annual HQS Inspections” for more information on HA policy when appointments are missed.

15.9 INFORMAL HEARINGS

[24 CFR 982.555]

This information is covered in Chapter 19, Section 19.4.

Chapter 16
FAMILY SELF-SUFFICIENCY (FSS) PROGRAM
(24 CFR 984.101 – 401)

16.1 INTRODUCTION

The FSS program encourages families to attain economic independence and self-sufficiency. Families receiving Housing Choice Voucher (HCV) rental assistance and participating in FSS are provided one-on-one case management services to identify career/education goals, build assets, increase earnings, and/or achieve homeownership. The objective of the FSS program is to assist low-income families in reducing/eliminating dependency on government assistance.

16.2 FAMILY ELIGIBILITY
[24 CFR 984.103]

Participation in the FSS program is on a voluntary basis for families receiving housing assistance through the HCV program administered by the HA.

16.3 PROGRAM COORDINATING COMMITTEE (PCC)
[24 CFR 984.202]

The HA collaborates with a program coordinating committee (PCC) consisting of representatives from the public and private sector. The PCC is responsible to assist the HA in developing the FSS Action Plan. Other responsibilities include partnering with community organizations to provide supportive services and community resources to assist FSS families in overcoming barriers to self-sufficiency. These include, but are not limited to:

- Childcare
- Education
- Transportation
- Counseling
- Employment readiness
- Vocational training
- Homeownership education

16.4 FSS FAMILY SELECTION PROCESS
[24 CFR 984.203]

The HA will open the FSS interest list as needed in order to maintain the minimum program size. When the interest list is open, families may take any of the following actions to be placed on the interest list:

- Call the HA's Information Service Center

- Call the FSS Office Assistant
- Submit an FSS Application in person or by mail

Families are contacted according to the date and time the family expressed an interest. Eligible families are mailed an invitation to attend a one-on-one FSS orientation with an FSS Coordinator. At the orientation the family is given a general overview of the program and details on the roles and responsibilities of FSS participants, as well as the role of the HA. A description of supportive services, escrow accounts, program policies, expectations, and requirements for successful completion of the program is provided. Families sign a Contract of Participation and complete a family profile. A needs assessment is conducted to develop an Individual Training and Services Plan (ITSP) for achieving self-sufficiency.

Families who decide at the orientation not to participate in FSS will be removed from the FSS interest list.

16.5 DENIAL OF FSS PARTICIPATION

[24 CFR 984.303]

The HA may deny participation to families who:

- Owe money to the HA or any other public housing authority (HA)
- Failed to comply with the HCV program at any HA
- Failed to comply with the FSS program at any HA
- Have successfully graduated from the FSS program with any HA, receiving full escrow payout.

16.6 CONTRACT OF PARTICIPATION

[24 CFR 984.303]

The designated head-of-household must sign a Contract of Participation, which describes the rights and responsibilities of the participant and the HA. The effective date of the contract is the first month following the date of enrollment. The term limit is five (5) years.

16.6.1 Essential Components

The following information must be entered into the contract for it to be valid:

- Contract start and end date
- Annual income
- Earned income
- Family rent portion (TTP or 30 percent of Monthly Adjusted Income for vouchers)
- Participant's signature and date
- FSS coordinator's signature and date

16.6.2 Contract Extensions

Contracts may be extended an additional two (2) years with the approval of the HA. A written request must include "good cause"; e.g., an FSS family could not complete the ITSP goals due to circumstances beyond the family's control. Other examples of "good cause" include but are not limited to:

- Serious illness
- Involuntary loss of employment
- Loss of employment due to a change in the industry market which occurred prior to completion of the Contract of Participation, that will not allow suitable employment
- Death in the family
- Separation/divorce
- Career/educational change due to physical or economic reasons

During an extension to the contract, the family continues to have FSS amounts credited to the escrow account in accordance with 24 CFR 984.304.

16.6.3 Termination of the Contract

[24 CFR 984.303(h)]

The contract of participation is automatically terminated if the family Section 8 assistance is terminated in accordance with the HUD requirements. The contract of participation may be terminated before the expiration of the contract term, and any extension granted by the HA. The contract may be terminated for terms and conditions listed below:

- The failure of the FSS family to meet the obligations under the Contract of Participation without good cause
- The failure to comply with the Contract requirements because the family has moved outside the jurisdiction of the HA
- Such other act as is deemed inconsistent with the purpose of the FSS program

The Contract of Participation may also terminate due to:

- Mutual consent of the parties
- The family's withdrawal from the FSS program]

16.6.4 Completion of the Contract

The Contract of Participation is considered to be completed, and a family's participation in the FSS program is considered to be concluded when one of the following occurs:

- The FSS family has fulfilled all of its obligations under the contract on or before the expiration of the contract term, including any extension thereof; or

- The thirty (30) percent of the FSS family's monthly adjusted income equals or exceeds the published Fair Market Rent for unit size the family qualifies for

16.7 INDIVIDUAL TRAINING AND SERVICES PLAN (ITSP)

[24 CFR 984.303]

The ITSP plan identifies the participants' job-related final goal, as well as interim goals. Timelines for completion are established for each type of goal. The final goal must demonstrate advancement in job education/employment training. FSS coordinators monitor the progress of each FSS family.

The ITSP shall include:

- The resources and services to be provided by the HA
- Targeted completion dates for each individual interim goal
- Referrals for career, education, and job-related activities
- Suitable full-time employment goal
- An interim goal to be off welfare assistance. This is a mandatory interim goal for families receiving welfare: to be free of welfare assistance for twelve (12) consecutive months prior to the completion/expiration of the Contract, including any extensions. [24 CFR 984.303(b)(2)]

The ITSP plan must be signed by the participant and the HA representative. The ITSP may be revised up to maximum of three (3) times.

16.8 FSS ESCROW ACCOUNTS

[24 CFR 984.305]

As an incentive for families to join the FSS program and as a strategy to assist families in building assets, HUD regulations allow for an escrow account to be established on behalf of eligible families. Eligibility for an escrow account is determined according to a HUD-defined formula using the family's earned income data [24 CFR 982.505].

As the family's earned income increases and the household rent increases, the HA calculates escrow eligibility according to the HUD formula to determine the amount of escrow credits. Escrow funds are held in the participant's name until the participant has met the requirements for final escrow disbursement.

Under these requirements the FSS participant must have:

- Completed the goals in their ITSP
- Provided verification of suitable full-time employment for the head-of-household
- Certified that all members of the household have not received welfare assistance for twelve (12) consecutive months prior to the expiration of the term of the contract, including any extension thereof

- Achieved an annul anticipated income whereby thirty (30) percent of the family's monthly adjusted income is equal to or exceeds the Fair Market Rent for the size of unit which the FSS family qualifies based on the HA's occupancy standards.

16.8.1 Interim Disbursement

[24 CFR 984.305(2)(ii)

The HA may disburse a portion of the funds from the family's escrow account during the Contract of Participation period for contract-related expenses, if the family has fulfilled certain interim goals and needs a portion of the FSS account funds for purposes consistent with the Contract of Participation, such as, but not limited to:

- School tuition
- Business start-up expenses
- A vehicle if public transportation is unavailable or inaccessible to the family
- Job training expenses
- Down payment for a home

The HA cannot restrict a family's use of FSS escrow account funds withdrawn by the family unless the funds are withdrawn to aid in the completion of an interim goal.

16.8.2 Forfeiture of Escrow Account

[24 CFR 984.305(f)

The FSS escrow account may be forfeited if the family fails to comply with the FSS program, and any one of the following is true:

- The Contract of Participation is terminated, according to 24 CFR 984.303 (e),(h)
- The Contract of Participation is declared null and void
- The family has not met its responsibilities within the times specified, as stated in the Contract of Participation
- An intergenerational family, whose head-of-household becomes independent of welfare assistance, consists of another household family member (or other members) who continues to receive Temporary Assistance for Needy Families (TANF). However, if the family is receiving a TANF child-only grant, or TANF non-needy grant as stated in HUD Notice PIH 2007-20, forfeiture of the escrow account will not be considered.
- The head of the family dies and the remaining members of the family choose not to continue participating in the program, and the contract obligations have not been met.

In the HCV program, FSS account funds forfeited by the family are treated as program receipts for payment of program expenses under the HCV program budget. Escrow funds may be used by the HA for HUD-approved expenses; such expenses may include rental assistance payments.

16.8.3 Succession to FSS Account

[24 CFR 984.305(d)]

If the FSS head-of-household no longer resides with other family members in the assisted unit, the other remaining members of the FSS family have the right to designate another family member to receive the funds. The HA must be consulted and must approve this change. The request for change of household must be submitted in writing, and must include the following:

- The name of the new designated FSS head of household
- The signature of the new FSS head of household
- The effective date of the change

An addendum to the FSS Contract must include the effective date of change and must be signed by the new head of household and the HA representative.

16.9 GRIEVANCE

The FSS participant will be notified via mail of decisions affecting the family's participation in the FSS program. The notification will include the reasons for the decision and the HA policies and HUD regulations supporting it. If the participant disagrees with the decision, an appeal may be made within ten (10) business days of the notification (for any issues which are grieveable per 24 CFR 982.555(a)(1) and 984.303(i). The appeal must be submitted in writing to the HA for review. The family will be notified in writing of their due process rights, including the date set for an informal hearing.

16.10 PORTABILITY

[24 CFR 984.306]

Relocating FSS Family

After the first twelve (12) months of the FSS Contract of Participation, the FSS family may move outside the initial HA jurisdiction.

Relocation but Continued Participation in the FSS Program of the Initial HA

A relocating family may continue in the FSS program of the initial HA if the family demonstrates to the satisfaction of the initial HA that, notwithstanding the move, the relocating FSS family will be able to fulfill its responsibilities under the initial or modified contract of participation at its new place of residence.

16.10.1 Port-In Families

A relocating FSS family may participate in the FSS program of the receiving HA, if the receiving HA allows the family to participate in its program. The receiving HA may approve, but is not obligated to enroll a relocating FSS family in the FSS program.

Port-in families may be absorbed by the receiving HA, provided FSS slots are available. If the receiving HA absorbs the FSS family into its program, any escrow monies are transferred to the receiving HA.

Two Contracts of Participation

If the receiving HA allows the relocating FSS family to participate in its FSS program, the receiving HA will enter into a new contract of participation with the FSS family for the term on the remaining contract with the initial HA. The initial HA will terminate its contract of participation with the family.

Single Escrow Account

Regardless of whether the relocating FSS family remains in the FSS program of the initial HA or is enrolled in the FSS program of the receiving HA, there will be a single FSS account which will be maintained by the initial HA. When an FSS family will be absorbed by the receiving HA, the initial HA will transfer the family's FSS account to the receiving HA.

16.10.2 Port-Out Families

Relocating families may participate in the FSS program of the receiving HA, if the receiving HA allows the family to participate in its program. A receiving HA is not obligated to enroll a relocating FSS family in its FSS program
Any escrow monies are transferred to the absorbing HA.

Chapter 17
SHELTER PLUS CARE

17.1 INTRODUCTION

The HA periodically has the opportunity to apply for targeted funding for special populations. The Housing Authority often enters into collaborative agreements with other agencies or County departments to qualify for and/or administer these funds. Shelter Plus Care (SPC) policies and procedures are based on the regulations for this program which are located at 24 CFR Part 582. If there is a conflict between SPC program regulations and the Admin Plan, the SPC program regulations have precedence.

The HA provides SPC assistance under the tenant-based rental voucher rules of 24 CFR 582; SPC **is not a Section 8/Housing Choice Voucher program. A**uthorized by Title IV; Subtitle F, of the Steward B. McKinney Homeless Assistance Act (the McKinney Act) (42 U.S.C. 1403-11407b), it is a grant program which is designed to link rental assistance to supportive services for homeless individuals with disabilities and/or their families. The program primarily provides assistance to those who have been diagnosed with

- mental illness,
- chronic problems with alcohol, drugs, or both, or
- AIDS and related diseases (24 CFR 582.1).

Assistance is provided for a term of 5 years or for as long as there is a continuum of funding available for this program. The program has limitations on bedroom sizes and assistance will be issued accordingly.

17.2 TERM OF PROGRAM

Assistance is provided for a term of five (5) years or for as long as there is a continuum of funding available for this program. The program has limitations on bedroom sizes (see Section 17.12 of this chapter) and assistance will be issued accordingly.

17.3 DEFINITIONS

Some key definitions for this program are listed below. Additional definitions can be found in 24 CFR 582.5.

Homeless Person – Someone who is sleeping in places not meant for human habitation, such as cars, parks, sidewalks, and abandoned or condemned building; or is sleeping in an emergency shelter. This may include a person who ordinarily sleeps in one of the above places but is spending a short time (30 days or less) in a hospital or other institution.

Chronically Homeless – An unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more OR has had at

least for (4) episodes of homelessness in the past three (3) years. To be considered chronically homeless, a person must have been on the streets or in an emergency shelter (i.e. not in transitional housing) during these stays.

"Disabled person(s)" - for this program are the same as defined in Chapter 1 (Statement of Policies & Objectives) including the following additional considerations:

"Persons with disabilities" – a household composed of one or more persons at least one of whom is an adult who has a disability.

1. A person shall be considered to have a disability if such person has a physical, mental, or emotional impairment which is expected to be of long-continued and indefinite duration; substantially impedes his or her ability to live independently; and is of such nature that such ability could be improved by more suitable housing conditions.
2. A person will also be considered to have a disability if he or she has a developmental disability, which is a severe, chronic disability that –

   (i) Is attributable to a mental or physical impairment or combination of mental and physical impairments;

   (ii) Is manifested before the person attains age 22;

   (iii) Is likely to continue indefinitely;

   (iv) Results in substantial functional limitations in three or more of the following areas of major life activity;

   (A) Self-care
   (B) Receptive and expressive language;
   (C) Learning;
   (D) Mobility;
   (E) Self-direction;
   (F) Capacity for independent living; and
   (G) Economic self-sufficiency; and

   (v) Reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services that are of lifelong or extended duration and are individually planned and coordinated.

Additional definitions can be found in (24 CFR 582.5).

17.4 OUTREACH

The HA will use make every effort to partner with community-based organizations to ensure effective outreach to hard-to-reach populations. Outreach should be directed to those who are in an emergency shelter or a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human being (e.g. person living in care, streets , and parks).

Outreach to the owners will be provided through participation in apartment associations and community presentations to create awareness of the need to house this targeted population.

17.5 SPC HOUSING ASSISTANCE PROGRAM PROCEDURES

17.5.1 Referral Process

Eligible individuals and/or their families are referred to the SPC Programs by pre-selected service providers.

17.5.2 Income Limits

Eligible individuals and/or their families must be 50% of the median income or lower to participate in the SPC program (24 CFR 582.5).

17.5.3 Eligibility

Applicants must meet HUD's eligibility requirements for the SPC program to qualify for rental assistance. In order to determine final eligibility, the Housing Authority may verify all information submitted by applicants.

17.5.4 Verification Procedures

Since HUD requires that factors of eligibility must be verified, applicants and program participants are required to provide proof of their statements whenever required by the HA. The SPC program may require additional documents when verifying program eligibility. For example:

- Homeless Condition Form: Must be provided for all individual/families referred to the HA for the SPC program.
- Disability Verification Form: Must be provided for all individuals claiming a disability, especially a disability that is cited as a qualifying factor for the SPC program. Written determinations must be made by a psychiatric or medical professional trained to make such determination.

17.6 DENIAL OF PARTICIPATION

If a family has previously participated in any federally subsidized program and violated a family obligation and was terminated, the family may be denied future participation for period of three (3) years.

Families may be denied participation in the program if they owe the HA or another housing agency money in connection with the Housing Choice Voucher Program or Public Housing assistance.

Families referred by contracted Community-Based Organizations (CBO's), will be sent a denial letter and referred to the CBO if there are any further questions.

17.7 CRIMINAL BACKGROUND CHECKS

SPC applicants will not be required to undergo the criminal background check described in Section 4.19, with one exception. A criminal background check *will* be performed for head-of household and all adult family members, eighteen years of age and older, to determine if client or family member is a registered sex offender, in compliance with HUD regulations.

17.8 BRIEFING SESSIONS

Once determined eligible, the family is required to attend a briefing session for issuance of a SPC Participation Agreement. This Participation Agreement explains that loss of program assistance may occur if any member of the family violates the terms set forth in the Participation Agreement. SPC applicants are also provided the Request for Tenancy Approval (RFTA).

17.9 ISSUANCE OF CERTIFICATE

At the completion of the initial briefing and the signing of the Contract of Participation Agreement, a SPC certificate will be issued. The eligible applicant must locate a unit within 120 days. If an extension is needed, one may be requested. The request will be evaluated and a decision made based upon the same policy outlined in Section 8.5.1(b) of this administrative plan.

17.10 HAP CONTRACTS

The owner must sign a Housing Assistance Payments Contract (HAP Contract) for the SPC program, and must comply with all its provisions in addition to the requirements of the lease agreement.

17.11 TENANT RENT PORTION UNDER SPC

SPC program funds are contracted based on 100% of the Fair Market Rents published by HUD. Tenant rental portions are limited to 30% of the participant's adjusted monthly income.

To calculate tenant's rent portion the following steps should be taken:

1. Calculate each of the following:
   a) 10% of the gross income.
   b) Then calculate 30% of the adjusted monthly income, and
   c) Welfare rent.
2. Subtract the greatest of the three from the utility allowance to obtain the tenant rent portion.
3. To arrive at the HAP, subtract the tenant rent portion from the contract rent.

For more specific information on determining adjusted income, please refer to Chapter 6 (Factors Related to Total Tenant Payment Determination).

17.12 CERTIFICATE BEDROOM SIZE ISSUED (SPC SUBSIDY STANDARDS)

Under the SPC program, the client will be eligible for a bedroom size based upon family composition and will be issued as follows:

- Head-of-Household (or head-of-household and spouse)—One bedroom
- All other family members—Two Persons for each additional bedroom (not to exceed a 3 bedroom unit)
- Caregivers and Live-in Attendants—One additional bedroom (not to exceed a 3 bedroom unit)

17.13 RE-EXAMINATIONS/INTERIMS

The Housing Authority is required to process annual re-examinations. In cases where a family experiences a change in household composition and/or income between annual re-examination, the HA will process an interim re-examination. The family is required to report all changes in household composition and/or income to the HA within 30 calendar days of the occurrence.

For more specific information regarding causes for processing annual/interim re-examinations and the requirements for competing annual/interim re-examinations, please refer to Chapter 12.

17.14 HOUSING QUALITY STANDARDS

Housing Quality Standards (HQS) are the HUD minimum quality standards for tenant-based programs. HQS standards are required both at initial occupancy and annually during the term of the grant. Newly leased units must pass the HQS inspection before the beginning date of the assisted lease and HAP Contract. For more information on HQS refer to chapter 10 with the exception that 982.401 (j) does not apply. However, Part 35 subparts A, B, K, and R of this title does apply.

17.15 RENT REASONABLENESS

It is the HA's responsibility to ensure that the rents charged by owners are reasonable based upon objective comparables in the rental market. The HA will not approve the lease or execute HAP contract until it has determined that the unit meets the minimum HQS and that the rent is reasonable. The HA will determine rent reasonableness at initial lease-up, before any increase in rent to owner and at other times described in Chapter 12.

17.16 SECURITY DEPOSIT

A maximum of the equivalent of one month's rent may be paid to the owner by HA as security deposit on behalf of the SPC client.

In event, the SPC client moves out of the unit, the owner is responsible to return the deposit minus the legitimate expenses to the HA.

17.17 LIMITATIONS ON SPC ASSISTANCE

17.17.1 Section 8 Homeownership Program

The Section 8 homeownership program outlined in the Administrative Plan does not apply to the SPC program client.

17.17.2 Family Self-Sufficiency (FSS)

The SPC client is not eligible for the FSS program.

17.17.3 Portability

SPC clients have **no portability rights**. They must continue to live within the HA's jurisdiction for as long as they continue to participate in this program.

17.17.4 Change of Head of Household:

If the head of household (qualifying tenant) should become deceased, remaining family members will receive continued rental assistance only until the end of the grant period under which the SPC client was leased, or six months, whichever comes first. No other rights of survivorship are available.

If the head of household is terminated for non-compliance the remaining family members will not be eligible to continue in the SPC program.

17.18 TERMINATIONS RELATED TO THE SPC PROGRAM

17.18.1 Requests from Outside Agency to Terminate Housing Assistance under SPC

Community Based Organizations and/or other government units or departments currently contracted by the Housing Authority to provide supportive services may request termination of housing assistance for a program participant who is in violation of program requirements and/or conditions of occupancy.

17.18.2 When SPC Family Violates Participation Agreement

Housing assistance may be terminated if a family violates specific program requirements and/or the family obligation. By signing the SPC Program Agreement, the participant agrees to comply with the following obligations:

The participant shall:

- Supply such certification, release of information, and documentation as the HA or HUD determine to be necessary, including submissions required for an annual or interim reexamination of Family income and composition.
- Allow HA staff to inspect the dwelling unit at renewal and as deemed necessary with reasonable notice.

- Use the dwelling unit solely for residence by the participant's family, and as the family's principal place of residence; and not assign the Lease or transfer the unit.
- Keep the unit clean inside and out.
- Pay the participant's portion of rent on or before the day of the month established in the lease.
- The participant shall not:
- Move from the unit within the initial 12 month lease term
- Own or have any interest in the dwelling unit. If the Owner is a cooperative, the participant may be a member.
- Commit any fraud in connection with the SPC Program.
- Receive assistance under the SPC Program while occupying, or receiving assistance for occupancy of, any other unit assisted under any Federal Housing assistance program.

The participant must:

- Have an identified case manager while participating in the SPC program and sign a Service Provider Agreement with the identified case management organization.
- Immediately submit verification for all changes in income or family status within 30 days to the SPC program.
- Not allow any additional family members to move into the SPC subsidized unit without prior approval from the case manager and SPC staff.
- Be responsible for any damage to the unit during the participant's residency.
- Notify HA in writing no less than 30 days before moving from an SPC subsidized unit.
- Not use the SPC subsidized unit for any illegal drug-related activities. The participant and any members of the participant's family or guests will not engage in drug-related criminal activity or any criminal activity. Drug -related activities include the felonious manufacture, sale, or distribution or the possession with intent to manufacture, sell or distribute a controlled substance.

17.18.3 Termination Related to Inpatient Rehabilitation

In the Event the head of household requires in-patient rehabilitation, Housing Assistance Payments will continue for 90-days for each occurrence, as long as tenant's portion of rent is paid on time and in full. This is applicable for one instance of in-patient rehabilitation only. If the head of household should require in-patient rehabilitation for more than 90 days for an occurrence, rental assistance will terminate in accordance with termination procedures established in this Administrative Plan.

Chapter 18
OWNER OR FAMILY DEBTS TO THE HA

18.1 INTRODUCTION

This Chapter describes the HA's policies for the recovery of monies which have been overpaid for families, and to owners. It describes the methods that will be utilized for collection of monies and the guidelines for different types of debts. It is the HA's policy to meet the informational needs of owners and families, and to communicate the program rules in order to avoid owner and family debts. Before a debt is assessed against a family or owner, the file must contain documentation to support the HA's claim that the debt is owed. The file must further contain written documentation of the method of calculation, in a clear format for review by the owner, the family or other interested parties.

The HA will sometimes take other or additional actions than debt recovery when program fraud or abuse occurs. For more information, see Chapter 23 on Program Integrity.

18.2 TYPES OF DEBT OWED TO THE HA

Families are required to repay the HA for amounts paid to an owner on behalf of the family for unpaid rent.

Owners are required to repay the HA to recover overpayments, abatements or other reduction of housing assistance payments. (24 CFR 982.453(b)

18.2.1 Program Fraud

Families who owe money to the HA due to program fraud are subject to the policies described in Chapter 23.

If a family owes an amount which equals or exceeds $10,000.00 as a result of program fraud, the case will be referred to the Inspector General. Where appropriate, the HA will refer the case for criminal prosecution.

18.3 COLLECTION METHODS

When families or owners owe money to the HA, the HA will make every effort to collect it. The HA will use a variety of collection tools to recover debts including, but not limited to:

- Requests for lump sum payments
- Reductions in HAP to owner
- Repayment agreements
- Collection agencies
- Civil suits

18.4 REPAYMENT AGREEMENT FOR FAMILIES

[24 CFR 792.103, 982.552 (c) (6-8)]

If a family owes money to the HA for claims paid to an owner, the HA will review the circumstances resulting in the overpayment and decide whether the family must pay the full amount or enter into a repayment agreement.

A repayment agreement as used in this Plan is a document entered into between the HA and a person who owes a debt to the HA. It is similar to a promissory note, but contains more details regarding the nature of the debt, the terms of payment, any special provisions of the agreement, and the remedies available to the HA upon default of the agreement.

The HA may offer a repayment agreement to the tenant or owner, which acknowledges a debt, in a specific amount and agreement to repay the amount due within one (1) year of the agreement date.

The maximum amount for which the HA will enter into a payment agreement with a family is $10,000.

Payment plans beyond the 1-year agreement may be considered in cases of family hardship and if requested with reasonable notice from the family with verification of the hardship, and the approval of the supervisor.

18.4.1 Guidelines for Repayment Agreements

[24 CFR 982.552 (c) (8)]

Repayment agreements will be executed between the HA and the head of household and spouse.

Monthly payments may be decreased in cases of family hardship and if requested with reasonable notice from the family with verification of the hardship, and the approval of the supervisor.

18.4.2 Payment Schedule for Monies Owed to the HA

The repayment schedule will be set up on a case-by-case basis, depending upon the family's income; however, initial payment and all subsequent payments must be set up so that the monies will be paid in full within one year.

18.4.3 Additional Monies Owed

If the family already has a Repayment Agreement in place and incurs an additional debt to the HA, the HA will not enter into more than one repayment agreement with the family. Extenuating circumstances may be referred to a supervisor.

18.4.4 Late Payments

If a payment is not received by the close of business, five calendar days after the due date. It is considered late and the HA may:

- Require the family to pay the balance in full
- Pursue civil collection of the balance due
- Terminate the housing assistance
- Grant an extension of 30 calendar days (requires supervisory approval)

18.4.5 Requests to Move and Balancing is Still Owing

If the family requests a move to another unit and is in arrears on a repayment agreement for money owed to the HA, the request for a voucher to move will be denied, unless the balance is paid in full.

However, if the need to move is due to one of the following reasons, (or for another reason which is approved by a supervisor), the request to move may be approved:

- Family size exceeds the HQS maximum occupancy standards
- The HAP contract is terminated due to owner non-compliance or opt-out
- A move from the premises is required as a reasonable accommodation

18.5 OWNER DEBTS TO THE HA

[24 CFR 982.453(b)]

If the HA determines that the owner has retained Housing Assistance Payments for which he is not entitled, the HA may reclaim the amounts from future Housing Assistance Payments owed the owner for any units under contract.

If future Housing Assistance Payments are insufficient to reclaim the amounts owed, the HA will take one or more of the following actions:

- Require the owner to pay the amount in full within 30 calendar days
- Enter into a Repayment agreement with the owner for the amount owed
- Pursue collections through the local court system
- Restrict the owner from future participation at HA discretion.

18.6 RECORDKEEPING AND REPORTING REQUIRED WITH FRAUD RECOVERIES

[24 CFR 792.204]

HUD regulations (24 CFR 792.204) encourage public housing agencies to investigate and pursue instances of tenant and owner fraud and abuse in the operation of the Section 8 housing assistance programs. According to the criteria explained in part 792, the HA will be eligible to retain a portion of program fraud recoveries.

To permit HUD to audit amounts retained under this part, the HA will maintain all records required by HUD, including:

- Amounts recovered on any judgment or repayment agreement;
- The nature of the judgment or repayment agreement; and
- The amount of the legal fees and expenses incurred in obtaining the judgment or repayment agreement and recovery.

Chapter 19
COMPLAINTS AND APPEALS

19.1 INTRODUCTION

The informal hearing requirements defined in HUD regulations are applicable to participating families who disagree with an action, decision, or inaction of the HA. This Chapter describes the policies, procedures and standards to be used when families disagree with an HA decision. The procedures and requirements are explained for preference denial meetings, informal reviews and hearings. It is the policy of the HA to ensure that all families have the benefit of all protections due to them under the law.

This Chapter also addresses the Housing Choice Department's policy on handling discrimination complaints.

19.2 DISCRIMINATION COMPLAINTS

Should an applicant or participant contact the Housing Choice Voucher Department with a claim that a department employee engaged in a discriminatory action in carrying out program rules, an appointment will be made with a supervisor. The supervisor will question the client in order to learn the exact nature of the complaint.

All processes will be assessed as to whether correct policy was carried out.

If the process was conducted correctly, regulatory requirements will be explained to the client. If upon assessment it is found that processes need to be streamlined, the process will be reviewed and improvements made.

If there was an oversight on the part of the HCV Department, the error will be corrected and the family will be accommodated accordingly to federal guidelines.

If upon assessment a personnel issue should arise, progressive discipline will be instituted and the family would again be accommodated.

In the event an applicant or participant brings some other discrimination issue to the attention of the HCV Department, this will be handled by a staff person at the supervisory level or above. A referral to the Fair Housing Council will be made when appropriate; but not before researching any issue which is within the scope of authority of the HA and applying a suitable remedy.

19.2.1 Other Complaints to the HA

The HA will respond promptly to complaints from families, owners, employees, and members of the public. All complaints will be documented. The HA may require that complaints other than HQS violations be put in writing. HQS complaints may be reported by telephone.

All complaints from families, owners, and the general public regarding disagreement with

an action or inaction of the HA will be referred to a supervisor.

If a staff person reports an owner or family either violating or not complying with program rules, the matter will be referred to a supervisor.

19.3 INFORMAL REVIEW PROCEDURES FOR APPLICANTS

[24 CFR 982.54(d)(12), 982.554]

The HA will give an applicant an opportunity for an informal review of the HA decision denying assistance to the applicant. The exception is that when an applicant is denied assistance for citizen or eligible immigrant status, the applicant is entitled to an informal hearing.

19.3.1 Notice to Applicant

When the HA determines that an applicant is ineligible for the program, the family must be notified of their ineligibility in writing. The notice must contain:

- The reason(s) they are ineligible
- The procedure for requesting a review if the applicant does not agree with the decision
- The time limit for requesting a review

19.3.2 When Informal Review is Required

The HA must provide applicants with the opportunity for an Informal Review of decisions denying:

- Listing on the HA's waiting list
- Issuance of a Voucher
- Participation in the program

19.3.3 When Informal Review is Not Required

Informal Reviews are not required for established policies and procedures and HA determinations such as:

1. Discretionary administrative determinations by the HA
2. General policy issues or class grievances
3. A determination of the family unit size under the HA subsidy standards
4. Refusal to extend or suspend a Voucher
5. Disapproval of tenancy

6. Determination that unit is not in compliance with HQS
7. Determination that unit is not in accordance with HQS due to family size or composition

19.3.4 Procedure for Review

The procedures for informal review will include the following:

- A request for an Informal Review must be received in writing by the close of the business day, no later than 10 business days from the date of the HA's notification of denial of assistance.
- The informal review will be scheduled within 30 calendar days from the date the request is received.
- The applicant will be given the option of presenting oral or written objections to the decision.
- Both the HA and the family may present evidence and witnesses. The family may use an attorney or other representative to assist them at their own expense.
- The review may be conducted by mail and/or telephone if acceptable to both parties.
- A Notice of the Review findings will be provided in writing to the applicant within 10 business days after the review. It shall include the decision of the review officer, and an explanation of the reasons for the decision.

All requests for a review, supporting documentation, and a copy of the final decision will be retained in the family's file.

19.3.5 Review Officer

The hearing will be conducted by any person or persons designated by the HA, other than a person who made or approved the decision under review, nor a subordinate of this person.

19.3.6 Restrictions on Assistance for Non-Citizens

This type of denial is covered in Section 19.6 of this Chapter.

19.4 INFORMAL HEARING PROCEDURES

[24 CFR 982.555(a-g), 982.54(d)(13)]

19.4.1 When Hearing is Required

The HA will provide participants with the opportunity for an informal hearing to consider whether the following HA decisions relating to the individual circumstances of a participant family are in accordance with the law, HUD regulations and HA policies:

1. A determination of the family's annual or adjusted income and use of such income to compute the housing assistance payment

2. A determination of the appropriate utility allowance for tenant-paid utilities from the HA utility allowance schedule.

3. A determination of the family unit size determination under HA subsidy standards.

4. A determination that a certificate program family is residing in a unit with a larger number of bedrooms than appropriate for the family unit size under the HA's subsidy standards, or the HA determination to deny the family's request for exception from the standards.

5. A determination to terminate assistance because a participant family has been absent from the assisted unit for longer than the maximum period permitted under the HA policy (see Chapter 6) and HUD rules.

6. A determination to terminate assistance for a participant family because of family's action or failure to act.

7. Determination to terminate a family's FSS Contract, withhold supportive services, or propose forfeiture of the family's escrow account.

8. Determination not to reduce a family's portion of rent because of 1) family's noncompliance with welfare requirements or 2) welfare fraud.

The HA will always provided the opportunity for an informal hearing before termination of assistance.

19.4.2 When Hearing is Not Required

Informal Hearings are not required for established policies and procedures and HA determinations such as:

1. Discretionary administrative determinations by the HA.
2. General policy issues or class grievances.
3. Establishment of the HA schedule of utility allowances for families in the program.
4. An HA determination not to approve an extension or suspension of a voucher term.
5. An HA determination not to approve a unit or tenancy.
6. An HA determination that an assisted unit is not in compliance with HQS. (However, the HA must provide a hearing for a family breach of HQS because that is a family obligation determination).
7. An HA determination that the unit is not in accordance with HQS because of the family size.
8. An HA determination to exercise or not exercise any right or remedy against the owner under a HAP contract.

19.4.3 Notice to Family

In cases which entitle the family to an informal hearing as described in 19.5.1 above, the HA will notify the family that the family may ask for an explanation of the basis of the HA determination, and that if the family does not agree with the determination, the family may request an informal hearing on the decision.

This written notice will:

- Include a brief statement of the reasons for the decision
- State the family has a right to an explanation of the basis for the HA's decision
- State that if the family does not agree with the decision, the family may request an informal hearing on the decision
- State the deadline for the family to request an informal hearing
- Indicate to whom the hearing request should be addressed

19.4.4 Scheduling an Informal Hearing

[24 CFR 982.555(d)

When an informal hearing is required, the HA must proceed with the hearing in a reasonably expeditious manner upon the request of the family.

- A request for an informal hearing must be made in writing and delivered to the HA either in person or by first class mail, by the close of the business day, no later than 10 business days from the date of the HA's decision or notice to terminate assistance.
- The HA will schedule and send written notice of the informal hearing date to the family within 10 business days of the family's request, along with the HA's evidence which is directly relevant to the hearing. The written notice will also include the request for the family to make any rebuttal evidence available to the HA no later within 10 business days prior to the hearing date.
- The family may request to reschedule a hearing for good cause, or if it is needed as a reasonable accommodation for a person with disabilities. Good cause is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family. Requests to reschedule a hearing must be made orally or in writing prior to the hearing date. At its discretion, the HA may request documentation of the "good cause" prior to rescheduling the hearing.
- If the family does not appear at the scheduled time, and did not make prior arrangements to reschedule the hearing, the HA will proceed with the termination of the family's assistance.

19.4.5 Notification of Hearing

It is the HA's objective to resolve disputes at the lowest level possible, and to make every effort to avoid the most severe remedies. However, if this is not possible, the HA will ensure that applicants and participants will receive all of the protections and rights afforded by the law and the regulations.

When the HA receives a request for an informal hearing, a hearing shall be scheduled within 30 calendar days. The notification of hearing will contain:

1. The date and time of the hearing

2. The location where the hearing will be held
3. The family's right to bring evidence, witnesses, legal or other representation at the family's expense
4. Copies of the documents or evidence in the possession of the HA upon which the HA based the proposed action. NOTE: Other viewing arrangements other than mailing will be made with the family if the evidence is of a confidential nature (e.g. criminal records). The HA will make the opportunity to view these documents available no later than 10 business days before the hearing date.
5. A notice to the family that the HA is requesting a copy of any documents or evidence the family will use at the hearing. If the family plans to present documents at the hearing, the family must provide these documents to the HA no later than 10 business days before the hearing date.

19.4.6 The HA's Hearing Procedures

The HA and participants will adhere to the following procedures:

1. Discovery

   Before the hearing the family will be given the opportunity to examine any HA documents that are directly relevant to the hearing. These documents will be mailed to the family along with the written notice of the hearing date. NOTE: If the information is of a highly confidential nature, such as criminal records, the documents will not be mailed. The family will be advised regarding how they may view this information. Any documents not provided by the HA to the family as part of discovery, cannot be later introduced by the HA at the hearing.

   The HA will give the family the opportunity to share any documents of its choice which are relevant to the hearing with the HA prior to the hearing. The HA will be allowed to copy any such document at the HA's expense. If the family does not make the document(s) available to the HA prior to the hearing, the family may not rely on the document(s) at the hearing.

2. Representation of the Family

   At its own expense the family may be represented by a lawyer or other representative.

3. Hearing Officer

   The hearing will be conducted by any person or persons designated by the HA, other than a person who made or approved the decision under review or a subordinate of this person.

   The person who conducts the hearing will regulate the conduct of the hearing in accordance with HA hearing procedures.

4. Evidence

   The HA will produce an audio recording of the informal hearing. If the family wishes to have a copy of the recording such a request must be made 10 business days prior to the hearing date.

   The HA and the family must have the opportunity to present evidence and may

question any witnesses. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings. If a witness is not able to attend the hearing, the HA will allow a sworn declaration under penalty of perjury (does not require notarization) to be provided in place of the witness.

The hearing shall concern only the issues for which the family has received the opportunity for hearing. Evidence presented at the hearing may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings. No documents may be presented which have not been provided to the other party before the hearing if requested by the other party. "Documents" include records and regulations.

The Hearing Officer will determine whether the action, inaction or decision of the HA is legal in accordance with HUD regulations and this Administrative Plan based upon the evidence and testimony provided at the hearing.

If the Hearing Officer determines that additional evidence is needed prior to making the decision, the Hearing Officer will set a date to reconvene the hearing once the information is received so the family may review the additional evidence and respond to it.

5. Family Rights

- To present written or oral objections to the HA's determination.
- Present any information or witnesses pertinent to the issue of the hearing
- Request that a HA staff be available or present at the hearing to answer questions pertinent to the case
- If a family wishes to request an audio recording of the hearing, such request must be made 10 business days prior to the hearing date.

6. HA Rights

In addition to other rights contained in this Chapter, the HA has the right to:

- Be notified by the family intends to be represented by legal counsel, advocate, or another party
- Have its attorney present
- Have staff persons and other witnesses present who are familiar with the case.

7. Issuance of Decision

The person who conducts the hearing must issue a written decision within 15 business days. Factual determination relating to the individual circumstances of the family shall be based on a preponderance of the evidence presented at the hearing.

A notice of the hearing findings shall be provided in writing to the HA and the family and shall include:

- A clear summary of the decision and reasons for the decision;
- If the decision involves money owed, the amount owed; and

- Documentation of the calculation of monies owed;
- The date the decision goes into effect.

8. Effect of the Decision

   The HA is not bound by a hearing decision:

   - Which concern matters in which the HA is not required to provide an opportunity for a hearing
   - Contrary to HUD regulations or requirements, or otherwise contrary to Federal, State or local laws; or
   - Which exceed the authority of the person conducting the hearing under HA procedures.

   If the HA determines that it is not bound by a hearing decision, the HA will notify the family in writing within 10 business days and the reason for the determination.

   If the family misses an appointment or deadline ordered by the Hearing Officer, the action of the HA shall take effect and another hearing will not be granted.

   All requests for a hearing, supporting documentation, and a copy of the final decision will be retained in the family's file.

9. Appellate Review

   If the family does not agree with the Hearing Officer's decision, the family may request an appellate level review by the Executive Director or his designee.

19.5 HEARING AND APPEAL PROVISIONS FOR NON-CITIZENS

[24 CFR 5.514]

Denial or termination of assistance based on immigration status is subject to special hearing and notice rules. Applicants who are denied assistance due to immigration status are entitled to an informal hearing, not an informal review.

Assistance to a family may not be delayed, denied, or terminated on the basis of immigration status at any time prior to a decision under the United States Citizenship and Immigration Services (USCIS) appeal process. Assistance to a family may not be terminated or denied while the HA hearing is pending, but assistance to an applicant may be delayed pending the completion of the informal hearing.

A decision against a family member, issued in accordance with the USCIS appeal process or the HA informal hearing process, does not preclude the family from exercising the right, that may otherwise be available, to seek redress directly through judicial procedures.

19.5.1 Notice of Denial or Termination of Assistance

[24 CFR 5.514(d)]

The notice of denial or termination of assistance for noncitizens must advise the family:

- That financial assistance will be denied or terminated, and provide a brief explanation of the reasons for the proposed denial or termination of assistance.
- The family may be eligible for proration of assistance.
- In the case of a participant, the criteria and procedures for obtaining relief under the provisions for preservation of families [24 CFR 5.514 and 5.518].
- That the family has a right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or explanation in support of the appeal.
- That the family has a right to request an informal hearing with the HA either upon completion of the USCIS appeal or in lieu of the USCIS appeal.
- For applicants, assistance may not be delayed until the conclusion of the USCIS appeal process, but assistance may be delayed during the period of the informal hearing process.

19.5.2 USCIS Appeal Process

[24 CFR 5.514(e)]

When the HA receives notification that the USCIS secondary verification failed to confirm eligible immigration status, the HA must notify the family of the results of the USCIS verification. The family will have 30 days from the date of the notification to request an appeal of the USCIS results. The request for appeal must be made by the family in writing directly to the USCIS. The family must provide the HA with a copy of the written request for appeal and the proof of mailing.

The HA will notify the family in writing of the results of the USCIS secondary verification within 10 business days of receiving the results. The family must provide the HA with a copy of the written request for appeal and proof of mailing within 10 business days of sending the request to the USCIS.

The family must forward to the designated USCIS office any additional documentation or written explanation in support of the appeal. This material must include a copy of the USCIS document verification request (used to process the secondary request) or such other form specified by the USCIS, and a letter indicating that the family is requesting an appeal of the USCIS immigration status verification results.

The USCIS will notify the family, with a copy to the HA, of its decision. When the USCIS notifies the HA of the decision, the HA must notify the family of its right to request an informal hearing.

The HA will send written notice to the family of its right to request an informal hearing within 10 business days of receiving notice of the USCIS decision regarding the family's immigration status.

19.5.3 Informal Hearing Procedures for Applicants

[24 CFR 5.514(f)]

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, the family may request that the HA provide a hearing. The request for a hearing must be made either within 30 days of receipt of the HA notice of denial, or within 30 days of receipt of the USCIS appeal decision.

The informal hearing procedures for applicant families are described below.

Informal Hearing Officer
The HA must provide an informal hearing before an impartial individual, other than a person who made or approved the decision under review, and other than a person who is a subordinate of the person who made or approved the decision.

Evidence
The family must be provided the opportunity to examine in advance of the hearing, any documents in the possession of the HA pertaining to the family's eligibility status, or in the possession of the USCIS (as permitted by USCIS requirements), including any records and regulations that may be relevant to the hearing. The HA's policy regarding this right of discovery ,which pertains to both the family and to the HA, is described in Section 19.4.6, *The HA's Hearing Procedures, Discovery, of this chapter.*

The family must be provided the opportunity to present evidence and arguments in support of eligible status. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

The family must also be provided the opportunity to refute evidence relied upon by the HA, and to confront and cross-examine all witnesses on whose testimony or information the HA relies.

Representation and Interpretive Services
The family is entitled to be represented by an attorney or other designee, at the family's expense, and to have such person make statements on the family's behalf.

The family is entitled to arrange for an interpreter to attend the hearing, at the expense of the family, or the HA, as may be agreed upon by the two parties.

Recording of the Hearing
The HA will produce an audio recording of the informal hearing. If the family wishes to have a copy of the recording such a request must be made 10 business days prior to the hearing date.

Hearing Decision
The HA must provide the family with a written final decision, based solely on the facts presented at the hearing, within 14 calendar days of the date of the informal hearing. The decision must state the basis for the decision.

19.5.4 <u>Informal Hearing Procedures for Residents</u>
[24 CFR 5.514(f)]

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, the family may request that the HA provide a hearing. The request for a hearing must be made either within 30 days of receipt of the HA notice of termination, or within 30 days of receipt of the USCIS appeal decision.

19.5.5 Retention of Documents

[24 CFR 5.514(h)]

The HA must retain for a minimum of 5 years the following documents that may have been submitted to the HA by the family, or provided to the HA as part of the USCIS appeal or the HA informal hearing process:

- The application for assistance
- The form completed by the family for income reexamination
- Photocopies of any original documents, including original USCIS documents
- The signed verification consent form
- The USCIS verification results
- The request for a USCIS appeal
- The final USCIS determination
- The request for an informal hearing
- The final informal hearing decision

Chapter 20

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Chapter 21
SECTION 8 HOMEOWNERSHIP PROGRAM

21.1 INTRODUCTION

HA has developed their Section 8 Homeownership Program (S8 HOP) according to the Quality Housing and Work Responsibility Act of 1998 and the Section 8 Homeownership Final Rule of September 12, 2000.

21.2 GENERAL PROVISIONS

[24 CFR 982.625**]**

S8 HOP option is used to assist existing Housing Choice Voucher (HCV) program participants to purchase a home using mortgage subsidy rather than rental subsidy. Under this subsidy option, HA will pay a monthly homeownership assistance payment; it will not offer homeowner assistance in the form of single down payment assistance grant.

HA will approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

HA has established a minimum homeowner down payment requirement of at least three (3) percent of the purchase price for participation in the S8 HOP; and requires that at least one (1) percent of the purchase price come from the participant's personal resources.

HA requires financing on the purchase of a home under the S8 HOP to:

1. Be provided, insured, or guaranteed by the State or Federal government;
2. Comply with secondary mortgage market underwriting requirements, or
3. Comply with generally accepted private sector underwriting standards.

21.3 FAMILY ELIGIBILITY REQUIREMENTS

[24 CFR 982.626, 982.627]

The participant must meet all initial requirements before the commencement of homeownership assistance, these include: First Time Home Buyer, Unit Eligibility, Income, Employment and the Additional HUD requirements listed below:

21.3.1 First Time Home Buyer Requirements

1. The participant must be an existing participant in the Housing Choice Voucher program.
2. The participant must satisfy the first-time homeowner requirement by being any of the following:

- A first-time homeowner (as defined in the Glossary of this Administrative Plan)
- A new cooperative member (as defined in the Glossary)
- A participant of which at least one family member in the household is a person with a disability, and use of the homeownership option is needed as a reasonable accommodation.

3. The participant must have satisfactorily completed the HA pre-purchase one-on-one and group homeownership counseling.

21.3.2 Unit Eligibility Requirements

(Refer to Section 21.5," Eligible Units)

21.3.3 Income Requirements

1. The participant must have a gross annual income equal to the federal minimum wage multiplied by 2,000, based on the income of adult family members who will own the home. Unless the family is elderly or disabled, income from welfare assistance will not be counted toward this requirement.
2. In the case of elderly/disabled participants, the minimum income requirement will be the monthly Federal Supplemental Security Income (SSI) benefit for an individual living alone multiplied by twelve.

   - For an elderly/disabled participant, welfare assistance payments for adult family members who own the home will be included in determining the minimum income requirement.

21.3.4 Employment Requirements

1. The participant must meet the federal minimum employment requirement (this does not apply to elderly or disabled participants).
2. At least one adult family member who will own the home must be currently employed full time and must have been continuously employed for one year prior to homeownership assistance. (This does not apply to elderly or disabled participants).
   - HUD regulations define "full-time employment" as not less than an average of 30 hours per week.
   - A participant will be considered to have been continuously employed even if that participant has experienced a break in employment, provided that the break in employment: did not exceed 30 calendar days; did not occur within the 6 month period immediately prior to the family's request to utilize the homeownership option; and has been the only break in employment within the past 12 calendar months.

21.3.5 Additional HUD Eligibility Restrictions

There are two additional HUD eligibility restrictions:

- The HA denies the use of S8 HOP for cooperative members who have acquired cooperative membership shares prior to commencement of homeownership assistance. No family member may have ownership interest in a residence at the commencement of homeownership assistance for the purchase of any home.
- The HA denies the use of the S8 HOP for a participant in which an adult member of the household has defaulted on a mortgage while receiving homeownership assistance, thereby securing debt which will be incurred to the home purchase.

21.4 HOMEOWNERSHIP COUNSELING REQUIREMENTS
[24 CFR 982.630]

Once the participant has been determined eligible, they must attend and complete group and/or one-on-one homeownership counseling sessions on the following:

- Budgeting/Financial Literacy
- Credit counseling
- Pre-purchase Homebuyer Education
- Home maintenance (including care of grounds)
- How to negotiate the purchase price of a home
- How to obtain homeownership financing and loan pre-approvals, including a description of types of financing that may be available; also including the pros and cons of different types of financing
- How to find a home, including information about homeownership opportunities, schools, and transportation in HA jurisdiction;
- Advantages of purchasing a home in an area that does not have a high concentration of low-income families and how to locate homes in such areas
- Information about state and federal truth-in-lending laws and how to identify and avoid loans with oppressive terms and conditions

In addition, the participant must obtain the 16-hour Homeownership Education and Counseling (HEC) certification. HEC will be conducted by the Fresno Housing Authority Housing Counseling Agency.

The HA will requires quarterly post-purchase counseling after commencement of homeownership assistance until the final homeownership assistance payment is provided.

21.5 ELIGIBLE UNITS
[24 CFR 982.628]

The unit must meet all of the following requirements.

1. Participants may enter into a contract of sale for units not yet under construction, however HA will not issue homeownership assistance payments for the unit unless or until:
   - The responsible entity has completed an environmental review and provided the review to the HA; or
   - HUD has performed an environmental review and notified the HA in writing of the environmental approval of the site prior to commencement of construction; or
   - Construction of the unit has been completed, and the unit has passed Housing Quality Standards (HQS) and the independent private inspection.
2. HA will require participants to obtain and maintain flood insurance for units in special flood hazard area, and prohibit assistance for participants acquiring units in coastal barrier resources. HA will notify the participant if the unit is in an airport runway clear zones and airfield clear zones.
3. The unit is either a one unit property (including a manufactured home) or single dwelling unit in a cooperative or condominium.
4. A unit where the family will not own fee title to the real property on which the home is located will be approved only if:
   a. The home is or will be located on a permanent foundation; and
   b. The family has the right to occupy the home site for at least 40 years.
5. The unit has passed inspection by HA and by an independent inspector designated and paid for by the family.

21.6 INELIGIBLE UNITS

[CFR 982.352]

The unit must not fall under any types of housing listed as ineligible housing in Chapter 9 of this administrative plan, with the **exception** of:

- A unit occupied by its owner or by a person with any interest in the unit.
- HA owned housing
- The HA will not approve the seller of the unit if the HA has been informed that the seller is disbarred, suspended, or subject to a limited denial of participation.

21.7 ADDITIONAL SEARCH AND PURCHASE REQUIREMENTS

[24 CFR 982.629]

The participant deadline date for locating, purchasing, and closing escrow on a home is 120 calendar days from the date the family's eligibility for the homeownership option is determined. With good cause, HA may extend the time limit for a participant for an additional 30 days.

Participants must submit progress reports during the housing search and escrow period, while continuing to meet with the homeownership coordinator for ongoing counseling. Participant progress reports will be provided in 30-day intervals.

If the participant is unable to purchase a home within the maximum time permitted by HA, the HA will continue the client's participation in the Section 8 Housing Choice Voucher rental subsidy program. The participant may not re-apply for the Section 8 Homeownership program until they have completed one-on-one counseling with the Homeownership Coordinator.

21.8 INSPECTIONS AND SALES CONTRACT

[24 CFR 982.631]

The unit must meet HQS regulations, and must also be inspected by an independent professional inspector selected by, and paid for, by the participant. The independent inspection must cover major building systems and components. The inspector must be qualified to identify physical defects and report on property conditions, including major building systems and components. These systems and components include, but are not limited to:

- Foundation and structure; housing interior and exterior; roofing; plumbing, electrical and heating systems. Copies of the independent inspection report is provided to the participant and the HA by the independent inspector**.** Based on the information in this report, the family and HA determines whether any pre-purchase repairs are necessary.

The HA may disapprove the unit for homeownership assistance based on information provided with the inspection report.

21.8.1 Sales Contract

The participant must enter into a contract of sale with the seller of the unit. A copy of the contract must be given to the HA. The contract of sale must specify the price and terms of sale, and provide that the purchaser will arrange for a pre-purchase independent inspection of the home. The contract must also:

1. Provide that the purchaser is not obligated to buy the unit unless the inspection is satisfactory to the purchaser and to the HA.
2. Provide that the purchaser is not obligated to pay for any necessary repairs; and
3. Must have certification that the seller has not been debarred, suspended or subject to a limited denial of participation.

21.9 FINANCING AND AFFORDABILITY OF PURCHASE

[24 CFR 982.632]

The participant is responsible for securing financing options, and obtaining HA approval of the proposed mortgage. HA will impose financing restrictions listed below, and may disapprove additional proposed financing options if HA determines that the debt is unaffordable.

HA will prohibit the following forms of financing:

- Adjustable Rate Mortgage (ARM)
- Balloon payment mortgages
- Seller financing will be considered on a case by case basis

21.10 CONTINUED ASSISTANCE REQUIREMENTS AND FAMILY OBLIGATIONS

24 CFR 982.633**]**

Homeownership assistance may only be paid while the participant is residing in the home. The participant or the lender is not required to refund homeownership assistance payment for the month when the family moves out.

The participant and any other adult(s) residing in the home on the mortgage loan must comply with the following obligations:

1. To the extent required by HA, the participant must attend and complete ongoing housing counseling. (Refer to Homeownership Counseling Requirements noted within Section 21.4 of this chapter.)
2. The participant and all other adult(s) on the mortgage loan or residing in the home must comply with the terms of any mortgage securing debt incurred to purchase the home, or any refinancing of such debt.
3. The participant may not convey or transfer ownership of the home, except for purposes of financing, refinancing, or pending settlement of the estate of a deceased family member. Use and occupancy of the home are subject to the following stipulations:
   - The participant must utilize the home receiving HA mortgage subsidy as their primary and only residence (CFR 982.551 [h]). The participant must provide certification of primary residence and promptly notify the HA upon absence from the unit [CFR 982.551 (h)(1)]
   - The participant must notify HA of any changes in the home pertaining to family composition. All changes in family composition must be approved by HA [CFR 982.551 (h)(2)]
   - Profit-making activities facilitated by any household member must be incidental to the family's residence in the home [CFR 982.551 (h)(5)]
   - Household members may not sublease or sublet the home [CFR 982.551 (h)(6)]
4. The participant must supply true and complete information upon the request of the HA or HUD which includes but is not limited to:
   - Evidence of citizenship or eligible immigration status (CFR 982.551[b])
   - Information used to complete regularly scheduled reexamination of interim reexaminations of family composition and income (CFR 982.551[b])
   - Social Security numbers (CFR 982.551[b])
   - Mortgage financing or refinancing, sale or transfer of any interest in the home, or homeownership expenses.

5. The participant must notify the HA before moving out of the home.
6. The participant must notify the HA if the family defaults on the mortgage used to purchase the home.
7. Neither the participant nor any other family member residing in the home may have any ownership interest in any other residential property.
8. The participant must allow HA, on or around the anniversary date of when the homeownership assistance started, to inspect the property for HQS compliance.

Before commencement of homeownership assistance, the participant must execute a statement in which the family agrees to comply with all family obligations under the homeownership option.

21.11 MAXIMUM TERM OF HOMEOWNERSHIP ASSISTANCE

[24 CFR 982.634]

The maximum term of homeownership assistance is:

- 15 years, if the initial mortgage term is 20 years or longer; or
- 10 years in all other cases.

However, the maximum term does not apply in the case of elderly or disabled participants. In the case of an elderly family, the exception only applies if the family qualifies as an elderly family at the start of homeownership assistance. Additionally, in the case of a disabled family, the exception applies if at any time during receipt of homeownership assistance the participant qualifies as a disabled family.

If, during the course of homeownership assistance, the family ceases to qualify as a disabled or elderly family, the maximum term becomes applicable from the date the mortgage assistance commenced. However, in this case the family must be afforded at least 6 months of homeownership assistance after the maximum term becomes applicable.

21.11.1 Assistance for Different Homes or from Different HA's

If the participant receives homeownership assistance for different homes, or from different HA's, the total amount of assistance terms is subject to the maximum term limitations noted above. The time limit applies to any member of the household who has 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.

21.12 HOMEOWNERSHIP ASSISTANCE PAYMENTS AND HOMEOWNERSHIP EXPENSES

[982.635]

The monthly homeownership assistance payment will be equal to the lower of: the voucher payment standard minus the total tenant payment, or the monthly homeownership expenses minus the total tenant payment.

In determining the amount of the homeownership assistance payment, HA uses the same payment standard schedule, as those described in this Plan for the Housing

Choice Voucher program. However, when the payment standard falls below the payment standard used at the initial eligibility for S8 HOP, the higher of the two will be used for determining mortgage subsidy.

HA pays the homeownership mortgage assistance payment directly to the S8 HOP participant, or directly to the lender, depending on the preference of the lending institution.

In accordance with HUD regulations, HA has determined the following items will be included as homeownership expenses:

- Principal and interest on initial mortgage debt
- Refinancing of initial mortgage debt
- Mortgage insurance premiums incurred to finance the purchase of the home
- Real Estate Taxes and public assessments of the home
- Home insurance
- An allowance for major repairs and replacements
- Principal and interest on debt for home repairs and improvements
- HA utility allowance used for the HCV program
- Allowance for routine maintenance costs
- Land lease payments (where a family does not own fee title to the real property on which the home is located)

If the home is a cooperative or condominium, expenses will exclude Real Estate taxes and public assessment allowance, but include operating charges or maintenance fees assessed by the condominium or cooperative homeowner association.

Homeownership assistance for a participant terminates automatically 180 calendar days after the last homeownership assistance payment on behalf of the participant. However, HA has the discretion to grant relief from this requirement in those cases where automatic termination would result in extreme hardship for the participant.

Extreme hardship would be defined as:

- Significant reduction in the household income
- Significant household debt, which was beyond the control of the participant

HA reviews all relevant circumstances regarding financial hardship and reviews them on a case-by-case basis.

21.13 PORTABILITY

[24 CFR 982.636, 982.353(b) and (c), 982.552, 982.553]

Subject to the restrictions on portability included in HUD regulations and in Chapter 13 of this Plan, the participant may exercise portability if the receiving HA is administering a voucher homeownership program and accepting new homeownership participants.

21.14 MOVE WITH CONTINUED TENANT-BASED ASSISTANCE
[24 CFR 982.637]

A participant receiving homeownership assistance may move with continued tenant-based assistance in accordance with HUD regulations in 982.637. The participant may move with voucher rental assistance or with voucher homeownership assistance. Continued tenant-based assistance for a new unit cannot begin if any family member owns any title to the prior home.

21.15 TERMINATION OF ASSISTANCE FOR THE FAMILY
[24 CFR 982.638, 982.551, 982.552, 982.553]

Termination of homeownership assistance is governed by the policies for the Housing Choice Voucher program contained in Chapter 15 of the Administrative Plan in accordance with CFR 982.551.

However, the following provisions are not applicable to homeownership:

- Activities regarding lease agreements such as lease violations, transfer of a lease or lease terminations
- Providing eviction notice
- The participant cannot own or have interest in the unit

HA will terminate homeownership assistance if the participant is dispossessed from the home due to a judgment or order of foreclosure.

HA will permit such participant to move with continued voucher rental assistance. However, rental assistance will be denied if the participant has defaulted on an HA-insured mortgage, and the participant fails to demonstrate that:

1. The participant conveyed title to the home as required by HUD, and;
2. The participant moved within the period required by HUD.

HA will terminate homeownership assistance if the participant or any other member of the household violates any of the following:

1. Those stated in Chapter 15 of this administrative plan, Grounds for Denial or Termination of Assistance (CFR 982.552)
2. Those stated in Chapter 15 of this administrative plan, Crime by Family Members (CFR 982.553).

Chapter 22
PROJECT-BASED VOUCHERS

22.1 INTRODUCTION

Under the project-based voucher (PBV) program a local housing authority will enter into a contract with an owner for specific units for a specific term in order to 1) expand the affordable housing in the community, and 2) to provide rental assistance for qualifying low-income families. The voucher assistance is attached to the structure, rather than to the tenant, as occurs in the tenant-based voucher program.

The program does not receive separate funding; housing authorities that already administer a tenant-based voucher program under an annual contributions contract (ACC) with HUD are allowed to use part of its voucher program budget authority and attach the funding to specific units rather than using it for tenant-based assistance. Housing authorities will only operate a PBV program which is consistent with its Annual Plan, and the goal of deconcentrating poverty and expanding housing and economic opportunities. Fresno Housing Authorities (HA) has stated in its Annual Plan its reasons for offering a PBV program in Fresno County, and these are restated below:

22.1.1 Program's Current Goals

- HA will operate a project-based voucher program using up to 20 percent of its budget authority for project-based assistance.
- It will promote the deconcentration of poverty and expanding housing opportunities by selecting projects which are in non-impacted areas (with the exception being those six RDA areas described in the next section below).
- It will work with other programs to expand the affordable housing opportunities in our community.

22.1.2 Annual Plan Statement

The program will be marked competitively through the Request for Proposal (RFP) process. Each announcement will indicate whether the type of housing being solicited is existing housing, new construction or rehabilitation housing. Each RFP will provide the rating factors to be considered when evaluating each submission. Once a project is selected, families from the HA's Housing Choice Voucher (HCV) wait list are referred to the units.

While the program is intended to be operated in non-poverty impacted census tracts in the City and County of Fresno, a waiver request was approved by HUD for six RDA areas (census tracts 2, 11, 12, 22, 26, and 48) located within the City of Fresno jurisdiction.

The contract for the Project-Based program will be for ten years because of the need to preserve the supply of three or more bedroom units for large families. The City of

Fresno's 2001-2004 Consolidated Plan specifically identifies the need for affordable housing including large units for large families.

Also the Housing Authorities is considering the feasibility of converting public housing units and the development of additional units using project-based voucher assistance in the not too distant future.

22.2 DESCRIPTION OF THE PBV PROGRAM

[24 CFR 983.5]

The PBV program is administered by a public housing authority that already administers the tenant-based voucher program, as mentioned earlier, as follows:

- After going through the selection process described in later in this Chapter, HA enters into a HAP contract with an owner for units in existing housing or in newly constructed or rehabilitated housing.
- In the case of newly constructed or rehabilitated housing, the housing is developed under an Agreement between the owner and the HA. In the agreement HA agrees to execute a HAP contract after the owner completes the construction or rehabilitation of the units.
- During the term of the HAP contract, HA makes housing assistance payments to the owner for units leased and occupied by eligible families.

22.3 WHEN THE PBV RULE APPLIES AS OPPOSED TO THE TENANT-BASED VOUCHER RULES

[24 CFR 983.1, 983.2]

Much of the tenant-based voucher program regulations in 24 CFR 982 also apply to the PBV program. Consequently, many of the HA policies related to tenant-based assistance also apply to PBV assistance. The provisions of the tenant-based voucher regulations that do *not* apply to the PBV program are listed at 24 CFR 983.2, such as voucher issuance and portability.

Except as otherwise noted in this chapter, or unless specifically prohibited by PBV program regulations, the HA policies for the tenant-based voucher program contained in this Administrative Plan, also apply to the PBV program and its participants.

22.4 PBV DEFINITIONS

[983.3(b)]

Definitions specific to the PBV program are covered in 24 CFR 983.3(b). Definitions regarding other voucher terms can be located in 24 CFR 982.4.

Included below are some key HUD definitions which will assist in understanding our policy regarding the administration of the PBV program in Fresno County.

Agreement to Enter into HAP Contract (Agreement). The Agreement is a written contract between the Public Housing Agency (HA) and the owner in the form prescribed by HUD. The Agreement defines requirements for development of housing to be assisted under the PBV program. Once development is completed by the owner in

accordance with the Agreement, the HA enters into a HPA contract with the owner. The Agreement is not used for existing housing (as described below).

Existing Housing. Housing units that already exist on the proposal selection date and that substantially comply with the Housing Quality Standards (HQS) on that date. [The units must fully comply with HQS before execution of the HAP contract].

Newly Constructed Housing. Housing units that do not exist on the proposal selection date and are developed after the date of selection pursuant to an Agreement between the HA and the owner for use under the PBV program.

HA-Owned Unit. For purposes of the PBV program, a HA-owned unit is one which is owned by the HA that administers the voucher program. HA-owned means that the HA or its officers, employees, or agents hold a direct or indirect interest in the building in which the unit is located, including an interest as titleholder or lessee, or as a stockholder, member of general or limited partner, or member of a limited liability corporation, or an entity that holds any such direct or indirect interest.

Proposal Selection Date. The date the HA gives written notice of PBV proposal selection to an owner whose proposal is selected in accordance with the criteria established in the He's administrative plan [this Chapter].

Rehabilitated Housing. Housing units that exist on the proposal selection date, but do not substantially comply with the HQS on that date, and are developed, pursuant to an Agreement between the HA and owner, for use under the PBV program.

22.5 RELOCATION REQUIREMENTS

[24 CFR 983.7]

Any persons displaced as a result of implementation of the PBV program, must be provided relocation assistance in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA)[42 U.S.C. 4201-4655] and implementing regulations at 49 CFR part 24.

The cost of required relocation assistance may be paid with funds provided by the owner, local public funds, or funds available from other sources. [Nan McKay suggests we state here where these funds will come from]. HA's may not use voucher program funds to cover relocation costs, except that HA's may use their administrative fee reserve to pay for relocation expenses after all other program administrative expenses are satisfied, and provided that payment of the relocation benefits is consistent with state and local law. Use of the administrative fee for these purposes must also be consistent with other legal and regulatory requirements, including the requirement in 24 CFR 982.155 and other official HUD issuances.
The acquisition of real property for a PBV project is subject to the URA and 49 CFR Part 24, subpart B. It is the responsibility of the HA to ensure the owner complies with these requirements.

22.6 EQUAL OPPORTUNITY REQUIREMENTS

[24 CFR 983.8]

HA will comply with all equal opportunity requirements under federal law and regulations in its implementation of the PBV program. This includes the requirements and authorities

cited at 24 CFR 5.105(a). In addition, HA must comply with the Agency Plan certification on civil rights and affirmatively furthering fair housing, submitted in accordance with 24 CFR 903.7(o).

22.7 HOUSING TYPE

[24 CFR 983.52]

HA may attach PBV assistance for units in existing housing or for newly constructed or rehabilitated housing developed under and in accordance with an Agreement to Enter into a Housing Assistance Payments Contract (hereafter referred to as Agreement) that was executed prior to the start of construction. *A housing unit is considered an existing unit for purposes of the PBV program, if, at the time of notice of HA selection, the units substantially comply with HQS*. Units for which new construction or rehabilitation was started in accordance with PBV program requirements do not qualify as existing housing.

HA's choice of housing type will be reflected in its solicitation for proposals.

22.8 PROHIBITION OF ASSISTANCE FOR CERTAIN UNITS: INELIGIBLE HOUSING TYPES

[24 CFR 983.53]

The HA will not attach or pay PBV assistance to:

- shared housing units;
- units on the grounds of a penal reformatory, medical, mental, or similar public or private institution;
- nursing homes or facilities providing continuous psychiatric, medical, nursing services, board and care, or intermediate care (except that assistance may be provided in assisted living facilities);
- units that are owned or controlled by an educational institution or its affiliate and are designated for occupancy by students;
- manufactured homes;
- cooperative housing; and
- transitional housing.

In addition, the HA will not attach or pay PBV assistance for a unit occupied by an owner and the HA will not select or enter into an Agreement or HAP contract for a unit occupied by a family ineligible for participation in the PBV program**.** Finally, the HA will not use high-rise elevator projects for families with children**.**

22.9 PROHIBITION OF PBV ASSISTANCE IN SUBSIDIZED HOUSING

[24 CFR 983.54]

HA will not attach or pay PBV assistance to units in any of the following types of subsidized housing:

- A public housing unit;

- A unit subsidized with any other form of Section 8 assistance;
- A unit subsidized with any governmental rent subsidy;
- A unit subsidized with any governmental subsidy that covers all or any part of the operating costs of the housing;
- A unit subsidized with Section 236 rental assistance payments (except that a HA may attach assistance to a unit subsidized with Section 236 interest reduction payments);
- A Section 202 project for non-elderly with disabilities;
- Section 811 project-based supportive housing for persons with disabilities;
- Section 202 supportive housing for the elderly;
- A Section 101 rent supplement project;
- A unit subsidized with any form of tenant-based rental assistance;
- A unit with any other duplicative federal, state, or local housing subsidy, as determined by HUD or the HA in accordance with HUD requirements.

22.10 PROJECT-BASED VOUCHERS AND HA-OWNED UNITS

[24 CFR 983], 983.102(f), 983.301((g) and 983.303(f)]

HUD allows HA-owned units to be assisted under the PBV program, with certain stipulations:

- HUD requires Housing Quality Standard (HQS) inspections and rent determinations to be conducted by outside entities [983.59(b)].
- Rent determinations must be in accordance with 24 CFR 983.301 through 983.305 with the same requirements of other units, except that the independent entity approved by HUD must establish the initial contract rents based on an appraisal by a licensed, state-certified appraiser [983.59(b)(1)].
- The independent entity that performs these program services may be the unit of general local government for Fresno County or another HUD-approved public or private independent entity [983.59(c)].
- Payment of the independent entity and the appraiser will come from HA ongoing administrative fees [983.59(d)].
- The independent entity, HA and the appraiser may not charge the family any fee for the appraisal or the services provided by the independent entity [983.59(d)].
- Copies of the HQS inspections and rent reasonableness determinations must be provided to the HUD field office as well as to the HA [983.103(f)(2), 983.303(f)(2)].
- A HA-owned unit may be assisted under the PBV program only if the HUD field office or HUD-approved independent entity reviews the selection process and determines selection was appropriate based on the selection criteria in the administrative plan [983.51(e)].
- Under no circumstances may PBV assistance be used with a public housing unit [983.51(e)].

22.11 SELECTION OF PBV OWNER PROPOSALS

HA will describe the procedures for owner submission of PBV proposals in its Request for Proposal (RFP). The RFP will also include the selection criteria to be used by HA in selecting owner proposals. Before selecting a PBV proposal, the HA must determine that the PBV proposal complies with HUD program regulations and requirements, including a determination that the property is eligible housing, complies with the cap on the number of PBV units per building, and meets the site selection standards described in this Chapter.

22.11.1 Owner Proposal Selection Procedures

[24 CFR 983.51]

HA will select PBV proposals in accordance with the selection procedures in its administrative plan and each individual RFP. It will select PBV proposals by either of the following two methods.

Method One: Competitive Basis

HA will solicit application submissions in response to an RFP under a competitive selection process. HA will not limit proposals to a single site or impose restrictions that explicitly or practically preclude owner submission of proposals for PBV housing on different sites.

Method Two: Prior Competitive Selection

The HA may select proposals that were previously selected based on a competition. This may include selection of a proposal for housing assisted under a federal, state, or local government housing assistance program that was,

- subject to a competition in accordance with the requirements of the applicable program, community development program, or supportive services program that requires competitive selection of proposals (e.g., HOME units);
- where the proposal has been selected in accordance with such program's competitive selection requirements within three years of the PBV proposal selection date, and
- where the earlier competitive selection proposal did not involve any consideration that the project would receive PBV assistance.

22.11.2 Solicitation and Selection of PBV Proposals

HA procedures for selecting PBV proposals will be designed and operated to provide broad public notice of the opportunity to offer PBV proposals for its consideration. The public notice procedures will include publication of the public notice in a local newspaper of general circulation and other means designed and actually operated to provide broad public notice. The public notice of the HA request for PBV proposals must specify the submission deadline. Detailed application and selection information must be provided at the request of interested parties. HA Policy for requesting proposals is listed below by unit type.

22.11.3 HA Request for Proposals for Rehabilitated and Newly Constructed Units

HA will advertise its request for proposals (RFP) for rehabilitated and newly constructed housing in the following newspapers and trade journals:

- *The Fresno Bee*
- *The Business Journal*

HA will post the RFP and proposal submission rating and ranking procedures on its electronic website.

Publication of its advertisement will be carried in the newspapers and trade journals mentioned above for at least one day per week for three consecutive weeks. The advertisement will specify the number of units that HA estimates it will be able to assist under the funding the HA has made available. Proposals will be due in the HA office by close of business 30 calendar days from the date of the last publication.

In order for the proposal to be considered, the owner must submit the proposal to the HA by the published deadline date, and the proposal must respond to all requirements as outlined in the RFP. Incomplete proposals will not be reviewed.

HA will rate and rank proposals for rehabilitated and newly constructed housing using the following criteria:

- Owner experience and capability to build or rehabilitate housing as identified in the RFP;
- Extent to which the project furthers HA's goal of deconcentrating poverty and expanding housing and economic opportunities.

22.11.4 HA Requests for Proposals for Existing Housing Units

[24 CFR 983.51(c)]

HA will follow the same process in requesting proposals for existing housing units as described in Section 21.10.3 above, except that owner proposals will be accepted on a first-come first-served basis and will be evaluated using the following criteria:

- Experience as an owner in the tenant-based voucher program and owner compliance with the owner's obligations under the tenant-based program;
- Extent to which the project furthers the HA goal for deconcentrating poverty and expanding housing and economic opportunities; and
- Extent to which units are occupied by families that are eligible to participate in the PBV program.

22.11.5 HA Selection of Proposals Subject to a Previous Competition under a Federal, State, or Local Housing Assistance Program

HA will periodically advertise it is accepting proposals for PBV assistance from owners of units which were competitively selected under another federal, state or local housing assistance program. Advertisements will be published in the following newspapers and trade journals:

- *The Fresno Bee*
- *The Business Journal*

In addition to, or in place of advertising, HA may also directly contact specific owners that have already been selected for Federal, state, or local housing assistance based on a previously held competition, to inform them of available PBV assistance.

Proposals will be reviewed on a first-come first-served basis. The HA will evaluate each proposal on its merits using the following factors:

- Extent to which the project furthers the HA goal of deconcentrating poverty and expanding housing and economic opportunities; and
- Extent to which the proposal compliments other local activities such as the redevelopment of a public housing site under the HOPE VI program, the HOME program, CDBG activities, other development activities in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community.

22.11.6 HA Notice of Owner Selection

[24 CFR 983.51(d)]

HA must give prompt written notice to the party that submitted a selected proposal and must also give prompt public notice of such selection. Public notice procedures will include publication of public notice in a local newspaper of general circulation and other means designed and actually operated to provide broad public notice.

Within 10 business days of HA making the selection, the HA will notify the selected owner in writing of the owner's selection for the PBV program. The HA will also notify in writing all owners that submitted proposals that were not selected and advise such owners of the name of the selected owner.

In addition, the HA will publish its notice for selection of PBV proposals for two consecutive days in the same newspapers and trade journals which were used to solicit the proposals. The announcement will include the name of the owner that was selected for the PBV program. The HA will also post the notice of owner selection on its electronic web site.

HA will make available to any interested party its rating and ranking sheets and documents that identify the basis for selecting the proposal. These documents will be available for review by the public and other interested parties for one month after publication of the notice of owner selection. HA will not make available sensitive owner information that is privileged, such as financial statements and similar information about the owner.

HA will make these documents available for review at its Central Office during normal business hours. The cost for reproduction of allowable documents will be according to the department's general policy, which is $.50 for the first page and $.30 per page thereafter, plus $20 per hour for staff time or $5 per quarter hour or fraction thereof.

22.11.7 Prohibition of Excess Public Assistance: Subsidy Layering Requirements

[24 CFR 983.55]

HA will provide PBV assistance only in accordance with HUD subsidy layering regulations and other requirements.

The subsidy layering review is intended to prevent excessive public assistance by combining (layering) housing assistance payment subsidy under the PBV program with other governmental housing assistance from federal, state, or local agencies, including assistance such as tax concessions or tax credits.

HA will submit the necessary documentation to HUD for a subsidy layering review. The Authorities will not enter into an Agreement or a HAP contract until HUD (or an independent entity approved by HUD) has conducted any required subsidy layering review and determined that the PBV assistance is in accordance with HUD subsidy layering requirements.

The HAP contract must contain the owner's certification that the project has not received and will not receive (before or during the term of the HAP contract) any public assistance for acquisition, development, or operation of the housing other than assistance disclosed in the subsidy layering review in accordance with HUD requirements.

22.11.8 Cap on Number of PBV Units in Each Building

[24 CFR 983.56]

25 Percent per Building Cap
[24 CFR 983.56(a)]

In general, the HA will not select a proposal to provide PBV assistance for units in a building or enter into an agreement to enter into a HAP or a HAP contract to provide PBV assistance for units in a building, if the total number of dwelling units in the building that will receive PBV assistance during the term of the PBV HAP contract is more than 25 percent of the number of dwelling units (assisted or unassisted) in the building.

Exceptions to 25 Percent per Building CAP
[24 CFR 983.56(b)]

Exceptions are allowed and PBV units are not counted against the 25 percent per building cap if the units are in a single-family building (one to four units). Beyond this, HA will not impose any further cap on the number of PBV units assisted per building.

22.11.9 Excepted Units Within a Multifamily Building

While regulations permit expectations to the 25% per building cap rule for excepted units (units specifically made available for elderly or disabled families or families receiving supportive services), HA has elected not to provide PBV assistance for excepted units.

22.11.10 Site Selection Standards

[24 CFR 983.57]

Compliance with PBV Goals, Civil Rights Requirements, and HQS

[24 CFR 983.57(b)]

HA will not select a proposal for existing, newly constructed, or rehabilitated PBV housing on a site or enter into an Agreement or HAP contract for units on the site, unless the HA has determined that PBV assistance for housing at the selected site is consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities. The standard for deconcentrating poverty and expanding housing and economic opportunities must be consistent with the HA's Agency Plan and the Housing Choice Voucher's administrative plan.

In addition, prior to selecting a proposal, the HA must determine that the site is suitable from the standpoint of facilitating and furthering full compliance with the applicable Civil Rights Laws, regulations, and Executive Orders, and that the site meets the HQS site and neighborhood standards at 24 CFR 982.401(l).

It is the HA's goal to select sites for PBV housing that provide for deconcentrating poverty and expanding housing and economic opportunities. In complying with this goal the Authorities will limit approval of sites for PBV housing in census tracts that have poverty concentrations of 20 percent or less.

However, the HA will grant exceptions to the 20 percent standard where it is determined that the PBV assistance will compliment other local redevelopment activities designed to deconcentrate poverty and expand housing and economic opportunities in census tracts with poverty concentrations greater than 20 percent, such as sites in:

- A census tract in which the proposed PBV development will be located in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community;
- A census tract where the concentration of assisted units will be or has decreased as a result of public housing demolition and HOPE VI redevelopment;
- A census tract in which the proposed PBV development will be located is undergoing significant revitalization as a result of state, local, or federal dollars invested in the area;
- A census tract where new market rate units are being developed where such market rate units will positively impact the poverty rate in the area;
- A census tract where there has been an overall decline in the poverty rate within the past five years; or
- A census tract where there are meaningful opportunities for educational and economic advancement.

Under no circumstances will the HA approve PBV assistance in a census tract with a concentration factor greater than 75 percent of the community-wide poverty rate or forty percent, whichever is lower.22

22.11.11 Existing and Rehabilitated Housing Site and Neighborhood Standards
[24 CFR 983.57(d)]

HA will not enter into an Agreement to enter into a HAP contract (nor enter into a HAP contract for existing or rehabilitated housing) until it has determined that the site complies with the HUD required site and neighborhood standards. The site must:

- Be adequate in size, exposure, and contour to accommodate the number and type of units proposed;
- Have adequate utilities and streets available to service the site;
- Promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
- Be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and
- Be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

22.11.12 New Construction Site and Neighborhood Standards
[24 CFR 983.57(e)]

In order to be selected for PBV assistance, a site for newly constructed housing must meet the following HUD required site and neighborhood standards:

The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed;

The site must have adequate utilities and streets available to service the site;

The site must not be located in an area of minority concentration unless the HA determines that sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration or that the project is necessary to meet overriding housing needs that cannot be met in that housing market area;

The site must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area;

The site must promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;

The neighborhood must not be one that is seriously detrimental to family life or in which substandard dwellings or other undesirable conditions predominate;

The housing must be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and

Except for housing designed for elderly persons, the housing must be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

22.11.13 Environmental Review

[24 CFR 983.58]

HA activities under the PBV program are subject to HUD environmental regulations in 24 CFR parts 50 and 58. The *responsible entity* is responsible for performing the federal environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.). The HA will not enter into an Agreement nor enter into a HAP contract until it has complied with the environmental review requirements.

In the case of existing housing, the responsible entity that is responsible for the environmental review under 24 CFR part 58 must determine whether or not PBV assistance is categorically excluded from review under the National Environmental Policy Act and whether or not the assistance is subject to review under the laws and authorities listed in 24 CFR 58.5.

HA will not enter into an Agreement or a HAP contract with an owner, and the HA, the owner, and its contractors will not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct real property or commit or expend program or local funds for PBV activities under this part, until the environmental review is completed.

HA must supply all available, relevant information necessary for the responsible entity to perform any required environmental review for any site. The HA must require the owner to carry out mitigating measures required by the responsible entity (or HUD, if applicable) as a result of the environmental review.

22.12 DWELLING UNITS

[24 CFR 983.101]

Overview

The housing quality standards for PBV are essentially the same as for Tenant Based Vouchers, except the requirements for Lead-Based Paint are exchanged for the following:

Lead-based Paint

The lead-based paint requirements for the tenant-based voucher program do not apply to the PBV program. Instead, The Lead-based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-based Paint Hazard Reduction Act of 1992(42 U.S.C. 4851-4856), and implementing regulations at 24 CFR part 35,subparts A, B, H, and R, apply to the PBV program.

22.12.1 Housing Accessibility for Persons with Disabilities

[24 CFR 983.102]

The housing must comply with program accessibility requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8. The HA must ensure that the percentage of accessible dwelling units complies with the requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as implemented by HUD's regulations at 24 CFR 8, subpart C.

Housing first occupied after March 13, 1991, must comply with design and construction requirements of the Fair Housing Amendments Act of 1988 and implementing regulations at 24 CFR 100.205, as applicable. (24 CFR 983.102)

22.13 INSPECTING UNITS

[24 CFR 983.103]

22.13.1 Pre-selection Inspection

[983.103(a)]

The HA must examine the proposed site before the proposal selection date. If the units to be assisted already exist, the HA must inspect all the units before the proposal selection date, and must determine whether the units substantially comply with HQS. To qualify as existing housing, units must substantially comply with HQS on the proposal selection date. However, HA will not execute the HAP contract until the units fully comply with HQS.

22.13.2 Pre-HAP Contract Inspections

[983.103(b)]

The HA must inspect each contract unit before execution of the HAP contract. HA will not enter into a HAP contract covering a unit until the unit fully complies with HQS.

22.13.3 Turnover Inspections

[983.103(c)]

Before providing assistance to a new family in a contract unit, the HA must inspect the unit. The HA will not provide assistance on behalf of the family until the unit fully complies with HQS.

22.13.4 Annual Inspections

[983.103(d)]

At least annually during the term of the HAP contract, the HA must inspect a random sample, consisting of at least 20 percent of the contract units in each building to determine if the contract units and the premises are maintained in accordance with HQS. Turnover inspections are not counted toward meeting this annual inspection requirement.

If more than 20 percent of the annual sample of inspected contract units in a building fails the initial inspection, the HA must reinspect 100 percent of the contract units in the building.

22.13.5 Other Inspections

[983.103(e)]

The HA must inspect contract units whenever needed to determine that the contract units comply with HQS and that the owner is providing maintenance, utilities, and other services in accordance with the HAP contract. The HA must take into account complaints and any other information coming to its attention in scheduling inspections.

The HA must conduct follow-up inspections needed to determine if the owner (or, if applicable, the family) has corrected an HQS violation, and must conduct inspections to determine the basis for exercise of contractual and other remedies for owner or family violation of HQS.

In conducting HA supervisory quality control HQS inspections, the HA should include a representative sample of both tenant-based and project-based units.

22.13.6 Inspecting HA-Owned Units

[983.103(f)]

In the case of HA-owned units:

- The inspections must be performed by an independent agency as designated in this Chapter, rather than by HA.
- The independent entity will furnish a copy of each inspection report to HA and to the HUD field office.
- HA will take all necessary actions in response to inspection reports from the independent agency, including exercise of contractual remedies for violation of the HAP contract by the HA owner.

22.14 REQUIREMENTS FOR REHABILITATED AND NEWLY CONSTRUCTED UNITS

22.14.1 Applicability

[983.151]

Section 21.13 applies to PBV assistance for newly constructed or rehabilitated housing. This section does not apply to PBV assistance for existing housing.

Housing selected for this type of assistance, will not at a later date be selected for PBV assistance as existing housing.

22.14.2 Purpose of the Agreement to Enter into HAP Contract

[983.152(b)]

In order to offer PBV assistance in rehabilitated or newly constructed units, the HA must enter into an Agreement with the owner of the property. The Agreement must be in the form required by HUD [24 CFR 983.152(a)].

In the Agreement the owner agrees to develop the PBV contract units to comply with HQS, and the HA agrees that upon timely completion of such development in accordance with the terms of the Agreement, the HA will enter into a HAP contract with the owner for the contract units [24 CFR 983.152(b)].

22.14.3 Content of the Agreement

[983.152(c)]

At a minimum, the Agreement must describe the following features of the housing to be developed and assisted under the PBV program:

Site and the location of the contract units;

Number of contract units by area (size) and number of bedrooms and bathrooms;

Services, maintenance, or equipment to be supplied by the owner without charges in addition to the rent;

Utilities available to the contract units, including a specification of utility services to be paid by the owner and utility services to be paid by the tenant;

An indication of whether or not the design and construction requirements of the Fair Housing Act and section 504 of the Rehabilitation Act of 1973 apply to units under the Agreement. If applicable, any required work item resulting from these requirements must be included in the description of work to be performed under the Agreement;

Estimated initial rents to owner for the contract units;

For rehabilitated units, the description must include the rehabilitation work write up and, where determined necessary by the HA, specifications and plans. For new construction units, the description must include the working drawings and specifications; and

22.14.4 Execution of the Agreement

[983.153]

The Agreement must be executed promptly after HA notice of proposal selection to the selected owner. However, the HA will not enter into the Agreement with the owner until the subsidy layering review is completed. Likewise, the HA will not enter into the Agreement until the environmental review is completed and the HA has received environmental approval.

The HA will enter into the Agreement with the owner within 10 business days of receiving both environmental approval and notice that subsidy layering requirements have been met, and before construction or rehabilitation work is started**.**

22.14.5 Requirements of Development Work

[983.154]

Labor Standards

If an Agreement covers the development of nine or more contract units (whether or not completed in stages), the owner and the owner's contractors and subcontractors must pay Davis-Bacon wages to laborers and mechanics employed in the development of housing. The HUD-prescribed form of the Agreement will include the labor standards clauses required by HUD, such as those involving Davis-Bacon wage rates.

The owner, contractors, and subcontractors must also comply with the Contract Work Hours and Safety Standards Act, Department of Labor regulations in 29 CFR part 5, and other applicable federal labor relations laws and regulations. The HA must monitor compliance with labor standards.

Equal Opportunity

The owner must comply with Section 3 of the Housing and Urban Development Act of 1968 and the implementing regulations at 24 CFR Part 135. The owner must also comply with federal equal employment opportunity requirements.

Disclosure of Conflict of Interest

The Agreement and HAP contract must include a certification by the owner that the owner and other project principals are not on the U.S. General Services Administration list of parties excluded from federal procurement and non-procurement programs.

The owner must also disclose any possible conflict of interest that would be a violation of the Agreement, the HAP contract, or HUD regulations.

22.15 COMPLETION OF HOUSING

[983.155]

The Agreement must specify the deadlines for completion of the housing, and the owner must develop and complete the housing in accordance with these deadlines. The Agreement must also specify the deadline for submission by the owner of the required evidence of completion.

Required Evidence of Completion

At a minimum, the owner must submit the following evidence of completion to the HA in the form and manner required by the HA:

Owner certification that the work has been completed in accordance with HQS and all requirements of the Agreement; and

Owner certification that the owner has complied with labor standards and equal opportunity requirements in development of the housing.

At the HA's discretion, the Agreement may specify additional documentation that must be submitted by the owner as evidence of housing completion.

HA will determine the need for the owner to submit additional documentation as evidence of housing completion on a case-by-case basis depending on the nature of the PBV project. The HA will specify any additional documentation requirements in the Agreement to enter into HAP contract.

22.16 HA ACCEPTANCE OF COMPLETED UNITS

[983.156]

Upon notice from the owner that the housing is completed, the HA must inspect to determine if the housing has been completed in accordance with the Agreement, including compliance with HQS and any additional requirements imposed under the Agreement. The HA must also determine if the owner has submitted all required evidence of completion.

If the work has not been completed in accordance with the Agreement, the HA must not enter into the HAP contract.

If the HA determines the work has been completed in accordance with the Agreement and that the owner has submitted all required evidence of completion, the HA must submit the HAP contract for execution by the owner and must then execute the HAP contract.

22.17 HOUSING ASSISTANCE PAYMENTS CONTRACT (HAP)

[983.201 to 983.209]

22.17.1 Overview

[983.202]

The HA must enter into a HAP contract with an owner for units that are receiving PBV assistance. The purpose of the HAP contract is to provide housing assistance payments for eligible families. Housing assistance is paid for contract units leased and occupied by eligible families during the HAP contract term. The HAP contract must be in the form required by HUD [24 CFR 983.202].

22.17.2 HAP Contract Requirements

Contract Information
[983.203]

The HAP contract must specify the following information:

- The total number of contract units by number of bedrooms;
- The project's name, street address, city or county, state and zip code, block and lot number (if known), and any other information necessary to clearly identify the site and the building;
- The number of contract units in each building, the location of each contract unit, the area of each contract unit, and the number of bedrooms and bathrooms in each contract unit;
- Services, maintenance, and equipment to be supplied by the owner and included in the rent to owner;
- Utilities available to the contract units, including a specification of utility services to be paid by the owner (included in rent) and utility services to be paid by the tenant;
- Features provided to comply with program accessibility requirements of Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR part 8;
- The HAP contract term;
- The number of units in any building that will exceed the 25 percent per building cap, which will be set-aside for occupancy by qualifying families; and
- The initial rent to owner for the first 12 months of the HAP contract term.

22.17.3 Execution of the HAP Contract

[983.204]

The HA will not enter into a HAP contract until each contract unit has been inspected and the HA has determined that the unit complies with the Housing Quality Standards (HQS). For existing housing, the HAP contract must be executed promptly after the HA selects the owner proposal and inspects the housing units. For newly constructed or rehabilitated housing the HAP contract must be executed after the HA has inspected the completed units and has determined that the units have been completed in accordance with the agreement to enter into HAP, and the owner furnishes all required evidence of completion.

For existing housing, the HAP contract will be executed within 10 business days of HA determining that all units pass HQS.

For rehabilitated or newly constructed housing, the HAP contract will be executed within 10 business days of HA determining that the units have been completed in accordance with the Agreement to enter into HAP, all units meet HQS, and the owner has submitted all required evidence of completion.

22.17.4 Term of HAP Contract

[983.205]

The HA will enter into a HAP contract with an owner for an initial term of no less than one year and no more than ten years.

The term of all PBV HAP contracts will be negotiated with the owner on a case-by-case basis.

Within one year before expiration of the HAP contract, the HA may extend the term of the contract for an additional term of up to five years if the HA determines an extension is appropriate to continue providing affordable housing for low-income families. Subsequent extensions are subject to the same limitations. All extensions must be on the form and subject to the conditions prescribed by HUD at the time of the extension.

When determining whether or not to extend an expiring PBV contract, HA will consider several factors including, but not limited to:

The cost of extending the contract and the amount of available budget authority;

The condition of the contract units;

The owner's record of compliance with obligations under the HAP contract and lease(s);

Whether the location of the units continues to support the goals of deconcentrating poverty and expanding housing opportunities; and

Whether the funding could be used more appropriately for tenant-based assistance.

22.17.5 Termination by HA

[983.205(c)]

The HAP contract must provide that the term of the HA's contractual commitment is subject to the availability of sufficient appropriated funding as determined by HUD or by

the HA in accordance with HUD instructions. For these purposes, sufficient funding means the availability of appropriations, and of funding under the ACC from such appropriations, to make full payment of housing assistance payments payable to the owner for any contract year in accordance with the terms of the HAP contract.

If it is determined that there may not be sufficient funding to continue housing assistance payments for all contract units and for the full term of the HAP contract, the HA may terminate the HAP contract by notice to the owner. The termination must be implemented in accordance with HUD instructions.

22.17.6 Termination by Owner

[983.205(d)]

If in accordance with program requirements the amount of rent to an owner for any contract unit is reduced below the amount of the rent to owner at the beginning of the HAP contract term, the owner may terminate the HAP contract by giving notice to the HA. In this case, families living in the contract units must be offered tenant-based assistance.

22.17.7 Remedies for HQS Violations

[983.207(b)]

The HA will not make any HAP payment to the owner for a contract unit during any period in which the unit does not comply with HQS. If the HA determines that a contract does not comply with HQS, the HA may exercise any of its remedies under the HAP contract, for any or all of the contract units. Available remedies include termination of housing assistance payments, abatement or reduction of housing assistance payments, reduction of contract units, and termination of the HAP contract.

HA will abate and terminate PBV HAP contracts for non-compliance with HQS in accordance with the policies used in the tenant-based voucher program. These policies are contained in Section H of Chapter 10, regarding enforcing owner compliance.

22.18 AMENDMENTS TO THE HAP CONTRACT

[983.206]

22.18.1 Substitution of Contract Units

At the HA's discretion and subject to all PBV requirements, the HAP contract may be amended to substitute a different unit with the same number of bedrooms in the same building for a previously covered contract unit. Before any such substitution can take place, the HA must inspect the proposed unit and determine the reasonable rent for the unit.

22.18.2 Addition of Contract Units

At the HA's discretion and subject to the restrictions on the number of dwelling units that can receive PBV assistance per building and on the overall size of the HA's PBV program, a HAP contract may be amended during the three-year period following the execution date of the HAP contract to add additional PBV units in the same building. This type of amendment is subject to all PBV program requirements except that a new PBV proposal is not required.

HA will consider adding contract units to the HAP contract when the HA determines that additional housing is needed to serve eligible low-income families. Circumstances may include, but are not limited to:

The local housing inventory is reduced due to a disaster (either due to loss of housing units, or an influx of displaced families)

Voucher holders are having difficulty finding units that meet program requirements.

22.18.3 HAP Contract Year, Anniversary and Expiration Dates

[983.206(c)]

The HAP contract year is the period of 12 calendar months preceding each annual anniversary of the HAP contract during the HAP contract term. The initial contract year is calculated from the first day of the first calendar month of the HAP contract term.

The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year.

There is a single annual anniversary and expiration date for all units under a particular HAP contract, even in cases where contract units are placed under the HAP contract in stages (on different dates) or units are added by amendment. The anniversary and expiration dates for all units coincide with the dates for the contract units that were originally placed under contract.

22.19 OWNER RESPONSIBILITIES UNDER THE HAP

[983.208 to 983.209]

The owner is responsible for performing all the owner responsibilities under the Agreement and the HAP contract. 24 CFR 982.452 (Owner responsibilities) applies.

By execution of the HPA contract, the owner certifies that at such execution and at all times during the term of the HAP contract:

- All contract units are in good condition and the owner is maintaining the premises and contract units in accordance with HQS;
- The owner is providing all services, maintenance, equipment and utilities as agreed to under the HAP contract and the leases;
- Each contract unit for which the owner is receiving HAP, is leased to an eligible family referred by the HA, and the lease is in accordance with the HAP contract and HUD requirements;
- To the best of the owner's knowledge the family resides in the contract unit for which the owner is receiving HAP, and the unit is the family's only residence;
- The owner (including a principal or other interested party) is not the spouse, parent, child, grandparent, grandchild, sister, or brother of any member of a family residing in a contract unit;
- The amount of the HAP the owner is receiving is correct under the HAP contract;

- The rent for contract units does not exceed rents charged by the owner for comparable unassisted units;
- Except for HAP and tenant rent, the owner has not received and will not receive any other payment or consideration for rental of the contract unit; and
- The family does not own or have any interest in the contract unit.

Additional HAP Requirements

Housing Quality and Design Requirements
[983.207]

The owner is required to maintain and operate the contract units and premises in accordance with HQS, including performance of ordinary and extraordinary maintenance. The owner must provide all the services, maintenance, equipment, and utilities specified in the HAP contract with the HA and in the lease with each assisted family. In addition, maintenance, replacement and redecoration must be in accordance with the standard practice for the building as established by the owner.

The HA may elect to establish additional requirements for quality, architecture, or design of PBV housing. Any such additional requirements must be specified in the Agreement and the HAP contract. These requirements must be in addition to, not in place of, compliance with HQS.

HA will identify the need for any special features on a case-by-case basis depending on the intended occupancy of the PBV project. The HA will specify any special design standards or additional requirements in the invitation for PBV proposals, the Agreement, and the HAP contract.

22.20 TENANT SELECTION AND OCCUPANCY
[983.251]

22.20.1 Selection of PBV Program Participants

Overview

Many of the provisions of the tenant-based voucher regulations [24 CFR 982] also apply to the PBV program. This includes requirements related to determining eligibility and selecting applicants from the waiting list. Even with these similarities, there are requirements that are unique to the PBV program. This part describes the requirements and policies related to eligibility and admission to the PBV program.

22.20.2 Eligibility for PBV Assistance
[983.251(a)]

The HA will select families for the PBV program from those who have applied for admission to the voucher program. As with the tenant-based voucher program, eligibility for admission must be determined at the time of the formal application interview.

Applicants for PBV assistance must meet the same eligibility requirements as applicants for the tenant-based voucher program. Applicants must qualify as a family as defined by HUD and the HA, have income at or below HUD-specified income limits, and qualify on the basis of citizenship or the eligible immigration status of family members [24 CFR

982.201(a) and 24 CFR 983.2(a)]. In addition, an applicant family must provide social security information for family members [24 CFR 5.216 and 5.218] and consent to the HA's collection and use of family information regarding income, expenses, and family composition [24 CFR 5.230]. An applicant family must also meet HUD requirements related to current or past criminal activity.

HA will determine an applicant family's eligibility for the PBV program in accordance with the policies in Chapter 4 (Eligibility for Admission) of this Administrative Plan.

22.20.3 In-Place Families

[983.251(b)]

An eligible family residing in a proposed PBV contract unit on the date the proposal is selected by the HA is considered an "in-place family." These families are afforded protection from displacement under the PBV rule. If a unit to be placed under contract (either an existing unit or a unit requiring rehabilitation) is occupied by an eligible family on the date the proposal is selected, the in-place family must be placed on the HA's waiting list. Once the family's continued eligibility is determined (the HA may deny assistance to an in-place family for the grounds specified in 24 CFR 982.552 and 982.553), the family must be given an absolute selection preference and the HA must refer these families to the project owner for an appropriately sized PBV unit in the project. Admission of eligible in-place families is not subject to income targeting requirements.

This regulatory protection from displacement does not apply to families that are not eligible to participate in the program on the proposal selection date.

22.20.4 Selection from the Waiting List

[983.251(c)]

The HA will establish a separate waiting list for PBV units, and will establish separate waiting lists for PBV units in particular projects. The HA will offer to place applicants who are listed on the tenant-based waiting list on the waiting list for PBV assistance.

HA will establish and manage separate waiting lists for individual projects that are receiving PBV assistance.

22.20.5 Selection from the Waiting List

Applicants who will occupy units with PBV assistance must be selected from the HA's waiting list. The HA will place families referred by the PBV owner on its PBV waiting list.

22.20.6 Income Targeting

HUD requires that extremely low-income (ELI) families make up at least 75% of the families admitted tot eh HCV program during the HA's fiscal year. ELI families are those with annual incomes at or below 30% of the area median income. To ensure this requirement is met, a HA may skip non-ELI families on the wait list in order to select an ELI family.

HA will monitor progress in meeting the ELI requirement throughout the fiscal year. Extremely low-income families will be selected ahead of other eligible families on an as-needed basis to ensure the income targeting requirement is met.

22.20.7 Units with Accessibility Features

When selecting families to occupy PBV units that have special accessibility features for persons with disabilities, the HA must first refer families who require such features to the owner.

22.20.8 Preferences

The PBV program differs from the tenant-based program in not offering a residency preference. The HA must provide an absolute selection preference for eligible in-place families as described in 24 CFR 983.251(b).

HA will provide a selection preference when required by the regulation (e.g. eligible in-place families, qualifying families for "excepted units", and mobility impaired persons for accessible units). The HA will not offer any additional preferences for the PBV program or for particular PBV projects or units.

22.20.9 Offer of PBV Assistance

[983.251(e)]

Refusal of Offer

The HA is prohibited from taking any of the following actions against a family who has applied for, received, or refused an offer of PBV assistance:

Refuse to list the applicant on the waiting list for tenant-based voucher assistance;

Deny any admission preference for which the applicant qualifies;

Change the applicant's place on the waiting list based on preference, date, and time of application, or other factors affecting selection under the HA's selection policy;

Remove the applicant from the tenant-based voucher waiting list.

22.20.10 Disapproval by Landlord

[983.251(e) (2)]

If a PBV owner rejects a family for admission to the owner's units, such rejection will not affect the family's position on the tenant-based voucher waiting list.

22.21 ACCEPTANCE OF OFFER

[983.252]

Family Briefing

When a family accepts an offer for PBV assistance, the HA will give the family an oral briefing. The briefing must include information on how the program works and the responsibilities of the family and owner. In addition to the oral briefing, the HA must provide a briefing packet that explains how the HA determines the total tenant payment for a family, the family obligations under the program, and applicable fair housing information.

Information Packet

HA will provide each family attending the briefing with a packet which contains the following information:

(1) How HA determines the total tenant payment for a family;

(2) Family obligations under the program; and

(3) Applicable fair housing information.

Persons with Disabilities

If an applicant family's head or spouse is disabled, the HA must assure effective communication, in accordance with 24 CFR 8.6, in conducting the oral briefing and in providing the written information packet. The HA's reasonable accommodation policy is outlined in Chapter 1 of this Administrative Plan. In addition, the HA must have a mechanism for referring a family that includes a member with a mobility impairment to an appropriate accessible PBV unit.

Persons with Limited English Proficiency

The HA takes reasonable steps to assure meaningful access by persons with limited English proficiency in accordance with Title VI of the Civil Rights Act of 1964 and Executive Order 13166. This policy is described in Chapter One, Section L.

22.22 OWNER SELECTION OF TENANTS

[983.253]

The owner is responsible for developing written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low-income families and reasonably related to program eligibility and an applicant's ability to fulfill their obligations under the lease. An owner must promptly notify in writing any rejected applicant of the grounds for any rejection [24 CFR 983.253(b)], and provide a copy to the HA.

Leasing

During the term of the HAP contract, the owner must lease contract units to eligible families that are selected and referred by the HA from the HA's waiting list. The contract unit leased to the family must be the appropriate size unit for the size of the family, based on the HA's subsidy standards.

22.23 VACANCIES

22.23.1 Filling Vacancies

[983.254]

The owner must promptly notify the HA of any vacancy or expected vacancy in a contract unit. After receiving such notice, the HA must make every reasonable effort to promptly refer a sufficient number of families for the owner to fill such vacancies. The HA and the owner must make reasonable efforts to minimize the likelihood and length of any vacancy.

The owner must notify HA in writing (mail, fax, or e-mail) within 5 business days of learning about any vacancy or expected vacancy.

The HA will make every reasonable effort to refer families to the owner within 10 business days of receiving such notice from the owner.

22.23.2 Reduction in HAP Contract Units Due to Vacancies

If any contract units have been vacant for 120 or more days since owner notice of the vacancy, the HA may give notice to the owner amending the HAP contract to reduce the number of contract units by subtracting the number of contract units (according to the bedroom size) that have been vacant for this period.

If any contract units have been vacant for 120 days, HA will give notice to the owner that the HAP contract will be amended to reduce the number of contract units that have been vacant for this period. The HA will provide the notice to the owner within 10 business days of the 120th day of the vacancy. The amendment to the HAP contract will be effective the 1st day of the month following the date of the HA's notice.

22.24 TENANT SCREENING

[983.255(a)]

22.24.1 HA Responsibility

The HA is not responsible or liable to the owner or any other person for the family's behavior or suitability for tenancy.

HA will screen applicants prior to offering a voucher according to Chapter 4, Section I (Other Criteria for Admissions) and Chapter 15, (Denial or Termination of Assistance) and may deny applicants based on such screening.

The HA must provide the owner with an applicant family's current and prior address (as shown in HA records) and the name and address (if known by the HA) of the family's current landlord and any prior landlords.

HA will make an exception to this requirement if the family's whereabouts must be protected due to domestic abuse or witness protection.

In addition, the HA will apply the same policies regarding providing information the HA may have about a family, directly to the owner as described below. A statement of the HA's policy on release of information to prospective landlords will be included in the briefing packet which is provided to the family. The HA must give the same types of information to all owners.

HA will inform owners of their responsibility to screen prospective tenants, and will provide owners with the required known name and address information, at the time of the turnover HQS inspection or before. The HA will orally provide the following information (for the last 5 years, providing the information is in the tenant file) to the owner, based on documentation in its possession:

- Eviction history
- Damage to rental units
- Other aspects of tenancy history (e.g., 3-Day Notices).

22.24.2 Owner Responsibility

The owner is responsible for screening and selection of the family to occupy the owner's unit. When screening families the owner may consider a family's background with respect to the following factors:

- Payment of rent and utility bills;
- Caring for a unit and premises;
- Respecting the rights of other residents to the peaceful enjoyment of their housing;

Drug-related criminal activity or other criminal activity that is a threat to the health, safety, or property of others; and

Compliance with other essential conditions of tenancy.

22.25 LEASE

[983.256]

After an applicant has been selected from the waiting list, determined eligible by the HA, referred to an owner and determined suitable by the owner, the family will sign the lease and occupancy of the unit will begin.

The tenant must have legal capacity to enter a lease under state and local law. *Legal capacity* means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner.

22.25.1 Form of Lease

The tenant and the owner must enter into a written lease agreement that is signed by both parties. If an owner uses a standard lease form for rental units to unassisted tenants in the locality or premises, the same lease must be used for assisted tenants, except that the lease must include a HUD-required tenancy addendum. The tenancy addendum must include, word-for-word, all provisions required by HUD.

If the owner does not use a standard lease form for rental to unassisted tenants, the owner may use another form of lease, such as a HA model lease.

HA will not review the owner's lease for compliance with state or local law.

22.25.2 Lease Requirements

The lease for a PBV unit must specify all of the following information:

The names of the owner and the tenant;

The unit rented (address, apartment number, if any, and any other information needed to identify the leased contract unit);

The term of the lease (initial term and any provision for renewal);

The amount of the tenant rent to owner, which is subject to change during the term of the lease in accordance with HUD requirements;

A specification of the services, maintenance, equipment, and utilities that will be provide by the owner; and

The amount of any charges for food, furniture, or supportive services.

22.25.3 Tenancy Addendum

The tenancy addendum in the lease must state:

The program tenancy requirements;

The composition of the household as approved by the HA (the names of family members and any HA-approved live-in aide);

All provisions in the HUD-required tenancy addendum must be included in the lease. The terms of the tenancy addendum prevail over other provisions of the lease.

22.25.4 Initial Term and Lease Renewal

The initial lease term must be for at least one year. Upon expiration of the lease, an owner may renew the lease, refuse to renew the lease for "good cause," or refuse to renew the lease without good cause. If the owner refuses to renew the lease without good cause, the HA must provide the family with a tenant-based voucher and remove the unit from the PBV HAP contract.

22.25.5 Changes in the Lease

If the tenant and owner agree to any change in the lease, the change must be in writing, and the owner must immediately give the HA a copy of all changes.

The owner must notify the HA in advance of any proposed change in the lease regarding the allocation of tenant and owner responsibilities for utilities. Such changes may only be made if approved by the HA and in accordance with the terms of the lease relating to its amendment. The HA must redetermine reasonable rent, in accordance with program requirements, based on any change in the allocation of the responsibility for utilities between the owner and the tenant. The redetermined reasonable rent will be used in calculation of the rent to owner from the effective date of the change.

22.26 MOVES

[983.257 to 983.261]

22.26.1 Owner Termination of Tenancy

With two exceptions, the owner of a PBV unit may terminate tenancy for the same reasons an owner may in the tenant-based voucher program. In the PBV program, terminating tenancy for "good cause" does not include doing so for a business or economic reason, or a desire to use the unit for personal or family use or other non-residential purpose.

22.26.2 Tenant Absence from the Unit

The owner may specify in the lease a maximum period of tenant absence from the unit that is shorter than the maximum period permitted by HA Policy. According to program requirements, the family's assistance must be terminated if they are absent from the unit for more than 180 consecutive days.

22.26.3 Security Deposits

The owner may collect a security deposit from the tenant.

HA will allow the owner to collect a security deposit amount that is not in excess of amounts charged by the owner to unassisted tenants.

When the tenant moves out of a contract unit, the owner, subject to state and local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid tenant rent, damages to the unit, or other amounts owed by the tenant under the lease.

The owner must give the tenant a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used to reimburse the owner, the owner must promptly refund the full amount of the balance to the tenant.

If the security deposit does not cover the amount owed by the tenant under the lease, the owner may seek to collect the balance form the tenant. The HA has no liability or responsibility for payment of any amount owed by the family to the owner.

22.26.4 Over-crowded, Under-Occupied, and Accessible Units

[983.259]

If the HA determines that a family is occupying a wrong size unit, based on the HA's subsidy standards, or a unit with accessibility features that the family does not require, and the unit is needed by a family that does require the features, the HA must promptly notify the family and the owner of this determination, and the HA must offer the family the opportunity to receive continued housing assistance in another unit.

HA will notify the family and the owner of the family's need to move based on the occupancy of a wrong-size or accessible unit within 10 business days of the HA's determination. The HA will offer the family the following types of continued assistance in the following order, based on the availability of assistance:

PBV assistance in the same building or project

PBV assistance in another project

Tenant-based voucher assistance

If the HA offers the family a tenant-based voucher, the HA must terminate the housing assistance payments for a wrong-sized or accessible unit at expiration of the term of the family's voucher (including any extension granted by the HA).

If the HA offers the family another form of assistance that is not a tenant-based voucher, and the family does not accept the offer, does not move out of the PBV unit within a reasonable time as determined by the HA, or both, the HA must terminate the housing assistance payments for the unit at the expiration of a reasonable period as determined by the HA.

When HA offers a family another form of assistance that is not a tenant-based voucher, the family will be given 30 days from the date of the offer to accept the offer and move out of the PBV unit. If the family does not move out within this 30 day time frame, the HA will terminate the housing assistance payments at the expiration of this 30-day period.

The HA may make exceptions to this 30-day period if needed for reasons beyond the family's control such as death, serious illness, or other medical emergency of a family member.

22.26.5 Family Right to Move

[983.260]

The family may terminate the lease at any time after the first year of occupancy. The family must give advance written notice to the owner in accordance with the lease and provide a copy of such notice to the HA. If the family wishes to move with continued tenant-based assistance, the family must contact the HA to request the rental assistance prior to providing notice to terminate the lease.

If the family terminates the lease in accordance with these requirements, the HA is required to offer the family the opportunity for continued tenant-based assistance, in the form of a voucher or other comparable tenant-based rental assistance. If voucher or other comparable tenant-based assistance is not immediately available upon termination of the family's lease in the PBV unit, the HA must give the family priority to receive the next available opportunity for continued tenant-based assistance.

If the family terminates the assisted lease before the end of the first year, the family relinquishes the opportunity for continued tenant-based assistance.

22.26.6 Exceptions to the Occupancy Cap

[983.261]

The HA will not pay housing assistance under a PBV HAP contract for more than 25 percent of the number of dwelling units in a building unless the units are [24 CFR 983.56]:

In a single-family building;

Specifically made available for elderly or disabled families; or

Specifically made available for families receiving supportive services as defined by the HA. At least one member must be receiving at least one qualifying supportive service.

If a family at the time of initial tenancy is receiving and while the resident of an excepted unit has received Family Self-Sufficiency (FSS) supportive services or any other service as defined as defined by the HA and successfully completes the FSS contract of participation or the supportive services requirement, the unit continues to count as an excepted unit for as long as the family resides in the unit.

A family (or remaining members of a family) residing in an excepted unit that no longer meets the criteria for a "qualifying family" in connection with the 25 percent per building cap exception (e.g. the family does not successfully complete supportive services requirements, or due to a change in family composition the family is no longer elderly or disabled), must vacate the unit within a reasonable period of time established by the HA, and the HA must cease paying housing assistance payments on behalf of the non-qualifying family.

If the family fails to vacate the unit within the established time, the unit must be removed from the HAP contract unless the project is partially assisted, and it is possible for the HAP contract to be amended to substitute a different unit in the building in accordance with program requirements; or the owner terminates the lease and evicts

the family. The housing assistance payments for a family residing in an excepted unit that is not in compliance with its family obligations to comply with supportive services requirements must be terminated by the HA.

HA will not provide PBV assistance for excepted units.

22.27 RENT TO OWNER (HOUSING ASSISTANCE PAYMENTS)

[983.301 to 983.305]

22.27.1 Determining Rent to Owner: Overview

[983.301(a)]

The amount of the initial rent to an owner of units receiving PBV assistance is established at the beginning of the HAP contract term. Although for rehabilitated or newly constructed housing, the agreement to enter into HAP Contract (Agreement) states the estimated amount of the initial rent to owner, the actual amount of the initial rent to owner is established at the beginning of the HAP contract term.

During the term of the HAP contract, the rent to owner is redetermined at the owner's request in accordance with program requirements, and at such time that there is a five percent or greater decrease in the published FMR.

22.27.2 Rent Limits

[983.301(b)]

The rent to owner must not exceed the lowest of the following amounts:

An amount determined by the HA, not to exceed 110 percent of the applicable fair market rent (or any HUD-approved exception payment standard) for the unit bedroom size minus any utility allowance;

The reasonable rent; or

The rent requested by the owner.

22.27.3 Use of FMRs, Exception Payment Standards, and Utility Allowances

[983.301(f)]

When determining the initial rent to owner, the HA must use the most recently published FMR in effect and the utility allowance schedule in effect at execution of the HAP contract. When redetermining the rent to owner, the HA must use the most recently published FMR and the utility allowance schedule in effect at the time of reexamination. At its discretion, the HA may for initial rent, use the amounts in effect at any time during the 30-day period immediately before the beginning date of the HAP contract, or for reexaminations of rent, the 30-day period immediately before the reexamination date.

Any HUD-approved exception payment standard amount under the tenant-based voucher program also applies to the project-based voucher program. HUD will not approve a different exception payment standard amount for use in the PBV program.

Likewise, the HA will not establish or apply different utility allowance amounts for the PBV program. The same utility allowance schedule applies to both the tenant-based and project-based voucher programs.

Upon written request by the owner, the HA will consider using the FMR or utility allowances in effect during the 30-day period before the start date of the HAP, or reexamination of rent. The owner must explain the need to use the previous FMR's or utility allowances and include documentation in support of the request. HA will review and make a decision based on the circumstances and merit of each request.

In addition to considering a written request from an owner, the HA may decide to use the FMR or utility allowances in effect during the 30-day period before the start date of the HAP, or reexamination of rent, if the HA determines it is necessary due to budgetary constraints.

22.27.4 HA-Owned Units

[983.301(g)]

See Section 21.10 of this Chapter for information regarding rents for HA-owned PBV units.

22.27.5 Reexamination of Rent

[983.302]

The HA must redetermine the rent to owner upon the owner's request or when there is a five percent or greater decrease in the published FMR.

22.27.6 Rent Increase

If an owner wishes to request an increase in the rent to owner from the HA, it must be requested at the annual anniversary of the HAP contract. The request must be in writing and in the form and manner required by the HA. The HA will only make rent increases in accordance with the rent limits described previously. There are no provisions in the PBV program for special adjustments (e.g. adjustments that reflect increases in the actual and necessary expenses of owning and maintaining the units which have resulted from substantial general increases in real property taxes, utility rates, or similar costs).

An owner's request for a rent increase must be submitted to the HA 60 days prior to the anniversary date of the HAP contract, and must include the new rent amount the owner is proposing.

The HA will not approve and the owner may not receive any increase of rent to owner until and unless the owner has complied with requirements of the HAP contract, including compliance with HQS. The owner may not receive any retroactive increase of rent for any period of noncompliance.

22.27.7 Rent Decrease

If there is a decrease in the rent to owner, as established in accordance with program requirements such as a change in the FMR or exception payment standard, or reasonable rent amount, the rent to owner must be decreased regardless of whether the owner requested a rent adjustment.

22.27.8 Notice of Rent Change

The rent to owner is redetermined by written notice by the HA to the owner specifying the amount of the redetermined rent. The HA notice of rent adjustment constitutes an amendment of the rent to owner specified in the HAP contract. The adjusted amount of rent to owner applies for the period of 12 calendar months from the annual anniversary of the HAP contract.

HA will provide the owner with at least 30 days written notice of any change in the amount of rent to owner.

22.28 REASONABLE RENT

[983.303]

At the time the initial rent is established and all times during the term of the HAP contract the rent to owner for a contract unit may not exceed the reasonable rent for the unit as determined by the HA.

22.28.1 When Rent Reasonable Determinations are Required

The HA must redetermine the reasonable rent for a unit receiving PBV assistance whenever any of the following occur:

There is a five percent or greater decrease in the published FMR in effect 60 days before the contract anniversary (for the unit sizes specified in the HAP contract) as compared with the FMR that was in effect one year before the contract anniversary date;

The HA approves a change in the allocation of responsibility for utilities between the owner and the tenant;

The HAP contract is amended to substitute a different contract unit in the same building; or

There is any other change that may substantially affect the reasonable rent.

22.28.2 How to Determine Reasonable Rent

The reasonable rent of a unit receiving PBV assistance must be determined by comparison to rent for other comparable unassisted units. When making this determination, the HA must consider factors that affect market rent. Such factors include the location, quality, size, type and age of the unit, as well as the amenities, housing services maintenance, and utilities to be provided by the owner.

22.28.3 Comparability Analysis

For each unit, the comparability analysis must use at least three comparable units in the private unassisted market. This may include units in the premises or project that is receiving project-based assistance. The analysis must show how the reasonable rent was determined, including major differences between the contract units and comparable unassisted units, and must be retained by the HA. The comparability analysis may be performed by HA staff or by another qualified person or entity. Those who conduct these analyses or are involved in determining the housing assistance payment based on the analyses may not have any direct or indirect interest in the property.

22.28.4 Owner Certification of Reasonable Rent

By accepting each monthly housing assistance payment, the owner certifies that the rent to owner is not more than rent charged by the owner for other comparable unassisted units in the

premises. At any time, the HA may require the owner to submit information on rents charged by the owner for other units in the premises or elsewhere.

22.28.5 Determining Reasonable Rent for HA-Owned Units
[983.303(f)]

See Section 21.20 of this Chapter.

22.29 EFFECT OF OTHER SUBSIDY AND RENT CONTROL
[983.304]

22.29.1 Other Governmental Subsidies

At its discretion, a HA may reduce the initial rent to owner because of other governmental subsidies, including tax credit or tax exemption, grants, or other subsidized financing.

For units receiving assistance under the HOME program, rents may not exceed rent limits as required by that program.

For units in any of the following types of federally subsidized projects, the rent to owner may not exceed the subsidized rent (basic rent) or tax credit rent as determined in accordance with requirements for the applicable federal program:

An insured or non-insured Section 236 project;

A formerly insured or non-insured Section 236 project that continues to receive Interest Reduction Payment following a decoupling action;

A Section 221(d)(3) below market interest rate (BMIR) project;

A Section 515 project of the Rural Housing Service;

A project receiving low-income housing tax credits;

Any other type of federally subsidized project specified by HUD.

22.29.2 Combining Subsidy

Rent to owner may not exceed any limitation required to comply with HUD subsidy layering requirements.

22.29.3 Rent Control

In addition to the rent limits set by PBV program regulations, the amount of rent to owner may also be subject to rent control or other limits under local, state, or federal law.

22.30 PAYMENTS TO OWNER

22.30.1 Housing Assistance Payments for Occupied Units
[983.351]

During the term of the HAP contract, the HA must make housing assistance payments to the owner in accordance with the terms of the HAP contract. During the term of the HAP contract, payments must be made for each month that a contract unit complies with HQS and is leased to and occupied by an eligible family. The housing assistance payment must be paid to the owner on or about the first day of the month for which payment is due, unless the owner and the HA agree on a later date.

Except for discretionary vacancy payments, the HA will not make any housing assistance payment to the owner for any month after the month when the family moves out of the unit (even if household goods or property are left in the unit).

The amount of the housing assistance payment by the HA is the rent to owner minus the tenant rent (total tenant payment minus the utility allowance).

In order to receive housing assistance payments, the owner must comply with all provisions of the HAP contract. Unless the owner complies with all provisions of the HAP contract, the owner does not have a right to receive housing assistance payments.

22.31 VACANCY PAYMENTS

[983.352]

If an assisted family moves out of the unit, the owner may keep the housing assistance payment for the calendar month when the family moves out. However, the owner may not keep the payment if the HA determines that the vacancy is the owner's fault.

If HA determines that the owner is responsible for a vacancy and as a result is not entitled to keep the housing assistance payment, HA will notify the landlord of the amount of housing assistance payment that the owner must repay. The HA will require the owner to repay the amount owed in accordance with Chapter 18 of this administrative plan.

At the discretion of the HA, the HAP contract may provide for vacancy payments to the owner. The HA may only make vacancy payments if:

The owner gives the HA prompt, written notice certifying that the family has vacated the unit and identifies the date when the family moved out (to the best of the owner's knowledge);

The owner certifies that the vacancy is not the fault of the owner and that the unit was vacant during the period for which payment is claimed;

The owner certifies that it has taken every reasonable action to minimize the likelihood and length of vacancy; and

The owner provides any additional information required and requested by the HA to verify that the owner is entitled to the vacancy payment.

The owner must submit a request for vacancy payments in the form and manner required by the HA and must provide any information or substantiation required by the HA to determine the amount of any vacancy payment.

If an owner's HAP contract calls for vacancy payments to be made, and the owner wishes to receive vacancy payments, the owner must have properly notified HA of the vacancy in accordance with the policy in this Administrative Plan regarding filling vacancies.

In order for a vacancy payment request to be considered, it must be made within 10 business days of the end of the period for which the owner is requesting the vacancy payment. The request must include the required owner certifications and HA may require the owner to provide documentation to support the request. If the owner does not provide the information requested by the HA within 10 business days of the request, no vacancy payments will be made.

22.32 TENANT RENT TO OWNER
[983.353]

The tenant rent is the portion of the rent to owner paid by the family. The amount of tenant rent is determined by the HA in accordance with HUD requirements. Any changes in the amount of tenant rent will be effective on the date stated in the HA notice to the family and owner.

The family is responsible for paying the tenant rent (total tenant payment minus the utility allowance). The amount of the tenant rent determined by the HA is the maximum amount the owner may charge the family for rental of a contract unit. The tenant rent covers all housing services, maintenance, equipment, and utilities to be provided by the owner. The owner may not demand or accept any rent payment from the tenant in excess of the tenant rent as determined by the HA. The owner must immediately return any excess payment to the tenant.

22.32.1 Tenant and HA Responsibilities

The family is not responsible for the portion of rent to owner that is covered by the housing assistance payment and the owner may not terminate the tenancy of an assisted family for nonpayment by the HA.

Likewise, the HA is responsible only for making the housing assistance payment to the owner in accordance with the HAP contract. The HA is not responsible for paying tenant rent, or any other claim by the owner, including damage to the unit. The HA will not use housing assistance payments or other program funds (including administrative fee reserves) to pay any part of the tenant rent or other claim by the owner.

22.32.2 Utility Reimbursements

If the amount of the utility allowance exceeds the total tenant payment, the HA must pay the amount of such excess to the tenant as a reimbursement for tenant-paid utilities, and the tenant rent to the owner must be zero.

HA will make utility reimbursements to the family.

22.33 OTHER FEES AND CHARGES
[983.354]

22.33.1 Meals and Supportive Services

The owner may not require the tenant to pay charges for meals or supportive services. Non-payment of such charges is not grounds for termination of tenancy.

22.33.2 Other Charges by Owner

The owner may not charge extra amounts for items customarily included in rent in the locality or provided at no additional cost to unsubsidized tenants in the premises.

Chapter 23
PROGRAM INTEGRITY

23.1 INTRODUCTION

The HA is committed to ensuring that subsidy funds made available to the HA are spent in accordance with HUD requirements. These HA policies are designed to **prevent, detect, investigate and resolve** instances of program abuse or fraud. The chapter also describes the actions that will be taken in the case of unintentional errors and omissions.

For purposes of this chapter the term **error** refers to an unintentional error or omission. **Program abuse or fraud** refers to a single act or pattern of actions that constitute a false statement, omission, or concealment of a substantial fact, made with the intent to deceive or mislead.

23.2 PREVENTING ERRORS AND PROGRAM ABUSE

The HA anticipates that the vast majority of families, owners, and HA employees intend to and will comply with program requirements and make reasonable efforts to avoid errors.

To ensure that the HA's HCV program is administered effectively and according to the highest ethical and legal standards, the HA will employ a variety of techniques to ensure that both errors and intentional program abuse are rare, such as:

- The HA will discuss program compliance and integrity issues during the voucher briefing sessions described in Chapter 5.
- The HA will provide each applicant and participant with the publication *Things You Should Know (HUD-1140-OIG)* that explains the types of actions a family must avoid and the penalties for program abuse.
- The HA will place a warning statement about the penalties for fraud (as described in the False Statement Act, U.S.C. 1001 and 1010) on key HA forms and form letters that request information from a family or owner.
- HA staff will be required to review and explain the contents of all HUD- and HA-required forms prior to requesting family member signatures.
- The HA will explain HAP contract requirements with the owner (or his or her agent) at each initial inspection.
- The HA will provide each HA employee with the necessary training on program rules and the organization's standards of conduct and ethics.

23.3 DETECTING ERRORS AND PROGRAM ABUSE

In addition to taking steps to prevent errors and program abuse, the HA will use a variety of activities to detect errors and program abuse.

23.3.1 Quality Control and Analysis of Data

Under the Section 8 Management Assessment Program (SEMAP), HUD requires the HA to review a random sample of tenant records annually to determine if the records conform to program requirements and to conduct quality control inspections of a sample of units to ensure HQS compliance [24 CFR, Part 985]. (See Chapter 16 for additional information about SEMAP requirements).

In addition to the SEMAP quality control requirements, the HA will employ a variety of methods to detect errors and program abuse.

- The HA routinely will use the Enterprise Income Verification (EIV) system and other up-front income verification to compare with family-provided information.
- At each annual reexamination, current information provided by the family will be compared to information provided at the last annual reexamination to identify inconsistencies and incomplete information.
- The HA will compare family-reported income and expenditures to detect possible unreported income.

23.3.2 EIV-Related Investigations

When the EIV information shows current (within twelve months of the recertification anniversary date) income in addition to that reported by the family, the HA will analyze the EIV information, and contact the family to question them about the unreported income. The HA will also contact the family, if there is a pattern of past income which was not reported to HA.

If the family does not contest the fact they had additional income which they did not report, the HA will

- Verify the actual income via written third party verification
- Compute the amounts owed to the HA
- Notify the family of their responsibility to repay
- And depending on the seriousness of the non-reporting, either provide a written warning of the violation of family obligation, or begin the termination of assistance process. The decision of whether or not to begin the termination of assistance process will be decided based on a preponderance of evidence.

In cases where the family contests the income, due to a matter of identify theft, the family will be instructed in the steps it must take to establish this fact. If the family does show evidence of identify theft, the HA will document the file that the matter was successfully resolved in the family's favor.

If the family does not provide evidence of identify theft, the HA will go ahead and take the appropriate action to recover overpaid subsidy and/or terminate the family's assistance as described in the preponderance of evidence section above.

23.3.3 Independent Audits and HUD Monitoring

The HA will use the results reported in any independent audit (IPA) or HUD monitoring reports to identify potential program abuses as well as to assess the effectiveness of the HA's error detection and abuse prevention efforts.

23.3.4 Individual Reporting of Possible Errors and Program Abuse

The HA will encourage staff, program participants, and the public to report possible program abuse.

23.4 INVESTIGATING ERRORS AND PROGRAM ABUSE

23.4.1 When the HA Will Investigate

The HA will review all referrals, specific allegations, complaints, and tips from any source including other agencies, companies, and individuals, to determine if they warrant investigation. In order for the HA to investigate, the allegation must contain at least one independently-verifiable item of information, such as the name of an employer or the name of an unauthorized household member.

The HA will investigate inconsistent information related to the family that is identified through file reviews and the verification process.

23.4.2 Consent to Release of Information

[24 CFR 982.516]

The HA may investigate possible instances of error or abuse using all available HA and public records. If necessary, the HA will require HCV families to give consent to the release of additional information.

23.4.3 Analysis and Findings

The HA will base its evaluation on a preponderance of the evidence collected during its investigation.

Preponderance of the evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence that as a whole shows that the fact sought to be proved is more probable than not. Preponderance of evidence may not be determined by the number of witnesses, but by the greater weight of all evidence

For each investigation the HA will determine (1) whether an error or program abuse has occurred, (2) whether any amount of money is owed the HA, and (3) what corrective measures or penalties will be assessed.

23.4.4 Consideration of Remedies

All errors and instances of program abuse must be corrected prospectively. Whether the HA will enforce other corrective actions and penalties depends upon the nature of the error or program abuse.

In the case of family-caused errors or program abuse, the HA will take into consideration (1) the seriousness of the offense and the extent of participation or culpability of individual family members, (2) any special circumstances surrounding the case, (3) any mitigating circumstances related to the disability of a family member, (4) the effects of a particular remedy on family members who were not involved in the offense.

In the case of owner-caused errors or program abuse, the HA will take into consideration (1) the seriousness of the offense, (2) the length of time since the violation has occurred, and (3) the effects of a particular remedy on family members who were not involved in the offense.

23.4.5 Notice and Appeals

The HA will inform the relevant party in writing of its findings and remedies within 10 business days of the conclusion of the investigation. The notice will include (1) a description of the error or program abuse, (2) the basis on which the HA determined the error or program abuses, (3) the remedies to be employed, and (4) the family's right to appeal the results through the informal review or hearing process, if applicable (see Chapter 19).

23.5 CORRECTIVE MEASURES AND PENALTIES

23.5.1 Subsidy Under- or Overpayments

A subsidy under- or overpayment includes (1) an incorrect housing assistance payment to the owner, (2) an incorrect family share established for the family, and (3) an incorrect utility reimbursement to a family.

23.5.2 Corrections

Whether the incorrect subsidy determination is an overpayment or underpayment of subsidy, the HA must promptly correct the HAP, family share, and any utility reimbursement prospectively.

Increases in the family share will be implemented only after the family has received 30 days notice.

Any decreases in family share will become effective the first of the month following the discovery of the error.

23.5.3 Reimbursement

Whether the family or owner is required to reimburse the HA or the HA is required to make retroactive subsidy payments to the owner or family depends upon which party is responsible for the incorrect subsidy payment and whether the action taken was an error or program abuse. Policies regarding reimbursement are discussed in the three sections that follow.

23.6 FAMILY-CAUSED ERRORS AND PROGRAM ABUSE

Family obligations and general administrative requirements for participating in the program are discussed throughout this plan. This section deals specifically with errors and program abuse by family members.

An incorrect subsidy determination caused by a family generally would be the result of incorrect reporting of family composition, income, assets, or expenses, but also would include instances in which the family knowingly allows the HA to use incorrect information provided by a third party.

23.6.1 Family Reimbursement to HA

In the case of family-caused errors or program abuse, the family will be required to repay any excess subsidy received. The HA may, but is not required to, offer the family a repayment agreement in accordance with Chapter 16. If the family fails to repay the excess subsidy, the HA will terminate the family's assistance in accordance with the policies in Chapter 15.

23.6.2 HA Reimbursement to Family

The HA will not reimburse the family for any underpayment of assistance when the underpayment clearly is caused by the family.

23.6.3 Prohibited Actions

An applicant or participant in the HCV program must not knowingly:

- Make a false statement to the HA [Title 18 U.S.C. Section 1001].
- Commit fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program [24 CFR 982.552(c)(iv)].

Any of the following will be considered evidence of family program abuse:

- Payment to the owner in excess of amounts authorized by the HA for rent, security deposit, and additional services
- Offering bribes or illegal gratuities to the HA Board of Commissioners, employees, contractors, or other HA representatives
- Offering payments or other incentives to the owner or a third party as an inducement for the third party to make false or misleading statements to the HA on the family's behalf
- Use of a false name or the use of falsified, forged, or altered documents
- Intentional misreporting of family information or circumstances (e.g. income, family composition)
- Omitted facts that were obviously known by a family member (e.g., not reporting employment income)
- Admission of program abuse by an adult family member

The HA may determine other actions to be program abuse based upon a preponderance of the evidence, as defined earlier in this chapter.

23.6.4 Penalties for Program Abuse

In the case of program abuse caused by a family the HA may, at its discretion, impose any of the following remedies

- The HA may require the family to repay excess subsidy amounts paid by the HA, as described earlier in this section.
- The HA may require, as a condition of receiving or continuing assistance, that a culpable family member not reside in the unit. See policies in Chapter 4 (for applicants) and Chapter 15 (for participants).
- The HA may deny or terminate the family's assistance following the policies set forth in Chapter 4 and Chapter 15 respectively.
- The HA may refer the family for state or federal criminal prosecution as described in section Chapter 18.

23.7 OWNER-CAUSED ERROR OR PROGRAM ABUSE

Owner requirements that are part of the regular process of offering, leasing, and maintaining a unit (e.g., HQS compliance, fair housing) are addressed in the appropriate chapters of this plan. This section focuses on errors and program abuse by owners.

An incorrect subsidy determination caused by an owner generally would be the result of an incorrect owner statement about the characteristics of the assisted unit (e.g., the number of bedrooms, which utilities are paid by the family). It also includes accepting duplicate housing assistance payments for the same unit in the same month, or after a family no longer resides in the unit.

23.7.1 Owner Reimbursement to the HA

In all cases of overpayment of subsidy caused by the owner, the owner must repay to the HA any excess subsidy received. The HA may recover overpaid amounts by withholding housing assistance payments due for subsequent months, or if the debt is large, the HA may allow the owner to pay in installments over a period of time.

In cases where the owner has received excess subsidy, the HA will require the owner to repay the amount owed in accordance with the policies in Chapter 18.

23.7.2 Prohibited Owner Actions

An owner participating in the HCV program must not:

- Make any false statement to the HA [Title 18 U.S.C. Section 1001].
- Commit fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program [24 CFR 982.453(a)(3)] including:

Any of the following will be considered evidence of owner program abuse:

- Charging the family rent above or below the amount specified by the HA
- Charging a security deposit other than that specified in the family's lease
- Charging the family for services that are provided to unassisted tenants at no extra charge
- Knowingly accepting housing assistance payments for any month(s) after the family has vacated the unit
- Knowingly accepting incorrect or excess housing assistance payments
- Offering bribes or illegal gratuities to the HA Board of Commissioners, employees, contractors, or other HA representatives
- Offering payments or other incentives to an HCV family as an inducement for the family to make false or misleading statements to the HA
- Residing in the unit with an assisted family

23.7.3 Remedies and Penalties

When the HA determines that the owner has committed program abuse, the HA may take any of the following actions:

- Require the owner to repay excess housing assistance payments, as discussed earlier in this section and in accordance with the policies in Chapter 18.
- Terminate the HAP contract (See Chapter 14).
- Bar the owner from future participation in any HA programs.
- Refer the case to state or federal officials for criminal prosecution as described in Section

23.8 HA-CAUSED ERRORS OR PROGRAM ABUSE

The responsibilities and expectations of HA staff with respect to normal program administration are discussed throughout this plan. This section specifically addresses actions of a HA staff member that are considered errors or program abuse related to the HCV program. Additional standards of conduct may be provided in the HA personnel policy.

HA-caused incorrect subsidy determinations include (1) failing to correctly apply HCV rules regarding family composition, income, assets, and expenses, (2) assigning the incorrect voucher size to a family, and (3) errors in calculation.

23.8.1 Repayment to the HA

Neither a family nor an owner is required to repay an overpayment of subsidy if the error or program abuse is caused by HA staff [HCV GB. 22-12].

23.8.2 HA Reimbursement to Family or Owner

The HA must reimburse a family for any underpayment of subsidy, regardless of whether the underpayment was the result of staff-caused error or staff or owner program abuse. Funds for this reimbursement must come from the HA's administrative fee reserves [HCV GB p. 22-12].

23.8.3 Prohibited Activities

Any of the following will be considered evidence of program abuse by HA staff:

- Failing to comply with any HCV program requirements for personal gain
- Failing to comply with any HCV program requirements as a result of a conflict of interest relationship with any applicant, participant, or owner
- Seeking or accepting anything of material value from applicants, participating families, vendors, owners, contractors, or other persons who provide services or materials to the HA
- Disclosing confidential or proprietary information to outside parties
- Gaining profit as a result of insider knowledge of HA activities, policies, or practices
- Misappropriating or misusing HCV funds
- Destroying, concealing, removing, or inappropriately using any records related to the HCV program
- Committing any other corrupt or criminal act in connection with any federal housing program

23.9 CRIMINAL PROSECUTION

When the HA determines that program abuse by an owner, family, or HA staff member has occurred and the amount of overpaid subsidy meets or exceeds the threshold for prosecution under local or state law, the HA will refer the matter to the appropriate entity for prosecution. When the amount of overpaid assistance meets or exceeds the federal threshold, the case will also be referred to the HUD Office of Inspector General (OIG).

Other criminal violations related to the HCV program will be referred to the appropriate local, state, or federal entity.

23.10 FRAUD AND PROGRAM ABUSE RECOVERIES

[24 CFR 982.163; 24 CFR 792.202; 24 CFR 982.555]

The HA may retain a portion of program fraud losses that the HA recovers from a family or owner through litigation, court order, or a repayment agreement.

The HA must be the principal party initiating or sustaining the action to recover amounts due from tenants that are due as a result of fraud and abuse. Regulations at 24 CFR 792.202 permit the HA to retain the greater of:

- 50 percent of the amount it actually collects from a judgment, litigation (including settlement of a lawsuit) or an administrative repayment agreement, or
- Reasonable and necessary costs that the HA incurs related to the collection including costs of investigation, legal fees, and agency collection fees.

The family must be afforded the opportunity for an informal hearing.

If HUD incurs costs on behalf of the HA related to the collection, these costs must be deducted from the amount retained by the HA.

GLOSSARY

A. ACRONYMS USED IN SUBSIDIZED HOUSING

AAF	Annual adjustment factor (published by HUD in the Federal Register and used to compute annual rent adjustments)
ACC	Annual contributions contract
ADA	Americans with Disabilities Act of 1990
BR	Bedroom
CDBG	Community Development Block Grant (Program)
CFR	Code of Federal Regulations (published federal rules that define and implement laws; commonly referred to as "the regulations")
CPI	Consumer price index (published monthly by the Department of Labor as an inflation indicator)
FDIC	Federal Deposit Insurance Corporation
HA	Federal Housing Administration
FICA	Federal Insurance Contributions Act (established Social Security taxes)
FMR	Fair market rent
FR	Federal Register
FSS	Family Self-Sufficiency (Program)
FY	Fiscal year
FYE	Fiscal year end
GAO	Government Accountability Office
GR	Gross rent
HAP	Housing assistance payment
HCV	Housing choice voucher
HQS	Housing quality standards.
HUD	Department of Housing and Urban Development
HUDCLIPS	HUD Client Information and Policy System
IG	(HUD Office of) Inspector General
IPA	Independent public accountant
IRA	Individual Retirement Account
IRS	Internal Revenue Service
JTPA	Job Training Partnership Act
LBP	Lead-based paint
MSA	Metropolitan statistical area (established by the U.S. Census Bureau)
MTCS	Multi-family Tenant Characteristics System (now the Form HUD-50058 submodule of the PIC system)

NOFA	Notice of funding availability
OMB	Office of Management and Budget
PASS	Plan for Achieving Self-Support
HA	Public housing agency
PHRA	Public Housing Reform Act of 1998 (also known as the Quality Housing and Work Responsibility Act)
PIC	PIH Information Center
PIH	(HUD Office of) Public and Indian Housing
PS	Payment standard
QC	Quality control
QHWRA	Quality Housing and Work Responsibility Act of 1998 (also known as the Public Housing Reform Act)
REAC	(HUD) Real Estate Assessment Center
RFP	Request for proposals
RFTA	Request for tenancy approval
RIGI	Regional inspector general for investigation (handles fraud and program abuse matters for HUD at the regional office level)
SEMAP	Section 8 Management Assessment Program
SRO	Single room occupancy
SSA	Social Security Administration
SSI	Supplemental security income
TANF	Temporary assistance for needy families
TR	Tenant rent
TTP	Total tenant payment
UA	Utility allowance
URP	Utility reimbursement payment
VAWA	Violence Against Women Reauthorization Act of 2005

B. GLOSSARY OF SUBSIDIZED HOUSING TERMS

***Absorption*.** In portability (under subpart H of this part 982): the point at which a receiving HA stops billing the initial HA for assistance on behalf of a portability family. The receiving HA uses funds available under the receiving HA consolidated ACC.

***Accessible*.** The facility or portion of the facility can be approached, entered, and used by individuals with physical handicaps.

***Adjusted Income*.** Annual income, less allowable HUD deductions.

***Adjusted Annual Income*.** Same as Adjusted Income.

Administrative fee. Fee paid by HUD to the HA for administration of the program. See §982.152.

Administrative fee reserve (formerly "operating reserve"). Account established by HA from excess administrative fee income. The administrative fee reserve must be used for housing purposes. See §982.155. Administrative fee reserves from FY 2004 and 2005 funding are further restricted to activities related to the provision of tenant-based rental assistance authorized under Section 8.

Administrative plan. The plan that describes HA policies for administration of the tenant-based programs. The Administrative Plan and any revisions must be approved by the HA's board and included as a supporting document to the HA Plan. See §982.54.

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

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

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

***Annual Income*.** The anticipated total income of an eligible family from all sources for the 12-month period following the date of determination of income, computed in accordance with the regulations.

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

Area Exception Rent. An amount that exceeds the published FMR. See §982.504(b).

"As-paid" States. States where the welfare agency adjusts the shelter and utility component of the welfare grant in accordance with actual housing costs.

***Assets*.** (See Net Family Assets.)

Auxiliary aids. Services or devices that enable persons with impaired sensory, manual, or speaking skills to have an equal opportunity to participate in, and enjoy the benefits of, programs or activities receiving Federal financial assistance.

Budget authority. An amount authorized and appropriated by the Congress for payment to HAs under the program. For each funding increment in a HA program, budget authority is the maximum amount that may be paid by HUD to the HA over the ACC term of the funding increment.

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 during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to

further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.

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

Co-head. An individual in the household who is equally responsible for the lease with the head of household. A family may have a co-head or spouse but not both. A co-head never qualifies as a dependent. The co-head must have legal capacity to enter into a lease.

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

Computer match. The automated comparison of data bases containing records about individuals.

Confirmatory review. An on-site review performed by HUD to verify the management performance of a HA.

Consent form**.** Any consent form approved by HUD to be signed by assistance applicants and participants to obtain income information from employers and SWICAs; return information from the Social Security Administration (including wages, net earnings from self-employment, and retirement income); and return information for unearned income from the IRS. Consent forms expire after a certain time and may authorize the collection of other information to determine eligibility or level of benefits.

Congregate housing. Housing for elderly persons or persons with disabilities that meets the HQS for congregate housing. A special housing type: see §982.606 to §982.609.

Contiguous MSA. In portability (under subpart H of part 982): An MSA that shares a common boundary with the MSA in which the jurisdiction of the initial HA is located.

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

Contract**.** (See Housing Assistance Payments Contract.)

Contract authority. The maximum annual payment by HUD to a HA for a funding increment.

Cooperative (term includes mutual housing). Housing owned by a nonprofit corporation or association, and where a member of the corporation or association has the right to reside in a particular apartment, and to participate in management of the housing. A special housing type: see §982.619.

Cooperative member. A family of which one or more members owns membership shares in a cooperative.

Covered families**.** Statutory term for families who are required to participate in a welfare agency economic self-sufficiency program and who may be subject to a welfare benefit sanction for noncompliance with this obligation. Includes families who receive welfare assistance or other public assistance under a program for which Federal, State or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for the assistance.

Dating violence. Violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim; and where the existence of such a relationship shall be determined based on a consideration of the following factors:

- The length of the relationship
- The type of relationship
- The frequency of interaction between the persons involved in the relationship

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

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

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

Disabled person. See Person with Disabilities.

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

Domestic violence. Felony or misdemeanor crimes of violence committed by a current or former spouse of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.

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

Drug-related criminal activity. As defined in 42 U.S.C. 1437f(f)(5).

Drug-trafficking. The illegal manufacture, sale, or distribution, or the possession with intent to manufacture, sell, or distribute, of a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).

***Economic Self-Sufficiency Program*.** Any program designed to encourage, assist, train or facilitate the economic independence of assisted families, or to provide work for such families. Can include job training, employment counseling, work placement, basic skills training, education, English proficiency, Workfare, financial or household management, apprenticeship, or any other program necessary to ready a participant to work (such as treatment for drug abuse or mental health treatment). Includes any work activities as defined in the Social Security Act (42 U.S.C. 607(d)). Also see §5.603(c).

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

***Elderly Person*.** An individual who is at least 62 years of age.

Eligible Family (Family). A family that is income eligible and meets the other requirements of the Act and Part 5 of 24 CFR.

Employer Identification Number (EIN). The nine-digit taxpayer identifying number that is assigned to an individual, trust, estate, partnership, association, company, or corporation.

Evidence of citizenship or eligible status. The documents which must be submitted to evidence citizenship or eligible immigration status. (See §5.508(b).)

Extremely Low Income Family. A family whose annual income does not exceed 30 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than 30 percent of median income if HUD finds such variations are necessary due to unusually high or low family incomes. *(CFR 5.603)*

Facility. All or any portion of buildings, structures, equipment, roads, walks, parking lots, rolling stock or other real or personal property or interest in the property.

Fair Housing Act means title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988

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

Family. Includes but is not limited to the following, is further defined in Chapter 4 of this Administrative Plan.

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

Family rent to owner. In the voucher program, the portion of rent to owner paid by the family.

Family self-sufficiency program **(**FSS program). The program established by a HA in accordance with 24 CFR part 984 to promote self-sufficiency of assisted families, including the coordination of supportive services (42 U.S.C. 1437u).

Family share. The portion of rent and utilities paid by the family. For calculation of family share, see §982.515(a).

Family unit size. The appropriate number of bedrooms for a family, as determined by the HA under the HA subsidy standards.

Federal agency. A department of the executive branch of the Federal Government.

First-time homeowner. In the homeownership option: A family of which no member owned any present ownership interest in a residence of any family member during the three years before commencement of home ownership assistance for the family. The term “first-time homeowner” includes a single parent of displaced homemaker (as those terms are defined in 12 U.S.C. 12713) who, while married, owned a home with his or her spouse, or resided in a home owner by his or her spouse.

***Foster Child Care Payment*.** Payment to eligible households by state, local, or private agencies appointed by the State, to administer payments for the care of foster children.

Full-time Student. A person who is attending school or vocational training on a full-time basis (carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended). (*CFR 5.603*)

Funding increment. Each commitment of budget authority by HUD to a HA under the consolidated annual contributions contract for the HA program.

Gross rent. The sum of the rent to owner plus any utility allowance.

Group home. A dwelling unit that is licensed by a State as a group home for the exclusive residential use of two to twelve persons who are elderly or persons with disabilities (including any live-in aide). A special housing type: see §982.610 to §982.614.

***Handicap*.** Any condition or characteristic that renders a person an individual with handicaps. See 24CFR 8.3.

***Handicap Assistance Expense*.** See "Disability Assistance Expense."

HAP contract. Housing assistance payments contract. (Contract). A written contract between the HA and an owner for the purpose of providing housing assistance payments to the owner on behalf of an eligible family.

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

Housing assistance payment. The monthly assistance payment by a HA, which includes: (1) A payment to the owner for rent to the owner under the family's lease; and (2) An additional payment to the family if the total assistance payment exceeds the rent to owner.

Housing agency (HA). *A* State, county, municipality or other governmental entity or public body (or agency or instrumentality thereof) authorized to engage in or assist in the development or operation of low-income housing. ("HA" and "HA" mean the same thing.)

Housing Quality Standards. The HUD minimum quality standards for housing assisted under the voucher program.

HUD. The Department of Housing and Urban Development.

Immediate family member. A spouse, parent, brother or sister, or child of that person, or an individual to whom that person stands in the position or place of a parent; or any other person living in the household of that person and related to that person by blood and marriage.

Imputed Asset. Asset disposed of for less than Fair Market Value during two years preceding examination or reexamination.

Imputed Income. HUD passbook rate multiplied by the total cash value of assets. Calculation used when net family assets exceed $5,000.

Imputed welfare income. An amount of annual income that is not actually received by a family as a result of a specified welfare benefit reduction, but is included in the family's annual income and therefore reflected in the family's rental contribution.

***Income*.** Income from all sources of each member of the household, as determined in accordance with criteria established by HUD.

Income For Eligibility. Annual Income.

Income information means information relating to an individual's income, including:

- All employment income information known to current or previous employers or other income sources
- All information about wages, as defined in the State's unemployment compensation law, including any Social Security Number; name of the employee; quarterly wages of the employee; and the name, full address, telephone number, and, when known, Employer Identification Number of an employer reporting wages under a State unemployment compensation law
- Whether an individual is receiving, has received, or has applied for unemployment compensation, and the amount and the period received
- Unearned IRS income and self-employment, wages and retirement income
- Wage, social security, and supplemental security income data obtained from the Social Security Administration.

Individual with handicaps**.** Any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such an impairment; or is regarded as having such an impairment.

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

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

Initial rent to owner. The rent to owner at the beginning of the HAP contract term.

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

Landlord**.** Either the owner of the property or his/her representative or the managing agent or his/her representative, as shall be designated by the owner.

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

Live-in aide**.** A person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who:

- Is determined to be essential to the care and well-being of the persons;
- Is not obligated for the support of the persons; and
- Would not be living in the unit except to provide the necessary supportive services.

Local Preference. A preference used by the HA to select among applicant families.

Low Income Family. A family whose income does not exceed 80% of the median income for the area as determined by HUD with adjustments for smaller or larger families, except that HUD may establish income limits higher or lower than 80% for areas with unusually high or low incomes.

Manufactured home. A manufactured structure that is built on a permanent chassis, is designed for use as a principal place of residence, and meets the HQS. A special housing type: see §982.620 and §982.621.

Manufactured home space. In manufactured home space rental: A space leased by an owner to a family. A manufactured home owned and occupied by the family is located on the space. See §982.622 to §982.624.

***Medical expenses*.** Medical expenses, including medical insurance premiums, that are anticipated during the period for which annual income is computed, and that are not covered by insurance. (A deduction for elderly or disabled families only.) These allowances are given when calculating adjusted income for medical expenses in excess of 3% of annual income.

Merger Date. October 1, 1999.

***Minor*.** A member of the family household other than the family head or spouse, who is under 18 years of age.

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

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

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

Mutual housing. Included in the definition of "cooperative."

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

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

***Net family assets*.** (1) Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.

- In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income under §5.609.
- In determining net family assets, HAs or owners, as applicable, shall include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefore. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

Noncitizen. *A* person who is neither a citizen nor national of the United States.

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

***Office of General Counsel (OGC)*.** The General Counsel of HUD.

***Owner*.** Any person or entity with the legal right to lease or sublease a unit to a participant.

HA Plan. The annual plan and the 5-year plan as adopted by the HA and approved by HUD.

HA's quality control sample. An annual sample of files or records drawn in an unbiased manner and reviewed by a HA supervisor (or by another qualified person other than the person who performed

the original work) to determine if the work documented in the files or records conforms to program requirements. For minimum sample size see CFR 985.3.

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

Payment standard. The maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family).

Person With Disabilities. A person who has a disability as defined in 42 U.S.C. 423 or a developmental disability as defined in 42 U.S.C. 6001. Also includes a person who is determined, under HUD regulations, to have a physical or mental impairment that is expected to be of long-continued and indefinite duration, substantially impedes the ability to live independently, and is of such a nature that the ability to live independently could be improved by more suitable housing conditions. For purposes of reasonable accommodation and program accessibility for persons with disabilities, means and "individual with handicaps" as defined in 24 CFR 8.3. Definition does not exclude persons who have AIDS or conditions arising from AIDS, but does not include a person whose disability is based solely on drug or alcohol dependence (for low-income housing eligibility purposes). See "Individual with handicaps"

Portability**.** Renting a dwelling unit with Section 8 housing choice voucher outside the jurisdiction of the initial HA.

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

Private space**.** In shared housing: The portion of a contract unit that is for the exclusive use of an assisted family.

Processing entity**.** The person or entity that, under any of the programs covered, is responsible for making eligibility and related determinations and any income reexamination. In the Section 8 program, the "processing entity" is the "responsible entity."

Project-Based Vouchers. The Project-based vouchers program is administered by a pubic housing authority that already administers the tenant-based voucher program. Under the project-based voucher (PBV) program a local housing authority will enter into a contract with an owner for specific units for a specific term in order to 1) expand the affordable housing in the community, and 2) to provide rental assistance for qualifying low-income families. The voucher assistance is attached to the structure, rather than to the tenant, as occurs in the tenant-based voucher program.

Project owner. The person or entity that owns the housing project containing the assisted dwelling unit.

Public Assistance**.** Welfare or other payments to families or individuals, based on need, which are made under programs funded, separately or jointly, by Federal, state, or local governments.

Public Housing Agency (HA)**.** Any State, county, municipality, or other governmental entity or public body, or agency or instrumentality of these entities, that is authorized to engage or assist in the development or operation of low-income housing under the 1937 Act.

Reasonable rent**.** A rent to owner that is not more than rent charged: (1) For comparable units in the private unassisted market; and (2) For comparable unassisted units in the premises.

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

***Recertification*.** Sometimes called reexamination. The process of securing documentation of total family income used to determine the rent the tenant will pay for the next 12 months if there are no additional changes to be reported.

***Remaining Member of Tenant Family*.** Person left in assisted housing who may or may not normally qualify for assistance on own circumstances (i.e., an elderly spouse dies, leaving widow age 47 who is not disabled).

Rent to owner. The total monthly rent payable to the owner under the lease for the unit (also known as contract rent). Rent to owner covers payment for any housing services, maintenance and utilities that the owner is required to provide and pay for.

Residency Preference. A HA preference for admission of families that reside anywhere in a specified area, including families with a member who works or has been hired to work in the area ("residency preference area").

Residency Preference Area. The specified area where families must reside to qualify for a residency preference.

Responsible entity. For the public housing and the Section 8 tenant-based assistance, project-based certificate assistance, and moderate rehabilitation programs, the responsible entity means the HA administering the program under an ACC with HUD. For all other Section 8 programs, the responsible entity means the Section 8 owner.

***Secretary*.** The Secretary of Housing and Urban Development.

***Section 8*.** Section 8 of the United States Housing Act of 1937.

Section 8 covered programs. *A*ll HUD programs which assist housing under Section 8 of the 1937 Act, including Section 8 assisted housing for which loans are made under section 202 of the Housing Act of 1959.

Section 8 Homeownership Program. The S8 Homeownership option is used to assist existing Housing Choice Voucher (HCV) program participants to purchase a home using mortgage subsidy rather than rental subsidy. Under this subsidy option, HA will pay a monthly homeownership assistance payment. For further information, see Chapter 21 of this Administrative Plan.

Section 214. Section 214 of the Housing and Community Development Act of 1980, as amended

Section 214 covered programs is the collective term for the HUD programs to which the restrictions imposed by Section 214 apply. These programs are set forth in §5.500.

Security Deposit. A dollar amount (maximum set according to the regulations) which can be used for unpaid rent or damages to the owner upon termination of the lease.

Set-up charges. In a manufactured home space rental: Charges payable by the family for assembling, skirting and anchoring the manufactured home.

Shared housing. A unit occupied by two or more families. The unit consists of both common space for shared use by the occupants of the unit and separate private space for each assisted family. A special housing type: see §982.615 to §982.618.

Shelter Plus Care Program. Not a Section 8 program, this program is funded by grants under the Steward B. McKinney Homeless Assistance Act. The program is designed to link rental assistance to supportive services for homeless individuals with disabilities and/or their families.

Single Person. A person living alone or intending to live alone.

Single room occupancy housing (SRO). A unit that contains no sanitary facilities or food preparation facilities, or contains either, but not both, types of facilities. A special housing type: see §982.602 to §982.605.

Social Security Number (SSN). The nine-digit number that is assigned to a person by the Social Security Administration and that identifies the record of the person's earnings reported to the Social Security Administration. The term does not include a number with a letter as a suffix that is used to identify an auxiliary beneficiary.

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

Special housing types. See subpart M of part 982. Subpart M states the special regulatory requirements for: SRO housing, congregate housing, group homes, shared housing, cooperatives (including mutual housing), and manufactured homes (including manufactured home space rental).

Specified Welfare Benefit Reduction. Those reductions of welfare benefits (for a covered family) that may not result in a reduction of the family rental contribution. A reduction of welfare benefits because of fraud in connection with the welfare program, or because of welfare sanction due to noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

Spouse. The marriage partner of the head of household.

Stalking. To follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate; or to place under surveillance with the intent to kill, injure, harass, or intimidate another person; and in the course of, or as a result of, such following, pursuit, surveillance, or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or to cause substantial emotional harm to (1) that person, (2) a member of the immediate family of that person, or (3) the spouse or intimate partner of that person.

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

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

Suspension. Stopping the clock on the term of a family's voucher after the family submits a request for approval of the tenancy. If the HA decides to allow extensions or suspensions of the voucher term, the HA administrative plan must describe how the HA determines whether to grant extensions or suspensions, and how the HA determines the length of any extension or suspension. This practice is also called “tolling”.

Tenancy Addendum. For the Housing Choice Voucher Program, the lease language required by HUD in the lease between the tenant and the owner.

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

Tenant rent to owner. See “Family rent to owner”.

Term of Lease. The amount of time a tenant agrees in writing to live in a dwelling unit.

Total Tenant Payment (TTP). The total amount the HUD rent formula requires the tenant to pay toward rent and utilities.

Unit. Residential space for the private use of a family. The size of a unit is based on the number of bedrooms contained within the unit and generally ranges from zero (0) bedrooms to six (6) bedrooms.

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

***Utility reimbursement*.** In the voucher program, the portion of the housing assistance payment which exceeds the amount of rent to owner.

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

Vacancy Loss Payments. (*Applies only to pre-10/2/95 HAP Contracts in the Rental Certificate Program*). When a family vacates its unit in violation of its lease, the owner is eligible for 80% of the contract rent for a vacancy period of up to one additional month, (beyond the month in which the vacancy occurred) if s/he notifies the HA as soon as s/he learns of the vacancy, makes an effort to advertise the unit, and does not reject any eligible applicant except for good cause.

Very Low Income Family. A low-income family whose annual income does not exceed 50% of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income limits higher or lower than 50% of the median income for the area on the basis of its finding that such variations are necessary because of unusually high or low family incomes. This is the income limit for the housing choice voucher program.

Veteran. See Chapter 3, Section 3.3 of this Administrative Plan regarding for the definition of veteran as it relates to a local preference. See Chapter 4, Section 4.13 regarding its definition in regarding the restriction on eligibility of students.

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 *(Housing Choice Voucher).* A document issued by a HA to a family selected for admission to the housing choice voucher program. This document describes the program and the procedures for HA approval of a unit selected by the family. The voucher also states obligations of the family under the program.

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

Voucher program. The housing choice voucher program.

Waiting list admission. An admission from the HA waiting list.

Welfare assistance. Income assistance from Federal or State welfare programs, including assistance provided under TANF and general assistance. Does not include assistance directed solely to meeting housing expenses, nor programs that provide health care, child care or other services for working families. FOR THE FSS PROGRAM (984.103(b)), “welfare assistance” includes only cash maintenance payments from Federal or State programs designed to meet a family’s ongoing basic needs, but does not include food stamps, emergency rental and utilities assistance, SSI, SSDI, or Social Security.

Welfare-to-work (WTW) family. A family assisted by a HA with Voucher funding awarded to the HA under the HUD welfare-to-work voucher program (including any renewal of such WTW funding for the same purpose).

CAPITAL FUND PROGRAM TABLES START HERE

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	Federal FY of Grant:
Housing Authority of Fresno County	Capital Fund Program Grant No: CA39P02850108 Replacement Housing Factor Grant No:	2008

☐ Original Annual Statement ☐ Reserve for Disasters/ Emergencies ☐ Revised Annual Statement (revision no:)
☒ Performance and Evaluation Report for Period Ending: 6/30/2008 ☐ 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	$30,000	$30,000	$0	
3	1408 Management Improvements	$426,348.60	$426,348.60	$0	
4	1410 Administration	$213,174.30	$213,174.30	$0	
5	1411 Audit	$3,000	$3,000	$0	
6	1415 Liquidated Damages				
7	1430 Fees and Costs	$15,000	$15,000	$0	
8	1440 Site Acquisition				
9	1450 Site Improvement	$142,500	$150,500	$0	
10	1460 Dwelling Structures	$526,509.10	$508,509.10	$0	
11	1465.1 Dwelling Equipment—Nonexpendable	$10,000	$10,000	$0	
12	1470 Nondwelling Structures				
13	1475 Nondwelling Equipment	$65,000	$75,000	$0	
14	1485 Demolition				
15	1490 Replacement Reserve				
16	1492 Moving to Work Demonstration				
17	1495.1 Relocation Costs				
18	1499 Development Activities				
19	9000 Collaterization or Debt Service	$700,211	$700,211	$0	
20	1502 Contingency				
21	Amount of Annual Grant: (sum of lines 2 – 20)	$2,131,743	$2,131,743	$0	
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				

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

PHA Name: Housing Authority of Fresno County		**Grant Type and Number** Capital Fund Program Grant No: CA039P02850108 Replacement Housing Factor Grant No:				**Federal FY of Grant:** 2008		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
HA-Wide	Drug Abatement & Security	1408		$361,348.60				
Mgmt.	Software	1408		$50,000				
Improvements	Youth Mentor	1408		$15,000				
	Total			$426,348.60				
HA-Wide	Non Technical Salaries	1410		$83,000				
Administration	Technical Salaries	1410		$64,000				
	Employee Benefits	1410		$59,000				
	Travel	1410		$4,174.30				
	Telephone	1410		$100				
	Sundry	1410		$2,900				
	Total			$213,174.30				
HA-Wide	A&E Services	1430		$4,000				
Fees and Costs	Consultant Fees	1430		$3,000				
	Permit Fees	1430		$8,000				
		1430						
	Total			$15,000				
HA-Wide	Computer Equipment	1475		$57,000				
	Office Equipment	1475		$8,000				
	Total			$65,000				

Annual Statement/Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF)
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Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
CA028000001P	Stoves and Refrigerators	1465.1		$0				
CA028011								
Highway City	**Total CA028011 Highway City**			**$0**				
CA028000001P	Underground Utilities	1450		$9,000				
CA028001								
Selma	**Total CA028001 Selma**			**$9,000**				
CA02800004P	Install Water Heaters	1460		$25,000				
CA028012	Exterior Paint, Elastomeric	1460		$0.00				Moved to 2005
Firebaugh								
	Total CA028012 Firebaugh			**$25,000**				
CA02800005P	Trash Enclosures	1450		$9,500				
CA028014	Sidewalk Repair	1450		$7,500				
Mendota								
	Subtotal			$17,000				
	Install Coolers	1460		$0.00				Moved to 2005
	Roofs	1460		$0.00				Moved to 2005
	Subtotal			$0.00				
	Total CA028014 Mendota			**$17,000**				
CA028000005P	Exterior Lighting	1450		$4,500				
CA028021	Landscape/Irrigation	1450		$9,500				
San Joaquin	Repair/paint Wrought Iron Fence	1450		$7,500				
	Subtotal			$21,500				
	Security Doors	1460		$4,000				
	Total CA028021 San Joaquin			**$25,500**				

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

PHA Name: Housing Authority of Fresno County		**Grant Type and Number** Capital Fund Program Grant No: CA039P02850108 Replacement Housing Factor Grant No:				**Federal FY of Grant:** 2008		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
CA028000001P	Security Doors	1460		$10,000				
CA028007	Interior Wall Texture	1460		$10,000				
Kerman	Floors	1460		$15,000				
	Shower Walls	1460		$10,000				
	Laundry rooms	1460		$10,000				
	Total CA028007 Kerman			**$55,000**				
CA028000001P	Parking lot	1450		$9,000				
CA028022								
Biola	A/C Units	1460		$30,000				
	Ext. Doors Storage/Water Heaters	1460		$10,000				
	Exterior Paint, Elastomeric	1460		$16,000				
	Closet Doors	1460		$3,000				
	Subtotal			$59,000				
	Total CA028022 Biola			**$68,000**				
CA028000002P	Site Work	1450		$10,000				
CA028018	Asphalt Paving	1450		$26,000				
Del Rey	Exterior Lighting	1450		$8,000				
	Subtotal			$44,000				
	Kitchen Modernization	1460		$45,427				
	Plumbing	1460		$15,000				
	Interior Doors/Jambs	1460		$6,000				
	Entry Doors & Locks	1460		$9,000				
	Laundry Room Additions	1460		$20,000				
	Shower Doors	1460		$4,000				
	Floors	1460		$14,000				
	Heating/Cooling Upgrades	1460		$49,000				

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

PHA Name: Housing Authority of Fresno County		**Grant Type and Number** Capital Fund Program Grant No: CA039P02850108 Replacement Housing Factor Grant No:				**Federal FY of Grant:** 2008		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
	Stucco	1460		$39,000				
	Evaporative Coolers	1460		$12,000				
	Subtotal	1460		$213,427				
	Total for CA028018 Del Rey			**$257,427**				
CA028000001P	Stucco	1460		$10,000				
CA028032								
Pinedale	Stoves & Refrigerators	1465.1		$5,000				
	Total for CA028032 Pinedale			**$15,000**				
CA028000001P	Site Irrigation & Landscape	1450		$11,000				
CA028038	Main Water Valve Shut Off	1450		$5,000				
De Soto Gardens	Subtotal			$16,000				
	Exterior Paint	1460		$25,000				
	Re-Roof Complex	1460		$42,000				
	Bathroom Modernization	1460		$13,000				
	Subtotal			$80,000				
	Playground Equipment	1475		$10,000				
	Total for CA028038 De Soto Gardens			**$106,000**				
CA028000001P	Site Improvement	1450		$5,000				
CA028024	Underground Utilities	1450		$19,000				
Pinedale	Irrigation System	1450		$10,000				
	Subtotal			$34,000				
	Stucco(Dash)	1460		$11,000				
	Security Screens	1460		$10,000				
	Ceramic Tile Countertops	1460		$16,082.10				

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

PHA Name: Housing Authority of Fresno County		**Grant Type and Number** Capital Fund Program Grant No: CA039P02850108 Replacement Housing Factor Grant No:				**Federal FY of Grant:** 2008		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
	Dual Pane Windows	1460		$25,000				
	Subtotal	1460		$62,082.10				
	Stoves & Refrigerators	1465.1		$5,000				
	Total for CA028024 Pinedale			**$101,082.10**				

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

PHA Name: Housing Authority of Fresno County	**Grant Type and Number** Capital Fund Program No: CA39P02850108 Replacement Housing Factor No:	**Federal FY of Grant:** 2008

Development Number Name/HA-Wide Activities	All Fund Obligated (Quarter Ending Date)			All Funds Expended (Quarter Ending Date)			Reasons for Revised Target Dates
	Original	Revised	Actual	Original	Revised	Actual	
Drug Abatement & Security	6/12/2010			6/12/2012			
Software	6/12/2010			6/12/2012			
CA028000001P CA028022 Biola	6/12/2010			6/12/2012			
CA02800001P CA028038 De Soto Gardens	6/12/2010			6/12/2012			
CA028000002P CA028018 Del Rey	6/12/2010			6/12/2012			
CA028000001P CA028007 Kerman	6/12/2010			6/12/2012			
CA028000004P CA028012 Firebaugh	6/12/2010			6/12/2012			
CA028000001P CA028011 Highway City	6/12/2010			6/12/2012			
CA028000005P CA028014 Mendota	6/12/2010			6/12/2012			
CA028000001P CA028024 Pinedale	6/12/2010			6/12/2012			
CA028000005P CA028021 San Joaquin	6/12/2010			6/12/2012			
CA028000001P CA028032 Pinedale	6/12/2010			6/12/2012			
CA028000001P CA028001 Selma	6/12/2010			6/12/2012			

CAPITAL FUND PROGRAM TABLES START HERE

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	Federal FY of Grant:
Housing Authority of Fresno County	Capital Fund Program Grant No: CA39P02850107 Replacement Housing Factor Grant No:	2007

☐ Original Annual Statement ☐ Reserve for Disasters/ Emergencies ☐ Revised Annual Statement (revision no:)
☒ Performance and Evaluation Report for Period Ending: 6/30/2008 ☐ 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	$60,000		$0	
3	1408 Management Improvements	$435,000		$0	
4	1410 Administration	$217,900		$0	
5	1411 Audit	$3,000		$0	
6	1415 Liquidated Damages				
7	1430 Fees and Costs	$25,000		$0	
8	1440 Site Acquisition				
9	1450 Site Improvement	$265,000		$0	
10	1460 Dwelling Structures	$966,738		$0	
11	1465.1 Dwelling Equipment—Nonexpendable	$105,000		$0	
12	1470 Nondwelling Structures				
13	1475 Nondwelling Equipment	$100,000		$0	
14	1485 Demolition				
15	1490 Replacement Reserve				
16	1492 Moving to Work Demonstration				
17	1495.1 Relocation Costs	$2,000		$0	
18	1499 Development Activities				
19	9000 Collaterization or Debt Service	$0		$0	
20	1502 Contingency				
21	Amount of Annual Grant: (sum of lines 2 – 20)	$2,179,638		$0	
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	$370,000		$0	
25	Amount of Line 21 Related to Security – Hard Costs				
26	Amount of line 21 Related to Energy Conservation Measures				

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

PHA Name: Housing Authority of Fresno County		**Grant Type and Number** Capital Fund Program Grant No: CA039P02850107 Replacement Housing Factor Grant No:				**Federal FY of Grant:** 2007		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
HA-Wide	Drug Abatement & Security	1408		$370,000				
Mgmt.	Software	1408		$50,000				
Improvements	Youth Mentor	1408		$15,000				
	Total	1408		$435,000				
HA-Wide	Non Technical Salaries	1410		$50,500				
Administration	Technical Salaries	1410		$80,000				
	Employee Benefits	1410		$80,000				
	Travel	1410		$3,900				
	Telephone	1410		$1,000				
	Sundry	1410		$2,500				
	Total			$217,900				
HA-Wide	A&E Services	1430		$7,000				
Fees and Costs	Consultant Fees	1430		$8,000				
	Permit Fees	1430		$10,000				
	PHA Inspector	1430		$0.00				
	Total			$25,000				
HA-Wide	Computer Equipment	1475		$55,000				
	Office Equipment	1475		$5,000				
	Total			$60,000				
HA-Wide	Relocation Cost	1495.1		$2,000				

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

PHA Name: Housing Authority of Fresno County		**Grant Type and Number** Capital Fund Program Grant No: CA039P02850107 Replacement Housing Factor Grant No:				**Federal FY of Grant:** 2007		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
CA028000003P	Underground Utilities	1450		$15,000				Moved from 2004
CA028015	Site improvements	1450		$10,000				Moved from 2009
Parlier	Prune trees	1450		$10,000				Moved from 2012
	Site concrete	1450		$10,000				Moved from 2009
	Subtotal			$45,000				
	Interior cooler grills	1460		$5,000				Moved from 2009
	Interior subfloors	1460		$30,000				Moved from 2009
	Rain gutters	1460		$10,000				Moved from 2009
	Window coverings	1460		$15,000				Moved from 2009
	Exterior painting	1460		$35,000				Moved from 2009
	Interior painting	1460		$25,000				Moved from 2009
	Kitchen modernization	1460		$60,000				Moved from 2009
	Re-dash stucco	1460		$10,000				Moved from 2009
	Replace coolers/heaters	1460		$30,000				Emergency Item
	Subtotal			$220,000				
	Appliances	1465.1		$20,000				Moved from 2009
	Range Hoods	1465.1		$5,000				Moved from 2009
	Subtotal			$25,000				
	Total CA028015 Parlier			**$290,000**				
CA028000001P	Parking Upgrade	1450		$15,000				
CA028038	Main water valve shut-off	1450		$10,000				Moved from 2008
De Soto Gardens	Site irrigation	1450		$15,000				Moved from 2008
	Landscaping	1450		$10,000				Moved from 2008
	Parking lot repairs	1450		$20,000				Moved from 2012
	Subtotal			$70,000				
CA028000001P	Exterior painting	1460		$35,000				Moved from 2002

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

PHA Name: Housing Authority of Fresno County		**Grant Type and Number** Capital Fund Program Grant No: CA039P02850107 Replacement Housing Factor Grant No:				**Federal FY of Grant:** 2007		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
CA028038	Roofing	1460		$35,000				Moved from 2008
De Soto Gardens	Bathroom modernization	1460		$67,000				Moved from 2008
(cont'd)	Subtotal			$137,000				
	Appliances	1465.1		$20,000				Moved from 2002
	Playground equipment	1475		$20,000				Moved from 2008
	Total CA028038 De Soto Gardens			**$247,000**				
CA02800001P	Sliding Doors	1460	12	$0				Completed
CA028022	Bathroom Modernization	1460	12	$0				Moved to 2008
Biola	Cabinets	1460	12	$0				Moved to 2008
	Total CA028022 Biola			**$0**				
CA02800005P	Ext. Paint	1460	60	$0				Completed
CA028014	Water Heaters	1460	60	$10,000				Moved from 2002
Mendota	Countertops	1460	60	$0				Moved to 2009
	Cabinets	1460	60	$0				Moved to 2009
	Total CA028014 Mendota			**$10,000**				
CA028000005P	Parking Lots	1450		$20,000				
CA028021								
San Joaquin	Cabinets	1460	20	$30,000				Moved from 2002
	Floors	1460	20	$30,000				
	Exterior Paint & Trim	1460	20	$0				Moved to 2005
	Wall heaters	1460		$20,000				Moved from 2012
	Subtotal	1460		$80,000				
	Total CA028021 San Joaquin			**$100,000**				
CA028000002P	Kitchen Modernization	1460	64	$0.00				Moved to 2004/2005
CA028033	Interior Paint	1460	64	$0.00				Moved to 2004/2005

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

PHA Name: Housing Authority of Fresno County		**Grant Type and Number** Capital Fund Program Grant No: CA039P02850107 Replacement Housing Factor Grant No:				**Federal FY of Grant:** 2007		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
Sanger Elderly	Floors	1460	64	$0.00				Moved to 2004/2005
	Bathroom Modernization	1460	64	$0.00				Moved to 2004/2005
	Total CA028033 Sanger Elderly			**$0.00**				
CA028000004P	Laundry rooms & Storage	1460		$0.00				Moved to 2003
CA028008	**Total CA028008 Firebaugh**			**$0.00**				
Firebaugh								
CA028000005P	Roofs	1460	60	$0				Completed
CA028026	Ext. Paint/Trim	1460	60	$0				Moved to 2005
Mendota	Interior Paint	1460	60	$0				Completed
	Stucco	1460	60	$0				Moved to 2009
	Doors	1460	60	$0				Moved to 2009
	Bathroom Modernization	1460	60	$0				Moved to 2009
	Kitchen Modernization	1460	60	$0				Moved to 2009
	Total For CA028026 Mendota			**$0**				
CA028000004P	Site improvements	1450		$10,000				Moved from 2009
CA028030	Irrigation	1450		$10,000				Moved from 2009
Firebaugh	Subtotal			$20,000				
	Ext. Paint/Trim	1460	32	$30,000				
	Kitchen modernization	1460		$52,369				Moved from 2009
	Bathroom modernization	1460		$52,369				Moved from 2009
	Replace tubs, showers, sinks	1460	32	$20,000				Moved from 2004
	Subtotal	1460		$154,738				
	Stoves & Refrigerators	1465.1	32	$20,000				Moved from 2003
	Upgrade playground	1475		$20,000				
	Total For CA028030 Firebaugh			**$214,738**				

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

PHA Name: Housing Authority of Fresno County		**Grant Type and Number** Capital Fund Program Grant No: CA039P02850107 Replacement Housing Factor Grant No:				**Federal FY of Grant:** 2007		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
CA028000004P	Gate Valves	1450		$0				Moved to 2011
CA028019	Irrigation repairs	1450		$0				Moved to 2011
Firebaugh	Subtotal	1450		$0				
	Siding/Stucco	1460	30	$0				Moved to 2011
	Ext. Paint	1460	30	$0				Moved to 2011
	Roofs	1460	30	$0				Moved to 2011
	Int. Texture/paint	1460	30	$0				Moved to 2011
	Doors	1460	30	$0				Moved to 2011
	Floor/Tile	1460	30	$0				Moved to 2011
	Bath Modernization/Handicap upgrades	1460	30	$0				Moved to 2011
	Kitchen Modernization	1460	30	$0				Moved to 2011
	Heaters	1460	30	$0				Moved to 2011
	Subtotal	1460		$0				
	Stoves & Refrigerators	1465.1		$0				Moved to 2012
	Total CA028019 Firebaugh			**$0**				
CA028000001P	Irrigation system	1450		$15,000				Moved from 2008
CA028024	Site improvements	1450		$15,000				Moved from 2008
Pinedale	Underground utilities	1450		$20,000				Moved from 2008
	Fencing	1450		$10,000				Moved from 2012
	Prune trees	1450		$10,000				Moved from 2012
	Subtotal			$70,000				
	Stucco	1460		$25,000				Moved from 2008
	Security screens	1460		$35,000				Moved from 2008
	Countertops	1460		$35,000				Moved from 2008
	Windows	1460		$25,000				Moved from 2008
	Exterior Painting	1460		$55,000				Moved from 2012
	Subtotal			$175,000				
	Appliances	1465.1		$20,000				Moved from 2008
	Total CA028024 Pinedale			**$265,000**				

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

PHA Name: Housing Authority of Fresno County		**Grant Type and Number** Capital Fund Program Grant No: CA039P02850107 Replacement Housing Factor Grant No:				**Federal FY of Grant:** 2007		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
CA028000001P	Site improvements	1450		$15,000				Moved from 2011
CA028032	Fencing	1450		$15,000				Moved from 2012
Pinedale	Prune trees	1450		$10,000				Moved from 2012
	Subtotal			$40,000				
	Stucco	1460		$25,000				Moved from 2003
	Replace siding w/stucco	1460		$35,000				Moved from 2011
	Windows	1460		$35,000				Moved from 2011
	Exterior Painting	1460		$55,000				Moved from 2012
	Subtotal			$150,000				
	Appliances	1465.1		$20,000				Moved from 2008
	Total CA028032 Pinedale			**$210,000**				
CA028000003P	Coolers	1460		$40,000				Moved from 2012
CA028016	**Total CA028016 Orange Cove**			**$40,000**				
Orange Cove								

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

PHA Name: Housing Authority of Fresno County	**Grant Type and Number** Capital Fund Program No: CA39P02850107 Replacement Housing Factor No:	**Federal FY of Grant:** 2007

Development Number Name/HA-Wide Activities	All Fund Obligated (Quarter Ending Date)			All Funds Expended (Quarter Ending Date)			Reasons for Revised Target Dates
	Original	Revised	Actual	Original	Revised	Actual	
Drug Abatement & Security	9/12/09			9/12/11			
Software	9/12/09			9/12/11			
CA028000001P CA028022 Biola	9/12/09			9/12/11			
CA02800001P CA028038 DeSoto Gardens	9/12/09			9/12/11			
CA028000002P CA028033 Sanger	9/12/09			9/12/11			
CA028000003P CA028015 Parlier	9/12/09			9/12/11			
CA028000004P CA028030 Firebaugh	9/12/09			9/12/11			
CA028000004P CA028008 Firebaugh	9/12/09			9/12/11			
CA028000004P CA028019 Firebaugh	9/12/09			9/12/11			
CA028000005P CA028014 Mendota	9/12/09			9/12/11			
CA028000005P CA028021 San Joaquin	9/12/09			9/12/11			
CA028000005P CA028026 Mendota	9/12/09			9/12/11			
CA028000001P CA028024 Pinedale	9/12/09			9/12/11			
CA028000001P CA028032 Pinedale	9/12/09			9/12/11			
CA028000003P CA028016 Orange Cove	9/12/09			9/12/11			

CAPITAL FUND PROGRAM TABLES START HERE

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	Federal FY of Grant:
Housing Authority of Fresno County	Capital Fund Program Grant No: CA39P02850106 Replacement Housing Factor Grant No:	2006

☐Original Annual Statement ☐Reserve for Disasters/ Emergencies ☐Revised Annual Statement (revision no:)
☒Performance and Evaluation Report for Period Ending: 6/30/2008 ☐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	$60,000		$60,000	$405.67
3	1408 Management Improvements	$400,000		$274,796.74	$37,631.58
4	1410 Administration	$212,000		$208,947.49	$3,520.29
5	1411 Audit	$3,000		$0	$0
6	1415 Liquidated Damages				
7	1430 Fees and Costs	$23,000		$9,792.36	$8,540.36
8	1440 Site Acquisition				
9	1450 Site Improvement	$161,992.54		$161,992.54	$8,935.05
10	1460 Dwelling Structures	$1,350,383.46		$1,350,383.46	$175,817.11
11	1465.1 Dwelling Equipment—Nonexpendable	$0			
12	1470 Nondwelling Structures				
13	1475 Nondwelling Equipment	$70,000		$7,484.83	$0
14	1485 Demolition				
15	1490 Replacement Reserve				
16	1492 Moving to Work Demonstration				
17	1495.1 Relocation Costs	$21,000.00		$21,000.00	$1,750.44
18	1499 Development Activities				
19	9000 Debt Service	$0.00		$0	$0
20	1502 Contingency				
21	Amount of Annual Grant: (sum of lines 2 – 20)	$2,301,376		$2,094,397.42	$236,600.50
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	$337,840		$273,901.71	$36,736.55
25	Amount of Line 21 Related to Security – Hard Costs				
26	Amount of line 21 Related to Energy Conservation Measures				

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

PHA Name: Housing Authority of Fresno County		**Grant Type and Number** Capital Fund Program Grant No: CA39P02850106 Replacement Housing Factor Grant No:				**Federal FY of Grant:** 2006		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
HA-Wide	Drug Abatement & Security	1408		$337,840		$273,901.71	$36,736.55	
Mgmt.	Youth Mentor	1408		$12,160		$0	$0	
Improvements	Software	1408		$50,000		$895.03	$895.03	
		1408						
	Total			**$400,000**		**$274,796.74**	**$37,631.58**	
HA-Wide	Non Technical Salaries	1410		$57,376.20		$57,376.20	$252.58	
Administration	Technical Salaries	1410		$83,123.80		$83,123.80	$336.91	
	Employee Benefits	1410		$65,000		$65,000	$218.20	
	Travel	1410		$2,000		$1,973.83	$1,973.83	
	Telephone	1410		$2,000		$0	$0	
	Sundry	1410		$2,500		$1,473.66	$738.77	
	Total			**$212,000**		**$208,947.49**	**$3,520.29**	
HA-Wide	A&E Services	1430		$3,000		$2,710.61	$2,710.61	
Fees and Costs	Consultant Fees	1430		$10,000		$1,720.00	$1,720.00	
	Permit Fees	1430		$10,000		$5,361.75	$4,109.75	
	PHA Inspector	1430		$0.00		$0	$0	
	Total			**$23,000**		**$9,792.36**	**$8,540.36**	
HA-Wide	Computer Equipment	1475		$65,000		$7,484.83	$0	
	Office Equipment	1475		$5,000		$0	$0	
	Total			**$70,000.00**		**$7,484.83**	**$0**	

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

PHA Name: Housing Authority of Fresno County		**Grant Type and Number** Capital Fund Program Grant No: CA39P02850106 Replacement Housing Factor Grant No:				**Federal FY of Grant:** 2006		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
CA028033	Site Improvements	1450		$0.00				Moved to 2004/2005
Sanger Elderly								
	Air Conditioners	1460	64	$0.00				Moved to 2004/2005
	Stoves & Refrigerators	1465	64	$0.00				Moved to 2004/2005
	Total For CA028033 Sanger Elderly			**$0.00**				
CA028008	Prune Trees	1450		$0.00				
Firebaugh	Side walks	1450		$0.00				
	Site Grading	1450		$0.00				
	Roofs	1460	50	$0.00				Moved to 2003
	Total For CA028008 Firebaugh			**$0.00**				
CA028012	Sidewalks	1450		$0.00				Moved to 2011
Firebaugh								
	Cabinets	1460	40	$0.00				Moved to 2011
	Painting	1460	40	$0.00				Moved to 2012
	Doors	1460	40	$0.00				Moved from 2003, Moved to 2011
	Replace bathtubs	1460	40	$0.00				Moved from 2003, Moved to 2011
	Replace wall heaters – leaking	1460	40	$92,305.38		$92,305.38	$53,758.15	Emergency
	Contingency	1460		$1,200.00		$1,200.00	$0.00	
	Subtotal	1460		$93,505.38		$93,505.38	$53,758.15	
	Total For CA028012 Firebaugh			**$93,505.38**		**$93,505.38**	**$53,758.15**	

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

PHA Name: Housing Authority of Fresno County		**Grant Type and Number** Capital Fund Program Grant No: CA39P02850106 Replacement Housing Factor Grant No:				**Federal FY of Grant:** 2006		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
CA028002	Underground Utilities	1450		$0.00				Moved to 2012
Sanger	**Total For CA028002 Sanger**			**$0.00**				
CA028031	Site Improvements	1450		$37,900.00		$37,900.00	$0.00	
Orange Cove								
	Exterior Painting	1460	30	$0.00				Moved to 2012
	Roofs	1460	30	$0.00				Moved to 2002
	Doors	1460		$26,322.00		$26,322.00	$0.00	Moved from 2003
	Interior Painting	1460	30	$33,000.00		$33,000.00	$0.00	
	Kitchen Modernization	1460	30	$155,948.00		$155,948.00	$0.00	
	Bathroom Modernization	1460	30	$107,450.00		$107,450.00	$0.00	
	Windows	1460		$82,500.00		$82,500.00	$0.00	Emergency Item
	General Requirements	1460		$125,880.00		$125,880.00	$0.00	
	Contingency	1460		$28,450.00		$28,450.00	$0.00	
	Subtotal	1460		$559,550.00		$559,550.00	$0.00	
	Relocation Cost	1495.1		$21,000.00		$21,000.00	$1,750.44	
	Total For CA028031 Orange Cove			**$618,450.00**		**$618,450.00**	**$1,750.44**	
CA028017	Site improvements	1450		$12,000.00		$12,000.00	$0.00	Moved from 2010
Reedley	Parking lot repairs	1450		$6,000.00		$6,000.00	$0.00	Moved from 2012
	Subtotal			$18,000.00		$18,000.00	$0.00	
	Dwelling Structures	1460		$0.00		$0.00	$0.00	
	Floors	1460		$48,000.00		$48,000.00	$0.00	Moved from 2003, 2010
	Re-grout bath enclosures	1460		$0.00				Moved from 2003
	Stair treads	1460		$0.00				Moved from 2003
	Bathroom modernization	1460		$104,000.00		$104,000.00	$0.00	Moved from 2010
	Doors	1460		$50,000.00		$50,000.00	$0.00	Emergency Item
	Contingency	1460		$10,700.00		$10,700.00	$0.00	
	Subtotal			$212,700.00		$212,700.00	$0.00	

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

PHA Name: Housing Authority of Fresno County		**Grant Type and Number** Capital Fund Program Grant No: CA39P02850106 Replacement Housing Factor Grant No:				**Federal FY of Grant:** 2006		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
	Stoves & Refrigerators	1465.1		$0.00				Moved to 2012
	Total for CA028017 Reedley			**$230,700.00**		**$230,700.00**	**$0.00**	
CA028011	Site Irrigation	1450		$0.00				Moved to 2007
Highway City	**Total CA028011, Highway City**			**$0.00**				
CA028014	Dwelling Structure	1460		$0.00				Moved to 2012
Mendota	Wall heaters	1460		$77,668.36		$77,668.36	$77,668.36	Emergency Item
	Total CA028014 Mendota			**$77,668.36**		**$77,668.36**	**$77,668.36**	
CA028019	Site Improvements	1450						Moved to 2012
Firebaugh	Dwelling Structure	1460						Moved to 2012
	Stoves & Refrigerators	1465						Moved to 2012
	Total CA028019 Firebaugh							
CA028021	Upgrade A/C – Coolers	1460		$12,314.32		$12,314.32	$10,734.32	Emergency Item
San Joaquin								
	Total CA028021 San Joaquin			**$12,314.32**		**$12,314.32**	**$10,734.32**	
CA028026	Upgrade A/C – Coolers	1460		$34,600.55		$34,600.55	$33,656.28	Emergency Item
Mendota								
	Total CA028026 Mendota			**$34,600.55**		**$34,600.55**	**$33,656.28**	
CA028010	Site Improvements	1450		$1,259.05		$1,259.05	$1,259.05	Moved from 2005
San Joaquin								
	Total CA028010 San Joaquin			**$1,259.05**		**$1,259.05**	**$1,259.05**	

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

PHA Name: Housing Authority of Fresno County		**Grant Type and Number** Capital Fund Program Grant No: CA39P02850106 Replacement Housing Factor Grant No:				**Federal FY of Grant:** 2006		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
CA028003	Cooler replacement	1460		$45,632.00		$45,632.00	$0.00	Moved from 2009
Reedley	Fascia replacement	1460		$0.00				Moved from 2009
	Paint trim	1460		$18,000.00		$18,000.00	$0.00	Moved from 2009
	Contingency	1460		$1,600.00		$1,600.00	$0.00	
	Total for CA028003 Reedley			**$65,232.00**		**$65,232.00**	**$0.00**	
CA028001	Parking areas	1450		$8,200.00		$8,200.00	$0.00	Moved from 2011
Selma								
	Roofs	1460		$56,860.00		$56,860.00	$0.00	Moved from 2010
	Exterior painting	1460		$23,400.00		$23,400.00	$0.00	Moved from 2011
	Coolers	1460		$56,337.10		$56,337.10	$0.00	Emergency Item
	Contingency	1460		$4,891.75		$4,891.75	$0.00	
	Subtotal			$141,488.85		$141,488.85	$0.00	
	Total for CA028001 Selma			**$149,688.85**		**$149,688.85**	**$0.00**	
CA028004	Sidewalks	1450		$36,600.00		$36,600.00	$0.00	Emergency Item
Orange Cove	Parking lots	1450		$0.00				
	Doors	1460		$10,000.00		$10,000.00	$0.00	Moved from 2012
	Furnace covers	1460		$400.00		$400.00	$0.00	Moved from 2009
	Ceramic tile countertops	1460		$1,000.00		$1,000.00	$0.00	Moved Partial from 2009
	Contingency	1460		$2,400.00		$2,400.00	$0.00	
	Subtotal			$13,800.00		$13,800.00	$0.00	
	Total for CA028004 Orange Cove			**$50,400.00**		**$50,400.00**	**$0.00**	

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

PHA Name: Housing Authority of Fresno County		**Grant Type and Number** Capital Fund Program Grant No: CA39P02850106 Replacement Housing Factor Grant No:				**Federal FY of Grant:** 2006		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
CA028016	Site improvements	1450		$0.00		$0.00	$0.00	
Orange Cove	Site grading	1450		$26,975.00		$26,975.00	$0.00	Moved from 2009
	Subtotal			$26,975.00		$26,975.00	$0.00	
	Kitchen countertops	1460		$31,500.00		$31,500.00	$0.00	Moved from 2009
	Roofs	1460		$8,000.00		$8,000.00	$0.00	Moved from 2009
	Exterior painting	1460		$43,300.00		$43,300.00	$0.00	Moved from 2009
	Bathroom modernization	1460		$12,700.00		$12,700.00	$0.00	Emergency Item
	General requirements	1460		$35,145.00		$35,145.00	$0.00	
	Contingency	1460		$7,881.00		$7,881.00	$0.00	
	Subtotal			$138,526.00		$138,526.00	$0.00	
	Total for CA028016 Orange Cove			**$165,501.00**		**$165,501.00**	**$0.00**	
CA028018	Site work	1450		$25,382.49		$25,382.49	$0.00	Moved from 2008
Del Rey	General requirements	1460		$998.00		$998.00	$0.00	
	Total for CA028018 Del Rey			**$26,380.49**		**$26,380.49**	**$0.00**	
CA028024	Site improvements	1450		$7,676.00		$7,676.00	$7,676.00	Moved Partial from 2008
Pinedale								
	Total for CA028024 Pinedale			**$7,676.00**		**$7,676.00**	**$7,676.00**	

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

PHA Name: Housing Authority of Fresno County	**Grant Type and Number** Capital Fund Program No: CA39P02850106 Replacement Housing Factor No:	**Federal FY of Grant:** 2006

Development Number Name/HA-Wide Activities	All Fund Obligated (Quarter Ending Date)			All Funds Expended (Quarter Ending Date)			Reasons for Revised Target Dates
	Original	Revised	Actual	Original	Revised	Actual	
Drug Abatement & Security	7/17/08			7/17/10			
Software	7/17/08			7/17/10			
CA028001 Selma	7/17/08			7/17/10			
CA028002 Sanger	7/17/08			7/17/10			
CA028003 Reedley	7/17/08			7/17/10			
CA028004 Orange Cove	7/17/08			7/17/10			
CA028016 Orange Cove	7/17/08			7/17/10			
CA028031 Orange Cove	7/17/08			7/17/10			
CA028012 Firebaugh	7/17/08			7/17/10			
CA028008 Firebaugh	7/17/08			7/17/10			
CA028033 Sanger Elderly	7/17/08			7/17/10			
CA028010 San Joaquin	7/17/08			7/17/10			
CA028017 Reedley	7/17/08			7/17/10			
CA028011 Highway city	7/17/08			7/17/10			
CA028014 Mendota	7/17/08			7/17/10			
CA028019 Firebaugh	7/17/08			7/17/10			
CA028021 San Joaquin	7/17/08			7/17/10			
CA028026 Mendota	7/17/08			7/17/10			
CA028018 Del Rey	7/17/08			7/17/10			
CA028024 Pinedale	7/17/08			7/17/10			

CAPITAL FUND PROGRAM TABLES START HERE

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	Federal FY of Grant:
Housing Authority of Fresno County	Capital Fund Program Grant No: CA39P02850105 Replacement Housing Factor Grant No:	2005

☐ Original Annual Statement ☐ Reserve for Disasters/ Emergencies ☐ Revised Annual Statement (revision no:)
☒ Performance and Evaluation Report for Period Ending: 6/30/2008 ☐ 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	$50,000.00		$50,000.00	$41,097.87
3	1408 Management Improvements	$483,470.00		$483,470.00	$350,037.50
4	1410 Administration	$140,832.00		$140,440.35	$82,766.30
5	1411 Audit	$3,000.00		$3,000.00	$3,000.00
6	1415 Liquidated Damages				
7	1430 Fees and Costs	$18,688.05		$18,688.05	$18,688.05
8	1440 Site Acquisition				
9	1450 Site Improvement	$161,740.89		$161,740.89	$161,740.89
10	1460 Dwelling Structures	$1,409,160.40		$1,409,160.40	$1,335,401.99
11	1465.1 Dwelling Equipment—Nonexpendable	$11,230.24		$11,230.24	$11,230.24
12	1470 Nondwelling Structures				
13	1475 Nondwelling Equipment	$164,231.42		$159,392.50	$78,798.65
14	1485 Demolition				
15	1490 Replacement Reserve				
16	1492 Moving to Work Demonstration				
17	1495.1 Relocation Costs				
18	1499 Development Activities				
19	1501 Collaterization or Debt Service				
20	1502 Contingency				
21	Amount of Annual Grant: (sum of lines 2 – 20)	$2,442,353		$2,437,122.43	$2,082,761.49
22	Amount of line 21 Related to LBP Activities				
23	Amount of line 21 Related to Section 504 compliance	$15,063.24		$15,063.24	$15,063.24
24	Amount of line 21 Related to Security – Soft Costs	$400,000		$400,000	$326,404.84
25	Amount of Line 21 Related to Security – Hard Costs				
26	Amount of line 21 Related to Energy Conservation Measures				

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

PHA Name: Housing Authority of Fresno County		**Grant Type and Number** Capital Fund Program Grant No: CA39P02850105 Replacement Housing Factor Grant No:				**Federal FY of Grant:** 2005		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
HA-Wide	Drug Abatement & Security	1408		$400,000		$400,000.00	$326,404.84	
Mgmt.	Software	1408		$83,470.00		$83,470.00	$23,632.66	
Improvements								
	Total			**$483,470.00**		**$483,470.00**	**$350,037.50**	
HA-Wide	Non Technical Salaries	1410		$36,943.98		$36,943.98	$20,592.19	
Administration	Technical Salaries	1410		$55,605.26		$55,605.26	$32,066.02	
	Legal Services	1410		$1,000.00		$608.35	$608.35	
	Employee Benefits	1410		$38,231.15		$38,231.15	$20,448.13	
	Travel	1410		$7,966.01		$7,966.01	$7,966.01	
	Telephone	1410		$100.00		$100.00	$100.00	
	Sundry	1410		$985.60		$985.60	$985.60	
	Total			**$140,832.00**		**$140,440.35**	**$82,766.30**	
HA-Wide	A&E Services	1430		$201.55		$201.55	$201.55	
Fees and Costs	Consultant Fees	1430		$5,670.00		$5,670.00	$5,670.00	
	Permit Fees	1430		$3,648.50		$3,648.50	$3,648.50	
	PHA Inspector	1430		$9,168.00		$9,168.00	$9,168.00	
	Total			**$18,688.05**		**$18,688.05**	**$18,688.05**	
HA-Wide	Computer Equipment	1475		$95,162.12		$90,323.20	$9,729.35	
	Office Equipment	1475		$69,069.30		$69,069.30	$69,069.30	
	Total			**$164,231.42**		**$159,392.50**	**$78,798.65**	
HA-Wide	Relocation Cost	1495.1		$0.00				

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

PHA Name: Housing Authority of Fresno County		**Grant Type and Number** Capital Fund Program Grant No: CA39P02850105 Replacement Housing Factor Grant No:				**Federal FY of Grant:** 2005		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
CA028007	Interior Paint / Wall Texture	1460	40	$0.00				Moved to 2008
Kerman	Replace Floors and Shower Walls	1460	40	$0.00				Moved to 2008
	Laundry/Utility Rooms	1460	40	$0.00				Moved to 2008
	Total For CA028007 Kerman			$0.00				
CA028008	Floors	1460	50	$0.00				Moved to 2003
Firebaugh	Cabinets	1460	50	$0.00				Moved to 2003
	Total For CA028008 Firebaugh			$0.00				
CA028009	Site Improvements	1450	24	$0.00				Moved to 2009
Mendota								
	Exterior Painting	1460	24	$0.00				Moved to 2009
	Bathroom Modernization	1460	24	$34,380.00		$34,380.00	$22,315.50	Moved From 2009
	Kitchen Modernization	1460	24	$51,570.00		$51,570.00	$33,473.24	Moved From 2009
	Electrical Service Panels	1460	24	$40,200.00		$40,200.00	$38,190.00	Emergency item exposed breakers
	General Requirements	1460	24	$32,530.00		$32,530.00	$27,295.87	
	Subtotal			$158,680.00		$158,680.00	$121,274.61	
	Stoves & Refrigerators	1465.1	24	$0.00				Moved to 2009
	Total for CA028009 Mendota			**$158,680.00**		**$158,680.00**	**$121,274.61**	

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

PHA Name: Housing Authority of Fresno County		**Grant Type and Number** Capital Fund Program Grant No: CA39P02850105 Replacement Housing Factor Grant No:				**Federal FY of Grant:** 2005		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
CA028014	Roofs	1460	40	$164,000.00		$164,000.00	$164,000.00	Moved from 2008
Mendota	Stucco	1460	40	$12,960.00		$12,960.00	$12,960.00	Moved From 2009
	Mechanical-Wall Heaters	1460	40	$108,108.00		$108,108.00	$108,108.00	Emergency Item carbon monoxide exposure
	General Requirements	1460		$79,877.00		$79,877.00	$79,877.00	
								Moved to 2007
	Total for CA028014 Mendota	**1460**		**$364,945.00**		**$364,945.00**	**$364,945.00**	
CA028010	Site Improvements	1450		$96,317.70		$96,317.70	$96,317.70	Moved from 2004, Moved Partial to 2006
San Joaquin	General Requirements	1460		$5,293.90		$5,293.90	$5,293.90	
	Total for CA028010 San Joaquin			**$101,611.60**		**$101,611.60**	**$101,611.60**	
CA028012	Exterior Paint	1460		$44,860.00		$44,860.00	$42,617.00	Moved from 2008
Firebaugh	Bathroom Modernization	1460		$16,500.00		$16,500.00	$7,837.50	Moved from 2006
	Mechanical Wall Furnaces	1460		$136,112.00		$136,112.00	$129,306.40	Emergency item Carbon Monoxide exposure
	General Requirements	1460		$64,974.00		$64,974.00	$61,151.22	
	Total for CA028012 Firebaugh			**$262,446.00**		**$262,446.00**	**$240,912.12**	
CA028026	Windows	1460	48	$52,850.00		$52,850.00	$50,300.00	Moved from 2009
Mendota	Exterior Paint	1460	48	$78,592.00		$78,592.00	$74,662.40	Moved from 2007
	Mechanical-Coolers	1460	25	$53,517.77		$53,517.77	$51,872.77	Emergency item Health and Safety due to the valley heat
	General Requirements	1460		$46,508.00		$46,508.00	$44,182.60	
	Total for CA028026 Mendota			**$231,467.77**		**$231,467.77**	**$221,017.77**	
CA028022	Cabinets	1460	12	$0.00				Moved to 2007
Biola	Bathroom Modernization	1460	12	$0.00				Moved to 2007
	Total for CA028022 Biola	**1460**		**$0.00**				

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

PHA Name: Housing Authority of Fresno County		**Grant Type and Number** Capital Fund Program Grant No: CA39P02850105 Replacement Housing Factor Grant No:				**Federal FY of Grant:** 2005		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
CA028020	Exterior Painting	1460	20	$19,060.00		$19,060.00	$19,060.00	Moved from 2009
Laton	Stucco	1460	20					Moved to 2009
	Bathroom Modernization	1460	20	$2,615.00		$2,615.00	$2,615.00	Moved from 2009
	General Requirements	1460		$7,225.00		$7,225.00	$7,225.00	
	Total for CA028020 Laton			**$28,900.00**		**$28,900.00**	**$28,900.00**	
CA28021	Concrete	1450		$37,500.00		$37,500.00	$37,500.00	Moved from 2009
San Joaquin	Roofing	1460		$37,600.00		$37,600.00	$37,600.00	Moved from 2010
	Doors	1460		$23,136.00		$23,136.00	$23,136.00	Moved from 2009
	Exterior Paint	1460		$23,091.60		$23,091.60	$23,091.60	Moved from 2007
	Mechanical – Coolers	1460		$17,892.47		$17,892.47	$17,892.47	Emergency item Health and Safety due to the valley heat
	General Requirements	1460		$41,740.40		$41,740.40	$41,740.40	
	Total for CA028021 San Joaquin			**$180,960.47**		**$180,960.47**	**$180,960.47**	
CA028030	Stoves & Refrigerators	1465.1		$0.00				Moved from 2003,Moved to 2007
Firebaugh								
	Total for CA28030 Firebaugh			**$0.00**				
CA028016	Interior Painting	1460		$0.00				Moved from 2003, moved to 2009
Orange Cove	Kitchen counter tops	1460		$0.00				Moved from 2003, moved to 2009
	Total for CA28016 Orange Cove			**$0.00**				

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

PHA Name: Housing Authority of Fresno County		**Grant Type and Number** Capital Fund Program Grant No: CA39P02850105 Replacement Housing Factor Grant No:				**Federal FY of Grant:** 2005		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
CA028019	Miscellaneous Materials	1460		$5,000.00		$5,000.00	$4,750.00	Moved from 2007
Firebaugh	Doors	1460		$28,000.00		$28,000.00	$26,600.00	Moved from 2007
	Exterior Paint	1460		$18,000.00		$18,000.00	$17,100.00	Moved from 2007
	Kitchen Modernization	1460		$0.00		$0.00	$0.00	Moved from 2007, Moved to 2010
	Stucco	1460		$17,500.00		$17,500.00	$16,625.00	Moved from 2007
	General Requirements	1460		$19,124.00		$19,124.00	$18,179.86	
	Total for CA28019 Firebaugh			**$87,624.00**		**$87,624.00**	**$83,254.86**	
CA028001	Roofs	1460	25	$0.00				Moved from 2003, moved to 2010
Selma								
	Total for CA028014 Mendota	**1460**		**$0.00**				

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

PHA Name: Housing Authority of Fresno County		**Grant Type and Number** Capital Fund Program Grant No: CA39P02850105 Replacement Housing Factor Grant No:				**Federal FY of Grant:** 2005		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
CA028033	Site Improvements	1450	10	$27,923.19		$27,923.19	$27,923.19	Moved from 2006
Sanger								
	Roofs	1460	10	$6,598.25		$6,598.25	$6,598.25	Moved from 2010
	Interior Painting	1460	10	$9,270.00		$9,270.00	$9,270.00	Moved from 2010
	Miscellaneous Supplies	1460	10	$1,086.00		$1,086.00	$1,086.00	Moved from 2007
	Floor	1460	10	$18,720.00		$18,720.00	$18,720.00	Moved from 2007
	Bathroom Modernization	1460	10	$15,389.74		$15,389.74	$15,389.74	Moved from 2007
	Kitchen Modernization	1460	10	$22,630.61		$22,630.61	$22,630.61	Moved from 2007
	Stucco	1460	10	$8,462.50		$8,462.50	$8,462.50	Moved from 2010
	Mechanical A/C	1460	10	$38,603.09		$38,603.09	$38,603.09	Moved from 2006
	General Requirements	1460	10	$5,583.07		$5,583.07	$5,583.07	
	Subtotal			$126,343.26		$126,343.26	$126,343.26	
	Stoves & Refrigerators	1465.1		$11,230.24		$11,230.24	$11,230.24	Moved from 2006
	Total Sanger CA028033			**$165,496.69**		**$165,496.69**	**$165,496.69**	

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

PHA Name: Housing Authority of Fresno County	**Grant Type and Number** Capital Fund Program No: CA39P02850105 Replacement Housing Factor No:	**Federal FY of Grant:** 2005

Development Number Name/HA-Wide Activities	All Fund Obligated (Quarter Ending Date)			All Funds Expended (Quarter Ending Date)			Reasons for Revised Target Dates
	Original	Revised	Actual	Original	Revised	Actual	
Drug Abatement & Security	8/18/07			8/18/09			
Software	8/18/07			8/18/09			
CA028007 Kerman	8/18/07			8/18/09			
CA028008 Firebaugh	8/18/07			8/18/09			
CA028009 Mendota	8/18/07			8/18/09			
CA028014 Mendota	8/18/07			8/18/09			
CA028022 Biola	8/18/07			8/18/09			
CA028020 Laton	8/18/07			8/18/09			
CA028030 Firebaugh	8/18/07			8/18/09			
CA028016 Orange Cove	8/18/07			8/18/09			
CA028001 Selma	8/18/07			8/18/09			
CA028033 Sanger	8/18/07			8/18/09			
CA028019 Firebaugh	8/18/07			8/18/09			
CA028010 San Joaquin	8/18/07			8/18/09			
CA028012 Firebaugh	8/18/07			8/18/09			
CA028014 Mendota	8/18/07			8/18/09			
CA028021 San Joaquin	8/18/07			8/18/09			
CA028026 Mendota	8/18/07			8/18/09			

CAPITAL FUND PROGRAM TABLES START HERE

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	Federal FY of Grant:
Housing Authority of Fresno County	Capital Fund Program Grant No: CA39P02850104 Replacement Housing Factor Grant No:	2004

☐ Original Annual Statement ☐ Reserve for Disasters/ Emergencies ☐ Revised Annual Statement (revision no:)
☒ Performance and Evaluation Report for Period Ending: 6/30/2008 ☐ 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	$54,467.22		$54,467.22	$54,467.22
3	1408 Management Improvements	$509,500.00		$509,500.00	$507,826.39
4	1410 Administration	$208,697.51		$208,697.51	$208,697.51
5	1411 Audit	$2,966.99		$2,966.99	$2,966.99
6	1415 Liquidated Damages				
7	1430 Fees and Costs	$48,404.97		$48,404.97	$48,404.97
8	1440 Site Acquisition				
9	1450 Site Improvement	$95,776.65		$95,776.65	$95,776.65
10	1460 Dwelling Structures	$1,503,774.32		$1,503,774.32	$1,503,774.32
11	1465.1 Dwelling Equipment—Nonexpendable	$0.00		$0.00	$0.00
12	1470 Nondwelling Structures				
13	1475 Nondwelling Equipment	$99,359.65		$99,359.65	$96,490.64
14	1485 Demolition				
15	1490 Replacement Reserve				
16	1492 Moving to Work Demonstration				
17	1495.1 Relocation Costs	$24,734.69		$24,734.69	$24,734.69
18	1499 Development Activities				
19	1501 Collaterization or Debt Service				
20	1502 Contingency	$0.00		$0.00	$0.00
21	Amount of Annual Grant: (sum of lines 2 – 20)	$2,547,682.00		$2,547,682.00	$2,543,139.38
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	$429,500		$429,500	$427,826.39
25	Amount of Line 21 Related to Security – Hard Costs				
26	Amount of line 21 Related to Energy Conservation Measures				

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

PHA Name: Housing Authority of Fresno County		**Grant Type and Number** Capital Fund Program Grant No: CA39P02850104 Replacement Housing Factor Grant No:				**Federal FY of Grant:** 2004		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
HA-Wide	Drug Abatement & Security	1408		$429,500		$429,500	$427,826.39	
Mgmt.	Software	1408		$80,000		$80,000	$80,000	
Improvements		1408						
	Total			$509,500		$509,500	$507,826.39	
HA-Wide	Non Technical Salaries	1410		$70,563.54		$70,563.54	$70,563.54	
Administration	Technical Salaries	1410		$73,905.96		$73,905.96	$73,905.96	
	Employee Benefits	1410		$53,845.33		$53,845.33	$53,845.33	
	Travel	1410		$7,011.57		$7,011.57	$7,011.57	
	Telephone	1410		$800.00		$800.00	$800.00	
	Sundry	1410		$2,571.11		$2,571.11	$2,571.11	
	Total			$208,697.51		$208,697.51	$208,697.51	
HA-Wide	A&E Services	1430		$1,012.57		$1,012.57	$1,012.57	
Fees and Costs	Consultant Fees	1430		$0.00		$0.00	$0.00	
	Permit Fees	1430		$9,321.40		$9,321.40	$9,321.40	
	PHA Inspector	1430		$38,071.00		$38,071.00	$38,071.00	
	Total			$48,404.97		$48,404.97	$48,404.97	
HA-Wide	Computer Equipment	1475		$98,444.14		$98,444.14	$95,575.13	
HA-Wide	Office Equipment	1475		$915.51		$915.51	$915.51	
	Total			$99,359.65		$99,359.65	$96,490.64	
	Relocation Cost	1495.1		$24,734.69		$24,734.69	$24,734.69	

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

PHA Name: Housing Authority of Fresno County		**Grant Type and Number** Capital Fund Program Grant No: CA39P02850104 Replacement Housing Factor Grant No:				**Federal FY of Grant:** 2004		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
CA028010	Landscape	1450	28	$0				Moved to 2002
San Joaquin	Site Concrete	1450	28	$0				Moved to 2002
	Site Underground Water Mains	1450	28	$0				Moved to 2002
	Site Grading & Drainage	1450	28	$0				Moved to 2003
	Site Underground Sewer Lines	1450	28	$0				Moved to 2002
	Subtotal			$0				Moved to 2002
	Replace Building Water Lines	1460	28	$0				Moved to 2002
	Building Sewer Lines	1460	28	$0				Moved to 2002
	Exterior Trim Painting	1460	28	$0				Moved to 2002
	Exterior Stucco & Re-dash	1460	28	$0				Moved to 2002
	Bathroom Additions	1460	28	$0				Moved to 2002
	Water Heater	1460	28	$0				Moved to 2002
	Asbestos Abatement	1460	28	$0				Moved to 2002
	Interior Texture & Painting	1460	28	$0				Moved to 2002
	Kitchen Modernization	1460	28	$0				Moved to 2002
	Laundry Room Additions	1460	28	$0				Moved to 2002
	Bathroom Modernization	1460	28	$0				Moved to 2002
	Subtotal			$0				Moved to 2002
	Stoves & Refrigerators	1465.1	28	$0				Moved to 2002
	HVAC	1465.1	28	$0				Moved to 2002
	Subtotal			$0				Moved to 2002
	Total San Joaquin CA028010			$0				Moved to 2002

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

PHA Name: Housing Authority of Fresno County		Grant Type and Number Capital Fund Program Grant No: CA39P02850104 Replacement Housing Factor Grant No:				Federal FY of Grant: 2004		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
CA028015	Underground Utilities	1450		$0.00				Moved to 2007
Parlier								
	Total Parlier CA028015			$0.00				
CA028018	Tree Pruning	1450		$0.00				
Del Rey								
	Total Del Rey CA028018			$0.00				
CA028020	Concrete work	1450		$0.00				Moved to 2009
Laton	Site grading and drainage	1450		$0.00				Moved to 2009
	Total Laton CA028020			$0.00				
CA028002	Underground utility repair	1450		$0.00				Moved to 2006
Sanger								
	Total Sanger CA028002			$0.00				
CA028030	Replace tubs, showers, sinks	1460	32	$0.00				Moved to 2007
Firebaugh								
	Total Firebaugh CA028030			$0.00				

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

PHA Name: Housing Authority of Fresno County		Grant Type and Number Capital Fund Program Grant No: CA39P02850104 Replacement Housing Factor Grant No:				Federal FY of Grant: 2004		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
CA028019	Replace Gate Valves	1450	30	$0.00				Moved to 2006
Firebaugh	Irrigation System Repairs	1450	30	$0.00				Moved to 2006
	Subtotal			$0.00				
	Exterior Siding/Stucco Repair	1460	30	$0.00				Moved to 2006
	Exterior Painting	1460	30	$0.00				Moved to 2006
	Roofs	1460	30	$0.00				Moved to 2006
	Interior Wall Texture/Paint	1460	30	$0.00				Moved to 2006
	Interior Entry Door	1460	30	$0.00				Moved to 2006
	Replace Floor Tile	1460	30	$0.00				Moved to 2006
	Handicap Accessibility Upgrades	1460	30	$0.00				Moved to 2006
	Bathroom Modernization	1460	30	$0.00				Moved to 2006
	Kitchen Modernization	1460	30	$0.00				Moved to 2006
	Subtotal			$0.00				
	Stoves & Refrigerators	1465.1	30	$0.00				Moved to 2006
	Heaters	1465.1	30	$0.00				Moved to 2006
	Subtotal			$0.00				
	Total Firebaugh CA028019			$0.00				

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

PHA Name: Housing Authority of Fresno County		Grant Type and Number Capital Fund Program Grant No: CA39P02850104 Replacement Housing Factor Grant No:				Federal FY of Grant: 2004		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
CA028033	Site Improvements	1450	54	$33,756.90		$33,756.90	$33,756.90	Moved from 2006
Sanger								
	Roofs	1460	54	$125,366.75		$125,366.75	$125,366.75	Moved from 2010
	Interior Painting	1460	54	$52,530.00		$52,530.00	$52,530.00	Moved from 2010
	Miscellaneous Supplies	1460	54	$6,154.00		$6,154.00	$6,154.00	Moved from 2007
	Floor	1460	54	$106,080.00		$106,080.00	$106,080.00	Moved from 2007
	Bathroom Modernization	1460	54	$212,499.80		$212,499.80	$212,499.80	Moved from 2007
	Kitchen Modernization	1460	54	$78,596.10		$78,596.10	$78,596.10	Moved from 2007
	Stucco	1460	54	$143,492.87		$143,492.87	$143,492.87	Moved from 2010
	Mechanical A/C	1460	54	$175,100.00		$175,100.00	$175,100.00	Moved from 2006
	General Requirements	1460	54	$152,489.25		$152,489.25	$152,489.25	
	Subtotal			$1,052,308.77		$1,052,308.77	$1,052,308.77	
	Total Sanger CA028033			$1,086,065.67		$1,086,065.67	$1,086,065.67	

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

PHA Name: Housing Authority of Fresno County		**Grant Type and Number** Capital Fund Program Grant No: CA39P02850104 Replacement Housing Factor Grant No:				**Federal FY of Grant:** 2004		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
CA028008	Repair Underground Utilities	1450	50	$62,019.75		$62,019.75	$62,019.75	Moved from 2005; change order mandated by the City of Firebaugh
Firebaugh								
	Interior Painting	1460	50	$86,888.15		$86,888.15	$86,888.15	Moved from 2010
	Doors	1460	50	$83,642.60		$83,642.60	$83,642.60	Moved from 2010
	Exterior Painting	1460	50	$41,850.00		$41,850.00	$41,850.00	Moved from 2010
	Bathroom Modernization	1460	50	$80,300.80		$80,300.80	$80,300.80	Moved from 2010
	Kitchen Modernization	1460	50	$43,950.00		$43,950.00	$43,950.00	Moved from 2010
	Asbestos Removal	1460	50	$74,810.00		$74,810.00	$74,810.00	Moved from 2010
	Plumbing	1460	50	$22,170.00		$22,170.00	$22,170.00	Moved from 2010
	Mechanical	1460	50	$16,672.00		$16,672.00	$16,672.00	Moved from 2010
	General Requirements	1460	50	$1,182.00		$1,182.00	$1,182.00	
	Subtotal			$451,465.55		$451,465.55	$451,465.55	
	Total Firebaugh CA028008			$513,485.30		$513,485.30	$513,485.30	

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

PHA Name: Housing Authority of Fresno County	**Grant Type and Number** Capital Fund Program No: CA39P02850104 Replacement Housing Factor No:	**Federal FY of Grant:** 2004

Development Number Name/HA-Wide Activities	All Fund Obligated (Quarter Ending Date)			All Funds Expended (Quarter Ending Date)			Reasons for Revised Target Dates
	Original	Revised	Actual	Original	Revised	Actual	
Drug Abatement & Security	6/30/06			6/30/08			
Software	6/30/06			6/30/08			
CA028002 Memorial Village	6/30/06			6/30/08			
CA028008 Firebaugh	6/30/06			6/30/08			
CA028015 Parlier	6/30/06			6/30/08			
CA028018 Del Rey	6/30/06			6/30/08			
CA028010 San Joaquin	6/30/06			6/30/08			
CA028019 Firebaugh	6/30/06			6/30/08			
CA028020 Laton	6/30/06			6/30/08			
CA028030 Firebaugh	6/30/06			6/30/08			
CA028033 Sanger	6/30/06			6/30/08			

HOUSING AUTHORITIES
CITY AND COUNTY OF FRESNO
2008

Board of Commissioners
Housing Authority of the City of Fresno

Board of Commissioners
Housing Authority of Fresno County

Executive Director
Preston Prince

Housing Choice Department

Rebecca Craigo
Director

Housing Options Division
- *Mainstream Program
- *Family Self-Sufficiency
- *Family Unification
- *Housing Counseling Agency
- *HMIS
- *Marketing
- *Section 8 Homeownership
- *Shelter + Care
- *Welfare to Work

Voucher & Application Administration Division
- *File Control
- *Eligibility Intake
- *Transfers & Portability
- *504 Compliance
- *Application Intake
- *Wait List Administration
- *Screening-Eviction/Criminal Activity
- *Information/Owner Service Center
- *Forms & Document Control
- *Website Administration
- *Reception/Front Desk
- *Recertifications

Housing Services Department

Vacant, Director

Design & Construction Division
- *Capital Funds
- *Contract Management
- *Planning, Design, & Construction Services

Quality Assurance Division
- *SEMAP Compliance
- *HQS Inspections
- *Owner Services
- *Program Compliance
- *Program Integrity
- *Policy Revisions
- *Internal Audits
- *Termination of Assistance
- *Informal Hearings
- *Program Abuse/Fraud Invest..
- *Utilization
- *PIC Maintenance
- *50058 Transmissions
- *Owner Outreach

District Offices
- *City District
- *District IV- East County
- *District V- West County

AMPs
- *Five City AMPs
- *Six County AMPs

Housing Programs
- *Emergency Housing
- *Farm Labor Housing
- *Home Ownership Opportunities Program
- *Low-Income Public Housing
- *Migrant Farm Worker Housing
- *PHA-Owned Section 8

Supportive Services
- *Economic Development & Supportive Services (EDSS) Program
- *Karl Falk Memorial Scholarship
- *Perfect Attendance
- *Public Housing Drug Elimination
- *Resident Initiatives
- *Youth Mentor

Human Resources Department

Mae F. Mull, Director

Planning & Community Development Department

Victoria Johnson, Director

Non-Profit Programs Division
- *Asset Management
- *HOME Program
- *HOPWA Program
- *Low-Income Housing Tax Credits
- *Multi-Family Development

Redevelopment Programs Division
- *Community Housing Partnership Program
- *Single-Family Boarded-up Home Program
- *Single-Family Infill Development
- *Single-Family Major Rehab
- *Single-Family Minor Rehab

Housing Resource Services Division
- *Asset Management
- *Affordable Housing
- *Down-payment Assistance Program-Small Cities
- *Grant Writing
- *Low-Income Housing Tax Credit Program
- *Mortgage Revenue Bond Program
- *Multi-Family Acquisitions
- *Program Development

Administrative Services Department

Aaron Osborne,
Director

- **Accounting**
- **Information Technology (Outsourced)**
- **Purchasing**
- **Risk Management**

Attachment ca028e01

Resident Advisory Board (RAB) Membership And RAB Comments Housing Authority of the County of Fresno

The Resident Advisory Board met on the following dates for the purpose of reviewing the Agency's Annual and Five-Year Plans for 2009-2013 and for making any recommendations for significant amendments or modifications to the Plan: a brief introductory meeting on April 12, followed by business meetings on May 17, June 11, and July 9. Minutes for each of the business meetings are included below, along with comments and suggestions shared by the RAB members.

Fred Mosley, Juan Herrera and Phillip Aaron on behalf of the Low Income Public Housing Program; Carmen Sumaya, Carolyn Barro, Diana Medina, Edward Lacomb, Linda Baxer, Marsha Simpson, Mary Brown, Paula Lee and Vanessa Gonzalez on behalf of the Housing Choice Voucher Department.

All comments were responded to as indicated in the minutes. It was determined that no changes to the PHA Plan were necessary.

RAB MEETING MINUTES : *Saturday, May 17, 2008*

Present:

LIPH (3): Fred Mosley, Juan Herrera, Phillip Aaron

HCV (9): Carmen Sumaya, Carolyn Barro, Diana Medina, Edward Lacomb, Linda Baxer, Marsha Simpson, Mary Brown, Paula Lee, Vanessa Gonzalez

HA Representatives (3): Joann Bliss, Richard Atilano, Rita Blanco

Housing Authority Representatives gave an overview of how the RAB process will assist us in making the annual revisions to our annual agency plan. Rita Blanco discussed handout dated 5/16/08 on proposed Low Income Public Housing (LIPH) changes to take effect on January 1st, 2009.

Attendees had questions about how the housing authority processes requests from program participants for information or assistance. Mr. Atilano explained the process for LIPH program and that usually contact with the property manager would provide them with what they need. The Housing Choice Voucher (HCV) participants expressed challenges getting through to ISC and we explained that this is a process we are trying to

resolve and that if they have any trouble getting through they can ask to speak to a supervisor.

Several attendees expressed personal concerns regarding their assistance which were addressed one on one after the meeting.

Suggestions made by attendees. Juan Herrera suggested that LIPH participants be given more notice regarding the rent processes. Rita explained in more detail to him and stated that we would take into advisement his suggestions.

Linda Baxter had a question regarding the enhanced voucher program which she is a participant of and how it works and about how to move with an enhanced voucher. Joann referred her to Christine Muro in regards to transferring.

An oral overview of the proposed changes being discussed to date to the HCV administrative plan was shared. Attendees were advised that they would receive a handout regarding these changes as well as some additional information regarding the capital funds.

Mr. Atilano shared that we do tours from time to time regarding our public housing properties and if anyone would be interested and several expressed an interest.

Meeting adjourned at noon however some attendees stayed afterwards to discuss questions regarding the HCV program.

RAB MEETING MINUTES : *Wednesday, June 11, 2008*

Present:

HCV (8): Carmen Sumaya, Carolyn Barro, Edward Lacomb, Ellen Gill, Linda Baxter, Mary Brown, Otis Davis, Paula Lee,

HA Representatives (3): Joann Bliss, Rebecca Craigo, Richard Atilano

Meeting was initiated by Richard Atilano who shared information regarding Capitol Fund activities for Selma, Del Rey, Orange Cove and Reedley. These changes are from 2006 monies and we are in the process of requesting 2007 monies. He handed out a copy of the budget for the City and the County explaining the appropriations and a copy of the capitol funds schedule.

Housing Authority representatives discussed the proposed changes to the Housing Choice Voucher (HCV) administrative plan that are to be effective January 1st, 2009. All attendees received a handout regarding the proposed changes to the administrative plan. The HCV director Rebecca Craigo shared an overview of all of the changes and answered numerous questions in regards to the changes. The majority of the questions were posed for an understanding of the changes rather than recommendations on the changes.

However two comments were received. The first comment was received from Ellen Gill asked how resident commissioners were appointed to the housing authorities' board of commissioners. It was explained that for the City of Fresno appointments are made through the Mayors office. The Housing Authority of the County of Fresno receives it appointments from the County Board of Supervisors. The Housing Authority is one of the agencies that make recommendations to the Mayors office and the County board of Supervisors for these appointments. Ellen Gill expressed an interest in being recommended and we asked for personal information so that we could pass it along.

The second comment was received from Otis Davis who felt strongly that it is important for persons with disabilities receive a local preference in terms of placement on the waiting list. Ms. Craigo responded that the HA concurs that this is a desirable preference and that one of the reasons HA has not given this preference in the past is because of the considerable number of programs that are already made available to persons with disabilities.

RAB MEETING MINUTES : *Wednesday, July 9, 2008*

Present:

LIPH (1): Juan Herrera

HCV (6): Carmen Sumaya, Charles Mitchell, Edward Lacomb, Ellen Gill, Mary Brown, Otis Davis

HA Representatives: Joann Bliss, Richard Atilano

Meeting was initiated by Richard Atilano who shared the current proposed changes for the Admissions and Continued Occupancy Policy which are used to administer the Low Income Public Housing program. Proposed changes include: 1) the removal of the working family preference; 2) the addition of two new preferences: the residency preference and the U.S. veterans preference; 3) an explanation of how the local preferences will be numerically ranked; 4) the removal of an applicant from LIPH wait list if that applicant has not maintained a current address with the Housing Authority; 5) the reduction in an LIPH applicant's time limit for accepting or refusing the offer of a unit from 7 working days to 3 business days; and 6) the addition of screening and eviction for drug abuse and other criminal activities to the annual eligibility process.

Discussion on these items focused on the reasons for the selection of the new preferences and how the ranking system works. Mr. Atilano and Mrs. Bliss explained the that fairness of the wait list system stems from the fact housing assistance is on a first-come, first-served basis; since the demand for housing far exceeds the supply of public housing units and HCV vouchers, this is fair and equitable to all.

Everyone is selected first by date and time of their pre-application. After the initial batching of those at the top of the wait list, the preferences are applied. As the residency preference is applied to those eligible all applicants with this category will go on for their formal eligibility interview according to the date and time of their application. So it

continues to revert to date and time, unless an applicant is a non-resident family, in which case they would go back on the wait list without a residency preference.

Mr. Davis asked why disabled resident applicants could not get a preference. It was explained that the Housing Authority is not penalizing a disabled resident applicant. Such a person would receive the residency preference and would be assisted according to the date and time of his/her pre-application.

Jo Ann Bliss then provided all attendees with a handout regarding the proposed changes to Housing Choice Voucher Administrative Plan, sharing an overview of all of the changes. Responses were posed to elicit further information or for clarification; but there was no disagreement with the proposed policy changes.

Discussion items for the second half of the meeting focused on the following subjects.

- Ms. Gill wanted to know more about the HCV Family Self-Sufficiency (FSS) program and how to go about getting on this program. It was explained that we closed our FSS waiting list due to the caseload ratio being too high at this time, however as families graduate from or leave the program, the waiting list is likely to open again. Mr. Mitchell shared his experience as a current FSS participant stating how valuable the case management has been for him and for his children.
- Mr. Herrera wanted to know if the PHA might offer a seminar on some of the issues, like cleaning up one's credit record, for non-FSS families. As a Housing Counseling Agency these and similar services are available to the public.
- In regards to Housing Assistance Payments paid to an owner, Mr. Lacombe wanted to know what would happen if his landlord did not complete the repairs within the timeframe allowed by the Housing Authority. Mrs. Bliss explained the abatement process, and that if repairs are still not completed, the family will receive a voucher to move to a new unit.
- Ms. Brown wanted to know whether a public housing resident couldn't pay their rent directly to the Housing Authorities. It was explained that this had been addressed at a prior RAB meeting by Mr. Atilano; however, Mrs. Bliss indicated that the basic reason rent collection was outsourced was to streamline our operations and make the rent collection process more cost effective.
- Some discussion occurred about the proposal to allocate 50 vouchers to the Parc Grove Commons development, which is a mixed development project that will provide more energy-efficient affordable housing to the community. The RAB members were supportive of this proposal.

Mr. Atilano announced to the RAB members he received approval to take any interested RAB members on a tour of a cross section of public housing complexes in the local area and nearby county areas. A van will be obtained for this purpose and Mr. Atilano will be providing details about the date and times for the tour.