

October 5, 2010

Board of Commissioners
Housing Authority of the County of Marin
Marin Civic Center
3501 Civic Center Drive
San Rafael, CA 94903

4020 Civic Center Drive
San Rafael, CA 94903-4173

Executive Director
Dan Nackerman

SUBJECT: Public Hearing: Annual Agency Plan for 2011 and Five-Year Plan for 2011-2015

RECOMMENDATION: (i) Conduct a Public Hearing; (ii) consider approving the Annual Agency Plan and the Five-Year Plan for Submittal to the U.S. Department of Housing and Urban Development.

SUMMARY: HUD requires each Housing Authority to develop and approve an annual agency plan and five-year plan. The Housing Authority prepared a Draft Plan, published two Public Notices and on August 6, 2010 opened a 45-day public comment period, ending September 20, 2010. The Draft Plan was reviewed in a series of 15 meetings with the Resident Advisory Board (RAB). MHA held a public forum on August 31, 2010 for interested residents and members of the community.

The Plan was available in the Housing Authority offices in San Rafael and Golden Gate Village in Marin City, and posted on the Marin Housing website. Copies of the Plan were provided to the RAB members, notification of the Draft Plan was provided directly to several community-based organizations. Comments received have been considered and attached to the Draft Agency Plan document.

With respect to the Plan, please note the following:

- The Capital Fund Program Annual Statement/ Evaluation Report represents the Housing Authority's application for HUD funding for 2011 under the Capital Fund Program
- Administrative Plan revisions included sections on; *Policies and Objectives, Fair Housing and Equal Opportunity, Applying for Admission, Eligibility for Admission,*

Housing Authority of
the County of Marin

415/491-2525

(FAX) 415/472-2186
(TDD) 1-800-735-2929

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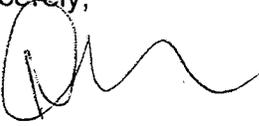
www.marinhousing.org

Maintaining the Waiting List, Income and Subsidy Determinations, Briefing and Voucher Issuance, Housing Quality Standards and Rent Reasonableness Determination. These proposed revisions are primarily format changes versus content changes to transfer to the industry model Administrative Plan.

- Agency Five-Year Plan Goals and Objectives include maximum program utilization, preserving existing housing, preventing homelessness, promoting homeownership, aggressive funding attainment, economic advancement by participants, demystifying bureaucracy, improving/streamlining external communication, adding partners, adding/developing housing stock, green projects, increasing accessibility for disabled, and job training/hiring for low-income individuals.

FISCAL IMPACT: Although there is no direct fiscal impact, the Annual Plan outlines the activities, goals and objectives of the Housing Authority for 2011 and the period 2011 through 2015 base on current and projected funding levels.

Sincerely,



DANIEL NACKERMAN
Executive Director

Attachments

**PHA Certifications of Compliance
with PHA Plans and Related
Regulations**

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
Expires 4/30/2011

**PHA Certifications of Compliance with the PHA Plans and Related Regulations:
Board Resolution to Accompany the PHA 5-Year and Annual PHA Plan**

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the X 5-Year and/or X Annual PHA Plan for the PHA fiscal year beginning 1/2011, hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

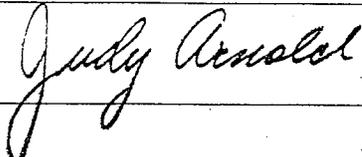
1. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
2. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan.
3. The PHA certifies that there has been no change, significant or otherwise, to the Capital Fund Program (and Capital Fund Program/Replacement Housing Factor) Annual Statement(s), since submission of its last approved Annual Plan. The Capital Fund Program Annual Statement/Annual Statement/Performance and Evaluation Report must be submitted annually even if there is no change.
4. The PHA has established a Resident Advisory Board or Boards, the membership of which represents the residents assisted by the PHA, consulted with this Board or Boards in developing the Plan, and considered the recommendations of the Board or Boards (24 CFR 903.13). The PHA has included in the Plan submission a copy of the recommendations made by the Resident Advisory Board or Boards and a description of the manner in which the Plan addresses these recommendations.
5. The PHA made the proposed Plan and all information relevant to the public hearing available for public inspection at least 45 days before the hearing, published a notice that a hearing would be held and conducted a hearing to discuss the Plan and invited public comment.
6. The PHA certifies that it will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
7. The PHA will affirmatively further fair housing by examining their programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.
8. For PHA Plan that includes a policy for site based waiting lists:
 - The PHA regularly submits required data to HUD's 50058 PIC/IMS Module in an accurate, complete and timely manner (as specified in PIH Notice 2006-24);
 - The system of site-based waiting lists provides for full disclosure to each applicant in the selection of the development in which to reside, including basic information about available sites; and an estimate of the period of time the applicant would likely have to wait to be admitted to units of different sizes and types at each site;
 - Adoption of site-based waiting list would not violate any court order or settlement agreement or be inconsistent with a pending complaint brought by HUD;
 - The PHA shall take reasonable measures to assure that such waiting list is consistent with affirmatively furthering fair housing;
 - The PHA provides for review of its site-based waiting list policy to determine if it is consistent with civil rights laws and certifications, as specified in 24 CFR part 903.7(c)(1).
9. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
10. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
11. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.

12. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
13. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
14. The PHA will provide the responsible entity or HUD any documentation that the responsible entity or HUD needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58 or Part 50, respectively.
15. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under Section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
16. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
17. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act, the Residential Lead-Based Paint Hazard Reduction Act of 1992, and 24 CFR Part 35.
18. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments), 2 CFR Part 225, and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments).
19. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the regulations and included in its Plan.
20. All attachments to the Plan have been and will continue to be available at all times and all locations that the PHA Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its PHA Plan and will continue to be made available at least at the primary business office of the PHA.
21. The PHA provides assurance as part of this certification that:
 - (i) The Resident Advisory Board had an opportunity to review and comment on the changes to the policies and programs before implementation by the PHA;
 - (ii) The changes were duly approved by the PHA Board of Directors (or similar governing body); and
 - (iii) The revised policies and programs are available for review and inspection, at the principal office of the PHA during normal business hours.
22. The PHA certifies that it is in compliance with all applicable Federal statutory and regulatory requirements.

Housing Authority of the County of Marin CA052
 PHA Name PHA Number/HA Code

- 5-Year PHA Plan for Fiscal Years 20 11 - 20 15
- Annual PHA Plan for Fiscal Years 20 11 - 20 11

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official	Title
Judy Arnold	Board President, Marin County Housing Authority
Signature	Date
	

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Civil Rights CertificationU.S. Department of Housing and Urban Development
Office of Public and Indian Housing
Expires 4/30/2011**Civil Rights Certification****Annual Certification and Board Resolution**

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioner, I approve the submission of the Plan for the PHA of which this document is a part and make the following certification and agreement with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

The PHA certifies that it will carry out the public housing program of the agency in conformity with title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990, and will affirmatively further fair housing.

COUNTY OF MARIN HOUSING AUTHORITY

CA 052

PHA Name_____
PHA Number/HA Code

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

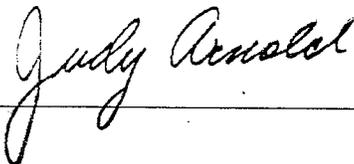
Name of Authorized Official

JUDY ARNOLD

Title

CHAIR, MARIN COUNTY AUTHORITY
BOARD OF COMMISSIONERS

Signature



Date

Certification by State or Local
Official of PHA Plans Consistency
with the Consolidated Plan

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
Expires 4/30/2011

**Certification by State or Local Official of PHA Plans Consistency with the
Consolidated Plan**

I, MATTHEW HYMEL the COUNTY ADMINISTRATOR certify that the Five Year and
Annual PHA Plan of the COUNTY OF MARIN HOUSING AUTHORITY is consistent with the Consolidated Plan of
COUNTY OF MARIN, CALIFORNIA prepared pursuant to 24 CFR Part 91.



Signed / Dated by Appropriate State or Local Official

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.

(b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).
11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is OMB No. 0348-0046. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, DC 20503.

Certification for a Drug-Free Workplace

U.S. Department of Housing and Urban Development

Applicant Name

Housing Authority of the County of Marin

Program/Activity Receiving Federal Grant Funding

Acting on behalf of the above named Applicant as its Authorized Official, I make the following certifications and agreements to the Department of Housing and Urban Development (HUD) regarding the sites listed below:

I certify that the above named Applicant will or will continue to provide a drug-free workplace by:

a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Applicant's workplace and specifying the actions that will be taken against employees for violation of such prohibition.

b. Establishing an on-going drug-free awareness program to inform employees ---

- (1) The dangers of drug abuse in the workplace;
- (2) The Applicant's policy of maintaining a drug-free workplace;

(3) Any available drug counseling, rehabilitation, and employee assistance programs; and

(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

c. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph a.;

d. Notifying the employee in the statement required by paragraph a. that, as a condition of employment under the grant, the employee will ---

(1) Abide by the terms of the statement; and

(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

e. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph d.(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

f. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph d.(2), with respect to any employee who is so convicted ---

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs a. thru f.

2. **Sites for Work Performance.** The Applicant shall list (on separate pages) the site(s) for the performance of work done in connection with the HUD funding of the program/activity shown above: Place of Performance shall include the street address, city, county, State, and zip code. Identify each sheet with the Applicant name and address and the program/activity receiving grant funding.)

Golden Gate Village - CA052002

Venetia Oaks - CA052002

Administrative Office, 4020 Civic Center Dr., San Rafael, CA 94903

CF,PH

CF, PH

Section 8

Check here if there are workplaces on file that are not identified on the attached sheets.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties.
(18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

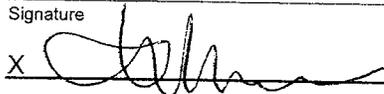
Name of Authorized Official

Dan Nackerman

Title

Executive Director

Signature

X 

Date

October 5, 2010

Certification of Payments to Influence Federal Transactions

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

Applicant Name

Housing Authority of the County of Marin

Program/Activity Receiving Federal Grant Funding

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties.
(18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official

Dan Nackerman

Title

Executive Director

Signature



Date (mm/dd/yyyy)

10/05/2010

MHA
2011
AGENCY
PLAN
NARRATIVE

MARIN HOUSING AUTHORITY 2011 Agency Plan Narrative

This narrative sets forth the MHA overall capital improvement strategy for modernization, new construction, and replacement housing with highlights of the proposed 2011 Capital Fund Program (CFP) implementation, and plans for revitalization of public housing sites. It includes significant revisions to the Administrative Plan.

INTRODUCTION

With approximately 500 public housing units, over 2,100 Section 8 Voucher holders and 35 VASH Vouchers, MHA is the primary source of housing for very low-income households. Operating subsidies and modernization funds provided by the Federal government on an annual basis have not been adequate, resulting in obsolescence and deterioration at many properties. Increased Federal support, 4 new federal stimulus grants, innovative local financing techniques, energy conservation measures, property management, resident involvement, and economic opportunities for residents are all required to stabilize, maintain, and improve this valuable supply of affordable housing. In addition, long-range plans are being pursued to rebuild sites into mixed-income and mixed-financed communities and make better use of underutilized sites and portions of sites and leverage additional. These goals, which are consistent with the County's Consolidated Plan, are being pursued in collaboration with residents, community representatives and other County agencies.

The MHA Commission, Executive Director, Resident Advisory Board (RAB) and staff have involved residents throughout the development and prioritizing of these Capital Fund Program (CFP), Administrative Plan, PHA Plan and revitalization plans. Notices were posted in local newspapers and on the MHA website to encourage participants of the Section 8 Housing Choice Voucher and the Conventional (Public) Housing programs to attend the 2011 PHA Annual Plan Submission Review Process meetings.

This partnership began with a MHA staff meeting with residents and resident leaders to discuss the plan and its requirements, program goals and objectives, and implementation timelines. Residents participated in and advised on all activities required to complete the PHA Plan Application. Subsequently, these RAB subcommittees met on fifteen other occasions to discuss the progress of the plan and attended a public hearing to receive feedback from the community.

IDENTIFICATION OF PHYSICAL AND MANAGEMENT NEEDS (based on the 2008 Comprehensive Physical and Management Needs Assessments as updated with resident and staff input):

The MHA is continually evaluating physical and management needs for all forty-six public housing developments. The identification process started in 2007 with the hiring of two consulting firms to prepare formal physical and management needs assessments. Many of these original Management and Physical Assessment Plans were presented in the 2008

In May of 2008, the MHA commissioned Realty Check, Inc to provide a comprehensive Physical

Needs Assessment to determine short and long term needs for the MHA's 497 public housing units. Additionally, the MHA performed in 2006 to determine new measures leading to an Energy Performance Contract (by The Nelrod Company). The MHA was recently awarded an additional 2.5 Million in ARRA funds and has also applied for Capital Fund Recovery Competition Grants. MHA also selected Energy Savings Company (ESCO) agent through a competitive RFP process in second quarter 2010. This will allow MHA to precede with a Comprehensive Energy Audit (CEA) of MHA's public housing units.

STRATEGY STATEMENT

To ensure that Capital Fund Program (CFP) funding is effectively and efficiently utilized, a clear and appropriate set of program priorities, goals and objectives was developed to serve as a guide in determining the specific work items and target sites that will be included in the CFP Plans. These program priorities, goals and objectives were discussed at length at the RAB meetings and used to develop this year's plans.

MODERNIZATION AND MANAGEMENT IMPROVEMENT

PRIORITY ONE: MANDATORY PHYSICAL & MANAGEMENT IMPROVEMENTS

- a) Lead Based Paint (LBP) abatement or in-place management activities.
- b) Asbestos Containing Material (ACM) abatement activities.
- c) Mold and Moisture abatement.
- d) Modification of apartments and common areas for use by disabled to comply with ADA and/or 504 requirements.
- e) Emergency improvements for life safety problems, and property stabilization by addressing leaking roofs and waterproofing buildings' exterior.
- f) Management improvement activities required by legal settlement, HUD audit finding, or identified by HUD's PHAS.
- g) Completion of Comprehensive modernization activities funded through CFP.

PRIORITY TWO: URGENT PHYSICAL & MANAGEMENT IMPROVEMENTS

- a) Emergency improvements such as chronic malfunctioning elevators, correction of hazardous conditions, etc.
- b) Identification and proper abatement of potentially toxic materials and unhealthy conditions. Specific activities would include testing and abatement of asbestos, lead, chronic mildew, etc. Repair/replacement/installation of ventilation systems.
- c) Improvements that will enhance the security of residents. Such activities would include installation of vandal resistant security lighting, security grills, surveillance equipment, gates, etc.
- d) Control of criminal activities. Such activities may include continuation of the successful public safety program of expanded patrols of Marin County Sheriff's Departments or police officers for city jurisdictions at selective MHA sites that have known criminal activities.

PRIORITY THREE: SERIOUS PHYSICAL & MANAGEMENT IMPROVEMENTS

- a) Major repairs to heating, plumbing, sewer, electrical systems, etc.
- b) Physical improvements to non-dwelling space for the expansion or improvement of resident activities and services and MHA management operations.
- c) Improvements to MHA management operations to improve efficiency and the delivery of services to residents.

REMAINING PHYSICAL, MANAGEMENT, AND OTHER NEEDS

Remaining physical and management improvements are those that are addressed based on the severity of the problem, the efficiency of addressing the problem along with other more urgent items or on the cost savings that will result from completing the improvement.

- a) Management Issues - timely street cleaning, tree pruning, sidewalk repair, anti-vandalism strategies, appropriate trash collection system, proper cleaning of site, on-site security, site resident monitors, neighborhood programs to monitor loitering, recycling programs for each site, and graffiti abatement, among others.
- b) Maintenance Issues- clean up of playground facilities, better maintenance programs for elevators and boilers, availability of maintenance workers who live in the city during emergency calls, intercom systems for senior developments (where needed), new furnishings for public areas, well maintained doors and windows, proper graffiti abatement, addition of weather stripping on all doors, addition of handrails to dangerous areas/ areas with seniors, add landscape irrigation system, timely maintenance response, kitchen cabinet repair, wall heater replacement, general unit improvements and need for new appliances, among others.
- c) Self-Sufficiency Issues - family planning services, senior care services, age-specific programs for children, summer programs, lunch programs, resident-owned businesses, social service programs, computer resource centers at all family developments and some senior developments, on-site activities/ programs for the senior developments, Resident Council (RC) monitoring and coordination, RC elections process, resident involvement in the expenditure of programs such as Drug Elimination Program (DEP), etc., and transportation arrangements for seniors, among others.

ADDRESSING DEVELOPMENTS WITH HIGHER NEEDS

Where many serious improvements are needed and the repair, replacement or redesign of major building elements will require the temporary on-site relocation of families to allow for the work to proceed, a comprehensive rehabilitation approach will be developed. All-important physical problems will be addressed at that time, funding permitting, to maximize the efficiency and long-range success, and to reduce overall cost associated with such efforts. When family relocation is

not required and improvements can be completed without major disruptions, funding permitting, a sequenced rehabilitation approach will be followed.

COORDINATED ACTIVITIES TO ENSURE EFFICIENCY

When special mobilization is required to address an item that is needed at several developments, the inclusion of all of these developments into a single effort will be considered. Maintenance and management issues brought up at the RAB meetings and citywide public hearings shall be referred to the appropriate departments, including Maintenance and Management.

CAPITAL FUND PROGRAM PLANS FOR FY 2011

The Physical Improvement goals outlined below focus on completion of capital improvements in progress, urgently needed work, mandated improvements and possible future/ long term needs, all with energy conservation measures where cost effective:

- Urgently needed infrastructure improvements including: water main replacement; heating, plumbing, and boiler replacements; site electrical improvements; concrete restoration; roofing; waterproofing; and paving repairs.
- Interior unit upgrades including: kitchen sink and countertop replacement; range, refrigerator and cabinet replacement; asbestos, lead and mold abatement; and 504/ADA reasonable accommodations.
- Modernization of senior and family developments including: hardwire smoke detector installations; fire alarm system upgrades, accessibility modifications; sidewalk repairs; exterior painting; and common space improvements.

Based upon the Qualified Energy Audit, the MHA is pursuing cost effective opportunities for saving energy, subject to fund availability, through Physical Improvements on work items such as: equipment replacement, appliance procurement, and significant renovations to units and buildings. Work included in the MHA's Five Year CFP Plan includes: Interior and Exterior Painting, Replacing of kitchens, high rise boiler systems at the high rises, replacement of low rise water heaters, stove and refrigerator replacement, energy conservation and substantial management improvements, amongst others. The MHA also plans acquire properties in partnership with other organizations in order to provide much needed affordable rental units in Marin County.

The Management Improvements (MI) goals include security surveillance cameras, public housing authority-wide modernization of internal business management systems, and the implementation of a resident employment/economic self-sufficiency program (1408). One of our high priorities will be an expansion of our Resident Initiatives Programs (1406). MHA is also considering entering into the "Moving to Work" Program, should the opportunity arises.

In addition to modernizing existing public housing units, the MHA is also developing revitalization and replacement housing strategies to preserving deteriorated low-income units it

manages through revitalization and maintenance of affordable housing units. The MHA plans to embark into a long term revitalization plan at the Golden Gate Village, a 292-unit family development in Marin City to renovate some of the buildings, someday build new housing in the underutilized land, and/ or rebuild some of the low income buildings without permanently relocating families off-site. Any and all of these opportunities could possible bring the modernization and new construction of new affordable rental and first time homeownership opportunities at the site.

REVITALIZATION AND DISPOSITION

With a CFP allocation of approximately \$1.1 million each year, the MHA will never be able to fully address the Golden Gate Village short and long term needs through this program alone. The extent of the physical problems, the inappropriateness of existing site plans, and obsolescence of building designs at Golden Gate Village would make extensive repairs at these communities an ineffective long-term strategy.

HUD is currently planning a new public housing preservation initiative known as Preservation, Enhancement and Transformation of Rental Assistance (PETRA). In an effort to guide the preservation of public housing this PETRA initiative could become one option to convert appropriate public housing properties, on a voluntary basis, to other affordable housing subsidy models with adequate, predictable, and reliable funding including project-based Housing Choice Vouchers (HCV's or project-based Section 8 Rental Assistance administered by HUD's Office of Housing. Such an initiative could provide sufficient and timely access to a range of flexible tools capable of addressing the unmet capital needs of MHA's public housing communities. Financing options should include tax credits, debt financing, credit enhancements (e.g. FHA insurance, other federal guarantees), direct grants, and other resources.

This PHA Plan also delineates the strategies to achieve improvements above and beyond the financial capacity of CFP. The MHA established an agency goal of pursuing every opportunity available to modernize and rebuild obsolete public housing units in Marin County. The strategies propose the use of public and private funding that might become available, creating alternative ways to rebuild public housing. They are consistent with the County of Marin Consolidated Plan that identifies a serious shortage of affordable housing opportunities and need to maintain a stock of housing for very low-income households.

RESIDENT HIRING

For all job tasks and contracts that are over a certain amount and subsidized with federal dollars, on Public Housing residents will be hired as part of the on-site work, and will be trained according to their skills, performance evaluation and desire to acquire job experience in either building trades, landscaping or administrative/ clerical positions. The goal will be to assist these residents to become self-sufficient, so that they can move on to jobs outside of the MHA. The agency plans to hire a Section 3 Fellow during the FY2011. Any contractors with the MHA will be required to provide resident hiring per Marin Housing Authority Policies and Section 3 federal requirements.

PREPARATION OF CAPITAL FUND PROGRAM 2011 ANNUAL SUBMISSION

The Marin Housing Authority has consistently involved residents in the development of modernization funding applications. The following are activities involving resident notifications and meetings regarding the 2011 Capital Fund Program Annual Submission.

Resident Advisory Board (RAB) Meetings to discuss Capital Funds–

- April 21, 2010
- May 5, 2010,
- May 19, 2010
- June 2, 2010

SECTION 8 ADMINISTRATIVE PLAN

In this year's plan, MHA revised components of the Administrative Plan related to the Program and plan overview topics, Fair Housing and Equal Opportunity, Eligibility and, Application, Waiting List Management, and Tenant Selection, Briefings and Voucher Issuance, Income and Subsidy Determinations, Housing Quality Standards and Rent Reasonableness. Housing Authority staff began meeting with the RAB on April 21, 2010 and met on fifteen (15) separate occasions between June and September 2010, which resulted in the "draft" changes. Housing Authority staff plans to revise other sections of the Admin Plan in the coming months in an effort to structure our existing Admin Plan to conform an industry tested model plan.

This model plan provides the basis for writing our agency's Administrative Plan by recommending language for each area in which PHAs have discretion or flexibility to develop their own policies. For each policy, the accompanying instruction guide offers important points to consider and customizable policy choices so that you can choose the best policy to suit our local county needs. Also, the model plan cites and describes HUD regulations and other requirements in detail, which presents our agency with a solid foundation in policy-making and certainty of HUD compliance.

LOCAL GOVERNMENT REVIEW

- The MHA has been participating in the County of Marin's Consolidated Plan Housing Element since early 2004. This group was coordinated by the County of Marin Planning Department included numerous other county agencies, community-based housing development organizations, housing advocacy groups and service providers and MHA. The effort is also providing an unprecedented continuous support from county agencies, non-profits and other stakeholders.
- MHA needs, based on the 2008 Comprehensive Plan for Physical Improvements have been discussed in the context of this County-wide comprehensive housing planning process and were developed in consultation with the CHAS Subcommittee. Long-range MHA goals and information on the total MHA physical and management improvement needs were presented and reviewed by the Board of Commissioners. As new MHA plans for improvements are developed and as funding is identified, additional improvements to the priority plan will be forged.

- **AGENCY PLAN SCHEDULE**

- 04/21/2010 – MHA Staff, RAB
- 05/05/2010 - MHA Staff, RAB
- 05/19/2010 - MHA Staff, RAB
- 06/02/2010 – MHA Staff, RAB
- 06/16/2010 – RAB, MHA Staff
- 06/30/2010 – RAB, MHA Staff
- 07/07/2010 – MHA Staff, RAB
- 07/14/2010 – MHA Staff, RAB
- 08/01/2010- MHA Staff, RAB
- 08/18/2010- MHA Staff, RAB
- 08/31/2010- Public Forum (MHA Staff)
- 09/01/2010- MHA Staff, RAB
- 09/15/2010- MHA Staff, RAB

The RAB also meet independently on four (4) other occasions off site.

- **08/06/2009 through 09/20/2010 Public Review and Comment**

- Two separate notices published in the Marin IJ
- Agency Plan Notice posted on Marin Housing Authority website

- **COMMENTS RECEIVED FROM PUBLIC**

- Please see attached

- **COMMENTS RECEIVED RECEIVED FROM RESIDENT ADVISORY BOARD**

- Please see attached

MHA

SECTION 5.2

GOALS AND

OBJECTIVES

SECTION 5.2
5-YEAR PLAN GOALS AND OBJECTIVES
FISCAL YEARS 2011 – 2015

Maximize Affordable Housing Options in Marin County

Fully Utilize Section 8 and Public Housing Programs

Achieve and maintain 98% lease-up rate in Public Housing program.

Maximize the number of individuals served by utilizing 100% of the money allocated by HUD for HAP payments and/or 100% (2109) of the allocated vouchers.

Assist 125 Section 8 Voucher holder per year to locate and successfully lease affordable housing through our Housing Advocate. Most of these are Voucher holders who need to transfer to a new unit.

Turn over 100% of all vacant Public Housing units within 20 days of the vacate date.

Preserve Existing Affordable Housing Stock

Perform housing quality inspections using the UPCS standards on 100% of public housing units.

Work with residents, various agencies, and law enforcement to investigate and implement measures to improve public security through community involvement. Explore programs such as D.A.R.E and Family Incentive Centers for Public Housing residents.

Perform 40 housing quality control inspections annually using the HQS requirements.

Perform housing quality inspections annually using the HQS standards on 100% of units leased through the Section 8 Program.

Secure annual funding for the Residential Rehabilitation Loan Program through the County's CDBG program and continue outreach through local jurisdictions and appropriate social service agencies.

Undertake at least 10 low income rehabilitation projects averaging \$25,000 per home including one group home for a total of \$500,000 for the year through the CDBG funded program or undertake at least 10 low income houseboat rehabilitation projects averaging \$25,000 per houseboat.

Subject to approval of a Project Management Consulting Agreement and the Waldo Point Harbor Master Plan by the County of Marin, commence applications for building permits and the start of rehabilitation for the first phase of houseboat CDBG rehab loan. If Marin Housing enters into contract for project management services it would begin planning and executing of the

rehabilitation and relocation of the 38 Floating homes that comprise the Gates Co-Operative to permanent berths within the Waldo Point Harbor Marina in Sausalito.

Explore providing a "Shared Housing" program to increase affordable housing options in Marin. If funded, begin providing services by mid 2011. Provide 30 matches in the first year.

Preserve existing Multi-Family properties owned by MHA as affordable housing units for low-income and extremely low-income households.

Prevent Homelessness

Seek funding to continue to provide the Homeless Prevention program to prevent homelessness from non-HUD sources.

Provide eviction prevention assistance to a total of 100 elderly or disabled families through the Housing Stability Program (formerly Rebate for Marin Renters Program).

Provide Shelter Plus Care subsidies to 70 formerly homeless individuals with severe psychiatric disabilities. Continue to provide supportive services to 100 formerly homeless participants in maintaining their housing.

Provide permanent affordable housing to at least 40 new Section 8 households annually. Issue a new Request for Proposals for project based Section 8 units for existing rehab properties.

Provide permanent affordable housing to 70 new Public Housing households annually.

Provide rental assistance to 33 individuals with HIV and AIDS in FY 2010-11 and continue to provide rental assistance to 33 individuals with HIV and AIDS through HOPWA each year.

Provide rental assistance and support services to 35 formerly homeless veterans in cooperation with the Veterans Administration.

Promote Homeownership Opportunities

Maintain and add to current portfolio of homes for low and moderate -income first-time homebuyers through the Below Market Rate (BMR) Homeownership Program. Add new properties as developments are planned and built within each local jurisdiction; market and re-sell existing BMR units to eligible households when offered for re-sale; sell homes to 50 new first-time homebuyers during the five-year period.

Provide Section 8 Homeownership Vouchers and assist up to 7 participants in purchasing a home over the five year period. Continue to collaborate with Habitat for Humanity and North Bay Family Homes to create additional opportunities for first time homebuyers.

Obtain additional tax exempt bond allocations from CDLAC. Apply for new MCC's at an average of \$40,000 for \$600,000 in MCC tax credit authority and approximately \$3.0 million in

first mortgage money. 5 Year: Obtain tax-exempt bond allocation from CDLAC for the Mortgage Credit Certificate Program sufficient to issue 10 MCC's to first-time homebuyers over the 5-year period.

Apply for additional rental vouchers if HUD announces a NOFA or other new programs

Review HUD's announcements for funding that is available for PHA's, prepare and submit requests where appropriate.

Increase Access to Housing Opportunities by Increasing Tenant Incomes

Assist 50 public housing residents and 130 Section 8 participants to achieve contracted goals through FSS. 5 Year: Increase access to housing opportunities by assisting 50 public housing residents and 100 Section 8 participants each year to achieve their individual self-sufficiency goals.

In the Public Housing FSS program 25% of participants will establish escrow accounts, 25% will enroll in financial management counseling (with 80% completion targeted), 25% will enroll in job training (with 80% completion target), and 75% of participants will enroll in employment counseling and half will secure fulltime employment.

In the Section 8 FSS program 10% of the program participants a year will successfully graduate from the program with cash welfare eliminated, earned income for at least the previous 12 months, and an escrow balance. Conduct targeted outreach to all new participants and others in the program regarding homeownership opportunities (15 households a year).

Continue to increase the number of new participants by an average of 10 per year to a total of at least 50 new participants between PH and Section 8 FSS Programs.

Public Housing FSS will have 6 new households per year establish escrow accounts.

Section 8 FSS will have 10 new households per year establish escrow accounts.

Enhance Services to Clients, Business Partners and the Community at Large through Delivery of Efficient and Responsive Programs

Demystify Services through Enhanced Communication

Anticipate 12 briefings with a total of 140 clients oriented. Provide engaging and informative briefings to all new Section 8 Voucher holders.

Sponsor or participate in at least 10 open forums or meetings. Participate in open forums or meetings with Marin City public housing residents on issues of specific or general concern, including Maintenance and Operation meetings and Security meetings.

Sponsor and/or participate in least 6 Mixed Population residents meetings at each Mixed Population complex.

Conduct at least 2 informational/outreach community meetings regarding the benefits of the FSS program to GGV residents and publish FSS successes in the monthly/quarterly newsletter.

Reestablish the use of personal interview for annual reexaminations to build better rapport with Section 8 participants and increase client understanding of the reexamination process.

Implement, Monitor and Improve Client Feedback Systems

Solicit input from public housing residents through the Resident Councils, RAB or direct meetings as to what procedures or practices are confusing and/or burdensome. Prioritize areas of focus for streamlining. Hold one session in Marin City and one in a Mixed Population complex. Publish in the residents' newsletters various procedures and practices that are discussed with residents. 5 Year: Solicit input from residents as to what procedures or practices are perceived to be confusing and/or burdensome in order to assist in prioritizing areas that would most benefit from improved systems.

Concentrate on efforts to improve specific management functions

Explore methods of automating routine tasks through our client software and payroll systems

Explore methods of becoming a paperless agency- and reducing file management costs and burden.

Review eligibility functions including initial application processing and annual re-certification functions.

Review maintenance systems in order to improve service to the residents and reduce the turnaround time of vacant units to 20 days or less.

Increase the efficiency of the management functions for both Public Housing and Section 8 Voucher Program. Through the regular use of tools for statistical measurements and monitoring work functions to ensure high quality and quantity of work. Increase staff communication to resolve problems quickly and efficiently.

Streamline External Procedures

Continue to increase the availability of forms and information to MHA's landlords through the use of the website. Improve and simplify procedures and systems for interfacing with Section 8 landlords and utilize MHA's website to provide information to landlords, including downloadable forms. The MHA hotline provides landlords with a tool to advertise for tenants.

Update the website to include the Agency Plan, Administrative Plan and the ACOP.

Improve the quality of telephone response by answering incoming calls at the receptionist's desk quickly, returning all calls within 24 hours, providing clear and concise information.

Place the interim reporting form on the web site in such a way that it will become interactive and the residents/participants can access the form from the web site.

Implement an interactive web based system.

Continue to Build Collaborations with Other Agencies, Local Jurisdictions and the Private Sector

Identify key resources and barriers to affordable housing opportunities and develop a strategy for engaging the participation of new landlords and retaining partnerships with existing landlords. Develop a formalized collaborative of stakeholders, including Section 8 landlords, other property managers, commercial realtors, housing non-profit providers, local governments, program participants and MHA.

Continue collaboration with Sheriff's Department and other service agencies to monitor and reduce drug activity by having at least quarterly safety meetings in Marin City during the year. Sustain ongoing collaboration with the Marin County Sheriff, the Marin City residents, the County Office of Drugs and Alcohol, BACR, Women Helping All People (WHAP), Performing Stars, and the Marin City public housing residents to sustain the fight against drugs in Marin City.

Continue collaborations with Marin Abused Women Services, CalWorks, H&HS, Golden Gate Regional Centers and the Veterans Administration to provide affordable housing for specific populations with critical housing needs.

Work with other providers and leaders to develop the plan to end chronic homelessness in 10 years. Continue participation and leadership in the Marin Continuum of Housing and Services, Homeless Policy Steering Committee, and countywide efforts to end homelessness.

Access additional resources for new affordable housing developments and for the rehabilitation/ modernization of existing MHA housing stock.

Continue the process to exploring new resources for the acquisition and/or development of affordable housing and the rehabilitation and/or modernization of existing MHA housing stock to serve extremely low to moderate income households. Create partnerships with for-profit developers and jurisdictions to create more affordable housing options for working people. Access new and innovative sources for development of affordable housing and ways to rehab and modernize existing housing stock.

Explore ways to improve energy efficiency for public housing

Utilize the new Green Energy Efficiency Grant from HUD Stimulus award to educate residents in conservation efforts. Access, plan and implement energy efficiency improvements throughout

Marin Housing's apartment communities and central office, Review resident based utility payments and increase tenant participation in determining resident contributions toward utilities. Explore additional funding sources for moderate renovations to increase energy efficiency and conservation as well as environmental quality improvements. Examples include achieving significant reduction in utility consumption through the implementation of water conservation measures, lighting retrofits, selective heating boiler and domestic hot boiler replacements, refrigerators, stoves and setback thermostats as part of a holistic effort to reduce energy and water consumption throughout MHA's communities. The goal will be to decrease the utility costs for the properties and Residents and Marin Housing to insure sustainability of the public housing program under asset management.

Undertake efforts to increase accessibility throughout Marin Housing

Continue to identify barriers to accessibility and make improvements to increase Uniform Federal Accessibility Standards (UFAS) at residential units as well as identify efforts to increase accessibility standards at all Marin Housing sites including the Marin Housing Central Office.

Conduct community meetings and trainings to present increased economic opportunities for low income residents.

Conduct community meetings to present job trainings in collaboration with other economic development organizations to expand access to and increase employment opportunities for low income residents and qualified minority or small business concerns in general construction trades including carpenters, labors, electricians, plumbers, and mechanical trades.

Thirty-percent of all new hires annually will be Section 3 residents. MHA will announce job openings to our participants through mailings, newsletters and case managers to increase resident employment opportunities.

Hire at least one MHA Section 3 Fellow per year to participate in the Section 3 employment and training program

MHA
SECTION 6.0
PLAN
UPDATES



To assist low and moderate-income residents of Marin to secure and maintain high quality affordable housing



- >> [Housing Opportunities](#)
- >> [Rental Owners](#)
- >> [Services for Participants](#)
- >> [Rebate for Marin Renters \(RMR\)](#)

Comment Period for 2011 Annual Plan

Marin Housing Authority announces the 45-day public review and comment period on the DRAFT 2011 Annual Plan and 5-Year Plan. To review the plan, please click on the links below or visit the Marin Housing offices at 4020 Civic Center Drive, San Rafael and 429 Drake Avenue, Marin City.

The comment period runs from August 6 through September 20, 2010. If you want to submit written comments to be considered by the Housing Authority Board, please e-mail them to kcarroll@marinhousing.org or send by mail postmarked no later than September 20, 2010 to: Marin Housing Authority, Attention: Kimberly Carroll, 4020 Civic Center Drive, San Rafael, CA 94903-4173.

A Public Forum will be held at the Marin Housing offices, 4020 Civic Center Drive, San Rafael on August 31, 2010 from 4:00 p.m. to 6:00 p.m.

The Public Hearing will be held on October 5, 2010 at the County Board of Supervisors' Room 330, Civic Center and is scheduled to begin at 9:00 a.m.

Submission to HUD by October 12, 2010.

(In order to view documents attached to this site you will need [Adobe Reader](#).)

- **DRAFT 2011 ANNUAL PLAN & 5-YEAR PLAN**
[Annual and 5-Year Plan Goals](#)
[Capital Fund Program, form HUD-50075.1](#)
- **REVISED CHAPTERS OF THE SECTION 8 HOUSING CHOICE VOUCHER ADMINISTRATIVE PLAN**
[Chapter 1 – Overview of the Program and Plan](#)
[Chapter 2 – Fair Housing and Equal Opportunity](#)
[Chapter 3 – Eligibility](#)
[Chapter 4 – Applications, Waiting List and Tenant Selection](#)
[Chapter 5 – Briefings and Voucher Issuance](#)
[Chapter 6 – Income and Subsidy Determinations](#)
[Chapter 7 – Verification](#)
[Chapter 8 – Housing Quality Standards and Rent Reasonableness Determinations](#)

Posted: 8/6/2010

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**MHA
ADMIN
PLAN
CHAPTER 1-8**

Chapter 1

OVERVIEW OF THE PROGRAM AND PLAN

INTRODUCTION

MHA receives its funding for the Housing Choice Voucher (HCV) program from the Department of Housing and Urban Development. MHA is not a federal department or agency. A public housing agency (MHA) is a governmental or public body, created and authorized by state law to develop and operate housing and housing programs for low-income families. MHA enters into an Annual Contributions Contract with HUD to administer the program requirements on behalf of HUD. MHA 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 MHA and its programs with emphasis on the HCV 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 (MHA). This part includes a description of MHA, its jurisdiction, its programs, and its mission and intent.

Part II: The HCV Program. This part contains information about the Housing Choice Voucher program operation, roles and responsibilities, and partnerships.

Part III: The HCV Administrative Plan. This part discusses the purpose and organization of the plan and its revision requirements.

PART I: MHA

1-I.A. OVERVIEW

This part explains the origin of MHA's creation and authorization, the general structure of the organization, and the relationship between MHA Board and staff.

1-I.B. ORGANIZATION AND STRUCTURE OF MHA

The Section 8 tenant-based Housing Choice Voucher (HCV) assistance program is funded by the federal government and administered by The Housing Authority of the County of Marin (MHA) for the jurisdiction of Marin County.

The officials of a MHA are known as commissioners or, collectively, as the board of commissioners. Commissioners are appointed in accordance with state housing law and generally serve in the same capacity as the directors of a corporation, establishing policies under which MHA conducts business, ensuring that policies are followed by MHA staff and ensuring that MHA is successful in its mission. The board is responsible for preserving and expanding the agency's resources and assuring the agency's continued viability.

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

The principal staff member of MHA is the executive director (ED), hired and appointed by the board of commissioners. The executive director is directly responsible for carrying out the policies established by the commissioners and is delegated the responsibility for hiring, training and supervising the remainder of MHA's staff in order to manage the day-to-day operations of MHA to ensure compliance with federal and state laws and directives for the programs managed. In addition, the executive director's duties include budgeting and financial planning for the agency.

1-I.C. MHA 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 guiding direction for developing strategy, defining critical success factors, searching out key opportunities, making resource allocation choices, satisfying clients and stakeholders, and making decisions.

MHA Policy

MHA's mission is assist low- and moderate- income residents of Marin to secure and maintain high quality affordable housing.

1-I.D. MHA'S PROGRAMS

The following programs are included under this administrative plan:

MHA Policy

MHA's administrative plan is applicable to the operation of the Housing Choice Voucher program. In addition, the administrative plan addresses policies for the following special programs;

- Shelter Plus Care
- Family Self-Sufficiency
- Homeownership
- Shared Housing
- Cooperative housing (excluding families that are not cooperative members)
- Group homes
- Congregate housing
- Single room occupancy (SRO)

1-I.E. MHA'S COMMITMENT TO ETHICS AND SERVICE

As a public service agency, MHA is committed to providing excellent service to HCV program participants – families and owners – in the community. MHA's standards include:

- 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 compliance with program housing quality standards – for very low income families while ensuring that family rents are fair, reasonable, and affordable.
- 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-income families of all ethnic backgrounds to experience freedom of housing choice.
- 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.
- Promote a market-driven housing program that will help qualified low-income families be successful in obtaining affordable housing and increase the supply of housing choices for such families.
- Create positive public awareness and expand the level of family, owner, and community support in accomplishing MHA'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 MHA's support systems and commitment to our employees and their development.

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

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PART II: THE HOUSING CHOICE VOUCHER (HCV) PROGRAM

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

The intent of this section is to provide the public and staff with information related to the overall operation of the program. There have been many changes to the program since its inception in 1974 and a brief history of the program will assist the audience in understanding the program.

The United States Housing Act of 1937 (the "Act") is responsible for the birth of federal housing program initiatives. The Act was intended to provide financial assistance to states and cities for public works projects, slum clearance and the development of affordable housing developments for low-income residents.

The Housing and Community Development (HCD) Act of 1974 created a new federally assisted housing program – the Section 8 Existing program (also known as the Section 8 Certificate program). The HCD Act represented a significant shift in federal housing strategy from locally owned public housing to privately owned rental housing.

Under the Certificate program, federal housing assistance payments were made directly to private owners of rental housing, where this housing was made available to lower-income families. Eligible families were able to select housing in the private rental market. Assuming that the housing met certain basic physical standards of quality ("housing quality standards") and was within certain HUD-established rent limitations ("fair market rents"), the family would be able to receive rental assistance in the housing unit. Family contribution to rent was generally set at 30 percent of the family's adjusted income, with the remainder of the rent paid by the program.

Another unique feature of the Certificate program was that the rental assistance remained with the eligible family, if the family chose to move to another privately-owned rental unit that met program requirements (in contrast to the public housing program where the rental assistance remains with the unit, should the family decide to move). Consequently, the Certificate program was characterized as tenant-based assistance, rather than unit-based assistance.

The Housing and Community Development (HCD) Act of 1987 authorized a new version of tenant-based assistance – the Section 8 Voucher program. The Voucher program was very similar to the Certificate program in that eligible families were able to select housing in the private rental market and receive assistance in that housing unit.

However, the Voucher program permitted families more options in housing selection. Rental housing still had to meet the basic housing quality standards, but there was no fair market rent limitation on rent. In addition, family contribution to rent was not set at a limit of 30 percent of adjusted income. Consequently, depending on the actual rental cost of the unit selected, a family might pay more or less than 30 percent of their adjusted income for rent.

From 1987 through 1999, public housing agencies managed both the Certificate and Voucher tenant-based assistance programs, with separate rules and requirements for each. From 1994 through 1998, HUD published a series of new rules, known as “conforming” rules, to more closely combine and align the two similar housing programs, to the extent permitted by the law.

In 1998, the Quality Housing and Work Responsibility Act (QHWRA) – also known as the Public Housing Reform Act – was signed into law. QHWRA eliminated all statutory differences between the Certificate and Voucher tenant-based programs and required that the two programs be merged into a single tenant-based assistance program, now known as the Housing Choice Voucher (HCV) program.

The HCV program was modeled closely on the pre-merger Voucher program. However, unlike the pre-merger Voucher program, the HCV program requires an assisted family to pay at least 30 percent of adjusted income for rent.

The transition of assistance from the Certificate and Voucher programs to the new HCV program began in October 1999. By October 2001, all families receiving tenant-based assistance were converted to the HCV program.

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1-II.B. HCV PROGRAM BASICS

The purpose of the HCV program is to provide rental assistance to eligible families. The rules and regulations of the HCV program are determined by the U.S. Department of Housing and Urban Development. MHA is afforded choices in the operation of the program which are included in MHA's administrative plan, a document approved by the board of commissioners of MHA.

The HCV program offers mobility to eligible families because they may search for suitable housing anywhere in MHA's jurisdiction and may also be eligible to move under portability to other MHAs' jurisdictions.

When a family is determined to be eligible for the program and funding is available, MHA issues the family a housing voucher. When the family finds a suitable housing unit and funding is available, MHA will enter into a contract with the owner and the family will enter into a lease with the owner. Each party makes their respective payment to the owner so that the owner receives full rent.

Even though the family is determined to be eligible for the program, the owner has the responsibility of approving the family as a suitable renter. MHA continues to make payments to the owner as long as the family is eligible and the housing unit continues to qualify under the program.

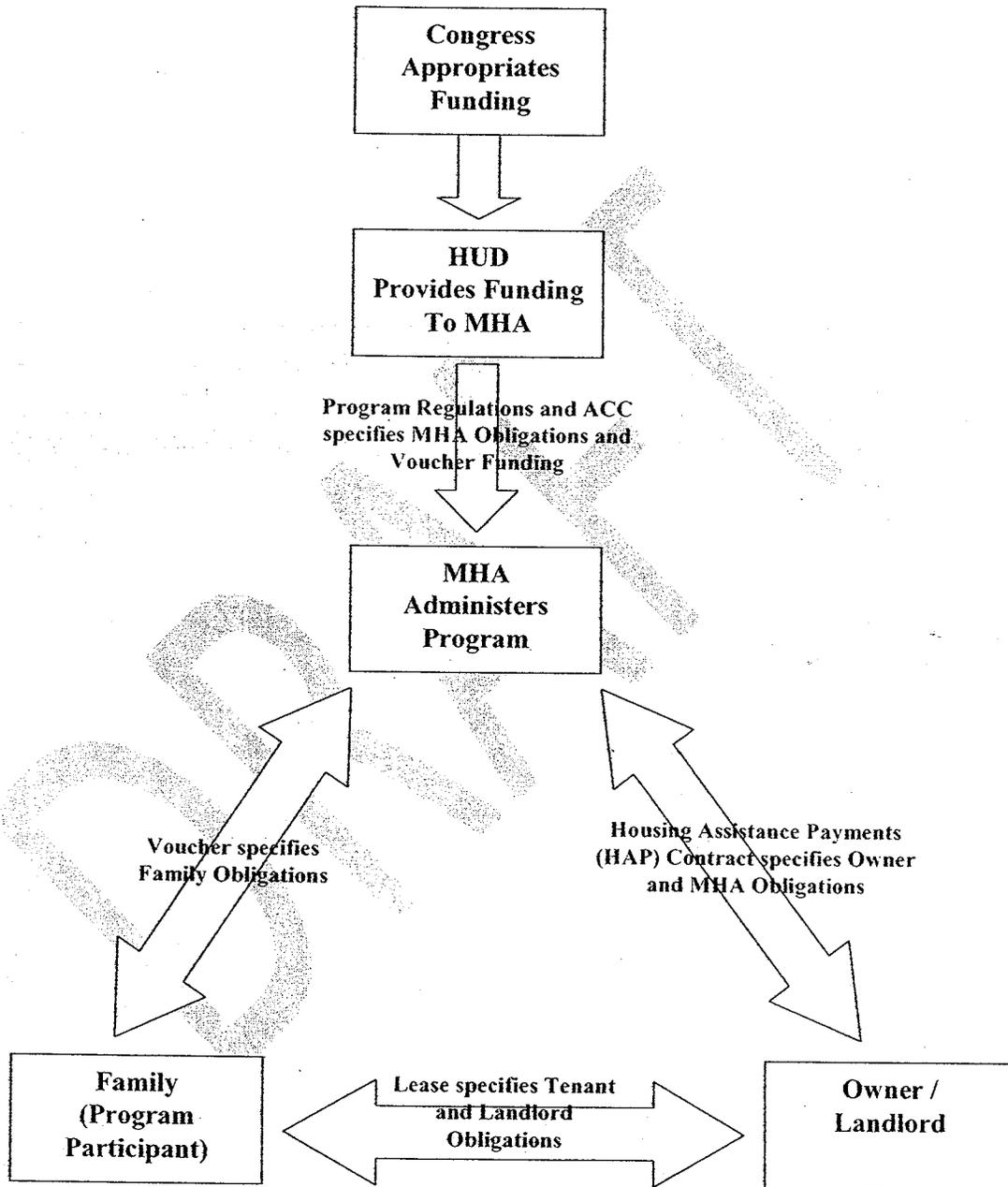
1-II.C. THE HCV PARTNERSHIPS

To administer the HCV program, MHA enters into a contractual relationship with HUD. MHA also enters into contractual relationships with the assisted family and the owner or landlord of the housing unit.

For the HCV program to work and be successful, all parties involved – HUD, MHA, the owner, and the family – have important roles to play. The roles and responsibilities of all parties are defined in federal regulations and in legal documents that parties execute to participate in the program.

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

The HCV Relationships:



What does HUD do?

HUD has the following major responsibilities:

- Develop regulations, requirements, handbooks, notices and other guidance to implement HCV housing program legislation passed by Congress;
- Allocate HCV program funds to MHAs;
- Provide technical assistance to MHAs on interpreting and applying HCV program requirements;
- Monitor MHA compliance with HCV program requirements and MHA performance in program administration.

What does MHA do?

MHA administers the HCV 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;
- Issue voucher to selected family and, if necessary, assist the family in finding a place to live;
- Conduct outreach to owners, with special attention to owners outside areas of poverty or minority concentration;
- Approve the rental unit (including assuring compliance with housing quality standards and rent reasonableness), the owner, and the tenancy;
- Make housing assistance payments to the owner in a timely manner;
- Ensure that families and their rental units continue to qualify under the program;
- Ensure that owners and families comply with program rules;
- Provide families and owners with prompt, professional service;
- Comply with all fair housing and equal opportunity requirements, HUD regulations and requirements, the Annual Contributions Contract, HUD-approved applications for funding, MHA's administrative plan, and other applicable federal, state and local laws.

What does the Owner do?

The owner has the following major responsibilities:

- Screen families who apply for tenancy, to determine if they will be good renters.
 - MHA can provide some information to the owner, but the primary responsibility for tenant screening rests with the owner.
 - The owner should consider family background factors such as rent and bill-paying history, history of caring for property, respecting the rights of others to peaceful enjoyment of the property, compliance with essential conditions of tenancy, whether the family is engaging in drug-related criminal activity or other criminal activity that might threaten others.
- Comply with the terms of the Housing Assistance Payments contract, executed with MHA;
- Comply with all applicable fair housing laws and discriminate against no one;
- Maintain the housing unit by making necessary repairs in a timely manner;
- Collect rent due from the assisted family and otherwise comply with and enforce provisions of the dwelling lease.

What does the Family do?

The family has the following responsibilities:

- Provide MHA with complete and accurate information, determined by MHA to be necessary for administration of the program;
- Make their best and most timely efforts to find a place to live that is suitable for them and that qualifies for the program;
- Attend all appointments scheduled by MHA;
- Allow MHA to inspect the unit at reasonable times and after reasonable notice;
- Take responsibility for care of the housing unit, including any violations of housing quality standards caused by the family;
- Comply with the terms of the lease with the owner;
- Comply with the family obligations of the voucher;
- Not commit serious or repeated violations of the lease;
- Not engage in drug-related or violent criminal activity;
- Notify MHA and the owner before moving or terminating the lease;
- Use the assisted unit only for residence and as the sole residence of the family. Not sublet the unit, assign the lease, or have any interest in the unit;
- Promptly notify MHA 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 effectively.

1-II.D. APPLICABLE REGULATIONS

Applicable regulations include:

- 24 CFR Part 5: General Program Requirements
- 24 CFR Part 8: Nondiscrimination
- 24 CFR Part 982: Section 8 Tenant-Based Assistance: Housing Choice Voucher Program

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PART III: THE HCV ADMINISTRATIVE PLAN

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

The administrative plan is required by HUD. The purpose of the administrative plan is to establish policies for carrying out the programs in a manner consistent with HUD requirements and local goals and objectives contained in MHA's agency plan. This administrative plan is a supporting document to MHA agency plan, and is available for public review as required by CFR 24 Part 903.

This administrative plan is set forth to define MHA'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 handbooks and guidebooks, notices and other applicable law. The policies in this administrative plan have been designed to ensure compliance with the consolidated ACC and all HUD-approved applications for program funding.

MHA is responsible for complying with all changes in HUD regulations pertaining to the HCV program. If such changes conflict with this plan, HUD regulations will have precedence.

Administration of the HCV program and the functions and responsibilities of MHA staff shall be in compliance with MHA's personnel policy and HUD's Section 8 regulations as well as all federal, state and local fair housing laws and regulations.

1-III.B. CONTENTS OF THE PLAN [24 CFR 982.54]

HUD regulations contain a list of what must be included in the administrative plan. MHA administrative plan must cover MHA policies on these subjects:

- Selection and admission of applicants from MHA waiting list, including any MHA admission preferences, procedures for removing applicant names from the waiting list, and procedures for closing and reopening MHA waiting list (Chapter 4);
- Issuing or denying vouchers, including MHA policy governing the voucher term and any extensions or suspensions of the voucher term. 'Suspension' means stopping the clock on the term of a family's voucher after the family submits a request for approval of the tenancy. If MHA decides to allow extensions or suspensions of the voucher term, MHA administrative plan must describe how MHA determines whether to grant extensions or suspensions, and how MHA determines the length of any extension or suspension (Chapter 5);
- Any special rules for use of available funds when HUD provides funding to MHA for a special purpose (e.g., desegregation), including funding for specified families or a specified category of families (Chapter 4);

- Occupancy policies, including definition of what group of persons may qualify as a 'family', definition of when a family is considered to be 'continuously assisted'; standards for denying admission or terminating assistance based on criminal activity or alcohol abuse in accordance with 982.553 (Chapters 3 and 12);
- Encouraging participation by owners of suitable units located outside areas of low income or minority concentration (Chapter 13);
- Assisting a family that claims that illegal discrimination has prevented the family from leasing a suitable unit (Chapter 2);
- Providing information about a family to prospective owners (Chapters 3 and 9);
- Disapproval of owners (Chapter 13);
- Subsidy standards (Chapter 5);
- Family absence from the dwelling unit (Chapter 12) ;
- How to determine who remains in the program if a family breaks up (Chapter 3);
- Informal review procedures for applicants (Chapter 16);
- Informal hearing procedures for participants (Chapter 16);
- The process for establishing and revising voucher payment standards (Chapter 16);
- The method of determining that rent to owner is a reasonable rent (initially and during the term of a HAP contract) (Chapter 8);
- Special policies concerning special housing types in the program (e.g., use of shared housing) (Chapter 15);
- Policies concerning payment by a family to MHA of amounts the family owes MHA (Chapter 16);
- Interim redeterminations of family income and composition (Chapter 11);
- Restrictions, if any, on the number of moves by a participant family (Chapter 10);
- Approval by the board of commissioners or other authorized officials to charge the administrative fee reserve (Chapter 16);
- Procedural guidelines and performance standards for conducting required housing quality standards inspections (Chapter 8); and
- MHA screening of applicants for family behavior or suitability for tenancy (Chapter 3).

Mandatory vs. Discretionary 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 MHAs to develop policies and procedures that are consistent with mandatory policies and to make clear the optional policies MHA has adopted. MHA's administrative plan is the foundation of those policies and procedures. HUD's directions require MHAs to make policy choices that provide guidance to staff and consistency to program applicants and participants.

Following HUD guidance, even though it is not mandatory, provides a MHA with a "safe harbor." HUD has already determined that the recommendations and suggestions it makes are consistent with mandatory policies. If a MHA adopts an alternative strategy, it must make its own determination that the alternative approach 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 HUD's safe harbor, but MHAs should carefully think through those decisions.

1-III.C. ORGANIZATION OF THE PLAN

The Plan is organized to provide information to users in particular areas of operation.

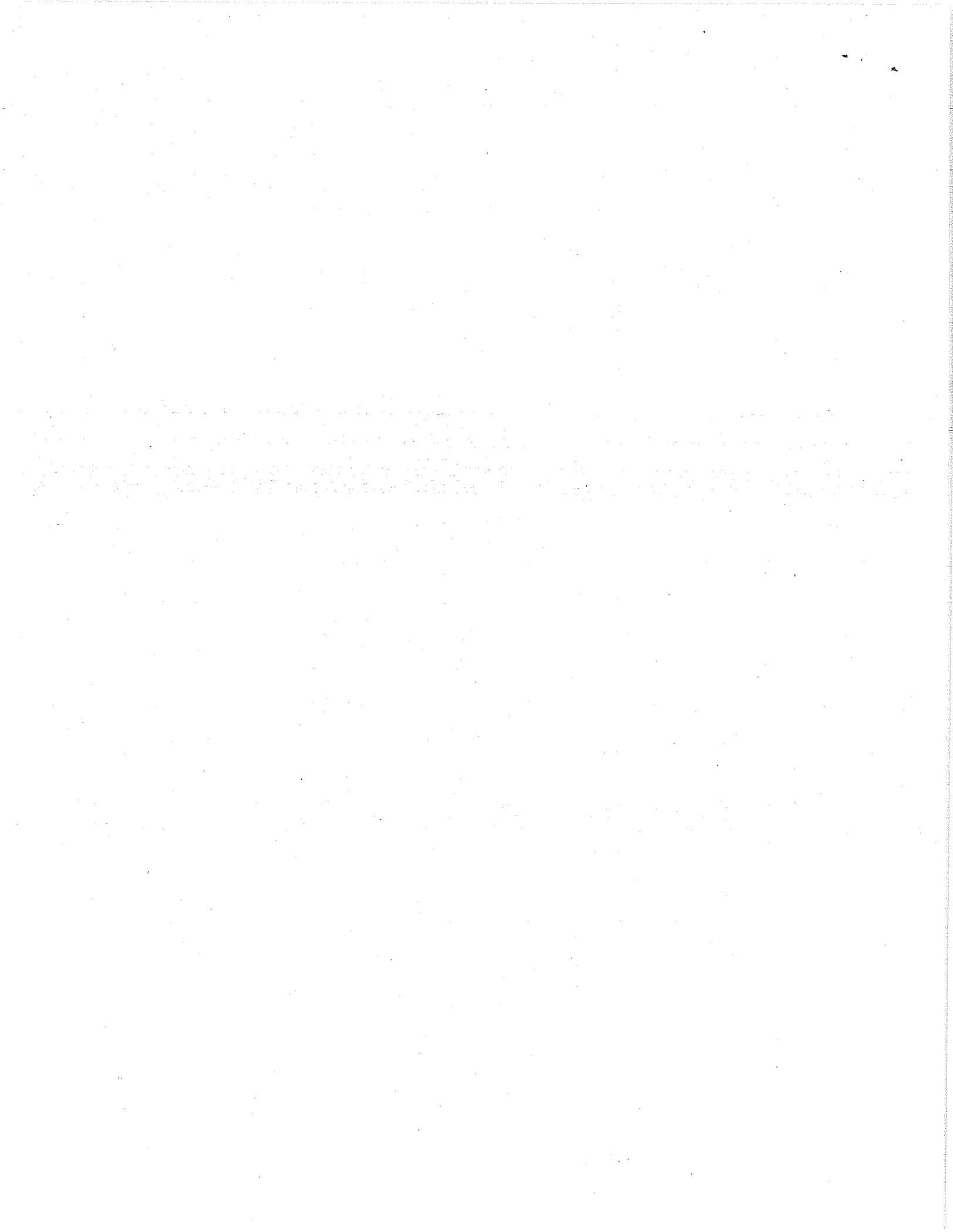
1-III.D. UPDATING AND REVISING THE PLAN

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

MHA Policy

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

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Chapter 2

FAIR HOUSING AND EQUAL OPPORTUNITY

INTRODUCTION

This chapter explains the laws and HUD regulations requiring MHAs 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 MHA housing choice voucher (HCV) operations.

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

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

Part II: Policies Related to Persons with Disabilities. This part discusses the rules and policies of the housing choice voucher 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 MHA to ensure meaningful access to the HCV program and its activities by persons with limited English proficiency (LEP). This part incorporates HUD and DOJ's Notice of Guidance, published December 19, 2003 in the *Federal Register*.

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PART I: NONDISCRIMINATION

2-I.A. OVERVIEW

Federal laws require MHAs to treat all applicants and participants 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. MHA 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)
- When more than one civil rights law applies to a situation, the laws will be read and applied together.
- Any applicable state laws or local ordinances and any legislation protecting individual rights of tenants, applicants, or staff that may subsequently be enacted

2-I.B. NONDISCRIMINATION

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

MHA 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.

MHA Policy

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

MHA 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 housing choice voucher 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 participant toward or away from a particular area based 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 and Owners

MHA must take steps to ensure that families and owners are fully aware of all applicable civil rights laws. As part of the briefing process, MHA must provide information to HCV applicant families about civil rights requirements and the opportunity to rent in a broad range of neighborhoods [24 CFR 982.301]. The Housing Assistance Payments (HAP) contract informs owners of the requirement not to discriminate against any person because of race, color, religion, sex, national origin, age, familial status, or disability in connection with the contract.

Discrimination Complaints

If an applicant or participant believes that any family member has been discriminated against by MHA or an owner, the family should advise the MHA. HUD requires MHA to make every reasonable attempt to determine whether the applicant's or participant's assertions have merit and take any warranted corrective action. In addition, MHA is required to provide the applicant or participant with information about how to file a discrimination complaint [24 CFR 982.304].

MHA Policy

Applicants or participants who believe that they have been subject to unlawful discrimination may notify MHA either orally or in writing.

MHA will attempt to remedy discrimination complaints made against the MHA.

MHA 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.

MHA must ensure that persons with disabilities have full access to the MHA programs and services. This responsibility begins with the first inquiry of an interested family and continues through every programmatic area of the HCV program.

MHA Policy

MHA will ask all applicants and participants if they require any type of accommodations, in writing, on the intake application, reexamination documents, and notices of adverse action by the MHA, 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-IL.B. DEFINITION OF REASONABLE ACCOMMODATION

A person with a disability may require special accommodations in order to have equal access to the HCV program. The types of reasonable accommodations MHA can provide include changes, exceptions, or adjustments to a rule, policy, practice, or service.

Federal regulations stipulate that requests for accommodations will be considered reasonable if they do not create an "undue financial and administrative burden" for the MHA, 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 needed, MHA must modify normal procedures to accommodate the needs of a person with disabilities. Examples include:

- Permitting applications and reexaminations to be completed by mail
- Conducting home visits
- Using higher payment standards (either within the acceptable range or with HUD approval of a payment standard outside MHA range) if MHA determines this is necessary to enable a person with disabilities to obtain a suitable housing unit
- Providing time extensions for locating a unit when necessary because of lack of availability of accessible units or special challenges of the family in seeking a unit
- Permitting an authorized designee or advocate to participate in the application or certification process and any other meetings with MHA staff
- Displaying posters and other housing information in locations throughout the MHA office in such a manner as to be easily readable from a wheelchair

2-11.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, MHA 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 MHA programs and services.

If a person's disability is obvious, or otherwise known to the MHA, 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 MHA, MHA 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, MHA 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. 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]
- MHA must request only information that is necessary to evaluate the disability-related need for the accommodation. MHA will not inquire about the nature or extent of any disability.
- Medical records will not be accepted or retained in the participant file.

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 MHA 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 MHA programs and services.

If the need for the accommodation is not readily apparent or known to the MHA, the family must explain the relationship between the requested accommodation and the disability. There must be an identifiable relationship, or nexus, between the requested accommodation and the individual's disability.

MHA Policy

MHA will encourage the family to make its request in writing using a reasonable accommodation request form. However, MHA 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.E. APPROVAL/DENIAL OF A REQUESTED ACCOMMODATION [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act].

MHA 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 MHA, or fundamentally alter the nature of the MHA HCV operations (including the obligation to comply with HUD requirements and regulations).

Requests for accommodations must be assessed on a case-by-case basis, taking into account factors such as the cost of the requested accommodation, the financial resources of MHA 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, MHA 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 MHA may verify the need for the requested accommodation.

MHA Policy

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

If MHA 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 MHA operations), MHA 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 MHA believes that the family has failed to identify a reasonable alternative accommodation after interactive discussion and negotiation, MHA 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.

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

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

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

PHA 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, large-print and audio versions of key program documents will be made available upon request. When visual aids are used in public meetings or presentations, or in meetings with MHA 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

MHA 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 MHA policies concerning physical accessibility must be readily available to applicants and participants. They can be found in three key documents:

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

The design, construction, or alteration of MHA 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 HCV program.

When issuing a voucher to a family that includes an individual with disabilities, MHA will include a current list of available accessible units known to MHA and will assist the family in locating an available accessible unit, if necessary.

In general, owners must permit the family to make reasonable modifications to the unit. However, the owner is not required to pay for the modification and may require that the unit be restored to its original state at the family's expense when the family moves.

2-II.H. DENIAL OR TERMINATION OF ASSISTANCE

A MHA 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 982.552 (2)(iv)].

When applicants with disabilities are denied assistance, the notice of denial must inform them of the MHA informal review process and their right to request a hearing. In addition, the notice must inform applicants with disabilities of their right to request reasonable accommodations to participate in the informal hearing process.

When a participant family's assistance is terminated, the notice of termination must inform them of the MHA informal hearing process and their right to request a hearing and reasonable accommodation.

When reviewing reasonable accommodation requests, MHA must consider whether any mitigating circumstances can be verified to explain and overcome the problem that led to the MHA decision to deny or terminate assistance. If a reasonable accommodation will allow the family to meet the requirements, MHA must make the accommodation.

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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 HCV 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*.

MHA 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 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, and parents and family members of applicants and participants.

In order to determine the level of access needed by LEP persons, MHA 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 Housing Choice Voucher 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 MHA and costs. Balancing these four factors will ensure meaningful access by LEP persons to critical services while not imposing undue burdens on the MHA .

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, MHA will generally offer, or ensure that the family is offered through other sources, competent services free of charge to the LEP person.

MHA Policy

MHA 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, MHA will train and hire bilingual staff to be available to act as interpreters and translators, will pool resources with other PHA's, and will standardize documents. Where feasible and possible, MHA 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 MHA. 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.

MHA Policy

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

MHA 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, MHA does not translate vital written materials, but provides 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, MHA shall determine whether it is necessary to develop a written implementation plan to address the identified needs of the LEP populations it serves.

If MHA determines that it is not necessary to develop a written implementation plan, the absence of a written plan does not obviate the underlying obligation to ensure meaningful access by LEP persons to the MHA Housing Choice Voucher program and services.

MHA Policy

If it is determined that MHA serves very few LEP persons, and MHA has very limited resources, MHA 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 MHA 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.

MHA has bilingual staff to assist non-English speaking families in the following languages; Spanish, Vietnamese and Russian- and has translated documents in Spanish and English.

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**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 life 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 MHA) 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 HCV 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 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 \$480 dependent 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 HCV program, yet an accommodation is needed to provide equal opportunity.

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Chapter 3

ELIGIBILITY

INTRODUCTION

MHA 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 MHA to confirm eligibility and determine the level of the family's assistance.

To be eligible for the HCV program:

- The applicant family must:
 - Qualify as a family as defined by HUD and MHA.
 - 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 MHA's collection and use of family information as provided for in MHA-provided consent forms.
- MHA must determine that the current or past behavior of household members does not include activities that are prohibited by HUD or MHA.

This chapter contains three parts:

Part I: Definitions of Family and Household Members. This part contains HUD and MHA's 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 Assistance. This part covers factors related to an applicant's past or current conduct (e.g. criminal activity) that can cause MHA to deny assistance.

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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 assisted 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 982.201(e), HUD-50058 IB, p. 13]

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

Family

To be eligible for assistance, 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. A single person family may be an elderly person, a displaced person, a disabled person, or any other single person. MHA has the discretion to determine if any other group of persons qualifies as a family.

MHA Policy

A family also includes two or more individuals who are not related by blood, marriage, adoption, or other operation of law but who either can demonstrate that they have lived together previously 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 MHA permission, live in an assisted 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 [24 CFR 982.315]

MHA has discretion to determine which members of an assisted family continue to receive assistance if the family breaks up. However, if a court determines the disposition of property between members of the assisted family in a divorce or separation decree, MHA is bound by the court's determination of which family members continue to receive assistance.

MHA 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 receiving assistance, only one of the new families will continue to be assisted.

In the absence of a judicial decision, or an agreement among the original family members, MHA will determine which family retains their placement on the waiting list, or will continue to receive assistance, 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 an assisted family who remains in the unit when other members of the family have left the unit. 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.

MHA 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.

MHA 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.

MHA 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.

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

MHA 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 participant family 50 percent or more of the time.

When more than one applicant or participant family is 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, MHA 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; HCV GB, p. 5-29]

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 [24 CFR 5.100 and 5.403]

Elderly Persons

An *elderly person* is a person who is at least 62 years of age.

Near-Elderly Persons

A *near-elderly person* is a person who is 50-61 years of age.

Elderly Family

An *elderly family* is one in which the head, spouse, cohead, or sole member is an elderly person. Identifying elderly families is important because these families qualify for special deductions from income as described in Chapter 6.

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

Persons with Disabilities

Under the HCV 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, MHA must make all aspects of the HCV 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.

Even though persons with drug or alcohol dependencies are considered persons with disabilities for the purpose of non-discrimination, this does not prevent MHA from denying assistance for reasons related to alcohol and drug abuse following policies found in Part III of this chapter, or from terminating assistance following the policies in Chapter 12.

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

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

MHA Policy

A guest can remain in the assisted unit no longer than 30 consecutive days or a total of 90 cumulative calendar days during any 12-month period.

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 assisted household more than 50 percent of the time, are not subject to the time limitations of guests as described above.

A family may request an exception to this policy for valid reasons (e.g., care of a relative recovering from a medical procedure is expected to last 40 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.

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].

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

Foster children and foster adults that are living with an applicant or assisted 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; HUD-50058 IB, p. 13].

MHA 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.

A foster child or foster adult may be allowed to reside in the unit if their presence would not result in a violation of HQS space standards according to 24 CFR 982.401.

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, illness, incarceration, and court order.

Definitions of Temporarily and Permanently Absent

MHA Policy

Generally an individual who is or is expected to be absent from the assisted unit for 180 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 180 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

Absent Students

MHA 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 MHA 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.

MHA Policy

If a child has been placed in foster care, MHA 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

MHA 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.

Family Members Permanently Confined for Medical Reasons [HCV GB, p. 5-22]

If a family member is confined to a nursing home or hospital on a permanent basis, that person is no longer considered a family member and the income of that person is not counted [HCV GB, p. 5-22].

MHA Policy

MHA 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

MHA Policy

The family must request MHA approval for the return of any adult family members that MHA 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].

MHA 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 the 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(b)]. 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.

MHA 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, 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 MHA 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.

MHA will not approve a particular person as a live-in aide, and may withdraw such approval if [24 CFR 982.316(b)]:

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 MHA or to another MHA 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, MHA 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 housing choice voucher 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 982.201]

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 one of the following:

- A *very low-income* family
- A *low-income* family that has been "continuously assisted" under the 1937 Housing Act. A family is considered to be continuously assisted if the family is already receiving assistance under any 1937 Housing Act program at the time the family is admitted to the HCV program [24 CFR 982.4]

MHA Policy

MHA will consider a family to be continuously assisted if the family was leasing a unit under any 1937 Housing Act program at the time they were issued a voucher by MHA.

- A low-income family that qualifies for voucher assistance as a non-purchasing household living in HOPE 1 (public housing homeownership), HOPE 2 (multifamily housing homeownership) developments, or other HUD-assisted multifamily homeownership programs covered by 24 CFR 248.173
- A low-income or moderate-income family that is displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract on eligible low-income housing as defined in 24 CFR 248.101

HUD permits MHA to establish additional categories of low-income families that may be determined eligible. The additional categories must be consistent with MHA plan and the consolidated plans for local governments within MHA's jurisdiction.

MHA Policy

MHA has not established any additional categories of eligible low-income families.

Using Income Limits for Targeting [24 CFR 982.201]

At least 75 percent of the families admitted to MHA's program during a MHA fiscal year must be extremely low-income families. HUD may approve exceptions to this requirement if MHA demonstrates that it has made all required efforts, but has been unable to attract an adequate number of qualified extremely low-income families.

Families continuously assisted under the 1937 Housing Act and families living in eligible low-income housing that are displaced as a result of prepayment of a mortgage or voluntary termination of a mortgage insurance contract are not subject to the 75 percent restriction.

DRAFT

3-ILB. 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 MHA'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 MHA to request additional documentation of their status, such as a passport.

MHA Policy

Family members who declare citizenship or national status will not be required to provide additional documentation unless MHA 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 MHA 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. MHA 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 assistance 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 16 for a discussion of informal hearing procedures.

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

MHA 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 MHA that the individual or at least one family member is eligible. Verification of eligibility for this purpose occurs when the individual or family members have submitted documentation to MHA in accordance with program requirements [24 CFR 5.512(a)].

MHA Policy

MHA will not provide assistance to a family before the verification of at least one family member.

When a MHA 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, that the family may be eligible for proration 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 MHA. The informal hearing with MHA 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 16.

3-III.D. 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 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.

MHA must deny admission to the program if any member of the applicant family fails to sign and submit the consent forms for obtaining information in accordance with 24 CFR 5, Subparts B and F [24 CFR 982.552(b)(3)].

DRAFT

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

For new occupants joining the assisted family, MHA 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, MHA 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.

MHA Policy

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

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

The applicant and all members of the applicant's household members, including persons under age 6 as per 24 CFR 5.216, 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.

MHA must deny assistance 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.E. STUDENTS ENROLLED IN INSTITUTIONS OF HIGHER EDUCATION [24 CFR 5.612 and FR Notice 4/10/06]

Section 327 of Public Law 109-115 and the implementing regulation at 24 CFR 5.612 established new restrictions on the eligibility of certain students (both part- and full-time) who are enrolled in institutions of higher education.

If a student enrolled at an institution of higher education is under the age of 24, is not a veteran, is not married, does not have a dependent child, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, the student's eligibility must be examined along with the income eligibility of the student's parents. In these cases, both the student and the student's parents must be income eligible for the student to receive HCV assistance. If, however, a student in these circumstances is determined independent from his/her parents in accordance with MHA policy, the income of the student's parents will not be considered in determining the student's eligibility.

The new law does not apply to students who reside with parents who are applying to receive HCV assistance. It is limited to students who are seeking assistance on their own, separately from their parents.

Definitions

In determining whether and how the new eligibility restrictions apply to a student, MHA will rely on the following definitions [FR 4/10/06, p. 18148].

Dependent Child

In the context of the student eligibility restrictions, *dependent child* means a dependent child of a student enrolled in an institution of higher education. The dependent child must also meet the definition of *dependent* in 24 CFR 5.603, which states that the dependent must be a member of the assisted family, other than the head of household or spouse, who is under 18 years of age, or is a person with a disability, or is a full-time student. Foster children and foster adults are not considered dependents.

Independent Student

MHA Policy

MHA will consider a student "independent" from his or her parents and the parents' income will not be considered when determining the student's eligibility if the following four criteria are all met:

The individual is of legal contract age under state law.

The individual has established a household separate from his/her parents for at least one year prior to application for occupancy or the individual meets the U.S. Department of Education's definition of independent student.

To be considered an *independent student* according to the Department of Education, a student must meet one or more of the following criteria:

Be at least 24 years old by December 31 of the award year for which aid is sought

Be an orphan or a ward of the court through the age of 18

Be a veteran of the U.S. Armed Forces

Have one or more legal dependents other than a spouse (for example, dependent children or an elderly dependent parent)

Be a graduate or professional student

Be married

The individual was not claimed as a dependent by his/her parents pursuant to IRS regulations, as demonstrated on the parents' most recent tax forms.

The individual provides a certification of the amount of financial assistance that will be provided by his/her parents. This certification must be signed by the individual providing the support and must be submitted even if no assistance is being provided.

MHA will verify that a student meets the above criteria in accordance with the policies in Section 7-II.E.

Institution of Higher Education

MHA will use the statutory definition under section 102 of the Higher Education Act of 1965 to determine whether a student is attending an *institution of higher education* (see Exhibit 3-2).

Parents

MHA Policy

For purposes of student eligibility restrictions, the definition of *parents* includes biological or adoptive parents, stepparents (as long as they are currently married to the biological or adoptive parent), and guardians (e.g., grandparents, aunt/uncle, godparents, etc).

Person with Disabilities

MHA will use the statutory definition under section 3(b)(3)(E) of the 1937 Act to determine whether a student is a *person with disabilities* (see Exhibit 3-1).

Veteran

MHA Policy

A *veteran* is a person who served in the active military, naval, or air service and who was discharged or released from such service under conditions other than dishonorable.

Determining Student Eligibility

If a student is applying for assistance on his/her own, apart from his/her parents, MHA must determine whether the student is subject to the eligibility restrictions contained in 24 CFR 5.612. If the student is subject to those restrictions, MHA must ensure that: (1) the student is individually eligible for the program, (2) either the student is independent from his/her parents or the student's parents are income eligible for the program, and (3) the "family" with which the student is applying is collectively eligible for the program.

MHA Policy

For any student who is subject to the 5.612 restrictions, MHA will:

Follow its usual policies in determining whether the student individually and the student's "family" collectively are eligible for the program

Determine whether the student is independent from his/her parents in accordance with the definition of *independent student* in this section

Follow the policies below, if applicable, in determining whether the student's parents are income eligible for the program

If MHA determines that the student, the student's parents (if applicable), or the student's "family" is not eligible, MHA will send a notice of denial in accordance with the policies in Section 3-III.F, and the applicant family will have the right to request an informal review in accordance with the policies in Section 16-III.B.

Determining Parental Income Eligibility

MHA Policy

For any student who is subject to the 5.612 restrictions and who does not satisfy the definition of *independent student* in this section, MHA will determine the income eligibility of the student's parents as follows:

If the student's parents are married and living together, MHA will obtain a joint income declaration and certification of joint income from the parents.

If the student's parent is widowed or single, MHA will obtain an income declaration and certification of income from that parent.

If the student's parents are divorced or separated, MHA will obtain an income declaration and certification of income from each parent.

If the student has been living with one of his/her parents and has not had contact with or does not know where to contact his/her other parent, MHA will require the student to submit a certification under penalty of perjury describing the circumstances and stating that the student does not receive financial assistance from the other parent. MHA will then obtain an income declaration and certification of income from the parent with whom the student has been living or had contact.

In determining the income eligibility of the student's parents, MHA will use the income limits for the jurisdiction in which the parents live.

PART III: DENIAL OF ASSISTANCE

3-III.A. OVERVIEW

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

In addition, HUD requires or permits MHA to deny assistance based on certain types of current or past behaviors of family members.

Forms of Denial [24 CFR 982.552(a)(2); HCV GB, p. 5-35]

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
- Refusing to process a request for or to provide assistance under portability procedures

Prohibited Reasons for Denial of Program Assistance [24 CFR 982.202(b), Pub.L. 109-162]

HUD rules prohibit denial of program assistance to the program based on any of the following criteria:

- Age, disability, race, color, religion, sex, or national origin. (See Chapter 2 for additional information about fair housing and equal opportunity requirements.)
- 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 MHA's jurisdiction (See Chapter 10, Portability.)
- Whether members of the family are unwed parents, recipients of public assistance, or children born out of wedlock
- Whether the family includes children
- Whether a family decides to participate in a family self-sufficiency program
- Whether or not a qualified applicant has been a victim of domestic violence, dating violence, or stalking

3-III.B. MANDATORY DENIAL OF ASSISTANCE [24 CFR 982.553(a)]

HUD requires MHA 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, MHA to admit an otherwise-eligible family if the household member has completed a MHA-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).

MHA Policy

MHA will admit an otherwise-eligible family who was evicted from federally-assisted housing within the past 3 years for drug-related criminal activity, if MHA is able to verify that the household member who engaged in the criminal activity has completed a supervised drug rehabilitation program approved by MHA, or the person who committed the crime, is no longer living in the household.

- MHA determines that any household member is currently engaged in the use of illegal drugs.

MHA Policy

Currently engaged in is defined as any use of illegal drugs during the previous six months.

- MHA 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.

MHA Policy

In determining reasonable cause, MHA 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. MHA will also consider evidence from treatment providers or community-based organizations providing services to household members.

- Any household member has ever been convicted of drug-related criminal activity for the production or manufacture of methamphetamine on the premises of 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 ASSISTANCE

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

Criminal Activity [24 CFR 982.553]

HUD permits, but does not require, MHA to deny assistance if MHA determines that any household member is currently engaged in, or has engaged in during a reasonable time before the family would receive assistance, certain types of criminal activity.

MHA Policy

If any household member is currently engaged in, or has engaged in any of the following criminal activities, within the past five years, the family will be denied assistance.

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 right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity; or

Criminal activity that may threaten the health or safety of property owners and management staff, and persons performing contract administration functions or other responsibilities on behalf of MHA (including a MHA employee or a MHA contractor, subcontractor, or agent).

Immediate vicinity means within a three-block radius of the premises.

Evidence of such criminal activity includes, but is not limited to:

Any conviction for drug-related or violent criminal activity within the past 5 years.

Any arrests for drug-related or violent criminal activity within the past 5 years.

Any record of eviction from public or privately-owned housing as a result of criminal activity within the past 5 years.

A conviction for drug-related or violent criminal activity will be given more weight than an arrest for such activity.

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

Previous Behavior in Assisted Housing [24 CFR 982.552(c)]

HUD authorizes MHA to deny assistance based on the family's previous behavior in assisted housing:

MHA Policy

MHA **will not** deny assistance to an otherwise eligible family because the family previously failed to meet its obligations under the Family Self-Sufficiency (FSS) program.

MHA **will** deny assistance to an applicant family if:

The family does not provide information that MHA or HUD determines is necessary in the administration of the program.

The family does not provide complete and true information to MHA.

Any family member has been evicted from federally-assisted housing in the last five years.

Any MHA has ever terminated assistance under the program for any member of the family.

Any family member has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.

The family owes rent or other amounts to any MHA in connection with the HCV, Certificate, Moderate Rehabilitation or public housing programs, unless the family repays the full amount of the debt prior to being selected from the waiting list.

If the family has not reimbursed any MHA for amounts MHA paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease, unless the family repays the full amount of the debt prior to being selected from the waiting list.

The family has breached the terms of a repayment agreement entered into with MHA, unless the family repays the full amount of the debt covered in the repayment agreement prior to being selected from the waiting list.

A family member has engaged in or threatened violent or abusive behavior toward MHA personnel.

Abusive or violent behavior towards MHA 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 assistance, MHA will consider the factors discussed in Section 3-III.E. Upon consideration of such factors, MHA may, on a case-by-case basis, decide not to deny assistance.

3-III.D. SCREENING

Screening for Eligibility

MHAs are authorized to obtain criminal conviction records from law enforcement agencies to screen applicants for admission to the HCV program. This authority assists MHA in complying with HUD requirements and MHA 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 MHA must require every applicant family to submit a consent form signed by each adult household member [24 CFR 5.903].

MHA Policy

MHA will perform a criminal background check through local law enforcement for every adult household member.

If the results of the criminal background check indicate that there may be past criminal activity, but the results are inconclusive, MHA may request a fingerprint card and will request information from the National Crime Information center (NCIC).

MHAs 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 982.553(a)(2)(i)].

If MHA proposes to deny assistance based on a criminal record or on lifetime sex offender registration information, MHA 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)].

Screening for Suitability as a Tenant [24 CFR 982.307]

MHA has no liability or responsibility to the owner for the family's behavior or suitability for tenancy. MHA may opt to conduct additional screening to determine whether an applicant is likely to be a suitable tenant.

MHA Policy

MHA will not conduct additional screening to determine an applicant family's suitability for tenancy.

The owner is responsible for screening and selection of the family to occupy the owner's unit. MHA must inform the owner that screening and selection for tenancy is the responsibility of the owner. An owner may consider a family's history with respect to factors such as: 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, and compliance with other essential conditions of tenancy.

HUD requires MHA to provide prospective owners with the family's current and prior address (as shown in MHA records) and the name and address (if known) of the owner at the family's current and prior addresses. HUD permits MHA to provide owners with additional information, as long as families are notified that the information will be provided, and the same type of information is provided to all owners.

MHA Policy

MHA 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 initial HQS inspection or before. MHA will not provide any additional information to the owner, such as tenancy history, criminal history, etc.

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

Evidence [24 CFR 982.553(c)]

MHA Policy

MHA 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 982.552(c)(2)]

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

MHA Policy

MHA 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 assistance 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.G) 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

In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully

MHA will require the applicant 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.

Removal of a Family Member's Name from the Application [24 CFR 982.552(c)(2)(ii)]

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

MHA Policy

As a condition of receiving assistance, a family may agree to remove the culpable family member from the application. 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 assisted unit.

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

Reasonable Accommodation [24 CFR 982.552(c)(2)(iv)]

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

MHA Policy

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

3-III.F. NOTICE OF ELIGIBILITY OR DENIAL

If the family is eligible for assistance, MHA will notify the family when it extends the invitation to attend the voucher briefing appointment, as discussed in Chapter 5.

If MHA determines that a family is not eligible for the program for any reason, the family must be notified promptly. The notice must describe: (1) the reasons for which assistance has been denied, (2) the family's right to an informal review, and (3) the process for obtaining the informal review [24 CFR 982.554 (a)]. See Chapter 16, for informal review policies and procedures.

MHA Policy

The family will be notified of a decision to deny assistance in writing within 10 business days of the determination.

If MHA 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 MHA 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)]. MHA must give the family an opportunity to dispute the accuracy and relevance of that record, in the informal review process in accordance with program requirements [24 CFR 982.553(d)].

MHA Policy

If based on a criminal record or sex offender registration information, an applicant family appears to be ineligible MHA will notify the family in writing of the proposed denial and provide a copy of the record to the applicant and to the subject of the record. The family will be given 10 business days to dispute the accuracy and relevance of the information. If the family does not contact MHA to dispute the information within that 10-day period, MHA will proceed with issuing the notice of denial of admission. A family that does not exercise their right to dispute the accuracy of the information prior to issuance of the official denial letter will still be given the opportunity to do so as part of the informal review process.

Notice requirements related to denying assistance 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.G.

3-III.G. PROHIBITION AGAINST DENIAL OF ASSISTANCE TO VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, AND STALKING [24 CFR Part 5, Subpart L]

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 606(4)(A) of VAWA adds the following provision to Section 8 of the U.S. Housing Act of 1937, which lists contract provisions and requirements for the housing choice voucher program:

- That an applicant or participant is or has been a victim of domestic violence, dating violence, or stalking is not an appropriate reason for denial of program assistance or for denial of admission, if the applicant otherwise qualifies for assistance or admission [24 CFR 5.2005].

Definitions [24 CFR 5.2003]

As used in VAWA:

- The term *bifurcate* means, with respect to a public housing or Section 8 lease, to divide a lease as a matter of law such that certain tenants can be evicted or removed while the remaining family members' lease and occupancy rights are allowed to remain intact.
- 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

MHA Policy

MHA acknowledges that a victim of domestic violence, dating violence, or stalking may have an unfavorable history (e.g., a poor credit history, a record of previous damage to an apartment, a prior arrest record) that would warrant denial under MHA's policies. Therefore, if MHA makes a determination to deny admission to an applicant family, MHA will include in its notice of denial:

A statement of the protection against denial provided by VAWA

A description of MHA confidentiality requirements

A request that an applicant wishing to claim this protection submit to MHA documentation meeting the specifications below with her or his request for an informal review (see section 16-III.D)

Documentation

Victim Documentation

MHA Policy

An applicant claiming that the cause of an unfavorable history is that a member of the applicant family is or has been a victim of domestic violence, dating violence, or stalking must provide documentation (1) demonstrating the connection between the abuse and the unfavorable history and (2) naming the perpetrator of the abuse. The documentation may consist of any of the following:

A statement signed by the victim certifying that the information provided is true and correct and that it describes bona fide incident(s) of actual or threatened domestic violence, dating violence, or stalking

A police or court record documenting the domestic violence, dating violence, or stalking

Documentation signed by a person who has assisted the victim in addressing domestic violence, dating violence, or stalking, or the effects of such abuse. This person may be an employee, agent, or volunteer of a victim service provider; an attorney; or a medical or other knowledgeable professional. The person signing the documentation must attest under penalty of perjury to the person's belief that the incidents in question are bona fide incidents of abuse. The victim must also sign the documentation.

Perpetrator Documentation

MHA Policy

If the perpetrator of the abuse is a member of the applicant family, the applicant must provide additional documentation consisting of one of the following:

A signed statement (1) requesting that the perpetrator be removed from the application and (2) certifying that the perpetrator will not be permitted to visit or to stay as a guest in the assisted unit

Documentation that the perpetrator has successfully completed, or is successfully undergoing, rehabilitation or treatment. 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.

Time Frame for Submitting Documentation

MHA Policy

The applicant must submit the required documentation with her or his request for an informal review (see section 16-III.D) or must request an extension in writing at that time. If the applicant so requests, MHA will grant an extension of 10 business days, and will postpone scheduling the applicant's informal review until after it has received the documentation or the extension period has elapsed. If after reviewing the documentation provided by the applicant MHA determines that the family is eligible for assistance, no informal review will be scheduled and MHA will proceed with admission of the applicant family.

MHA Confidentiality Requirements [24 CFR 5.2007(a)(1)(v)]

All information provided to MHA 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.

MHA Policy

If disclosure is required for use in an eviction proceeding or is otherwise required by applicable law, MHA will inform the victim before disclosure occurs so that safety risks can be identified and addressed.

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; *or*
 - 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.

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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 an impairment; or is regarded as having such an 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; or
 - (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; or
 - (c) Has none of the impairments defined in paragraph (1) of this section but is treated by a recipient as having such an impairment.

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EXHIBIT 3-2: DEFINITION OF INSTITUTION OF HIGHER EDUCATION
[20 U.S.C. 1001 and 1002]

Eligibility of Students for Assisted Housing Under Section 8 of the U.S. Housing Act of 1937; Supplementary Guidance; Notice [Federal Register, April 10, 2006]

Institution of Higher Education shall have the meaning given this term in the Higher Education Act of 1965 in 20 U.S.C. 1001 and 1002.

Definition of "Institution of Higher Education" From 20 U.S.C. 1001

- (a) Institution of higher education. For purposes of this chapter, other than subchapter IV and part C of subchapter I of chapter 34 of Title 42, the term "institution of higher education" means an educational institution in any State that
- (1) Admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate;
 - (2) Is legally authorized within such State to provide a program of education beyond secondary education;
 - (3) Provides an educational program for which the institution awards a bachelor's degree or provides not less than a 2-year program that is acceptable for full credit toward such a degree;
 - (4) Is a public or other nonprofit institution; and
 - (5) Is accredited by a nationally recognized accrediting agency or association, or if not so accredited, is an institution that has been granted preaccreditation status by such an agency or association that has been recognized by the Secretary for the granting of preaccreditation status, and the Secretary has determined that there is satisfactory assurance that the institution will meet the accreditation standards of such an agency or association within a reasonable time.
- (b) Additional institutions included. For purposes of this chapter, other than subchapter IV and part C of subchapter I of chapter 34 of Title 42, the term "institution of higher education" also includes—
- (1) Any school that provides not less than a 1-year program of training to prepare students for gainful employment in a recognized occupation and that meets the provision of paragraphs (1), (2), (4), and (5) of subsection (a) of this section; and
 - (2) A public or nonprofit private educational institution in any State that, in lieu of the requirement in subsection (a)(1) of this section, admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located.
- (c) List of accrediting agencies. For purposes of this section and section 1002 of this title, the Secretary shall publish a list of nationally recognized accrediting agencies or associations that the Secretary determines, pursuant to subpart 2 of part G of subchapter IV of this chapter, to be reliable authority as to the quality of the education or training offered.

Definition of "Institution of Higher Education" From 20 U.S.C. 1002

- (a) Definition of institution of higher education for purposes of student assistance programs
- (1) Inclusion of additional institutions. Subject to paragraphs (2) through (4) of this subsection, the term "institution of higher education" for purposes of subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42 includes, in addition to the institutions covered by the definition in section 1001 of this title—
- (A) A proprietary institution of higher education (as defined in subsection (b) of this section);
- (B) A postsecondary vocational institution (as defined in subsection (c) of this section); and
- (C) Only for the purposes of part B of subchapter IV of this chapter, an institution outside the United States that is comparable to an institution of higher education as defined in section 1001 of this title and that has been approved by the Secretary for the purpose of part B of subchapter IV of this chapter.
- (2) Institutions outside the United States
- (A) In general. For the purpose of qualifying as an institution under paragraph (1)(C), the Secretary shall establish criteria by regulation for the approval of institutions outside the United States and for the determination that such institutions are comparable to an institution of higher education as defined in section 1001 of this title (except that a graduate medical school, or a veterinary school, located outside the United States shall not be required to meet the requirements of section 1001 (a)(4) of this title). Such criteria shall include a requirement that a student attending such school outside the United States is ineligible for loans made, insured, or guaranteed under part B of subchapter IV of this chapter unless—
- (i) In the case of a graduate medical school located outside the United States—
- (I)(aa) At least 60 percent of those enrolled in, and at least 60 percent of the graduates of, the graduate medical school outside the United States were not persons described in section 1091(a)(5) of this title in the year preceding the year for which a student is seeking a loan under part B of subchapter IV of this chapter; and
- (bb) At least 60 percent of the individuals who were students or graduates of the graduate medical school outside the United States or Canada (both nationals of the United States and others) taking the examinations administered by the Educational Commission for Foreign Medical Graduates received a passing score in the year preceding the year for which a student is seeking a loan under part B of subchapter IV of this chapter; or
- (II) The institution has a clinical training program that was approved by a State as of January 1, 1992; or

- (ii) In the case of a veterinary school located outside the United States that does not meet the requirements of section 1001(a)(4) of this title, the institution's students complete their clinical training at an approved veterinary school located in the United States.

(B) Advisory panel

- (i) In general. For the purpose of qualifying as an institution under paragraph (1)(C) of this subsection, the Secretary shall establish an advisory panel of medical experts that shall—
 - (I) Evaluate the standards of accreditation applied to applicant foreign medical schools; and
 - (II) Determine the comparability of those standards to standards for accreditation applied to United States medical schools.
 - (ii) Special rule if the accreditation standards described in clause (i) are determined not to be comparable, the foreign medical school shall be required to meet the requirements of section 1001 of this title.
- (C) Failure to release information. The failure of an institution outside the United States to provide, release, or authorize release to the Secretary of such information as may be required by subparagraph (A) shall render such institution ineligible for the purpose of part B of subchapter IV of this chapter.
- (D) Special rule. If, pursuant to this paragraph, an institution loses eligibility to participate in the programs under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42, then a student enrolled at such institution may, notwithstanding such loss of eligibility, continue to be eligible to receive a loan under part B while attending such institution for the academic year succeeding the academic year in which such loss of eligibility occurred.
- (3) Limitations based on course of study or enrollment. An institution shall not be considered to meet the definition of an institution of higher education in paragraph (1) if such institution—
- (A) Offers more than 50 percent of such institution's courses by correspondence, unless the institution is an institution that meets the definition in section 2471 (4)(C) of this title;
 - (B) Enrolls 50 percent or more of the institution's students in correspondence courses, unless the institution is an institution that meets the definition in such section, except that the Secretary, at the request of such institution, may waive the applicability of this subparagraph to such institution for good cause, as determined by the Secretary in the case of an institution of higher education that provides a 2-or 4-year program of instruction (or both) for which the institution awards an associate or baccalaureate degree, respectively;

- (C) Has a student enrollment in which more than 25 percent of the students are incarcerated, except that the Secretary may waive the limitation contained in this subparagraph for a nonprofit institution that provides a 2-or 4-year program of instruction (or both) for which the institution awards a bachelor's degree, or an associate's degree or a postsecondary diploma, respectively; or
 - (D) Has a student enrollment in which more than 50 percent of the students do not have a secondary school diploma or its recognized equivalent, and does not provide a 2-or 4-year program of instruction (or both) for which the institution awards a bachelor's degree or an associate's degree, respectively, except that the Secretary may waive the limitation contained in this subparagraph if a nonprofit institution demonstrates to the satisfaction of the Secretary that the institution exceeds such limitation because the institution serves, through contracts with Federal, State, or local government agencies, significant numbers of students who do not have a secondary school diploma or its recognized equivalent.
- (4) Limitations based on management. An institution shall not be considered to meet the definition of an institution of higher education in paragraph (1) if—
- (A) The institution, or an affiliate of the institution that has the power, by contract or ownership interest, to direct or cause the direction of the management or policies of the institution, has filed for bankruptcy, except that this paragraph shall not apply to a nonprofit institution, the primary function of which is to provide health care educational services (or an affiliate of such an institution that has the power, by contract or ownership interest, to direct or cause the direction of the institution's management or policies) that files for bankruptcy under chapter 11 of title 11 between July 1, 1998, and December 1, 1998; or
 - (B) The institution, the institution's owner, or the institution's chief executive officer has been convicted of, or has pled nolo contendere or guilty to, a crime involving the acquisition, use, or expenditure of funds under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42, or has been judicially determined to have committed fraud involving funds under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42.
- (5) Certification. The Secretary shall certify an institution's qualification as an institution of higher education in accordance with the requirements of subpart 3 of part G of subchapter IV of this chapter.
- (6) Loss of eligibility. An institution of higher education shall not be considered to meet the definition of an institution of higher education in paragraph (1) if such institution is removed from eligibility for funds under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42 as a result of an action pursuant to part G of subchapter IV of this chapter.

(b) Proprietary institution of higher education

- (1) Principal criteria. For the purpose of this section, the term “proprietary institution of higher education” means a school that—
 - (A) Provides an eligible program of training to prepare students for gainful employment in a recognized occupation;
 - (B) Meets the requirements of paragraphs (1) and (2) of section 1001 (a) of this title;
 - (C) Does not meet the requirement of paragraph (4) of section 1001 (a) of this title;
 - (D) Is accredited by a nationally recognized accrediting agency or association recognized by the Secretary pursuant to part G of subchapter IV of this chapter;
 - (E) Has been in existence for at least 2 years; and
 - (F) Has at least 10 percent of the school’s revenues from sources that are not derived from funds provided under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42, as determined in accordance with regulations prescribed by the Secretary.
- (2) Additional institutions. The term “proprietary institution of higher education” also includes a proprietary educational institution in any State that, in lieu of the requirement in paragraph (1) of section 1001 (a) of this title, admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located.

(c) Postsecondary vocational institution.

- (1) Principal criteria. For the purpose of this section, the term “postsecondary vocational institution” means a school that—
 - (A) Provides an eligible program of training to prepare students for gainful employment in a recognized occupation;
 - (B) Meets the requirements of paragraphs (1), (2), (4), and (5) of section 1001 (a) of this title; and
 - (C) Has been in existence for at least 2 years.
- (2) Additional institutions. The term “postsecondary vocational institution” also includes an educational institution in any State that, in lieu of the requirement in paragraph (1) of section 1001 (a) of this title, admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located.

Chapter 4

APPLICATIONS, WAITING LIST AND TENANT SELECTION

INTRODUCTION

When a family wishes to receive Section 8 HCV assistance, the family must submit an application that provides MHA with the information needed to determine the family's eligibility. HUD requires MHA to place all families that apply for assistance on a waiting list. When HCV assistance becomes available, MHA must select families from the waiting list in accordance with HUD requirements and MHA policies as stated in the administrative plan and the annual plan.

MHA is required to adopt a clear approach to accepting applications, placing families on the waiting list, 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 MHA to receive preferential treatment. Funding earmarked exclusively for families with particular characteristics may also alter the order in which families are served.

HUD regulations require that all families have an equal opportunity to apply for and receive housing assistance, and that MHA affirmatively further fair housing goals in the administration of the program [24 CFR 982.53, HCV GB p. 4-1]. Adherence to the selection policies described in this chapter ensures that MHA will be in compliance with all relevant fair housing requirements, as described in Chapter 2.

This chapter describes HUD and MHA policies for taking applications, managing the waiting list and selecting families for HCV assistance. 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 MHA will handle the applications it receives.

Part II: Managing the Waiting List. This part presents the policies that govern how MHA's waiting list is structured, when it is opened and closed, and how the public is notified of the opportunity to apply for assistance. It also discusses the process MHA will use to keep the waiting list current.

Part III: Selection for HCV Assistance. This part describes the policies that guide MHA in selecting families for HCV assistance as such assistance becomes available. It also specifies how in-person interviews will be used to ensure that MHA 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 MHA'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 MHA's obligation to ensure the accessibility of the application process to elderly persons, people with disabilities, and people with limited English proficiency (LEP).

4-I.B. APPLYING FOR ASSISTANCE [HCV GB, pp. 4-11 – 4-16, Notice PIH 2009-36]

Any family that wishes to receive HCV assistance must apply for admission to the program. HUD permits MHA to determine the format and content of HCV applications, as well how such applications will be made available to interested families and how applications will be accepted by MHA. However, MHA must include Form HUD-90026, Supplement to Application for Federally Assisted Housing, as part of MHA's application.

MHA Policy

Depending upon the length of time that applicants may need to wait to receive assistance, MHA may use a one- or two-step application process.

A one-step process will be used when it is expected that a family will be selected from the waiting list within 60 days of the date of application. At application, the family must provide all of the information necessary to establish family eligibility and level of assistance.

A two-step process will be used when it is expected that a family will not be selected from the waiting list for at least 60 days from the date of application. Under the two-step application process, MHA initially 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 level of assistance when the family is selected from the waiting list.

Families may obtain application forms from MHA's office during normal business hours. Families may also request – by telephone or by mail – that a form be sent to the family via first class mail.

Completed applications must be returned to MHA by mail, by fax, or submitted in person during normal business hours or otherwise instructed on the application. Applications must be complete in order to be accepted by MHA for processing. If an application is incomplete, MHA will notify the family of the additional information required.

4-I.C. ACCESSIBILITY OF THE APPLICATION PROCESS

Elderly and Disabled Populations [24 CFR 8 and HCV GB, pp. 4-11 – 4-13]

MHA 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 MHA application process. This could include people with disabilities, certain elderly individuals, as well as persons with limited English proficiency (LEP). MHA must provide reasonable accommodation to the needs of individuals with disabilities. The application-taking facility and the application process must be fully accessible, or MHA must provide an alternate approach that provides full access to the application process. Chapter 2 provides a full discussion of MHA's policies related to providing reasonable accommodations for people with disabilities.

Limited English Proficiency

MHAs 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 MHA's policies related to ensuring access to people with limited English proficiency (LEP).

4-I.D. PLACEMENT ON THE WAITING LIST

MHA must review each complete application received and make a preliminary assessment of the family's eligibility. MHA must accept applications from families for whom the list is open unless there is good cause for not accepting the application (such as denial of assistance) for the grounds stated in the regulations [24 CFR 982.206(b)(2)]. Where the family is determined to be ineligible, MHA must notify the family in writing [24 CFR 982.201(f)]. Where the family is not determined to be ineligible, the family will be placed on a waiting list of applicants.

No applicant has a right or entitlement to be listed on the waiting list, or to any particular position on the waiting list [24 CFR 982.202(c)].

Ineligible for Placement on the Waiting List

MHA Policy

If MHA can determine from the information provided that a family is ineligible, the family will not be placed on the waiting list. Where a family is determined to be ineligible, MHA will send written notification of the ineligibility determination within 10 business days of receiving a complete application. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal review and explain the process for doing so (see Chapter 16).

Eligible for Placement on the Waiting List

MHA Policy

MHA will send written notification of the preliminary eligibility determination within 10 business days of receiving a complete application.

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

Applicants will be placed on the waiting list according to any preference(s) for which they qualify, and will be pulled from the waiting list by lottery within those preference points.

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PART II: MANAGING THE WAITING LIST

4-II.A. OVERVIEW

MHA must have policies regarding 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 assistance, as well as conducting outreach to ensure a sufficient number of applicants.

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

4-II.B. ORGANIZATION OF THE WAITING LIST [24 CFR 982.204 and 205]

MHA's HCV waiting list must be organized in such a manner to allow MHA to accurately identify and select families for assistance in the proper order, according to the admissions policies described in this plan.

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

- Applicant name;
- Family unit size;
- Date and time of application;
- Qualification for any local preference;
- Racial or ethnic designation of the head of household.

HUD requires MHA to maintain a single waiting list for the HCV program unless it serves more than one county or municipality. Such MHAs are permitted, but not required, to maintain a separate waiting list for each county or municipality served.

MHA Policy

MHA will maintain a single waiting list for the HCV program.

HUD directs that a family that applies for assistance from the HCV program must be offered the opportunity to be placed on the waiting list for any public housing, project-based voucher or moderate rehabilitation program MHA operates if 1) the other programs' waiting lists are open, and 2) the family is qualified for the other programs.

HUD permits, but does not require, that MHAs maintain a single merged waiting list for their public housing, Section 8, and other subsidized housing programs.

A family's decision to apply for, receive, or refuse other housing assistance must not affect the family's placement on the HCV waiting list, or any preferences for which the family may qualify.

MHA Policy

MHA will not merge the HCV waiting list with the waiting list for any other program MHA operates.

4-ILC. OPENING AND CLOSING THE WAITING LIST [24 CFR 982.206]

Closing the Waiting List

A MHA is permitted to close the waiting list if it has an adequate pool of families to use its available HCV assistance. Alternatively, MHA may elect to continue to accept applications only from certain categories of families that meet particular preferences or funding criteria.

MHA Policy

MHA will close the waiting list when the estimated waiting period for housing assistance for applicants on the list reaches 24 months for the most current applicants. Where MHA has particular preferences or funding criteria that require a specific category of family, MHA may elect to continue to accept applications from these applicants while closing the waiting list to others.

Reopening the Waiting List

If the waiting list has been closed, it cannot be reopened until MHA publishes a notice in local newspapers of general circulation, minority media, and other suitable media outlets. The notice must comply with HUD fair housing requirements and must specify who may apply, and where and when applications will be received.

MHA Policy

MHA 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.

MHA will give public notice by publishing the relevant information in suitable media outlets including, but not limited to: *See Attachment G*

4-ILD. FAMILY OUTREACH [HCV GB, pp. 4-2 to 4-4]

MHA must conduct outreach as necessary to ensure that MHA has a sufficient number of applicants on the waiting list to use the HCV resources it has been allotted.

Because HUD requires MHA to serve a specified percentage of extremely low income families (see Chapter 4, Part III), MHA may need to conduct special outreach to ensure that an adequate number of such families apply for assistance [HCV GB, p. 4-20 to 4-21].

MHA 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

MHA outreach efforts must be designed to inform qualified families about the availability of assistance 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

MHA Policy

MHA will monitor the characteristics of the population being served and the characteristics of the population as a whole in MHA'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

MHA Policy

While the family is on the waiting list, the family must immediately inform MHA of changes in contact information, including current residence, mailing address, and phone number. The changes must be submitted in writing.

4-II.F. UPDATING THE WAITING LIST [24 CFR 982.204]

HUD requires MHA to establish policies to use when removing applicant names from the waiting list.

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 a MHA request for information or updates because of the family member's disability, MHA must reinstate the applicant family to their former position on the waiting list [24 CFR 982.204(c)(2)].

MHA Policy

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

To update the waiting list, MHA 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 MHA 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.

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 MHA not later than 15 business days from the date of MHA letter.

If the family fails to respond within 15 business days, the family will be removed from the waiting list without further notice.

If the notice is returned by the post office with no forwarding address, the applicant will be removed from the waiting list without further notice.

If the notice is returned by the post office with a forwarding address, the notice will be re-sent to the address indicated. The family will have 15 business days to respond from the date the letter was re-sent.

If a family is removed from the waiting list for failure to respond, the Executive Director may reinstate the family if s/he determines the lack of response was due to MHA error, or to circumstances beyond the family's control.

Removal from the Waiting List

MHA Policy

If at any time an applicant family is on the waiting list, MHA determines that the family is not eligible for assistance (see Chapter 3), the family will be removed from the waiting list.

If a family is removed from the waiting list because MHA has determined the family is not eligible for assistance, 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 review regarding MHA's decision (see Chapter 16) [24 CFR 982.201(f)].

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PART III: SELECTION FOR HCV ASSISTANCE

4-III.A. OVERVIEW

As vouchers become available, families on the waiting list must be selected for assistance in accordance with the policies described in this part.

The order in which families receive assistance from the waiting list depends on the selection method chosen by MHA and is impacted in part by any selection preferences that the family qualifies for. The source of HCV funding also may affect the order in which families are selected from the waiting list.

MHA must maintain a clear record of all information required to verify that the family is selected from the waiting list according to MHA's selection policies [24 CFR 982.204(b) and 982.207(e)].

4-III.B. SELECTION AND HCV FUNDING SOURCES

Special Admissions [24 CFR 982.203]

HUD may award funding for specifically-named families living in specified types of units (e.g., a family that is displaced by demolition of public housing; a non-purchasing family residing in a HOPE 1 or 2 projects). In these cases, MHA may admit families that are not on the waiting list, or without considering the family's position on the waiting list. MHA must maintain records showing that such families were admitted with special program funding.

Targeted Funding [24 CFR 982.204(e)]

HUD may award a MHA funding for a specified category of families on the waiting list. MHA must use this funding only to assist the families within the specified category. Within this category of families, the order in which such families are assisted is determined according to the policies provided in Section 4-III.C.

MHA Policy

MHA administers the following types of targeted funding:

VASH

Shelter Plus Care

Family Unification Program

Non-Elderly Disabled Vouchers

Regular HCV Funding

Regular HCV funding may be used to assist any eligible family on the waiting list. Families are selected from the waiting list according to the policies provided in Section 4-III.C.

4-III.C. SELECTION METHOD

MHA must describe the method for selecting applicant families from the waiting list, including the system of admission preferences that MHA will use [24 CFR 982.202(d)].

Local Preferences [24 CFR 982.207; HCV p. 4-16]

MHA is 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 MHA to establish other local preferences, at its discretion. Any local preferences established must be consistent with MHA plan and the consolidated plan, and must be based on local housing needs and priorities that can be documented by generally accepted data sources.

LOCAL PREFERENCES

Local preferences will be used to select among applicants on the waiting list.

Local preferences will be given to applicants who are otherwise eligible and who, at the time information is verified, meet the definitions of the preferences described below. Applicants without local preferences will be placed at the end of the waiting list, after those with preference points, according to lottery determined sequence.

MHA has adopted the following Local Preferences for families, elderly, and disabled applicants only:

1. Involuntary Displacement:

Families are considered to be involuntarily displaced if they are required to vacate their housing as a result of:

- Domestic Violence declared either by Marin Abused Woman Services (MAWS) or CalWorks. MHA has set aside a maximum of 15 vouchers per year for this preference for applicants who are in immediate need of vacating their housing due to imminent health and safety dangers from domestic violence. In order to receive this preference applicants must be referred either by Marin Abused Woman Services (MAWS) or CalWorks. According to the MOU between MHA MAWS or CalWorks, proof of client participation in the programs, proof of involuntarily displacement, proof of documentation that the clients were survivors of domestic violence upon entry, as well as other eligibility criteria at the time of application for client consideration for these preference points. MAWS or CalWorks will provide a minimum of three (3) months of supportive services. (See attachment F-1 for complete MOU). This preference is available even when the waiting list is closed to other applicants.
- Natural Disaster declared by a local, state, or federal government entity (fire, flood, earthquake, etc.) documented from the American Red Cross. MHA has set aside a maximum of 15 vouchers per year for this preference for applicants who are in immediate need of vacating their housing due to imminent health and safety dangers

from a natural declared disaster. This preference is available even when the waiting list is closed to other applicants

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- Eminent Domain and any documented action by a local, state, or federal government entity related to code enforcement, public improvement or development. MHA has set aside a maximum of 5 vouchers per year for this preference for applicants who are in immediate need of vacating their housing due to imminent health and safety dangers from a government action. This preference is available even when the waiting list is closed to other applicants
- State or Federal Witness Protection to avoid reprisals because the family provided information on criminal activities to a law enforcement agency, and after a threat assessment the law enforcement agency recommends re-housing the family to avoid or reduce risk of violence against the family. The family must be a part of a State or Federal Witness Protection Program. Participation in a victim witness assistance program that offers only money to obtain services is not eligible for this preference. MHA has set aside a maximum of 5 vouchers per year for this preference for applicants who are in immediate need of vacating their housing due to imminent health and safety dangers to avoid reprisals because of information provided to a law enforcement agency. This preference is available even when the waiting list is closed to other applicants.

2. Family, Elderly or Disabled Preference

a) Family Preference is available to two or more persons related by blood, marriage, adoption, or laws who will live together in the same dwelling, or two or more persons who live together and whose income and resources are available for use in meeting regular living expenses for the family.

b) Elderly Preference is available when the head of household or spouse/significant other is aged 62 or older.

c) Disabled Preference is available when the applicant's household will contain one or more members who are considered disabled as defined in Marin Housing's policy.

3. Individuals or Families with Disabilities Who Have Successfully Participated in or Are A Current Participant in a Supportive Housing Program for Disabled Homeless Person(s)

This preference is only available to individuals or families with disabilities who have successfully participated in or are a current participant in good standing in a supportive housing program for disabled homeless person(s). Persons receiving this preference who upon verification are found not to qualify for the preference as set forth below will lose the preference points and if they were admitted to the waiting list when only applications for this preference were being taken they will be removed from the waiting list. If the applicant was placed on the waiting list while applications for all preference were being accepted the applicant's points will be adjusted and s/he will be placed back on the waiting list.

In order to qualify for this preference the applicant must be able to supply the name and address of the supportive housing program. The applicant must attach the following documents to the application in order to qualify for this preference:

- A verification of homeless status and supportive housing participation.

Once the applicant is pulled from the waiting list and MHA begins processing the application MHA will contact the supportive housing provider to verify that the program provides the following type of housing services. If the supportive housing program does not meet the criteria listed below the applicant is not eligible for the preference and his/her name will be withdrawn from the waiting list.

The supportive housing program must be one that is safe and provide well-designed housing that is:

- Affordable to people coming out of homelessness, and
- Independent, with each tenant in his/her own apartment, holding his/her own lease, and responsible for paying his/her own rent, and
- Permanent, a tenant can stay as long as he/she pays his/her rent and complies with the terms of his/her lease.

MHA will contact the supportive housing provider to verify that the program provides the following supportive services. If the program does not meet the criteria listed below the applicant is not eligible for the preference.

Supportive services are provided by staff trained in working with people who are homeless and people with disabilities. The supportive services must be:

- Designed to maximize independence, and
- Flexible and responsive to tenant needs, and
- Available as and when needed, and
- Accessible where the tenant lives.

MHA will contact the supportive housing provider to verify that the applicant was homeless prior to entering the supportive housing program and that the person has a disability, as defined by HUD. If the program does not provide verification of homeless status and disability prior to entering the supportive housing program the applicant is not eligible for the preference and his/her name will be withdrawn from the waiting list.

To be classified as homeless, the applicant must have been a homeless person living in an emergency shelter, supportive housing for homeless persons, or in places not designed for, or ordinarily used as, a regular sleeping accommodation for human beings and/or;

- Lack a fixed, regular and adequate nighttime residence,
- Have a primary night time residence that is a supervised public or private shelter providing temporary accommodations,

- A public or private place not ordinarily used as an accommodation for human beings (lacks indoor plumbing, toilet facilities, bathing facilities, adequate or safe electrical service, heat, or kitchen).

MHA will contact the supportive housing provider to verify that the applicant is no longer in need of case management services in order to maintain an independent housing situation. If the program does not provide this verification the applicant is not eligible for the preference and his/her name will be withdrawn from the waiting list.

As set forth in Section C a above, no more than 25 pre-applications will be placed on the waiting list. Those 25 pre-applications will be determined using the lottery system described in Section C a.

No more than 25% of applicants pulled from the waiting list each year may be applicants from this preference group.

4. Homeless Preference

Applies to applicants who:

- Lack a fixed, regular and adequate nighttime residence,
- Have a primary nighttime residence that is a supervised public or private shelter providing temporary accommodations,
- A public or private place not ordinarily used as an accommodation for human beings (lacks indoor plumbing, toilet facilities, bathing facilities, adequate or safe electrical service, heat, or kitchen).

5 Working or Educational Preference

Applies to applicants who meet any of the following requirements:

- The head of household, spouse/significant other or sole member is employed,
- The head of household, spouse/significant other or sole member is age 62 or older,
- The head of household, spouse/significant other or sole member is disabled,
- The head of household, spouse/significant other or sole member is currently a student enrolled in, or a graduate in the last six months of, a school training program designed to prepare enrollees for the job market.
(A student is an individual who is attending a school or training program full-time. A full-time student is a student who is enrolled for the number of hours or courses the school considers full-time attendance.)

6. Residency Preference

Applies to applicants who meet any of the following requirements:

- The head of household, spouse/significant other or sole member is a current resident of Marin County.
- The head of household, spouse/significant other or sole member is employed in Marin County at least 32 hours a week.

7. Veteran Preference - Current members of the military, veterans, or surviving spouses of veterans. Dishonorably discharged veterans are not entitled to this preference.

- Applies to applicant whose head of household or spouse/significant other is a current member of the military, a veteran, or the surviving spouse of a veteran.

Family Unification Program

Based on the availability of targeted voucher funding, MHA recognizes the following separate local preference to its Section 8 Housing Choice Voucher Waiting List:

- Families certified by Marin County Department of Health and Human Services, Division of Social Services, Children & Family Services (CFS) as a family for whom the lack of adequate housing is a primary factor in the imminent placement of the family's child, or children, in out-of-home care, or in the delay of discharge of a child, or children, to the family from out-of-home care and that MHA has determined to be eligible for a Family Unification Program (FUP) Housing Choice Voucher. These families may be:
 1. A current MHA waiting list applicant identified to and certified by the CFS as a FUP-eligible family and assisted in position number order after certification; or
 2. A FUP-eligible family referred from the CFS and placed on the MHA Section 8 waiting list in order of first come, first served.

MHA also has the following programs that receive targeted funding from HUD and for which admissions are handled separately from the Section 8 waiting list:

- **Veterans Affairs Supportive Housing**
- **Shelter Plus Care**
- **HOPWA**
- **Project Based Vouchers**
- **Non-Elderly Disabled Vouchers**

See each program's procedures for admission criteria.

Income Targeting Requirement [24 CFR 982.201(b)(2)]

HUD requires that extremely low-income (ELI) families make up at least 75% of the families admitted to the HCV program during MHA'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 MHA may skip non-ELI families on the waiting list in order to select an ELI family. However, such ELI families must be on the MHA waiting list.

Low income families admitted to the program that are "continuously assisted" under the 1937 Housing Act [24 CFR 982.4(b)], as well as low-income or moderate-income families admitted to the program that are displaced as a result of the prepayment of the mortgage or voluntary termination of an insurance contract on eligible low-income housing, are not counted for income targeting purposes [24 CFR 982.201(b)(2)(v)].

MHA Policy

MHA 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.

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Order of Selection

MHA's system of preferences may select families either according to the date and time of application, or by a random selection process [24 CFR 982.207(c)]. When selecting families from the waiting list PHAs are required to use targeted funding to assist only those families who meet the specified criteria, and PHAs are not permitted to skip down the waiting list to a family that it can afford to subsidize when there are not sufficient funds to subsidize the family at the top of the waiting list [24 CFR 982.204(d) and (e)].

MHA Policy

Families will be selected from the waiting list based on the targeted funding or selection preference(s) for which they qualify, and in accordance with MHA's hierarchy of preferences, if applicable. Within each targeted funding or preference category, families will be selected by lottery. Documentation will be maintained by MHA as to whether families on the list qualify for and are interested in targeted funding. If a higher placed family on the waiting list is not qualified or not interested in targeted funding, there will be a notation maintained so that MHA does not have to ask higher placed families each time targeted selections are made. Attachment C Local Preferences defines MHA's local preferences.

Among applicants with equal preference status, the waiting list will be organized by lottery determined random order.

Other considerations in selection from the waiting list: Any admission mandated by court order related to desegregation of Fair Housing and Equal Opportunity will take precedence over the Preference System. Other admissions required by court order will also take precedence over the Preference System.

PREFERENCE DENIAL [24 CFR 982.201(D)]:

If MHA denies a preference, MHA will notify the applicant in writing of the reasons why the preference was denied and offer the applicant an opportunity for an informal hearing. If the preference denial is upheld as a result of the meeting, or the applicant does not request a meeting, the applicant will be placed on the waiting list without benefit of the preference. Applicants may exercise other rights if they believe they have been discriminated against.

If the applicant falsifies documents or makes false statements in order to qualify for any preference or priority, they will be removed from the Waiting List.

REMOVAL FROM WAITING LIST AND PURGING [24 CFR 982.204(c)]

If an applicant fails to respond to a mailing from MHA, the applicant will be sent written notification and given thirty (30) days to contact MHA. If they fail to respond within thirty (30) days, they will be removed from the waiting list. An extension of no more than 60 days will be considered an accommodation if requested by a person with a disability. If a letter is returned by the Post Office without a forwarding address, the applicant will be removed without further notice, and the envelope and letter will be maintained in the file. If a letter is returned with a forwarding address, it will be re-mailed to the address indicated.

If an applicant is removed from the waiting list for failure to respond, they will not be entitled to reinstatement. However, MHA allows a grace period of 30 days after completion of the purge. Applicants who respond during this grace period will be reinstated.

Notices will be made available in an accessible format upon the request of a person with a disability.

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4-III.D. NOTIFICATION OF SELECTION

When a family has been selected from the waiting list, MHA must notify the family.

MHA Policy

MHA 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

- Other documents and information that should be brought to the interview

If a notification letter is returned to MHA with no forwarding address, the family will be removed from the waiting list. A notice of denial (see Chapter 3) will be sent to the family's address of record, as well as to any known alternate address.

4-III.E. THE APPLICATION INTERVIEW

HUD recommends that MHA obtain the information and documentation needed to make an eligibility determination through a private interview [HCV GB, pg. 4-16]. 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.

MHA Policy

Families selected from the waiting list are required to participate in an eligibility interview.

The head of household, the spouse/cohead and all adult family members will be required 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 MHA.

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 does not provide the required documentation, the appointment may be rescheduled when the proper documents have been obtained.

The family must provide the information necessary to establish the family's eligibility and determine the appropriate level of assistance, as well as completing required forms, providing required signatures, and submitting required documentation. If any materials are missing, MHA 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, MHA will provide translation services in accordance with MHA's LEP plan.

If the family is unable to attend a scheduled interview, the family should contact MHA in advance of the interview to schedule a new appointment. In all circumstances, if a family does not attend a scheduled interview, MHA will send another notification letter with a new interview appointment time. Applicants who fail to attend two scheduled interviews without MHA approval will be denied assistance based on the family's failure to supply information needed to determine eligibility. A notice of denial will be issued in accordance with policies contained in Chapter 3.

4-III.F. COMPLETING THE APPLICATION PROCESS

MHA must verify all information provided by the family (see Chapter 7). Based on verified information, MHA must make a final determination of eligibility (see Chapter 3) and must confirm that the family qualified for any special admission, targeted admission, or selection preference that affected the order in which the family was selected from the waiting list.

MHA Policy

If MHA determines that the family is ineligible, MHA 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 review (Chapter 16).

If a family fails to qualify for any criteria that affected the order in which it was selected from the waiting list (e.g. targeted funding, extremely low-income), the family will be returned to the waiting list in accordance with the change in the preference status (points). MHA will notify the family in writing that it has been returned to the waiting list, and will specify the reasons for it.

If MHA determines that the family is eligible to receive assistance, MHA will invite the family to attend a briefing in accordance with the policies in Chapter 5.

Chapter 5

BRIEFINGS AND VOUCHER ISSUANCE

INTRODUCTION

This chapter explains the briefing and voucher issuance process. When a family is determined to be eligible for the Housing Choice Voucher (HCV) program, MHA must ensure that the family fully understands the way the program operates and the family's obligations under the program. This is accomplished through both an oral briefing and provision of a briefing packet containing written documentation of information the family needs to know. Once the family is fully informed of the program's requirements, MHA issues the family a voucher. The voucher includes the unit size the family qualifies for based on MHA's subsidy standards, as well as the dates of issuance and expiration of the voucher. The voucher is the document that permits the family to begin its search for a unit, and limits the amount of time the family has to successfully locate an acceptable unit.

This chapter describes HUD regulations and MHA policies related to these topics in two parts:

Part I: Briefings and Family Obligations. This part details the program's requirements for briefing families orally, and for providing written materials describing the program and its requirements. It includes a particular focus on the family's obligations under the program.

Part II: Subsidy Standards and Voucher Issuance. This part discusses MHA's standards for determining how many bedrooms a family of a given composition qualifies for, which in turn affects the amount of subsidy the family can receive. It also discusses the policies that dictate how vouchers are issued, and how long families have to locate a unit.

PART I: BRIEFINGS AND FAMILY OBLIGATIONS

5-I.A. OVERVIEW

HUD regulations require MHA to conduct mandatory briefings for applicant families. The briefing provides a broad description of owner and family responsibilities, explains MHA's procedures, and includes instructions on how to lease a unit. This part describes how oral briefings will be conducted, specifies what written information will be provided to families, and lists the family's obligations under the program.

5-I.B. BRIEFING [24 CFR 982.301]

MHA must give the family an oral briefing and provide the family with a briefing packet containing written information about the program. Families may be briefed individually or in groups. At the briefing, MHA must ensure effective communication in accordance with Section 504 requirements (Section 504 of the Rehabilitation Act of 1973), and ensure that the briefing site is accessible to individuals with disabilities. For a more thorough discussion of accessibility requirements, refer to Chapter 2.

MHA Policy

Briefings will be conducted in group meetings.

Generally, the head of household is required to attend the briefing. If the head of household is unable to attend, MHA may approve another adult family member to attend the briefing.

Families that attend group briefings and still need individual assistance will be referred to an appropriate MHA staff person.

Briefings will be conducted in English. For limited English proficient (LEP) applicants, MHA will provide translation services in accordance with MHA's LEP plan (See Chapter 2).

Notification and Attendance

MHA Policy

Families will be notified of their eligibility for assistance at the time they are invited to attend a briefing. The notice will identify who is required to attend the briefing, as well as the date and time of the scheduled briefing.

If the notice is returned by the post office with no forwarding address, the applicant will be denied and their name will not be placed back on the waiting list. If the notice is returned by the post office with a forwarding address, the notice will be re-sent to the address indicated.

Applicants who fail to attend a scheduled briefing will automatically be scheduled for another briefing. MHA will notify the family of the date and time of the second scheduled briefing. Applicants who fail to attend two scheduled briefings, without MHA approval, will be denied assistance (see Chapter 3).

Oral Briefing [24 CFR 982.301(a)]

Each briefing must provide information on the following subjects:

- How the Housing Choice Voucher program works;
- Family and owner responsibilities;
- Where the family can lease a unit, including renting a unit inside or outside MHA's jurisdiction;
- For families eligible under portability, an explanation of portability. MHA cannot discourage eligible families from moving under portability;
- For families living in high-poverty census tracts, an explanation of the advantages of moving to areas outside of high-poverty concentrations; and
- For families receiving welfare-to-work vouchers, a description of any local obligations of a welfare-to-work family and an explanation that failure to meet the obligations is grounds for denial of admission or termination of assistance.

MHA Policy

When MHA-owned units are available for lease, MHA will inform the family during the oral briefing that the family has the right to select any eligible unit available for lease, and is not obligated to choose a MHA-owned unit.

Briefing Packet [24 CFR 982.301(b)]

Documents and information provided in the briefing packet must include the following:

- The term of the voucher, and MHA's policies on any extensions or suspensions of the term. If MHA allows extensions, the packet must explain how the family can request an extension.
- A description of the method used to calculate the housing assistance payment for a family, including how MHA determines the payment standard for a family, how MHA determines total tenant payment for a family, and information on the payment standard and utility allowance schedule.
- An explanation of how MHA determines the maximum allowable rent for an assisted unit.
- Where the family may lease a unit. For a family that qualifies to lease a unit outside MHA jurisdiction under portability procedures, the information must include an explanation of how portability works.
- The HUD-required tenancy addendum, which must be included in the lease.
- The form the family must use to request approval of tenancy, and a description of the procedure for requesting approval for a tenancy.
- A statement of MHA policy on providing information about families to prospective owners.
- MHA subsidy standards including when and how exceptions are made.
- The HUD brochure on how to select a unit.
- The HUD pamphlet on lead-based paint entitled *Protect Your Family from Lead in Your Home*.
- Information on federal, state and local equal opportunity laws and a copy of the housing discrimination complaint form.
- A list of landlords or other parties willing to lease to assisted families or help families find units, especially outside areas of poverty or minority concentration.
- Notice that if the family includes a person with disabilities, the family may request a list of available accessible units known to MHA.
- The family obligations under the program, including any obligations of a welfare-to-work family.
- The grounds on which MHA may terminate assistance for a participant family because of family action or failure to act.
- MHA informal hearing procedures including when MHA is required to offer a participant family the opportunity for an informal hearing, and how to request the hearing.

If MHA is located in a metropolitan FMR area, the following additional information must be included in the briefing packet in order to receive full points under SEMAP Indicator 7, Expanding Housing Opportunities [24 CFR 985.3(g)].

- Maps showing areas with housing opportunities outside areas of poverty or minority concentration, both within its jurisdiction and its neighboring jurisdiction.
- Information about the characteristics of these areas including job opportunities, schools, transportation and other services.
- An explanation of how portability works, including a list of portability contact persons for neighboring MHAs including names, addresses, and telephone numbers.

5-I.C. FAMILY OBLIGATIONS

Obligations of the family are described in the housing choice voucher (HCV) regulations and on the voucher itself. These obligations include responsibilities the family is required to fulfill, as well as prohibited actions. MHA must inform families of these obligations during the oral briefing, and the same information must be included in the briefing packet. When the family's unit is approved and the HAP contract is executed, the family must meet those obligations in order to continue participating in the program. Violation of any family obligation may result in termination of assistance, as described in Chapter 12.

Time Frames for Reporting Changes Required By Family Obligations

MHA Policy

Unless otherwise noted below, when family obligations require the family to respond to a request or notify MHA of a change, notifying MHA of the request or change within 10 business days is considered prompt notice.

When a family is required to provide notice to MHA, the notice must be in writing.

Family Obligations [24 CFR 982.551]

Following is a listing of a participant family's obligations under the HCV program:

- The family must supply any information that MHA or HUD determines to be necessary, including submission of required evidence of citizenship or eligible immigration status.
- The family must supply any information requested by MHA or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition.
- The family must disclose and verify social security numbers and sign and submit consent forms for obtaining information.
- Any information supplied by the family must be true and complete.
- The family is responsible for any Housing Quality Standards (HQS) breach by the family caused by failure to pay tenant-provided utilities or appliances, or damages to the dwelling unit or premises beyond normal wear and tear caused by any member of the household or guest.

MHA Policy

Damages beyond normal wear and tear will be considered to be damages which could be assessed against the security deposit.

- The family must allow MHA to inspect the unit at reasonable times and after reasonable notice, as described in Chapter 8 of this plan.

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- The family must not commit any serious or repeated violation of the lease.

MHA Policy

MHA will determine if a family has committed serious or repeated violations of the lease based on available evidence, including but not limited to, a court-ordered eviction, or an owner's notice to evict.

Serious and repeated lease violations will include, but not be limited to, nonpayment of rent, disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises and criminal activity. Generally, the criteria to be used is whether the reason for the eviction was through no fault of the tenant or guests.

- The family must notify MHA and the owner before moving out of the unit or terminating the lease.

MHA Policy

The family must comply with lease requirements regarding written notice to the owner. The family must provide written notice to MHA at the same time the owner is notified.

- The family must promptly give MHA a copy of any owner eviction notice.
- The family must use the assisted unit for residence by the family. The unit must be the family's only residence.
- The composition of the assisted family residing in the unit must be approved by MHA. The family must promptly notify MHA in writing of the birth, adoption, or court-awarded custody of a child. The family must request MHA approval to add any other family member as an occupant of the unit.

MHA Policy

The request to add a family member must be submitted in writing and approved prior to the person moving into the unit. MHA will determine eligibility of the new member in accordance with the policies in Chapter 3.

- The family must promptly notify MHA in writing if any family member no longer lives in the unit.

- If MHA has given approval, a foster child or a live-in aide may reside in the unit. MHA has the discretion to adopt reasonable policies concerning residency by a foster child or a live-in aide, and to define when MHA consent may be given or denied. For policies related to the request and approval/disapproval of foster children, foster adults, and live-in aides, see Chapter 3 (Sections I.K and I.M), and Chapter 11 (Section II.B).
- The family must not sublease the unit, assign the lease, or transfer the unit.

MHA Policy

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.

- The family must supply any information requested by MHA to verify that the family is living in the unit or information related to family absence from the unit.

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- The family must promptly notify MHA when the family is absent from the unit.

MHA Policy

Notice is required under this provision only 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. Written notice must be provided to MHA at the start of the extended absence.

- The family must pay utility bills and provide and maintain any appliances that the owner is not required to provide under the lease [Form HUD-52646, Voucher].
- The family must not own or have any interest in the unit, (other than in a cooperative and owners of a manufactured home leasing a manufactured home space).
- Family members must not commit fraud, bribery, or any other corrupt or criminal act in connection with the program. (See Chapter 14, Program Integrity for additional information).
- Family members must not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. See Chapter 12 for HUD and MHA policies related to drug-related and violent criminal activity.
- Members of the household must not engage in abuse of alcohol in a way that threatens the health, safety or right to peaceful enjoyment of the other residents and persons residing in the immediate vicinity of the premises. See Chapter 12 for a discussion of HUD and MHA policies related to alcohol abuse.
- An assisted family or member of the family must not receive HCV program assistance while receiving another housing subsidy, for the same unit or a different unit under any other federal, state or local housing assistance program.
- A family must not receive HCV program assistance while residing in a unit owned by a parent, child, grandparent, grandchild, sister or brother of any member of the family, unless MHA has determined (and has notified the owner and the family of such determination) that approving rental of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities. [Form HUD-52646, Voucher]

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PART II: SUBSIDY STANDARDS AND VOUCHER ISSUANCE

5-II.A. OVERVIEW

MHA must establish subsidy standards that determine the number of bedrooms needed for families of different sizes and compositions. This part presents the policies that will be used to determine the family unit size (also known as the voucher size) a particular family should receive, and the policies that govern making exceptions to those standards. MHA also must establish policies related to the issuance of the voucher, to the voucher term, and to any extensions or suspensions of that term.

5-II.B. DETERMINING FAMILY UNIT (VOUCHER) SIZE [24 CFR 982.402]

For each family, MHA determines the appropriate number of bedrooms under MHA subsidy standards and enters the family unit size on the voucher that is issued to the family. The family unit size does not dictate the size of unit the family must actually lease, nor does it determine who within a household will share a bedroom/sleeping room.

The following requirements apply when MHA determines family unit size:

- The subsidy standards must provide for the smallest number of bedrooms needed to house a family without overcrowding.
- The subsidy standards must be consistent with space requirements under the housing quality standards.
- The subsidy standards 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 in determining 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 MHA 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;

- Unless a live-in-aide resides with a family, the family unit size for any family consisting of a single person must be either a zero- or one-bedroom unit, as determined under MHA subsidy standards.

MHA Policy

MHA will assign one bedroom for each two persons within the household, except in the following circumstances:

Single head of household parent shall not be required to share a bedroom with his/her child, although the family may request to do so.

An unborn child will not be counted as a person determining unit size.

Live-in aides will be allocated a separate bedroom.

Single person families will be allocated one bedroom.

MHA will reference the following chart in determining the appropriate voucher size for a family:

Voucher Size	Persons in Household (Minimum – Maximum)
1 Bedroom	1-2
2 Bedrooms	2-4
3 Bedrooms	3-6
4 Bedrooms	4-8
5 Bedrooms	6-10

5-II.C. EXCEPTIONS TO SUBSIDY STANDARDS

In determining family unit size for a particular family, MHA may grant an exception to its established subsidy standards if MHA determines that the exception is justified by the age, sex, health, handicap, or relationship of family members or other personal circumstances [24 CFR 982.402(b)(8)]. Reasons may include, but are not limited to:

- A need for an additional bedroom for medical equipment
- A need for a separate bedroom for reasons related to a family member's disability, medical or health condition

For a single person who is not elderly, disabled, or a remaining family member, an exception cannot override the regulatory limit of a zero or one bedroom [24 CFR 982.402(b)(8)].

MHA Policy

MHA will consider granting an exception for any of the reasons specified in the regulation: the age, sex, health, handicap, or relationship of family members or other personal circumstances.

The family must request any exception to the subsidy standards in writing. The request must explain the need or justification for a larger family unit size, and must include appropriate documentation. Requests based on health-related reasons must be verified by a knowledgeable professional source (e.g., doctor or health professional), unless the disability and the disability-related request for accommodation is readily apparent or otherwise known. The family's continued need for an additional bedroom due to special medical equipment must be re-verified at annual reexamination.

MHA will notify the family of its determination within 10 business days of receiving the family's request. If a participant family's request is denied, the notice will inform the family of their right to request an informal hearing.

5-ILD. VOUCHER ISSUANCE [24 CFR 982.302]

When a family is selected from the waiting list (or as a special admission as described in Chapter 4), or when a participant family wants to move to another unit, MHA issues a Housing Choice Voucher, form HUD-52646. This chapter deals only with voucher issuance for applicants. For voucher issuance associated with moves of program participants, please refer to Chapter 10.

The voucher is the family's authorization to search for housing. It specifies the unit size for which the family qualifies, and includes both the date of voucher issuance and date of expiration. It contains a brief description of how the program works and explains the family obligations under the program. The voucher is evidence that MHA has determined the family to be eligible for the program, and that MHA expects to have money available to subsidize the family if the family finds an approvable unit. However, MHA does not have any liability to any party by the issuance of the voucher, and the voucher does not give the family any right to participate in MHA's housing choice voucher program [Voucher, form HUD-52646]

A voucher can be issued to an applicant family only after MHA has determined that the family is eligible for the program based on information received within the 60 days prior to issuance [24 CFR 982.201(e)] and after the family has attended an oral briefing [HCV 8-1].

MHA Policy

Vouchers will be issued to eligible applicants immediately following the mandatory briefing.

MHA should have sufficient funds to house an applicant before issuing a voucher. If funds are insufficient to house the family at the top of the waiting list, MHA must wait until it has adequate funds before it calls another family from the list [HCV GB p. 8-10].

MHA Policy

Prior to issuing any vouchers, MHA will determine whether it has sufficient funding in accordance with the policies in Part VIII of Chapter 16.

If MHA determines that there is insufficient funding after a voucher has been issued, MHA may rescind the voucher and place the affected family back on the waiting list.

5-II.E. VOUCHER TERM, EXTENSIONS, AND SUSPENSIONS

Voucher Term [24 CFR 982.303]

The initial term of a voucher must be at least 60 calendar days. The initial term must be stated on the voucher [24 CFR 982.303(a)].

MHA Policy

The initial voucher term will be 60 calendar days.

The family must submit a Request for Tenancy Approval and proposed lease within the 60-day period unless MHA grants an extension.

Extensions of Voucher Term [24 CFR 982.303(b)]

MHA has the authority to grant extensions of search time, to specify the length of an extension, and to determine the circumstances under which extensions will be granted. There is no limit on the number of extensions that MHA can approve. Discretionary policies related to extension and expiration of search time must be described in MHA's administrative plan [24 CFR 982.54].

MHAs must approve additional search time if needed as a reasonable accommodation to make the program accessible to and usable by a person with disabilities. The extension period must be reasonable for the purpose.

The family must be notified in writing of MHA's decision to approve or deny an extension. MHA's decision to deny a request for an extension of the voucher term is not subject to informal review [24 CFR 982.554(c)(4)].

MHA Policy

MHA will automatically approve one 30-day extension upon written request from the family.

MHA will approve additional extensions only in the following circumstances:

It is necessary as a reasonable accommodation for a person with disabilities.

It is necessary due to reasons beyond the family's control, as determined by MHA. Following is a list of extenuating circumstances that MHA may consider in making its decision. The presence of these circumstances does not guarantee that an extension will be granted:

Serious illness or death in the family

Other family emergency

Obstacles due to employment

Whether the family has already submitted requests for tenancy approval that were not approved by MHA

Whether family size or other special requirements make finding a unit difficult

Any request for an additional extension must include the reason(s) an additional extension is necessary. MHA may require the family to provide documentation to support the request.

All requests for extensions to the voucher term must be made in writing and submitted to MHA prior to the expiration date of the voucher (or extended term of the voucher).

MHA will decide whether to approve or deny an extension request within 10 business days of the date the request is received, and will immediately provide the family written notice of its decision.

Suspensions of Voucher Term [24 CFR 982.303(c)]

At its discretion, a MHA may adopt a policy to suspend the housing choice voucher term if the family has submitted a Request for Tenancy Approval (RTA) during the voucher term. "Suspension" means stopping the clock on a family's voucher term from the time a family submits the RTA until the time MHA approves or denies the request [24 CFR 982.4]. MHA's determination not to suspend a voucher term is not subject to informal review [24 CFR 982.554(c)(4)].

MHA Policy

When a Request for Tenancy Approval and proposed lease is received by MHA, the term of the voucher will not be suspended while MHA processes the request.

Expiration of Voucher Term

Once a family's housing choice voucher term (including any extensions) expires, the family is no longer eligible to search for housing under the program. If the family still wishes to receive assistance, MHA may require that the family reapply, or may place the family on the waiting list with a new application date but without requiring reapplication. Such a family does not become ineligible for the program on the grounds that it was unable to locate a unit before the voucher expired [HCV GB p. 8-13].

MHA Policy

If an applicant family's voucher term or extension expires before the family has submitted a Request for Tenancy Approval (RTA), MHA will require the family to reapply for assistance. If an RTA that was submitted prior to the expiration date of the voucher is subsequently disapproved by MHA (after the voucher term has expired), the family will be required to reapply for assistance.

Within 10 business days after the expiration of the voucher term or any extension, MHA will notify the family in writing that the voucher term has expired and that the family must reapply in order to be placed on the waiting list.

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Chapter 6

INCOME AND SUBSIDY DETERMINATIONS

[24 CFR Part 5, Subparts E and F; 24 CFR 982]

INTRODUCTION

A family's income determines eligibility for assistance and is also used to calculate the family's payment and MHA's subsidy. MHA 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 MHA 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 MHA policies for calculating annual income are found in Part I.
- Part II: Adjusted Income. Once annual income has been established HUD regulations require MHA to subtract from annual income any of five mandatory deductions for which a family qualifies. These requirements and MHA policies for calculating adjusted income are found in Part II.
- Part III: Calculating Family Share and MHA Subsidy. This part describes the statutory formula for calculating total tenant payment (TTP), the use of utility allowances, and the methodology for determining MHA subsidy and required family payment.

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 for Persons with Disabilities (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 plan, 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(c)(2)].
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].

MHA Policy

Generally an individual who is or is expected to be absent from the assisted unit for 180 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 180 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

Absent Students

MHA 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 MHA 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].

MHA Policy

If a child has been placed in foster care, MHA 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

MHA 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.

Family Members Permanently Confined for Medical Reasons

If a family member is confined to a nursing home or hospital on a permanent basis, that person is no longer considered a family member and the income of that person is not counted [HCV GB, p. 5-22].

MHA Policy

MHA 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.

When an individual who has been counted as a family member is determined permanently absent, the family is eligible for the medical expense deduction only if the remaining head, spouse, or cohead qualifies as an elderly person or a person with disabilities.

Joint Custody of Dependents

MHA 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 participant family 50 percent or more of the time.

When more than one applicant or participant family is 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, MHA 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

MHA Policy

If neither a parent nor a designated guardian remains in a household receiving HCV assistance, MHA will take the following actions.

- (1) If a responsible agency has determined that another adult is to be brought into the assisted unit to care for a child for an indefinite period, the designated caretaker will not be considered a family member until a determination of custody or legal guardianship is made.
- (2) 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 90 days. After the 90 days has elapsed, the caretaker will be considered a family member unless information is provided that would confirm that the caretaker's role is temporary. In such cases MHA will extend the caretaker's status as an eligible visitor.
- (3) At any time that custody or guardianship legally has been awarded to a caretaker, the housing choice voucher will be transferred to the caretaker.
- (4) 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.

6-1.C. ANTICIPATING ANNUAL INCOME

MHA 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

MHA generally will use current circumstances to determine anticipated income for the coming 12-month period. HUD authorizes MHA 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)]
- MHA believes that past income is the best available indicator of expected future income [24 CFR 5.609(d)]

Most MHAs are required to use HUD’s Enterprise Income Verification (EIV) system. HUD allows MHAs to use pay-stubs to project income once EIV data has been received in such cases where the family does not dispute the EIV employer data and where MHA does not determine it is necessary to obtain additional third-party data.

MHA Policy

Whenever possible, MHA will use HUD’s EIV system. When EIV is obtained and the family does not dispute the EIV employer data, MHA will use current tenant-provided documents to project annual income. When the tenant provided documents are pay stubs, MHA will make every effort to obtain at least 4 consecutive pay stubs dated within the last 60 days.

MHA will obtain written and/or oral third-party verification in accordance with the verification requirements and policy in Chapter 7 in the following cases:

If EIV or other UIV data is not available,

If the family disputes the accuracy of the EIV employer data, and/or

If MHA determines additional information is needed.

In such cases, MHA will review and analyze current data to anticipate annual income. In all cases, the family file will be documented with a clear record of the reason for the decision, and a clear audit trail will be left as to how MHA annualized projected income.

When MHA cannot readily anticipate income based upon current circumstances (e.g., in the case of seasonal employment, unstable working hours, or suspected fraud), MHA 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.

Any time 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 MHA to show why the historic pattern does not represent the family's anticipated income.

Known Changes in Income

If MHA 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 \$8/hour will begin to receive \$8.25/hour in the eighth week after the effective date of the reexamination. In such a case MHA would calculate annual income as follows: $(\$8/\text{hour} \times 40 \text{ hours} \times 7 \text{ weeks}) + (\$8.25 \times 40 \text{ hours} \times 45 \text{ weeks})$.

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 MHA 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 MHA's policy on reexaminations does not require interim reexaminations for other types of changes.

When tenant-provided documents are used to anticipate annual income, they will be dated within the last 60 days of the reexamination interview date.

EIV quarterly wages will not be used to project annual income at an annual or interim reexamination.

Projecting Income

In HUD's EIV webcast of January 2008, HUD made clear that MHAs are not to use EIV quarterly wages to project annual income.

6-I.D. EARNED INCOME

Types of Earned Income Included in Annual Income

Wages and Related Compensation

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 [24 CFR 5.609(b)(1)].

MHA Policy

For persons who regularly receive bonuses or commissions, MHA will verify and then average amounts received for the two years preceding admission or reexamination. If only a one-year history is available, MHA will use the prior year amounts. In either case the family may provide, and MHA will consider, a credible justification for not using this history to anticipate future bonuses or commissions. If a new employee has not yet received any bonuses or commissions, MHA will count only the amount estimated by the employer. The file will be documented appropriately.

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. Sporadic income includes temporary payments from the U.S. Census Bureau for employment lasting no longer than 180 days [Notice PIH 2009-19].

MHA 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

Employment income earned by children (including foster children) under the age of 18 years is not included in annual income [24 CFR 5.609(c)(1)]. (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

Income from some federal programs is specifically excluded from consideration as income [24 CFR 5.609(c)(17)], 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

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 MHA 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 MHA's governing board. No resident may receive more than one such stipend during the same period of time [24 CFR 5.600(c)(8)(iv)].

State and Local Employment Training Programs

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)].

MHA Policy

MHA 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 to 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].

MHA 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, MHA 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 MHA’s interim reporting requirements.

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.

MHA 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 for persons with disabilities is discussed in section 6-I.E below.

6-I.E. EARNED INCOME DISALLOWANCE FOR PERSONS WITH DISABILITIES [24 CFR 5.617]

The earned income disallowance (EID) encourages people with disabilities 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 5.617 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 HCV 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 is a person with disabilities and 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 who is a person with disabilities and 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 is a person with disabilities and 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."

MHA Policy

MHA 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.

MHA 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 MHase-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.

MHA Policy

During the 48-month eligibility period, MHA will schedule and 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).

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].

MHA Policy

To determine business expenses that may be deducted from gross income, MHA 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 MHA to deduct from gross income expenses for business expansion.

MHA 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 MHA to deduct from gross income the amortization of capital indebtedness.

MHA Policy

Capital indebtedness is defined as the principal portion of the payment on a capital asset such as land, buildings, and machinery. This means MHA 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 MHA 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.

MHA Policy

Acceptable investments in a business include cash loans and contributions of assets or equipment. For example, if a member of an assisted family provided an up-front loan of \$2,000 to help a business get started, MHA 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

MHA 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 HCV program. However, HUD requires that MHA 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, MHA 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 MHA policies related to each type of asset.

General Policies

Income from Assets

MHA 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 MHA 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) MHA 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, MHA can take into consideration past rental income along with the prospects of obtaining a new tenant.

MHA Policy

Anytime 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 MHA 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 MHA 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.

MHA 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].

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, MHA 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, MHA 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 MHA 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.”

MHA Policy

If an asset is owned by more than one person and any family member has unrestricted access to the asset, MHA will count the full value of the asset. 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.

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, MHA will prorate the asset according to the percentage of ownership. If no percentage is specified or provided for by state or local law, MHA 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 MHA 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 *HVC Guidebook* permits MHA to set a threshold below which assets disposed of for less than fair market value will not be counted [HCV GB, p. 5-27].

MHA Policy

MHA 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.

MHA 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

MHA 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. MHA may verify the value of the assets disposed of if other information available to MHA 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.

MHA Policy

In determining the value of a checking account, MHA will use ~~the average monthly balance for the last six months~~ 2 consecutive months, current statements of all accounts, and uses the latest statement for the balance.

In determining the value of a savings account, MHA will use the current balance.

In determining the anticipated income from an interest-bearing checking or savings account, MHA 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.

MHA Policy

In determining the market value of an investment account, MHA 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), MHA 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].

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)]
- The value of a home currently being purchased with assistance under the HCV program Homeownership Option for the first 10 years after the purchase date of the home [24 CFR 5.603(b)]
- Equity in owner-occupied cooperatives and manufactured homes in which the family lives [HCV GB, p. 5-25]
- 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.

MHA 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 MHA 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, MHA 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].

MHA Policy

In determining the value of personal property held as an investment, MHA will use the family's estimate of the value. MHA may obtain an appraisal to confirm the value of the asset 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)].

MHA Policy

Necessary personal property consists of only those items not held as an investment, and 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)]. Additionally, any deferred disability benefits that are received in a lump-sum or in prospective monthly amounts from the Department of Veterans Affairs are to be excluded from annual income [FR Notice 11/24/08].

MHA Policy

When a delayed-start payment is received and reported during the period in which MHA is processing an annual reexamination, MHA will adjust the family share and MHA subsidy 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 MHA.

Periodic Payments Excluded from Annual Income

- Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the assisted family, who are unable to live alone) [24 CFR 5.609(c)(2)]. Kinship guardianship assistance payments (Kin-GAP) and other similar guardianship payments are treated the same as foster care payments and are likewise excluded from annual income [Notice PIH 2008-30].

MHA Policy

MHA 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)].
- Lump-sums or prospective monthly amounts received as deferred disability benefits from the Department of Veterans Affairs (VA) [FR Notice 11/24/08].

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]

MHA 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 receiving HCV assistance 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, MHA must include in annual income “imputed” welfare income. MHA must request that the welfare agency inform MHA when the benefits of an HCV participant family 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)].

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 an assisted family.

Alimony and Child Support

MHA must count alimony or child support amounts awarded as part of a divorce or separation agreement.

MHA Policy

MHA will count court-awarded amounts for alimony and child support unless MHA 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

MHA must count as income regular monetary and nonmonetary contributions or gifts from persons not residing with an assisted family [24 CFR 5.609(b)(7)]. Temporary, nonrecurring, or sporadic income and gifts are not counted [24 CFR 5.609(c)(9)].

MHA 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 MHA. For contributions that may vary from month to month (e.g., utility payments), MHA will include an average amount based upon past history.

6-I.L. STUDENT FINANCIAL ASSISTANCE [24 CFR 5.609(b)(9)]

In 2005, Congress passed a law (for section 8 programs only) requiring that certain student financial assistance be included in annual income. Prior to that, the full amount of student financial assistance was excluded. For some students, the full exclusion still applies.

Student Financial Assistance Included in Annual Income [24 CFR 5.609(b)(9) and FR 4/10/06]

The regulation requiring the inclusion of certain student financial assistance applies only to students who satisfy all of the following conditions:

- They are enrolled in an institution of higher education, as defined under the Higher Education Act (HEA) of 1965.
- They are seeking or receiving Section 8 assistance on their own—that is, apart from their parents—through the HCV program, the project-based certificate program, the project-based voucher program, or the moderate rehabilitation program.
- They are under 24 years of age **OR** they have no dependent children.

For students who satisfy these three conditions, any financial assistance in excess of tuition received: (1) under the 1965 HEA, (2) from a private source, or (3) from an institution of higher education, as defined under the 1965 HEA, must be included in annual income.

To determine annual income in accordance with the above requirements, MHA will use the definitions of *dependent child*, *institution of higher education*, and *parents* in Section 3-II.E, along with the following definitions [FR 4/10/06, pp. 18148-18150]:

- *Assistance under the Higher Education Act of 1965* includes Pell Grants, Federal Supplement Educational Opportunity Grants, Academic Achievement Incentive Scholarships, State Assistance under the Leveraging Educational Assistance Partnership Program, the Robert G. Byrd Honors Scholarship Program, and Federal Work Study programs.
- *Assistance from private sources* means assistance from nongovernmental sources, including parents, guardians, and other persons not residing with the student in an HCV assisted unit.
- *Tuition* will have the meaning given this term by the institution of higher education in which the student is enrolled.

Student Financial Assistance Excluded from Annual Income [24 CFR 5.609(c)(6)]

Any student financial assistance not subject to inclusion under 24 CFR 5.609(b)(9) is fully excluded from annual income under 24 CFR 5.609(c)(6), whether it is paid directly to the student or to the educational institution the student is attending. This includes any financial assistance received by:

- Students residing with parents who are seeking or receiving Section 8 assistance
- Students who are enrolled in an educational institution that does **not** meet the 1965 HEA definition of *institution of higher education*
- Students who are over 23 **AND** have at least one dependent child, as defined in Section 3-II.E
- Students who are receiving financial assistance through a governmental program not authorized under the 1965 HEA.

6-I.M. 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)]
- 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) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))
- (j) 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.)
- (k) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721)
- (l) 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)
- (m) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j))
- (n) 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)
- (o) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))
- (p) 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)
- (q) 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)
- (r) 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 MHAs 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 [MHA] 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.

Anticipating Expenses

MHA Policy

Generally, MHA 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), MHA will estimate costs based on historic data and known future costs.

If a family has an accumulated debt for medical or disability assistance expenses, MHA 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. MHA 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.”

MHA 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	Substance abuse treatment programs
Surgery and medical procedures that are necessary, legal, noncosmetic	Psychiatric treatment
Services of medical facilities	Ambulance services and some costs of transportation related to medical expenses
Hospitalization, long-term care, and in-home nursing services	The cost and care of necessary equipment related to a medical condition (e.g., eyeglasses/lenses, hearing aids, crutches, and artificial teeth)
Prescription medicines and insulin, but <u>not</u> nonprescription medicines even if recommended by a doctor	Cost and continuing care of necessary service animals
Improvements to housing directly related to medical needs (e.g., ramps for a wheel chair, handrails)	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

MHA 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, MHA 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.

MHA 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, MHA 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 MHA determines that the disability assistance expenses enable more than one family member to work, the expenses will be capped by the sum of the family members’ incomes.

Eligible Disability Expenses

Examples of auxiliary apparatus are provided in the *HCV Guidebook* as follows: “Auxiliary apparatus are items such as wheelchairs, ramps, adaptations to vehicles, or special equipment to enable a blind person to read or type, 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 MHAs to further define and describe auxiliary apparatus [VG, p. 30].

Eligible Auxiliary Apparatus

MHA Policy

Expenses incurred for maintaining or repairing an auxiliary apparatus are 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.

MHA 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, MHA 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 assistance expenses may be deducted for payments to a member of an assisted family [24 CFR 5.603(b)]. However, expenses paid to a relative who is not a member of the assisted family may be deducted if they are not 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.

MHA Policy

MHA determines the reasonableness of the expenses based on typical costs of care or apparatus in the locality. To establish typical costs, MHA will collect information from organizations that provide services and support to persons with disabilities. A family may present, and MHA 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

MHA Policy

This policy applies only to families in which the head or spouse 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, MHA 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.”

Clarifying the Meaning of *Child* for This Deduction

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 [HCV GB, p. 5-29].

Qualifying for the Deduction

Determining Who Is Enabled to Pursue an Eligible Activity

MHA 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, MHA 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

MHA 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 MHA.

Furthering Education

MHA 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

MHA 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 with disabilities 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.

MHA 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].

MHA 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, MHA 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 assisted family. MHA 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

MHA 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, MHA 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.

MHA 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, MHA will use the schedule of child care costs from the local welfare agency. Families may present, and MHA will consider, justification for costs that exceed typical costs in the area.

PART III: CALCULATING FAMILY SHARE AND MHA SUBSIDY

6-III.A. OVERVIEW OF RENT AND SUBSIDY CALCULATIONS

TTP Formula [24 CFR 5.628]

HUD regulations specify the formula for calculating the total tenant payment (TTP) for an assisted 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 MHA

MHA has authority to suspend and exempt families from minimum rent when a financial hardship exists, as defined in section 6-III.B.

The amount that a family pays for rent and utilities (the family share) will never be less than the family's TTP but may be greater than the TTP depending on the rent charged for the unit the family selects.

Welfare Rent [24 CFR 5.628]

MHA Policy

Welfare rent does not apply in this locality.

Minimum Rent [24 CFR 5.630]

MHA Policy

The minimum rent for this locality is \$50.00 (less utility allowance equals what participant pay or what MHA pays them for UAP). See chart on 6-59 of instructions.

Family Share [24 CFR 982.305(a)(5)]

If a family chooses a unit with a gross rent (rent to owner plus an allowance for tenant-paid utilities) that exceeds MHA's applicable payment standard: (1) the family will pay more than the TTP, and (2) at initial occupancy MHA may not approve the tenancy if it would require the family share to exceed 40 percent of the family's monthly adjusted income. The income used for this determination must have been verified no earlier than 60 days before the family's voucher was issued. (For a discussion of the application of payment standards, see section 6-III.C.)

MHA Subsidy [24 CFR 982.505(b)]

MHA will pay a monthly housing assistance payment (HAP) for a family that is equal to the lower of (1) the applicable payment standard for the family minus the family's TTP or (2) the gross rent for the family's unit minus the TTP. (For a discussion of the application of payment standards, see section 6-III.C.)

Utility Reimbursement [24 CFR 982.514(b)]

When MHA subsidy for a family exceeds the rent to owner, the family is due a utility reimbursement. HUD permits MHA to pay the reimbursement to the family or directly to the utility provider.

MHA Policy

MHA will make utility reimbursements to the family.

6-III.B. FINANCIAL HARDSHIPS AFFECTING MINIMUM RENT [24 CFR 5.630]

MHA Policy

~~The financial hardship rules described below do not apply in this jurisdiction because MHA has established a minimum rent of \$0.~~

Overview

If MHA establishes a minimum rent greater than zero, MHA 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 MHA determines that a hardship exists, the family share 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.

MHA 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.

MHA Policy

For a family to qualify under this provision, the cause of the potential eviction must be the family's failure to pay rent to the owner 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.

MHA 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 MHA.

MHA Policy

MHA has not established any additional hardship criteria.

Note: See Page 6-62 of instructions

Implementation of Hardship Exemption

Determination of Hardship

When a family requests a financial hardship exemption, MHA must suspend the minimum rent requirement beginning the first of the month following the family's request.

MHA then determines whether the financial hardship exists and whether the hardship is temporary or long-term.

MHA Policy

MHA 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.

When the minimum rent is suspended, the family share 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 MHA has established a minimum rent of \$35.	
Family Share – No Hardship	Family Share – 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
\$35 Minimum rent	\$35 Minimum rent
Minimum rent applies. TTP = \$35	Hardship exemption granted. TTP = \$15

MHA 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.

MHA will make the determination of hardship within 30 calendar days.

No Financial Hardship

If MHA determines there is no financial hardship, MHA will reinstate the minimum rent and require the family to repay the amounts suspended.

MHA Policy

MHA will require the family to repay the suspended amount within 30 calendar days of MHA's notice that a hardship exemption has not been granted.

Temporary Hardship

If MHA determines that a qualifying financial hardship is temporary, MHA must suspend the minimum rent for the 90-day period beginning the first of the month following the date of the family's request for a hardship exemption.

At the end of the 90-day suspension period, the family must resume payment of the minimum rent and must repay MHA the amounts suspended. HUD requires MHA to offer a reasonable repayment agreement, on terms and conditions established by MHA. MHA also may determine that circumstances have changed and the hardship is now a long-term hardship.

MHA Policy

MHA will enter into a repayment agreement in accordance with the procedures found in Chapter 16 of this plan.

Long-Term Hardship

If MHA determines that the financial hardship is long-term, MHA 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.

MHA 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. APPLYING PAYMENT STANDARDS [24 CFR 982.505]

Overview

MHA's schedule of payment standards is used to calculate housing assistance payments for HCV families. This section covers the application of MHA's payment standards. The establishment and revision of MHA's payment standard schedule are covered in Chapter 16.

Payment standard is defined as "the maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family)" [24 CFR 982.4(b)].

The payment standard for a family is the lower of (1) the payment standard for the family unit size, which is defined as the appropriate number of bedrooms for the family under MHA's subsidy standards [24 CFR 982.4(b)], or (2) the payment standard for the size of the dwelling unit rented by the family.

If MHA has established an exception payment standard for a designated part of an FMR area and a family's unit is located in the exception area, MHA must use the appropriate payment standard for the exception area.

MHA is required to pay a monthly housing assistance payment (HAP) for a family that is the lower of (1) the payment standard for the family minus the family's TTP or (2) the gross rent for the family's unit minus the TTP.

If during the term of the HAP contract for a family's unit, the owner lowers the rent, MHA will recalculate the HAP using the lower of the initial payment standard or the gross rent for the unit [HCV GB, p. 7-8].

Changes in Payment Standards

When MHA revises its payment standards during the term of the HAP contract for a family's unit, it will apply the new payment standards in accordance with HUD regulations.

Decreases

If the amount on the payment standard schedule is decreased during the term of the HAP contract, the lower payment standard generally will be used beginning at the effective date of the family's second regular reexamination following the effective date of the decrease in the payment standard. MHA will determine the payment standard for the family as follows:

Step 1: At the first regular reexamination following the decrease in the payment standard, MHA will determine the payment standard for the family using the lower of the payment standard for the family unit size or the size of the dwelling unit rented by the family.

Step 2: MHA will compare the payment standard from step 1 to the payment standard last used to calculate the monthly housing assistance payment for the family. The payment standard used by MHA at the first regular reexamination following the decrease in the payment standard will be the higher of these two payment standards. MHA will advise the family that the application of the lower payment standard will be deferred until the second regular reexamination following the effective date of the decrease in the payment standard.

Step 3: At the second regular reexamination following the decrease in the payment standard, the lower payment standard will be used to calculate the monthly housing assistance payment for the family unless MHA has subsequently increased the payment standard, in which case the payment standard will be determined in accordance with procedures for increases in payment standards described below.

Increases

If the payment standard is increased during the term of the HAP contract, the increased payment standard will be used to calculate the monthly housing assistance payment for the family beginning on the effective date of the family's first regular reexamination on or after the effective date of the increase in the payment standard.

Families requiring or requesting interim reexaminations will not have their HAP payments calculated using the higher payment standard until their next annual reexamination [HCV GB, p. 7-8].

Changes in Family Unit Size

Irrespective of any increase or decrease in the payment standard, 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.

Reasonable Accommodation

If a family requires a higher payment standard as a reasonable accommodation for a family member who is a person with disabilities, MHA is allowed to establish a higher payment standard for the family within the basic range.

6-III.D. APPLYING UTILITY ALLOWANCES [24 CFR 982.517]

Overview

A MHA-established utility allowance schedule is used in determining family share and MHA subsidy. MHA must use the appropriate utility allowance for the size of dwelling unit actually leased by a family rather than the voucher unit size for which the family qualifies using MHA subsidy standards. See Chapter 5 for information on MHA's subsidy standards.

For policies on establishing and updating utility allowances, see Chapter 16.

Reasonable Accommodation

HCV program regulations require a MHA to approve a utility allowance amount higher than shown on MHA's schedule if a higher allowance is needed as a reasonable accommodation for a family member with a disability. For example, if a family member with a disability requires such an accommodation, MHA will approve an allowance for air-conditioning, even if MHA has determined that an allowance for air-conditioning generally is not needed.

The family must request the higher allowance and provide MHA with an explanation of the need for the reasonable accommodation and information about the amount of additional allowance required [HCV GB, p. 18-8].

Utility Allowance Revisions

At reexamination, MHA must use MHA current utility allowance schedule [24 CFR 982.517(d)(2)].

MHA Policy

Revised utility allowances will be applied to a family's rent and subsidy calculations at the first annual reexamination that is effective after the allowance is adopted.

6-III.E. PRORATED ASSISTANCE 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. MHA must prorate the assistance provided to a mixed family. MHA will first determine assistance as if all family members were eligible and then prorate the assistance based upon the percentage of family members that actually are eligible. For example, if MHA subsidy for a family is calculated at \$500 and two of four family members are ineligible, MHA subsidy would be reduced to \$250.

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 260.31¹; and

(B) Are not otherwise excluded under paragraph (c) of this section.

(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)

¹ Text of 45 CFR 260.31 follows.

(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 EXCLUSIONS²

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 MHA 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 MHA'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;

² FR Notice 11/24/08 makes note of pending revisions to this regulation, namely the exclusion of any deferred disability benefits received in lump-sum or prospective monthly amounts from the Department of Veterans Affairs (VA). At the time of publication, 24 CFR 5.609 had yet to be updated.

(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 MHAs 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).

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, MHAs 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.

EXHIBIT 6-4: EARNED INCOME DISALLOWANCE FOR PERSONS WITH DISABILITIES

24 CFR 5.617 Self-sufficiency incentives for persons with disabilities—Disallowance of increase in annual income.

(a) Applicable programs. The disallowance of increase in annual income provided by this section is applicable only to the following programs: HOME Investment Partnerships Program (24 CFR part 92); Housing Opportunities for Persons with AIDS (24 CFR part 574); Supportive Housing Program (24 CFR part 583); and the Housing Choice Voucher Program (24 CFR part 982).

(b) Definitions. The following definitions apply for purposes of this section.

Disallowance. Exclusion from annual income.

Previously unemployed includes a person with disabilities 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 housing assisted under one of the programs listed in paragraph (a) of this section or receiving tenant-based rental assistance under one of the programs listed in paragraph (a) of this section.

(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 who is a person with disabilities, 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 responsible entity 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.

(c) Disallowance of increase in annual income—

(1) Initial twelve month exclusion. During the cumulative twelve 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 responsible entity must exclude from annual income (as defined in the regulations governing the applicable program listed in paragraph (a) of this section) of a qualified family any increase in income of the family member who is a person with disabilities as a result of employment over prior income of that family member.

(2) Second twelve month exclusion and MHase-in. During the second cumulative twelve month period after 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 responsible entity 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 who is a person with disabilities as provided in paragraph (c)(1) or (c)(2) is limited to a lifetime 48 month period. The disallowance only applies for a maximum of twelve months for disallowance under paragraph (c)(1) and a maximum of twelve months for disallowance under paragraph (c)(2), during the 48 month period starting from the initial exclusion under paragraph (c)(1) of this section.

(d) Inapplicability to admission. The disallowance of increases in income as a result of employment of persons with disabilities under this section does not apply for purposes of admission to the program (including the determination of income eligibility or any income targeting that may be applicable).

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 MHA 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 MHA, the welfare agency will inform MHA 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 MHA of any subsequent changes in the term or amount of such specified welfare benefit reduction. MHA 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 MHA's interim or regular reexamination of family income and composition, during the term of the welfare benefits reduction (as specified in information provided to MHA 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) MHA 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 MHA decision.

(1) Public housing. If a public housing tenant claims that MHA has not correctly calculated the amount of imputed welfare income in accordance with HUD requirements, and if MHA denies the family's request to modify such amount, MHA shall give the tenant written notice of such denial, with a brief explanation of the basis for MHA determination of the amount of imputed welfare income. MHA notice shall also state that if the tenant does not agree with MHA determination, the tenant may request a grievance hearing in accordance with part 966, subpart B of this title to review MHA 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 MHA 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 MHA 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 MHA denies the family's request to modify such amount, MHA shall give the family written notice of such denial, with a brief explanation of the basis for MHA

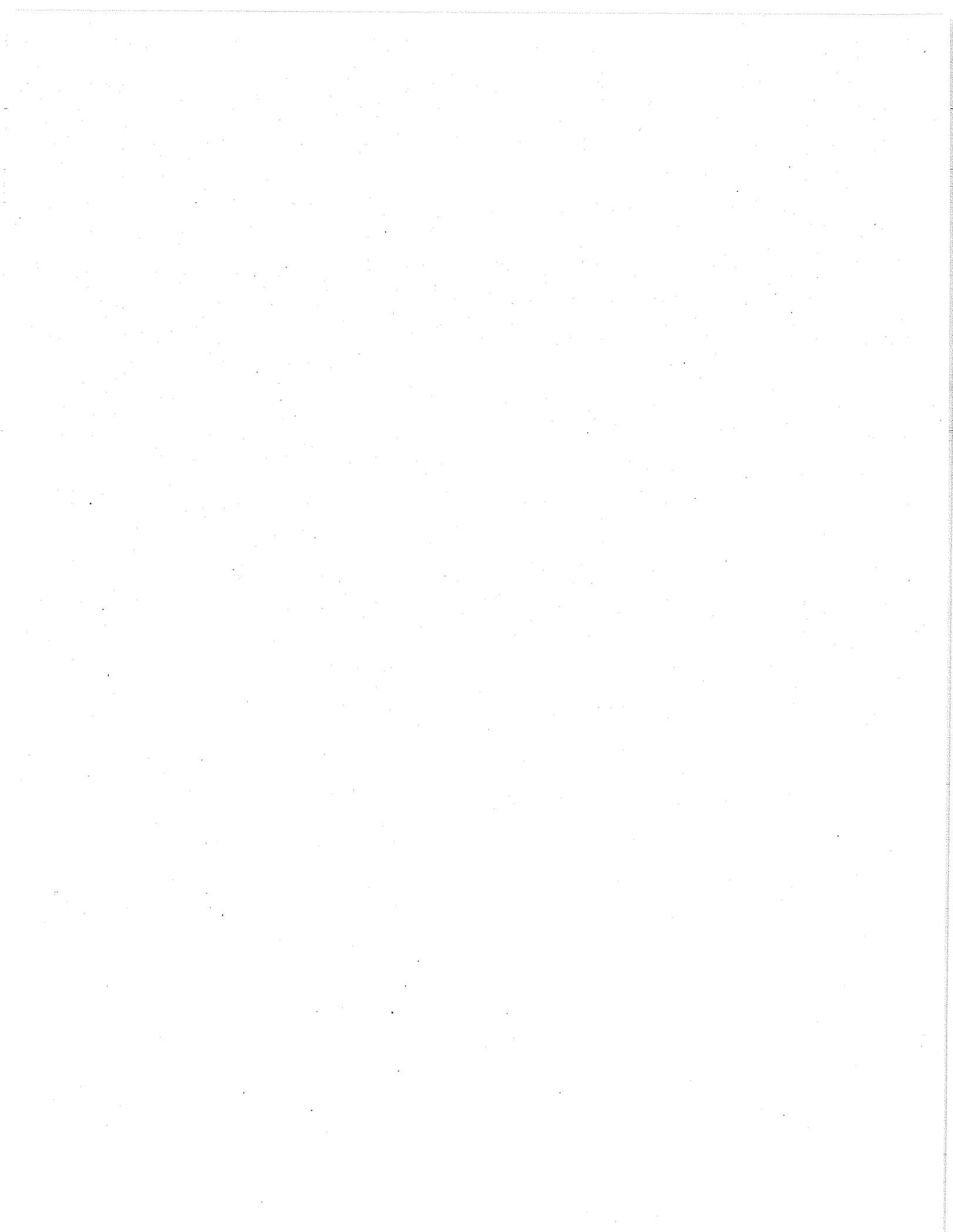
determination of the amount of imputed welfare income. Such notice shall also state that if the family does not agree with MHA determination, the family may request an informal hearing on the determination under MHA hearing procedure.

(e) MHA relation with welfare agency.

(1) MHA must ask welfare agencies to inform MHA 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 MHA written notice of such reduction, the family's annual incomes shall include the imputed welfare income because of the specified welfare benefits reduction.

(2) MHA 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 MHA. However, MHA 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. MHA shall be entitled to rely on the welfare agency notice to MHA of the welfare agency's determination of a specified welfare benefits reduction.



Chapter 7

VERIFICATION

[24 CFR 982.516, 24 CFR 982.551, 24 CFR 5.230]

INTRODUCTION

MHA 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 program participants must cooperate with the verification process as a condition of receiving assistance. MHA must not pass on the cost of verification to the family.

MHA will follow the verification guidance provided by HUD in PIH Notice 2004-01 Verification Guidance and any subsequent guidance issued by HUD. This chapter summarizes those requirements and provides supplementary MHA 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 of MHA.

PART I: GENERAL VERIFICATION REQUIREMENTS

7-I.A. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 982.516 AND 982.551, 24 CFR 5.230]

The family must supply any information that MHA or HUD determines is necessary to the administration of the program and must consent to MHA verification of that information [24 CFR 982.551].

Consent Forms

It is required that all adult applicants and participants 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 MHA 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, MHA will deny admission to applicants and terminate assistance of participants. The family may request an informal review (applicants) or informal hearing (participants) in accordance with MHA procedures.

7-1.B. OVERVIEW OF VERIFICATION REQUIREMENTS

HUD's Verification Hierarchy

HUD authorizes MHA to use five methods to verify family information and specifies the circumstances in which each method will be used. In general HUD requires MHA to use the most reliable form of verification that is available and to document the reasons when MHA uses a lesser form of verification.

MHA Policy

In order of priority, the forms of verification that MHA 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 notice that provides guidance with respect to how each method may be used.

Requirements for Acceptable Documents

MHA 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 MHA. The documents must not be damaged, altered or in any way illegible.

MHA 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, MHA would accept the most recent report.

Print-outs from web pages are considered original documents.

MHA 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 MHA and must be signed in the presence of a MHA representative or notary public.

File Documentation

MHA 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 MHA has followed all of the verification policies set forth in this plan. The record should be sufficient to enable a staff member or HUD reviewer to understand the process followed and conclusions reached.

MHA Policy

MHA 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 MHA is unable to obtain 3rd party verification, MHA will document in the family file the reason that third-party verification was not available and will place a photocopy of any 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 MHA'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 MHA.

MHA Policy

MHA will inform all applicants and participants of its use of the following UIV resources during the admission and reexamination process:

HUD's EIV system (when it is available to MHA)

Social Security database (provided by client)

EDD (Employment Development Department) system

The Work Number website

Veteran's Administration system

Dept. of Health and Human Services database

Child Support Services database

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 MHA 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 MHA.

See Chapter 6 for MHA's policy on the use of UIV/EIV to project annual income.

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 participant families. HUD requires MHA to use the EIV system when available. The following policies will apply when MHA 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.

MHA Policy

MHA 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 participant files with the applicable annual or interim reexamination documents.

When MHA 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 14, Program Integrity.

Income Discrepancy Reports (IDRs)

The IDR is a tool for identifying families who may have concealed or under-reported income. Data in the IDR represents income for past reporting periods and may be between 6 months and 30 months old at the time IDRs are generated.

Families who have not concealed or under-reported income may appear on the IDR in some circumstances, such as loss of a job or addition of new family members.

MHA Policy

MHA will generate and review IDRs on a monthly basis. The IDR threshold percentage will be adjusted as necessary based on the findings in the IDRs.

In reviewing IDRs, MHA will begin with the largest discrepancies.

When MHA determines that a participant appearing on the IDR has not concealed or under-reported income, the participant's name will be placed on a list of "false positive" reviews. To avoid multiple reviews in this situation, participants appearing on this list will be eliminated from IDR processing until a subsequent interim or annual reexamination has been completed.

When it appears that a family may have concealed or under-reported income, MHA will request third-party written verification of the income in question.

When MHA determines through IDR 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 14, Program Integrity.

EIV Identity Verification

The EIV system verifies tenant 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 participant fails, a message will be displayed within the EIV system and no income information will be displayed.

MHA Policy

MHA will identify participants whose identity verification has failed as part of the annual reexamination process.

MHA will attempt to resolve PIC/SSA discrepancies by reviewing file documents. When MHA determines that discrepancies exist due to MHA 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 MHA to make at least two unsuccessful attempts to obtain third-party verification before using another form of verification [VG, p. 15].

MHA Policy

MHA 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.

MHA may mail, fax, e-mail, or hand deliver third-party written verification requests and will accept third-party responses using any of these methods. MHA 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, MHA will request third-party oral verification.

MHA 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, MHA 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 MHA 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, MHA 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, MHA will use any information provided orally in combination with reviewing family-provided documents.

When Third-Party Information is Late

When third-party verification has been requested and the timeframes for submission have been exceeded, MHA will use the information from documents on a provisional basis. If MHA 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, MHA will conduct an interim reexamination to adjust the figures used for the reexamination, regardless of MHA'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

MHA will accept a self-certification from a family as verification of assets disposed of for less than fair market value [HCV GB, p. 5-28].

MHA will 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].

MHA Policy

MHA 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

MHA 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, MHA will rely upon review of documents when MHA determines that a third party's privacy rules prohibit the source from disclosing information.

MHA Policy

MHA also 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.

MHA 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]

If the family cannot provide original documents, MHA 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].

7-I.E. REVIEW OF DOCUMENTS

Using Review of Documents as Verification

MHA Policy

If MHA has determined that third-party verification is not available or not required, MHA will use documents provided by the family as verification.

MHA may also review documents when necessary to help clarify information provided by third parties. In such cases MHA will document in the file how MHA arrived at a final conclusion about the income or expense to include in its calculations.

7-I.F. SELF-CERTIFICATION

MHA 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 MHA.

MHA 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 MHA 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 MHA representative or notary public.

PART II: VERIFYING FAMILY INFORMATION

7-II.A. VERIFICATION OF LEGAL IDENTITY

MHA Policy

MHA 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	Certificate of birth
Church issued baptismal certificate	Adoption papers
Current, valid driver's license or Department of Motor Vehicles identification card	Custody agreement
U.S. military discharge (DD 214)	Health and Human Services ID
U.S. passport	School records
Employer identification card	

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 MHA'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 MHA and be signed in the presence of a MHA representative or MHA notary public.

Legal identity will be verified on an as needed basis.

7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and HCV GB, 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.

MHA Policy

MHA 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, MHA will require a self-certification stating that documentation of the SSN cannot be provided at this time. MHA 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. If the family member is a newborn, MHA requires documentation of the newly assigned SSN within 90-days.

MHA Policy

MHA 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, MHA 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.

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.

MHA Policy

If an official record of birth or evidence of social security retirement benefits cannot be provided, MHA will require the family to submit other documents that support the reported age of the family member (e.g., school records, passports, 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-III.D. FAMILY RELATIONSHIPS

Applicants and program participants 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.

MHA 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

MHA Policy

Certification by the head of household is normally sufficient verification. If MHA has reasonable doubts about a marital relationship, MHA 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

MHA Policy

Certification by the head of household is normally sufficient verification. If MHA has reasonable doubts about a separation or divorce, MHA 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

MHA 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

MHA 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

General Requirements

MHA Policy

MHA 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 reports full-time student status for an adult other than the head, spouse, or cohead.

The family reports child care expenses to enable a family member to further his or her education.

The family includes a student enrolled in an *institution of higher education*.

Restrictions on Assistance to Students Enrolled in Institutions of Higher Education

This section applies only to students who are seeking assistance on their own, separately from their parents. It does not apply to students residing with parents who are seeking or receiving HCV assistance.

MHA Policy

In accordance with the verification hierarchy described in Section 7-1.B, MHA will determine whether the student is exempt from the restrictions in 24 CFR 5.612 by verifying any one of the following exemption criteria:

The student is enrolled at an educational institution that does not meet the definition of *institution of higher education* in the Higher Education Act of 1965 (see Section Exhibit 3-2).

The student is at least 24 years old.

The student is a veteran, as defined in Section 3-II.E.

The student is married.

The student has at least one dependent child, as defined in Section 3-II.E.

The student is a person with disabilities, as defined in Section 3-II.E, and was receiving assistance prior to November 30, 2005.

If MHA cannot verify at least one of these exemption criteria, MHA will conclude that the student is subject to the restrictions on assistance at 24 CFR 5.612. In addition to verifying the student's income eligibility, MHA will then proceed to verify either the student's parents' income eligibility (see Section 7-III.J) or the student's independence from his/her parents (see below).

Independent Student

MHA Policy

MHA will verify a student's independence from his/her parents to determine that the student's parents' income is not relevant for determining the student's eligibility by doing all of the following:

Either reviewing and verifying previous address information to determine whether the student has established a household separate from his/her parents for at least one year or reviewing and verifying documentation relevant to determining whether the student meets the U.S. Department of Education's definition of *independent student* (see Section 3-II.E)

Reviewing prior year income tax returns to verify whether a parent has claimed the student as a dependent

Requesting and obtaining written certification directly from the student's parents identifying the amount of support they will be providing to the student, even if the amount of support is \$0.

7-II.F. DOCUMENTATION OF DISABILITY

MHA must verify the existence of a disability in order to allow certain income disallowances and deductions from income. MHA is not permitted to inquire about the nature or extent of a person's disability [24 CFR 100.202(c)]. MHA may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If MHA receives a verification document that provides such information, MHA will not place this information in the tenant file. Under no circumstances will MHA request a participant'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 the receipt of disability benefits from the Social Security Administration (SSA) is sufficient verification of disability for the purpose of qualifying for waiting list preferences (if applicable) or certain income disallowances and deductions [VG, p. 23].

MHA Policy

For family members claiming disability who receive disability benefits from the SSA, MHA will attempt to obtain information about disability benefits through the HUD Enterprise Income Verification (EIV) system. If documentation from HUD's EIV System is not available, MHA will request a current (dated within the last 60 days) SSA benefit verification letter from each family member claiming disability status. If the family is unable to provide the document(s), MHA 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 participant receives the benefit verification letter they will be required to provide it to MHA.

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.

MHA Policy

For family members claiming disability who do not receive disability benefits 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. A detailed discussion of eligibility requirements is in the Eligibility chapter. This verifications chapter discusses HUD and MHA 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.

MHA may request verification of the declaration by requiring presentation of a birth certificate, United States passport or other appropriate documentation.

MHA Policy

Family members who claim U.S. citizenship or national status will not be required to provide additional documentation unless MHA 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.

MHA 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 plan. No further verification of eligible immigration status is required.

For family members under the age of 62 who claim to be eligible immigrants, MHA must verify immigration status with the United States Citizenship and Immigration Services (USCIS).

MHA will follow all USCIS protocols for verification of eligible immigration status.

7-II.H. VERIFICATION OF PREFERENCE STATUS

MHA must verify any preferences claimed by an applicant.

MHA Policy

MHA will offer a preference to any family that has been terminated from its HCV program due to insufficient program funding. MHA will verify this preference using MHA's termination records.

PART III: VERIFYING INCOME AND ASSETS

Chapter 6, Part I of this plan 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 MHA policies that supplement the general verification procedures specified in Part I of this chapter.

7-III.A. EARNED INCOME

Tips

MHA 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

MHA 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.

MHA 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 MHA 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, MHA 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 MHA 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

MHA Policy

To verify the SS/SSI benefits of applicants, MHA 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), MHA will help the applicant request a benefit verification letter from SSA's Web site at www.socialsecurity.gov or ask the family to request one by calling SSA at 1-800-772-1213. Once the applicant has received the benefit verification letter they will be required to provide it to MHA.

To verify the SS/SSI benefits of participants, MHA will obtain information about social security/SSI benefits through the HUD EIV System. If benefit information is not available in HUD systems, MHA 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) MHA will help the applicant request a benefit verification letter from SSA's Web site at www.socialsecurity.gov or ask the family to request one by calling SSA at 1-800-772-1213. Once the participant has received the benefit verification letter they will be required to provide it to MHA.

7-III.D. ALIMONY OR CHILD SUPPORT

MHA Policy

The way MHA 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, MHA 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. MHA needs to verify only those certifications that warrant documentation [HCV GB, p. 5-28].

MHA Policy

MHA will verify the value of assets disposed of only if:

MHA 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 MHA verified this amount. Now the person reports that she has given this \$10,000 to her son. MHA 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, MHA will verify the value of this asset.

7-III.F. NET INCOME FROM RENTAL PROPERTY

MHA 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, MHA 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

MHA 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, MHA 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, MHA 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, MHA 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.

MHA must obtain verification for income exclusions only if, without verification, MHA 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, MHA will confirm that MHA 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.

MHA Policy

MHA will reconcile differences in amounts reported by the third party and the family only when the excluded amount is used to calculate the family share (as is the case with the earned income disallowance). In all other cases, MHA will report the amount to be excluded as indicated on documents provided by the family.

7-III.I. ZERO ANNUAL INCOME STATUS

MHA Policy

MHA 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.

7-III.J. STUDENT FINANCIAL ASSISTANCE

Any financial assistance, in excess of amounts received for tuition, that a person attending an institution of higher education receives under the Higher Education Act of 1965, from private sources, or from an institution of higher education must be considered income unless the student is over the age of 23 with dependent children or is residing with parents who are seeking or receiving HCV assistance [24 CFR 5.609(b)(9) and FR 4/10/06].

For students over the age of 23 with dependent children or students residing with parents who are seeking or receiving HCV assistance, the full amount of student financial assistance is excluded from annual income [24 CFR 5.609(c)(6)]. The full amount of student financial assistance is also excluded for students attending schools that do not qualify as institutions of higher education (as defined in Exhibit 3-2). Excluded amounts are verified only if, without verification, MHA would not be able to determine whether or to what extent the income is to be excluded (see Section 7-III.H).

MHA Policy

For a student subject to having a portion of his/her student financial assistance included in annual income in accordance with 24 CFR 5.609(b)(9), MHA will request third-party written verification of both the source and the amount from the educational institution attended by the student as well as from any other person or entity providing such assistance, as reported by the student.

In addition, MHA will request written verification from the institution of higher education regarding the student's tuition amount.

If MHA is unable to obtain third-party written verification of the requested information, MHA will pursue other forms of verification following the verification hierarchy in Section 7-I.B.

7-III.K. PARENTAL INCOME OF STUDENTS SUBJECT TO ELIGIBILITY RESTRICTIONS

If a student enrolled at an institution of higher education is under the age of 24, is not a veteran, is not married, does not have a dependent child, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, the income of the student's parents must be considered when determining income eligibility, unless the student is determined independent from his or her parents in accordance with MHA policy [24 CFR 5.612 and FR 4/10/06, p. 18146].

This provision does not apply to students residing with parents who are seeking or receiving HCV assistance. It is limited to students who are seeking or receiving assistance on their own, separately from their parents.

MHA Policy

If MHA is required to determine the income eligibility of a student's parents, MHA will request an income declaration and certification of income from the appropriate parent(s) (as determined in Section 3-II.E). MHA will send the request directly to the parents, who will be required to certify to their income under penalty of perjury. The parents will be required to submit the information directly to MHA. The required information must be submitted (postmarked) within 10 business days of the date of MHA's request or within any extended timeframe approved by MHA.

MHA reserves the right to request and review supporting documentation at any time if it questions the declaration or certification. Supporting documentation may include, but is not limited to, Internal Revenue Service (IRS) tax returns, consecutive and original pay stubs, bank statements, pension benefit statements, benefit award letters, and other official and authentic documents from a federal, state, or local agency.

PART IV: VERIFYING MANDATORY DEDUCTIONS

7-IV.A. DEPENDENT AND ELDERLY/DISABLED HOUSEHOLD DEDUCTIONS

The dependent and elderly/disabled family deductions require only that MHA 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. MHA must 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 Eligibility chapter for a definition of elderly and disabled families and Chapter 6 (6-II.C.) for a discussion of the deduction. MHA must 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

MHA Policy

MHA 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 MHA will make a best effort to determine what expenses from the past are likely to continue to occur in the future. MHA 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, MHA 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. MHA must 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 MHA'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.

MHA 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

MHA Policy

When anticipated costs are related to on-going payment of medical bills incurred in past years, MHA 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

MHA Policy

MHA 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

MHA 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, MHA 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. MHA will verify that the expense is incurred for a person with disabilities (See 7-II.F.).

Family Member(s) Permitted to Work

MHA must verify that the expenses claimed actually enable a family member, or members, (including the person with disabilities) to work.

MHA Policy

MHA 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.

MHA 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 of this chapter. In addition, MHA 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. MHA 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.

MHA 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

MHA 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.

MHA Policy

Information to be Gathered

MHA 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 MHA will use documentation from a state or local agency that monitors work-related requirements (e.g., welfare or unemployment). In such cases MHA will request verification from the agency of the member's job seeking efforts to date and require the family to submit to MHA any reports provided to the other agency.

In the event third-party verification is not available, MHA will provide the family with a form on which the family member must record job search efforts. MHA will review this information at each subsequent reexamination for which this deduction is claimed.

Furthering Education

MHA 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

MHA 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.

MHA Policy

MHA will verify that the type of child care selected by the family is allowable, as described in Chapter 6 (6-II.F).

MHA 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).

MHA 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.

MHA Policy

The actual costs the family incurs will be compared with MHA'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, MHA 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) Written 3rd Party	Highest (Highly Recommended, highest level of third party verification) High (Mandatory if upfront income verification is not available or if UIV data differs substantially from tenant-reported information)
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 (LEVEL 5)	Written Third Party (LEVEL 4)	Oral Third Party (LEVEL 3)	Document Review (LEVEL 2)	Tenant Declaration (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.				
<p>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.</p> <p>Effective Date of Employment: The PHA should always confirm start and termination dates of employment.</p>					

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.
<p>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.</p>					
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.	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.
	Use of HUD systems, when 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]**

- All noncitizens claiming eligible status must sign a declaration of eligible immigrant status on a form acceptable to MHA.
- Except for persons 62 or older, all noncitizens must sign a verification consent form
- Additional documents are required based upon the person's status.

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.

All other Noncitizens

- Noncitizens that claim eligible immigration status also must present the applicable USCIS document. Acceptable USCIS documents are listed below.

<ul style="list-style-type: none"> • Form I-551 Alien Registration Receipt Card (for permanent resident aliens) • Form I-94 Arrival-Departure Record annotated with one of the following: <ul style="list-style-type: none"> • "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" 	<ul style="list-style-type: none"> • Form I-94 Arrival-Departure Record with no annotation accompanied by: <ul style="list-style-type: none"> • 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).
<ul style="list-style-type: none"> • Form I-688 Temporary Resident Card annotated "Section 245A" or Section 210". 	<ul style="list-style-type: none"> • Form I-688B Employment Authorization Card annotated "Provision of Law 274a. 12(11)" or "Provision of Law 274a.12".
<ul style="list-style-type: none"> • 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 <i>Federal Register</i> 	

Chapter 8

HOUSING QUALITY STANDARDS AND RENT REASONABLENESS DETERMINATIONS

[24 CFR 982 Subpart I and 24 CFR 982.507]

INTRODUCTION

HUD requires that all units occupied by families receiving Housing Choice Voucher (HCV) assistance meet HUD's Housing Quality Standards (HQS) and permits MHA to establish additional requirements. The use of the term "HQS" in this plan refers to the combination of both HUD and MHA-established requirements. HQS inspections are required before the Housing Assistance Payments (HAP) Contract is signed and at least annually during the term of the contract.

HUD also requires MHAs to determine that units rented by families assisted under the HCV program have rents that are reasonable when compared to comparable unassisted units in the market area.

This chapter explains HUD and MHA requirements related to housing quality and rent reasonableness as follows:

Part I. Physical Standards. This part discusses the physical standards required of units occupied by HCV-assisted families and identifies decisions about the acceptability of the unit that may be made by the family based upon the family's preference. It also identifies life-threatening conditions that must be addressed on an expedited basis.

Part II. The Inspection Process. This part describes the types of inspections MHA will make and the steps that will be taken when units do not meet HQS.

Part III. Rent Reasonableness Determinations. This part discusses the policies MHA will use to make rent reasonableness determinations.

Special HQS requirements for homeownership, manufactured homes, and other special housing types are discussed in Chapter 15 to the extent that they apply in this jurisdiction.

PART I: PHYSICAL STANDARDS

8-I.A. GENERAL HUD REQUIREMENTS

HUD Performance and Acceptability Standards

HUD's performance and acceptability standards for HCV-assisted housing are provided in 24 CFR 982.401. These standards cover the following areas:

- Sanitary facilities
- Food preparation and refuse disposal
- Space and Security
- Thermal Environment
- Illumination and electricity
- Structure and materials
- Interior Air Quality
- Water Supply
- Lead-based paint
- Access
- Site and neighborhood
- Sanitary condition
- Smoke Detectors

A summary of HUD performance criteria is provided in Attachment 8-1. Additional guidance on these requirements is found in the following HUD resources:

- Housing Choice Voucher Guidebook, Chapter 10.
- HUD Housing Inspection Manual for Section 8 Housing
- HUD Inspection Form, form HUD-52580 (3/01) and Inspection Checklist, form HUD-52580-A (9/00)
- HUD Notice 2003-31, Accessibility Notice: Section 504 of the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Architectural Barriers Act of 1968 and the Fair Housing Act of 1988.

Tenant Preference Items

HUD requires MHA to enforce minimum HQS but also requires that certain judgments about acceptability be left to the family. For example, MHA must ensure that the unit contains the required sanitary facilities, but the family decides whether the cosmetic condition of the facilities is acceptable. Attachment 8-2 summarizes those items that are considered tenant preferences.

Modifications to Provide Accessibility

Under the Fair Housing Act of 1988 an owner must not refuse the request of a family that contains a person with a disability to make necessary and reasonable modifications to the unit. Such modifications are at the family's expense. The owner may require restoration of the unit to its original condition if the modification would interfere with the owner or next occupant's full enjoyment of the premises. The owner may not increase a customarily required security deposit. However, the landlord may negotiate a restoration agreement that requires the family to restore the unit and, if necessary to ensure the likelihood of restoration, may require the tenant to pay a reasonable amount into an interest bearing escrow account over a reasonable period of time. The interest in any such account accrues to the benefit of the tenant. The owner may also require reasonable assurances that the quality of the work will be acceptable and that any required building permits will be obtained.[24 CFR 100.203; Notice 2003-31].

Modifications to units to provide access for a person with a disability must meet all applicable HQS requirements and conform to the design, construction, or alteration of facilities contained in the UFAS and the ADA Accessibility Guidelines (ADAAG) [28 CFR 35.151(c) and Notice 2003-31] See Chapter 2 of this plan for additional information on reasonable accommodations for persons with disabilities.

MHA Policy

Any owner that intends to negotiate a restoration agreement or require an escrow account must submit the agreement(s) to MHA for review.

8-I.B. ADDITIONAL LOCAL REQUIREMENTS

MHA may impose additional quality standards as long as the additional criteria are not likely to adversely affect the health or safety of participant families or severely restrict housing choice. HUD approval is required if more stringent standards are imposed. HUD approval is not required if MHA additions are clarifications of HUD's acceptability criteria or performance standards [24 CFR 982.401(a)(4)].

Thermal Environment [HCV GB p.10-7]

MHA must define a "healthy living environment" for the local climate. This may be done by establishing a temperature that the heating system must be capable of maintaining, that is appropriate for the local climate.

MHA Policy

The heating system must be capable of maintaining an interior temperature of 65 degrees Fahrenheit between October 1 and May 1.

Clarifications of HUD Requirements

MHA Policy

As permitted by HUD, MHA has adopted the following specific requirements that elaborate on HUD standards.

Walls

In areas where plaster or drywall is sagging, severely cracked, or otherwise damaged, it must be repaired or replaced.

Windows

Window sashes must be in good condition, solid and intact, and properly fitted to the window frame. Damaged or deteriorated sashes must be replaced.

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

Window screens must be in good condition (applies only if screens are present).

Doors

All exterior doors must be weather-tight to avoid any air or water infiltration, be lockable, have no holes, have all trim intact, and have a threshold.

All interior doors must have no holes, have all trim intact, and be openable without the use of a key.

Floors

All wood floors must be sanded to a smooth surface and sealed. Any loose or warped boards must be resecured and made level. If they cannot be leveled, they must be replaced.

All floors must be in a finished state. Raw wood or unsealed concrete is not permitted.

All floors should have some type of baseshoe, trim, or sealing for a "finished look." Vinyl baseshoe is permitted.

Sinks

All sinks and commode water lines must have shut off valves, unless faucets are wall mounted.

All worn or cracked toilet seats and tank lids must be replaced and toilet tank lid must fit properly.

All sinks must have functioning stoppers.

Security

If window security bars or security screens are present on emergency exit windows, they must be equipped with a quick release system. The owner is responsible for ensuring that the family is instructed on the use of the quick release system.

8-I.C. LIFE THREATENING CONDITIONS [24 CFR 982.404(a)]

HUD requires MHA to define life threatening conditions and to notify the owner or the family (whichever is responsible) of the corrections required. The responsible party must correct life threatening conditions within 24 hours of MHA notification.

MHA Policy

The following are considered life threatening conditions:

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

If an owner fails to correct life threatening conditions as required by MHA, the housing assistance payment will be abated and the HAP contract will be terminated. See 8-II-G.

If a family fails to correct a family caused life threatening condition as required by MHA, MHA may terminate the family's assistance. See 8-II.H.

The owner will be required to repair an inoperable smoke detector unless MHA determines that the family has intentionally disconnected it (by removing batteries or other means). In this case, the family will be required to repair the smoke detector within 24 hours.

8-I.D. OWNER AND FAMILY RESPONSIBILITIES [24 CFR 982.404]

Family Responsibilities

The family is responsible for correcting the following HQS deficiencies:

- 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. "Normal wear and tear" is defined as items which could not be charged against the tenant's security deposit under state law or court practice.

Owner Responsibilities

The owner is responsible for all HQS violations not listed as a family responsibility above, even if the violation is caused by the family's living habits (e.g., vermin infestation). However, if the family's actions constitute a serious or repeated lease violation the owner may take legal action to evict the family.

8-I.E. SPECIAL REQUIREMENTS FOR CHILDREN WITH ENVIRONMENTAL INTERVENTION BLOOD LEAD LEVEL [24 CFR 35.1225]

If a MHA is notified by a public health department or other medical health care provider, or verifies information from a source other than a public health department or medical health care provider, that a child of less than 6 years of age, living in an HCV-assisted unit has been identified as having an environmental intervention blood lead level, MHA must complete a risk assessment of the dwelling unit. The risk assessment must be completed in accordance with program requirements, and the result of the risk assessment must be immediately provided to the owner of the dwelling unit. In cases where the public health department has already completed an evaluation of the unit, this information must be provided to the owner.

Within 30 days after receiving the risk assessment report from MHA, or the evaluation from the public health department, the owner is required to complete the reduction of identified lead-based paint hazards in accordance with the lead-based paint regulations [24 CFR 35.1325 and 35.1330]. If the owner does not complete the "hazard reduction" as required, the dwelling unit is in violation of HQS and MHA will take action in accordance with Section 8-II.G.

MHA reporting requirements, and data collection and record keeping responsibilities related to children with an environmental intervention blood lead level are discussed in Chapter 16.

8-I.F. VIOLATION OF HQS SPACE STANDARDS [24 CFR 982.403]

If MHA determines that a unit does not meet the HQS space standards because of an increase in family size or a change in family composition, MHA must issue the family a new voucher, and the family and MHA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, MHA must terminate the HAP contract in accordance with its terms.

PART II: THE INSPECTION PROCESS

8-II.A. OVERVIEW [24 CFR 982.405]

Types of Inspections

MHA conducts the following types of inspections as needed. Each type of inspection is discussed in the paragraphs that follow.

- *Initial Inspections.* MHA conducts initial inspections in response to a request from the family to approve a unit for participation in the HCV program. The unit must pass the HQS inspection before the effective date of the HAP Contract.
- *Annual Inspections.* HUD requires MHA to inspect each unit under lease at least annually to confirm that the unit still meets HQS. The inspection may be conducted in conjunction with the family's annual reexamination but also may be conducted separately.
- *Special Inspections.* A special inspection may be requested by the owner, the family, or a third party as a result of problems identified with a unit between annual inspections.
- *Quality Control Inspections.* HUD requires that a sample of units be reinspected by a supervisor or other qualified individual to ensure that HQS are being enforced correctly and uniformly by all inspectors.

Inspection of MHA-owned Units [24 CFR 982.352(b)]

MHA must obtain the services of an independent entity to perform all HQS inspections in cases where an HCV family is receiving assistance in a MHA-owned unit. A MHA-owned unit is defined as a unit that is owned by MHA that administers the assistance under the consolidated ACC (including a unit owned by an entity substantially controlled by MHA). The independent agency must communicate the results of each inspection to the family and MHA. The independent agency must be approved by HUD, and may be the unit of general local government for MHA jurisdiction (unless MHA is itself the unit of general local government or an agency of such government).

Inspection Costs

MHA may not charge the family or owner for unit inspections [24 CFR 982.405(e)]. In the case of inspections of MHA-owned units, MHA may compensate the independent agency from ongoing administrative fee for inspections performed. MHA and the independent agency may not charge the family any fee or charge for the inspection [24 CFR.982.352(b)].

Notice and Scheduling

The family must allow MHA to inspect the unit at reasonable times with reasonable notice [24 CFR 982.551(d)].

MHA Policy

Both the family and the owner will be given reasonable notice of all inspections. Except in the case of a life threatening emergency, reasonable notice is considered to be not less than 48 hours. Inspections may be scheduled between 8:00 a.m. and 7:00 p.m. Generally inspections will be conducted on business days only. In the case of a life threatening emergency, MHA will give as much notice as possible, given the nature of the emergency.

Owner and Family Inspection Attendance

HUD permits MHA to set policy regarding family and owner presence at the time of inspection [HCV GB p. 10-27].

MHA Policy

When a family occupies the unit at the time of inspection an adult family member must be present for the inspection. The presence of the owner or the owner's representative is encouraged but is not required.

At initial inspection of a vacant unit, MHA will inspect the unit in the presence of the owner or owner's representative. The presence of a family representative is permitted, but is not required.

8-II.B. INITIAL HQS INSPECTION [24 CFR 982.401(a)]

Timing of Initial Inspections

HUD requires the unit to pass HQS before the effective date of the lease and HAP Contract. HUD requires MHAs with fewer than 1,250 budgeted units to complete the initial inspection, determine whether the unit satisfies HQS, and notify the owner and the family of the determination within 15 days of submission of the Request for Tenancy Approval (RTA). For MHAs with 1,250 or more budgeted units, to the extent practicable such inspection and determination must be completed within 15 days. The 15-day period is suspended for any period during which the unit is not available for inspection [982.305(b)(2)].

MHA Policy

MHA will complete the initial inspection, determine whether the unit satisfies HQS, and notify the owner and the family of the determination within 15 days of submission of the Request for Tenancy Approval (RTA).

Inspection Results and Reinspections

MHA Policy

If any HQS violations are identified, the owner will be notified of the deficiencies and be given a time frame to correct them. If requested by the owner, the time frame for correcting the deficiencies may be extended by MHA for good cause. MHA will reinspect the unit within 5 business days of the date the owner notifies MHA that the required corrections have been made.

If the time period for correcting the deficiencies (or any MHA-approved extension) has elapsed, or the unit fails HQS at the time of the reinspection, MHA will notify the owner and the family that the unit has been rejected and that the family must search for another unit. MHA may agree to conduct a second reinspection, for good cause, at the request of the family and owner.

Following a failed reinspection, the family may submit a new Request for Tenancy Approval for the unit if the family has not found another unit by the time the owner completes all repairs and the family continues to wish to live in the unit.

Utilities

Generally, at initial lease-up the owner is responsible for demonstrating that all utilities are in working order including those utilities that the family will be responsible for paying.

MHA Policy

If utility service is not available for testing at the time of the initial inspection, MHA will allow the utilities to be placed in service after the unit has met all other HQS requirements. MHA will reinspect the unit to confirm that utilities are operational before the HAP contract is executed by MHA.

Appliances

MHA Policy

If the family is responsible for supplying the stove and/or refrigerator, MHA will allow the stove and refrigerator to be placed in the unit after the unit has met all other HQS requirements. The required appliances must be in place before the HAP contract is executed by MHA. MHA will execute the HAP contract based upon a certification from the family that the appliances have been installed and are working. A confirmatory inspection will be scheduled within 30 days of HAP contract approval.

8-II.C. ANNUAL HQS INSPECTIONS [24 CFR 982.405(a)]

Scheduling the Inspection

Each unit under HAP contract must have an annual inspection no more than 12 months after the most recent inspection.

MHA Policy

If an adult family member cannot be present on the scheduled date, the family should request that MHA reschedule the inspection. MHA and family will agree on a new inspection date that generally should take place within 5 business days of the originally-scheduled date. MHA may schedule an inspection more than 5 business days after the original date for good cause.

If the family misses the first scheduled appointment without requesting a new inspection date, MHA will automatically schedule a second inspection. If the family misses two scheduled inspections without MHA approval, MHA will consider the family to have violated its obligation to make the unit available for inspection. This may result in termination of the family's assistance in accordance with Chapter 12.

8-II.D. SPECIAL INSPECTIONS [HCV GB, p. 10-30]

MHA will conduct a special inspection if the owner, family, or another source reports HQS violations in the unit.

MHA Policy

During a special inspection, MHA generally will inspect only those deficiencies that were reported. However, the inspector will record any additional HQS deficiencies that are observed and will require the responsible party to make the necessary repairs.

If the annual inspection has been scheduled or is due within 90 days of the date the special inspection is scheduled MHA may elect to conduct a full annual inspection.

8-II.E. QUALITY CONTROL INSPECTIONS [24 CFR 982.405(b); HCV GB, p. 10-32]

HUD requires a MHA supervisor or other qualified person to conduct quality control inspections of a sample of units to ensure that each inspector is conducting accurate and complete inspections and that there is consistency in the application of the HQS.

The unit sample must include only units that have been inspected within the preceding 3 months. The selected sample will include (1) each type of inspection (initial, annual, and special), (2) inspections completed by each inspector, and (3) units from a cross-section of neighborhoods.

8-ILF. INSPECTION RESULTS AND REINSPECTIONS FOR UNITS UNDER HAP CONTRACT

Notification of Corrective Actions

The owner and the family will be notified in writing of the results of all inspections. When an inspection identifies HQS failures, MHA will determine (1) whether or not the failure is a life threatening condition and (2) whether the family or owner is responsible.

MHA Policy

When life threatening conditions are identified, MHA will immediately notify both parties by telephone, facsimile, or email. The notice will specify who is responsible for correcting the violation. The corrective actions must be taken within 24 hours of MHA's notice.

When failures that are not life threatening are identified, MHA will send the owner and the family a written notification of the inspection results within 5 business days of the inspection. The written notice will specify who is responsible for correcting the violation, and the time frame within which the failure must be corrected. Generally not more than 30 days will be allowed for the correction.

The notice of inspection results will inform the owner that if life threatening conditions are not corrected within 24 hours, and non-life threatening conditions are not corrected within the specified time frame (or any MHA-approved extension), the owner's HAP will be abated in accordance with MHA policy (see 8-II.G.). Likewise, in the case of family caused deficiencies, the notice will inform the family that if corrections are not made within the specified time frame (or any MHA-approved extension, if applicable) the family's assistance will be terminated in accordance with MHA policy (see Chapter 12).

Extensions

For conditions that are life-threatening, MHA cannot grant an extension to the 24 hour corrective action period. For conditions that are not life-threatening, MHA may grant an exception to the required time frames for correcting the violation, if MHA determines that an extension is appropriate [24 CFR 982.404].

MHA Policy

Extensions will be granted in cases where MHA has determined that the owner has made a good faith effort to correct the deficiencies and is unable to for reasons beyond the owner's control. Reasons may include, but are not limited to:

A repair cannot be completed because required parts or services are not available.

A repair cannot be completed because of weather conditions.

A reasonable accommodation is needed because the family includes a person with disabilities.

The length of the extension will be determined on a case by case basis, but will not exceed 60 days, except in the case of delays caused by weather conditions. In the case of weather conditions, extensions may be continued until the weather has improved sufficiently to make repairs possible. The necessary repairs must be made within 15 calendar days, once the weather conditions have subsided.

Reinspections

MHA Policy

MHA will conduct a reinspection immediately following the end of the corrective period, or any MHA approved extension.

The family and owner will be given reasonable notice of the reinspection appointment. If the deficiencies have not been corrected by the time of the reinspection, MHA will send a notice of abatement to the owner, or in the case of family caused violations, a notice of termination to the family, in accordance with MHA policies. If MHA is unable to gain entry to the unit in order to conduct the scheduled reinspection, MHA will consider the family to have violated its obligation to make the unit available for inspection. This may result in termination of the family's assistance in accordance with Chapter 12.

8-IL.G. ENFORCING OWNER COMPLIANCE

If the owner fails to maintain the dwelling unit in accordance with HQS, MHA must take prompt and vigorous action to enforce the owner obligations.

HAP Abatement

If an owner fails to correct HQS deficiencies by the time specified by MHA, HUD requires MHA to abate housing assistance payments no later than the first of the month following the specified correction period (including any approved extension) [24 CFR 985.3(f)]. No retroactive payments will be made to the owner for the period of time the rent was abated. Owner rents are not abated as a result of HQS failures that are the family's responsibility.

MHA Policy

MHA will make all HAP abatements effective the first of the month following the expiration of MHA specified correction period (including any extension).

MHA will inspect abated units within 5 business days of the owner's notification that the work has been completed. Payment will resume effective on the day the unit passes inspection.

During any abatement period the family continues to be responsible for its share of the rent. The owner must not seek payment from the family for abated amounts and may not use the abatement as cause for eviction.

HAP Contract Termination

MHA must decide how long any abatement period will continue before the HAP contract will be terminated. MHA should not terminate the contract until the family finds another unit, provided the family does so in a reasonable time [HCV GB p. 10-29] and must give the owner reasonable notice of the termination. MHA will issue a voucher to permit the family to move to another unit as described in Chapter 10.

MHA Policy

The maximum length of time that a HAP may be abated is 90 days. However, if the owner completes corrections and notifies MHA before the termination date of the HAP contract, MHA may rescind the termination notice if (1) the family still resides in the unit and wishes to remain in the unit and (2) the unit passes inspection.

Reasonable notice of HAP contract termination by MHA is 30 days.

8-IL.H. ENFORCING FAMILY COMPLIANCE WITH HQS [24 CFR 982.404(b)]

Families are responsible for correcting any HQS violations listed in paragraph 8.I.D. If the family fails to correct a violation within the period allowed by MHA (and any extensions), MHA will terminate the family's assistance, according to the policies described in Chapter 12.

If the owner carries out a repair for which the family is responsible under the lease, the owner may bill the family for the cost of the repair.

PART III: RENT REASONABLENESS [24 CFR 982.507]

8-III.A. OVERVIEW

No HAP contract can be approved until MHA has determined that the rent for the unit is reasonable. The purpose of the rent reasonableness test is to ensure that a fair rent is paid for each unit rented under the HCV program.

HUD regulations define a reasonable rent as one that does not exceed the rent charged for comparable, unassisted units in the same market area. HUD also requires that owners not charge more for assisted units than for comparable units on the premises. This part explains the method used to determine whether a unit's rent is reasonable.

MHA-owned Units [24 CFR 982.352(b)]

In cases where an HCV family is receiving assistance in a MHA-owned unit, MHA must obtain the services of an independent entity to determine rent reasonableness in accordance with program requirements, and to assist the family in negotiating the contract rent when the family requests assistance. A MHA-owned unit is defined as a unit that is owned by MHA that administers the assistance under the consolidated ACC (including a unit owned by an entity substantially controlled by MHA). The independent agency must communicate the results of the rent reasonableness determination to the family and MHA. The independent agency must be approved by HUD, and may be the unit of general local government for MHA jurisdiction (unless MHA is itself the unit of general local government or an agency of such government).

8-III.B. WHEN RENT REASONABLENESS DETERMINATIONS ARE REQUIRED

Owner-initiated Rent Determinations

MHA must make a rent reasonableness determination at initial occupancy and whenever the owner requests a rent adjustment.

The owner and family first negotiate the rent for a unit. MHA (or independent agency in the case of MHA-owned units) will assist the family with the negotiations upon request. At initial occupancy MHA must determine whether the proposed rent is reasonable before a HAP Contract is signed. The owner must not change the rent during the initial lease term. Subsequent requests for rent adjustments must be consistent with the lease between the owner and the family. Rent increases will not be approved unless any failed items identified by the most recent HQS inspection have been corrected.

MHA Policy

After the initial occupancy period, the owner may request a rent adjustment in accordance with the owner's lease. For rent increase requests after initial lease-up, MHA may request owners to provide information about the rents charged for other units on the premises, if the premises include more than 4 units. In evaluating the proposed rents in comparison to other units on the premises MHA will consider unit size and length of tenancy in the other units.

MHA will determine whether the requested increase is reasonable within 10 business days of receiving the request from the owner. The owner will be notified of the determination in writing.

All rents adjustments will be effective the first of the month following 60 days after MHA's receipt of the owner's request or on the date specified by the owner, whichever is later.

MHA- and HUD-Initiated Rent Reasonableness Determinations

HUD requires MHA to make a determination of rent reasonableness (even if the owner has not requested a change) if there is a 5 percent decrease in the Fair Market Rent that goes into effect at least 60 days before the contract anniversary date. HUD also may direct MHA to make a determination at any other time. MHA may decide that a new determination of rent reasonableness is needed at any time.

MHA Policy

In addition to the instances described above, MHA will make a determination of rent reasonableness at any time after the initial occupancy period if: (1) MHA determines that the initial rent reasonableness determination was in error or (2) MHA determines that the information provided by the owner about the unit or other units on the same premises was incorrect.

8-III.C. HOW COMPARABILITY IS ESTABLISHED

Factors to Consider

HUD requires MHAs to take into consideration the factors listed below when determining rent comparability. MHA may use these factors to make upward or downward adjustments to the rents of comparison units when the units are not identical to the HCV-assisted unit.

- Location and age
- Unit size including the number of rooms and square footage of rooms
- The type of unit including construction type (e.g., single family, duplex, garden, low-rise, high-rise)
- The quality of the units including the quality of the original construction, maintenance and improvements made.
- Amenities, services, and utilities included in the rent

Units that Must Not be Used as Comparables

Comparable units must represent unrestricted market rents. Therefore, units that receive some form of federal, state, or local assistance that imposes rent restrictions cannot be considered comparable units. These include units assisted by HUD through any of the following programs: Section 8 project-based assistance, Section 236 and Section 221(d)(3) Below Market Interest Rate (BMIR) projects, HOME or Community Development Block Grant (CDBG) program-assisted units in which the rents are subsidized; units subsidized through federal, state, or local tax credits; units subsidized by the Department of Agriculture rural housing programs, and units that are rent-controlled by local ordinance.

Rents Charged for Other Units on the Premises

The Request for Tenancy Approval (HUD-52517) requires owners to provide information, on the form itself, about the rent charged for other unassisted comparable units on the premises if the premises include more than 4 units.

By accepting MHA payment each month the owner certifies that the rent is not more than the rent charged for comparable unassisted units on the premises. If asked to do so, the owner must give MHA information regarding rents charged for other units on the premises.

8-III.D. MHA RENT REASONABLENESS METHODOLOGY

How Market Data is Collected

MHA Policy

MHA will collect and maintain data on market rents in MHA's jurisdiction. Information sources include newspapers, realtors, market surveys, inquiries of owners and other available sources. The data will be maintained by bedroom size and market areas. Market areas may be defined by zip codes, census tract, neighborhood, and identifiable natural or man-made boundaries. The data will be updated on an ongoing basis and rent information that is more than 12 months old will be eliminated from the database.

How Rents are Determined

MHA Policy

The rent for a unit proposed for HCV assistance will be compared to the rent charged for comparable units in the same market area. MHA will develop a range of prices for comparable units by bedroom size within defined market areas. Units proposed for HCV assistance will be compared to the units within this rent range. Because units may be similar, but not exactly like the unit proposed for HCV assistance, MHA may make adjustments to the range of prices to account for these differences.

The adjustment must reflect the local market. Not all differences in units require adjustments (e.g., the presence or absence of a garbage disposal may not affect the rent in some market areas).

Adjustments may vary by unit type (e.g., a second bathroom may be more valuable in a three-bedroom unit than in a two-bedroom).

The adjustment must reflect the rental value of the difference – not its construction costs (e.g., it might cost \$20,000 to put on a new roof, but the new roof might not make any difference in what a tenant would be willing to pay because rents units are presumed to have functioning roofs).

When a comparable project offers rent concessions (e.g., first month rent-free, or reduced rent) reported monthly rents will be adjusted accordingly. For example, if a comparable project reports rents of \$500/month but new tenants receive the first month's rent free, the actual rent for the unit would be calculated as follows: $\$500 \times 11 \text{ months} = 5500/12 \text{ months} = \text{actual monthly rent of } \488 .

MHA will notify the owner of the rent MHA can approve based upon its analysis of rents for comparable units. The owner may submit information about other comparable units in the market area. MHA will confirm the accuracy of the information provided and consider this additional information when making rent determinations. The owner must submit any additional information within 5 business days of MHA's request for information or the owner's request to submit information.

EXHIBIT 8-1: OVERVIEW OF HUD HOUSING QUALITY STANDARDS

Note: This document provides an overview of HQS. For more detailed information see the following documents:

- 24 CFR 982.401, Housing Quality Standards (HQS)
- Housing Choice Voucher Guidebook, Chapter 10.
- HUD Housing Inspection Manual for Section 8 Housing
- HUD Inspection Form, form HUD-52580 (3/01) and Inspection Checklist, form HUD-52580-A (9/00)

Sanitary Facilities

The dwelling unit must include sanitary facilities within the unit. The sanitary facilities must be usable in privacy and must be in proper operating condition and adequate for personal cleanliness and disposal of human waste.

Food Preparation and Refuse Disposal

The dwelling unit must have space and equipment suitable for the family to store, prepare, and serve food in a sanitary manner.

Space and Security

The dwelling unit must provide adequate space and security for the family. This includes having at least one bedroom or living/sleeping room for each two persons.

Thermal Environment

The unit must have a safe system for heating the dwelling unit. Air conditioning is not required but if provided must be in proper operating condition. The dwelling unit must not contain unvented room heaters that burn gas, oil, or kerosene. Portable electric room heaters or kitchen stoves with built-in heating units are not acceptable as a primary source of heat for units located in climatic areas where permanent heat systems are required.

Illumination and Electricity

Each room must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of occupants. The dwelling unit must have sufficient electrical sources so occupants can use essential electrical appliances. Minimum standards are set for different types of rooms. Once the minimum standards are met, the number, type and location of electrical sources are a matter of tenant preference.

Structure and Materials

The dwelling unit must be structurally sound. Handrails are required when four or more steps (risers) are present, and protective railings are required when porches, balconies, and stoops are thirty inches or more off the ground. The elevator servicing the unit must be working [if there is one]. Manufactured homes must have proper tie-down devices capable of surviving wind loads common to the area.

Interior Air Quality

The dwelling unit must be free of air pollutant levels that threaten the occupants' health. There must be adequate air circulation in the dwelling unit. Bathroom areas must have one openable window or other adequate ventilation. Any sleeping room must have at least one window. If a window was designed to be opened, it must be in proper working order.

Water Supply

The dwelling unit must be served by an approved public or private water supply that is sanitary and free from contamination. Plumbing fixtures and pipes must be free of leaks and threats to health and safety.

Lead-Based Paint

Lead-based paint requirements apply to dwelling units built prior to 1978 that are occupied or can be occupied by families with children under six years of age, excluding zero bedroom dwellings. Owners must:

- Disclose known lead-based paint hazards to prospective tenants before the lease is signed,
- provide all prospective families with "Protect Your Family from Lead in Your Home",
- Stabilize deteriorated painted surfaces and conduct hazard reduction activities when identified by MHA
- Notify tenants each time such an activity is performed
- Conduct all work in accordance with HUD safe practices
- As part of ongoing maintenance ask each family to report deteriorated paint.

For units occupied by environmental intervention blood lead level (lead poisoned) children under six years of age, a risk assessment must be conducted (paid for by MHA). If lead hazards are identified during the risk assessment, the owner must complete hazard reduction activities.

See HCV GB p. 10-15 for a detailed description of these requirements. For additional information on lead-based paint requirements see 24 CFR 35, Subparts A, B, M, and R.

Access

Use and maintenance of the unit must be possible without unauthorized use of other private properties. The building must provide an alternate means of exit in case of fire.

Site and Neighborhood

The site and neighborhood must be reasonably free from disturbing noises and reverberations, excessive trash or vermin, or other dangers to the health, safety, and general welfare of the occupants.

Sanitary Condition

The dwelling unit and its equipment must be in sanitary condition and free of vermin and rodent infestation. The unit must have adequate barriers to prevent infestation.

Smoke Detectors

Smoke detectors must be installed in accordance with and meet the requirements of the National Fire Protection Association Standard (NFPA) 74 (or its successor standards). If the dwelling unit is occupied by any person with a hearing impairment, smoke detectors must have an appropriate alarm system as specified in NFPA 74 (or successor standards).

Hazards and Health/Safety

The unit, interior and exterior common areas accessible to the family, the site, and the surrounding neighborhood must be free of hazards to the family's health and safety.

**EXHIBIT 8-2: SUMMARY OF TENANT PREFERENCE AREAS
RELATED TO HOUSING QUALITY**

Note: This document provides an overview of unit and site characteristics and conditions for which the family determines acceptability. For more detailed information see the following documents:

- Housing Choice Voucher Guidebook, Chapter 10.
- HUD Housing Inspection Manual for Section 8 Housing
- HUD Inspection Form, form HUD-52580 (3/01) and Inspection Checklist, form HUD-52580-A (9/00)

Provided the minimum housing quality standards have been met, HUD permits the family to determine whether the unit is acceptable with regard to the following characteristics.

- *Sanitary Facilities.* The family may determine the adequacy of the cosmetic condition and quality of the sanitary facilities, including the size of the lavatory, tub, or shower; the location of the sanitary facilities within the unit; and the adequacy of the water heater.
- *Food Preparation and Refuse Disposal.* The family selects size and type of equipment it finds acceptable. When the family is responsible for supplying cooking appliances, the family may choose to use a microwave oven in place of a conventional oven, stove, or range. When the owner is responsible for providing cooking appliances, the owner may offer a microwave oven in place of an oven, stove, or range only if other subsidized and unsubsidized units on the premises are furnished with microwave ovens only. The adequacy of the amount and type of storage space, the cosmetic conditions of all equipment, and the size and location of the kitchen are all determined by the family.
- *Space and Security.* The family may determine the adequacy of room sizes and room locations. The family is also responsible for deciding the acceptability of the type of door and window locks.
- *Energy conservation items.* The family may determine whether the amount of insulation, presence of absence of storm doors and windows and other energy conservation items are acceptable.
- *Illumination and Electricity.* The family may determine whether the location and the number of outlets and fixtures (over and above those required to meet HQS standards) are acceptable or if the amount of electrical service is adequate for the use of appliances, computers, or stereo equipment.

- (6) *Structure and Materials.* Families may determine whether minor defects, such as lack of paint, or worn flooring or carpeting will affect the livability of the unit.
- (7) *Indoor Air.* Families may determine whether window and door screens, filters, fans, or other devices for proper ventilation are adequate to meet the family's needs. However, if screens are present they must be in good condition.
- (8) *Sanitary Conditions.* The family determines whether the sanitary conditions in the unit, including minor infestations, are acceptable.
- (9) *Neighborhood conditions.* Families may determine whether neighborhood conditions such as the presence of drug activity, commercial enterprises, and convenience to shopping will affect the livability of the unit.

Families have no discretion with respect to lead-based paint standards and smoke detectors.

MHA
AGENCY PLAN
SECTION 8.1

Part I: Summary

PHA Name: **Housing Authority of the County of Marin (CA052)** Grant Type and Number: **CFP 501-11** FFY Grant: **2011**
 Capital Fund Program Grant No: **CA39P05250111** Date of CFFP: **8/20/2010** FFY of Grant Approval:

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost, Expended
		Original	Revised 2	
1	Total Non-CGP Funds			
2	1406 OPERATIONS (may not exceed 20% of line 21)	\$ 227,256		
3	1408 MANAGEMENT IMPROVEMENTS	\$ 227,256		0.00
4	1410 ADMINISTRATION (may not exceed 10% of line 21)	\$ 113,628		0.00
5	1411 AUDIT	\$ -		0.00
6	1415 LIQUIDATED DAMAGES	\$ -		0.00
7	1430 FEES AND COSTS	\$ 136,354		0.00
8	1440 SITE ACQUISITION	\$ -		0.00
9	1450 SITE IMPROVEMENTS	\$ 162,168		0.00
10	1460 DWELLING STRUCTURES	\$ 229,619		0.00
11	1465.1 DWELLING EQUIPMENT - Non Expendable	\$ 38,000		0.00
12	1470 NONDWELLING STRUCTURES	\$ -		0.00
13	1475 NONDWELLING EQUIPMENT	\$ -		0.00
14	1485 DEMOLITION	\$ -		0.00
15	1492 MOVING TO WORK DEMONSTRATION	\$ -		0.00
16	1495.1 RELOCATION COSTS	\$ -		0.00
17	1499 DEVELOPMENT ACTIVITIES	\$ -		0.00
18a	1501 COLLATERIZATION OR DEBT SERVICE			0.00
18ba	9000 Collateralization of Debt Service paid Via System of Direct Payment			
19	1502 CONTINGENCY (n.l.e. 8% of line 20)	\$ -		
20	Amount of Annual Grant (lines 2-19)	\$ 1,134,282		
21	Amount of line 20 Related to LBP Activities			
22	Amount of line 20 Related to 504 compliance			
23	Amount of line 20 Related to Security - soft cost			
24	Amount of line 20 Related to Security - hard cost			
25	Amount of line 20 Related to Energy Cons.			

Type of Grant

Original Annual Statement Reserve for Disasters/Emergencies Revised Annual Statement (revision no:)

Performance & Evaluation Report for Program Year Ending: Final Performance & Evaluation Report

Part I Summary	
PHA Name: Housing Authority of the County of Marin (CA052)	Grant Type and Number: CFP 501-11 Capital Fund Program Grant N: CA39P05250111 Date of CFFP: 8/20/2010 FFY Grant: 2011 FFY of Grant Approval:
Type of Grant <input checked="" type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Performance & Evaluation Report for Program Year Ending: <input type="checkbox"/> Revised Annual Statement (revision no:) <input type="checkbox"/> Summary by Development Account <input type="checkbox"/> Final Performance & Evaluation Report	
Line	Total Estimated Cost Original Revised ² Obligated Expended Total Actual Cost ¹
Signature of Executive Director 	

Part II: Supporting Pages											
PHA Name: Housing Authority of the County of Marin (CA052)		Grant Type and Number: CFP 501-11 Capital Fund Program Grant No: CA39P0525011				FFY of Grant: 2011		CFFP (Yes/No)		Status of Work	
Development Number/Name HA-wide Activities	General Description of Major Work Categories	Development Account Number	Quantity	Total Estimated Cost		Total Actual Cost	Revised				
				Original							
PHA-Wide	OPERATIONS			\$227,256							
	1406 OPERATIONS SUBTOTAL			\$227,256							
PHA-Wide	MANAGEMENT IMPROVEMENTS			\$227,256							
PHA-Wide	Staff Training										
PHA-Wide	Resident Employment Training										
PHA-Wide	Security and Crime Prevention										
PHA-Wide	Professional Consulting Services										
PHA-Wide	Computer Hardware and Software										
PHA-Wide	Business Systems Improvements										
PHA-Wide	Resident Initiatives										
	1408 MGMT IMPVT. SUBTOTAL			\$227,256							
PHA-Wide	ADMINISTRATION			\$113,628							
	1410 ADMIN. SUBTOTAL			\$113,628							
52-xx	FEES AND COSTS - Golden Gate Village			\$41,812							
52-xx	Architecture, Engineering and Planning			\$10,000							
52-xx	Legal Land Use and Surveys										
52-xx	Tests, Inspection and Permit Costs			\$10,000							
52-xx	Contin. of Modern./PETRA Planning			\$10,000							
52-xx	Environmental Assessment and Cleanup			\$10,000							
52-xx	FEES AND COSTS - Elderly/Disabled			\$24,542							
52-xx	Architecture, Engineering and Planning			\$10,000							
52-xx	Legal Land Use and Surveys										
52-xx	Tests and Inspection Costs			\$10,000							
52-xx	Permit Fees										
52-xx	Environmental Assessment and Cleanup			\$10,000							
	1430 FEES & COSTS SUBTOTAL			\$136,354						60% GCV and 40% Elderly	

To be completed for the Performance and Evaluation Report or a Revised Annual Statement
 To be completed for the Performance and Evaluation Report

Part II: Supporting Pages

PHA Name: Housing Authority of the County of Marin (CA052)		Grant Type and Number: CFP 501-11 Capital Fund Program Grant No: CA39P0525011			FFY of Grant: 2011		
Development Number/Name HA-wide Activities	General Description of Major Work Categories	Development Account Number	Quantity	Total Estimated Cost		Total Actual Cost	Status of Proposed Work (2)
				Original	Revised (1)		
52-xx	1450 SITE IMPROVEMENT						
52-001	GOLDEN GATE VILLAGE:						
52-001	Repair Waste Plumbing and Sewer			\$50,000			
52-001	Driveway and drainage Grate Repairs			\$20,000			
52-001	Security & Safety Improv., Locks			\$20,000			
52-001	504 Site Access to 5 UFAS units LR			\$12,168			
52-xx	Landscaping Irrigation Repairs			\$15,000			
52-xx					117,168		
52-xx	ELDERLY DISABLED						
52-xx	Irrigation/Landscape/Drainage - AMP Wide			\$20,000			
52-xx	Parking Lot repair & resurfacing AMP Wide			\$20,000			
52-xx	Energy Efficiency & Environ. Improvements			\$5,000			
52-xx							
	1450 SITE IMPVMT. SUBTOTAL			\$162,168			80% GGV and 20% Elderly
52-xx							
52-xx	1460 DWELLING STRUCTURES						
52-xx	GOLDEN GATE VILLAGE:						
52-xx	Increase 504 Access to Common Areas HR			\$11,169			
52-xx	Waterproofing, Drainage & Plumbing			\$35,000			
52-xx	Install new smoke alarms in bedrooms LR			\$30,450			
52-xx	Energy Efficiency & Environ. Improvements			\$5,000	76,619		
52-xx	KRUGER PINES						
52-xx	Elevator Modernization			\$55,000			
52-xx							
52-xx	CASA NOVA						
52-xx							
52-xx							
52-xx	VENETIA OAKS						
52-xx	Replace Windows/sliders and Dry Rot			\$93,000			
52-xx	HOMESTEAD TERRACE						
52-xx							
52-xx	1460 DWELLING SUBTOTAL			\$229,619			54% GGV and 46% Elderly
52-xx							
52-xx							
52-xx							
52-xx							
52-xx							
52-xx							

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

Capital Fund Program - Five-Year Action Plan

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

Part II: Supporting Pages - Work Activities

Work Statement for Year 2 FFY 2012		Work Statement for Year 3 FFY 2013					
Activities for Year 1 2011	Development Name/Number	Major Work Categories	Quantity	Estimated Cost	Quantity	Major Work Categories	Estimated Cost
Annual Statement	1406 OPERATIONS	PHA- Wide		227,256		PHA-Wide	227,256
	1408 MANAGEMENT IMPROVEMENT	PHA- Wide		227,256		PHA-Wide	227,256
	1410 ADMINISTRATION	PHA- Wide		113,628		PHA-Wide	113,628
	1430 FEES AND COSTS (AMP I)	A&E, Tests, Const. Mgmt. Permits, Etc.		76,720		A&E, Tests, Const. Mgmt. Permits, Etc.	76,720
	1430 FEES AND COSTS	Cont. of Modern/PETRA Planning		10,000		Cont. of Modern/PETRA Planning	10,000
	1430 FEES AND COSTS (AMP II)	A&E, Tests, Const. Mgmt. Permits, Etc.		51,146		A&E, Tests, Const. Mgmt. Permits, Etc.	51,146
	1450 SITE IMPROVEMENT (AMP I)	UFAS /Section 504 Access		30,000		UFAS/Section 504 Access	20,000
	Golden Gate Village - 52-1	Landscaping Irrigation, Stairs & Walks		9,456		Replace Asphalt Paving 409/419	116,000
		Drainage - hillside interceptor, sewers		15,000		Landscaping Irrigation, Stairs & Walks	15,000
	1460 DWELLING STRUCTURES						
	Golden Gate Village - 52-1	Repair, Waste Plumbing and Sewer		120,000		Kitchen and Bath Modernization	35,000
		Install Bedroom Smoke Alarms HR		30,450		Energy Effic. & Environ. Improvments	10,000
		Energy Effic. & Environ. Improvments		30,000			
	Sub Total 1460 Dwelling GGV	\$	281,626				
	1450 SITE IMPROVEMENT (AMP II)						
Venetia Oaks (CA39PO52002)	Elderly Wide Landscaping/Irrigation		10,000		Elderly Wide Landscaping/Irrigation	20,000	
Homestead Terrace			0		Resurface parking lots AMP Wide	20,000	
Casa Nova	Safety & Lighting Improv. AMP Wide		10,370				
Kruger Pines							
Golden Hinde							
Sub Total 1450 Site Improv. Elderly	\$	20,370					
1460 DWELLING STRUCTURES							
Elderly/Disabled	Energy Effic. & Environ. Improvmt AMP Wide		20,000		Baths/Kitchen Renovations AMP Wide	44,276	
Venetia Oaks (CA39PO52002)	Baths/Kitchen Modernizations		30,000		Repaint Exteriors - Elderly Wide	90,000	
Homestead Terrace	Decks, Walkways and Siding		40,000		Energy Effic. & Environ. Improvmt AMP Wide	10,000	
Casa Nova	Elevator Modernization		70,000		Window Replacement and dry rot	35,000	
Kruger Pines	Install Bedroom Smoke Alarms		15,000		Install Bedroom Smoke Alarms	15,000	
Golden Hinde							
Sub Total 1460 Dwelling Elderly	Total of CFP Estimated Cost		\$1,136,282		Total of CFP Estimated Cost	\$1,136,282	

Capital Fund Program Five-Year Action Plan

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

Part II: Supporting Pages - Work Activities

Activities for Year 1 2011	Work Statement for Year 4 FFY 2014 0		Work Statement for Year 5 FFY 2015 0			
	Development Name/Number	Major Work Categories	Estimated Cost	Development Name/Number	Major Work Categories	Estimated Cost
Annual Statement	1406 OPERATIONS	PHA-Wide	227,256	1406 OPERATIONS	PHA - Wide	227,256
	1408 MANAGEMENT IMPROVEMENT	PHA-Wide	227,256	1408 MANAGEMENT IMPROVEMENT	PHA - Wide	227,256
	1410 ADMINISTRATION	PHA-Wide	113,628	1410 ADMINISTRATION	PHA - Wide	113,628
	1430 FEES AND COSTS (AMP I)	A&E, Tests, Const. Mgmt., Permits, Etc.	45,000	1430 FEES AND COSTS (AMP I)	Golden Gate Village	45,000
	1430 FEES AND COSTS (AMP II)	Cont. of Modern./PETRA Planning	10,000	1430 FEES AND COSTS (AMP II)	Cont. of Modern./PETRA Planning	10,000
	1430 FEES AND COSTS (AMP I)	A&E, Tests, Const. Mgmt., Permits, Etc.	30,000	1430 FEES AND COSTS (AMP I)	A&E, Tests, Const. Mgmt., Permits, Etc.	30,000
	1450 SITE IMPROVEMENT (AMP I)	UFAS/Section 504 Access	15,000	1450 SITE IMPROVEMENT (AMP I)	UFAS/Section 504 Access	5,000
	Golden Gate Village - 52-1	Retaining walls, drainage swalls	10,000	Golden Gate Village - 52-1	Retaining walls, erosion work, sewers	5,000
		Trip Hazards, concrete walks/stairs			Trip Hazards, concrete walks/stairs	10,000
					Resurface Parking Lots	136,000
	1460 DWELLING STRUCTURES	Energy Effic. & Environ. Imprmnts	5,000	1460 DWELLING STRUCTURES	Energy Effic. & Environ. Imprmnts	5,000
	Golden Gate Village - 52-1	Repair Water Dist. System	138,000	Golden Gate Village - 52-1	Security & Safety Improv., locks (AMP I)	10,000
		Repair Waste Plumbing and Sewer	35,000		Repair Waste Plumbing and Sewer	35,000
		Kitchen/Bath Modernization AMP I	30,000		Replace Appliances	10,000
		Install Blrm Smoke Detectors HR	15,191		Kitchen/Bath Modernization AMP I	63,772
Sub Total 1460 Dwelling GGV	273,191		Sub Total 1460 Dwelling GGV	309,772		
1450 SITE IMPROVEMENT (AMP II)	UFAS/Section 504 Access (AMP II Wide)	5,000	1450 SITE IMPROVEMENT (AMP II)	UFAS/Section 504 Access (AMP II Wide)	5,000	
Venetia Oaks (CA39PO52002)	Landscape/Irrigation (AMP II Wide)	9,951	Venetia Oaks (CA39PO52002)	Landscape/Irrigation (AMP II Wide)	10,000	
Homestead Terrace	Parking Lot Resurfacing (AMP II Wide)	20,000	Homestead Terrace	Parking Lot Resurfacing AMP II Wide	20,000	
Casa Nova	Sewer and Water Dist. (AMP II Wide)	30,000	Casa Nova	Security & Safety Improv., locks AMP II Wide		
Kruger Pines			Kruger Pines	HVAC Repairs (AMP II Wide)	38,370	
Golden Hinde			Golden Hinde			
Sub Total 1450 Site Imprv. Elderly	14,951		Sub Total 1450 Site Imprv. Elderly	15,000		
1460 DWELLING STRUCTURES	Baths/Kitchen Renovations AMP II	50,000	1460 DWELLING STRUCTURES	Baths/Kitchen Renovations AMP II	80,000	
Venetia Oaks (CA39PO52002)			Venetia Oaks (CA39PO52002)			
Homestead Terrace			Homestead Terrace			
Casa Nova			Casa Nova			
Kruger Pines			Kruger Pines			
Golden Hinde			Golden Hinde			
Sub Total 1460 Dwelling Elderly	94,951		Sub Total 1460 Dwelling Elderly	125,000		
	Total of CFP Estimated Cost	\$1,136,282		Total of CFP Estimated Cost	\$1,136,282	

MHA
AGENCY PLAN
SECTION
9.0 & 9.1

Marin Housing's Strategy for Addressing the Housing Needs

Shared Housing Programs

Marin Housing will provide a Shared Housing Program to increase the affordable housing options in Marin for extremely low-income residents.

Acquisition

Marin Housing staff is working with the local foundation in an effort to purchase units to create additional affordable units and take advantage of lower priced housing market and possible foreclosures.

Project Base Vouchers

Marin Housing has partnered with two non-profit housing developers to develop a total of 73 new units of senior housing through the use of project based vouchers.

HOME Tenant Based Rental Program

Marin Housing will submit a grant proposal in December 2010 for 35 HOME TBA units to serve families living in the homeless shelter.

Family Unification Program FUP

Marin Housing will be submitting a grant proposal for 50 FUP vouchers in collaboration with the County family services program.

Homeownership Programs

HCV FSS/HOMEOWNERSHIP PROGRAM

Marin County's location in the heart of the San Francisco Bay Area is adversely affected by the prohibitive cost of property values. In spite of this, we have two successful homeownership programs. Marin Housing's Housing Choice Voucher FSS/ Homeownership Program currently has 18 homeowners. Marin Housing's HCV Homeownership Program serves all eligible HCV holders and is not limited to FSS Participants. Of these families 44% are minorities, 39% are disabled, 67% are single female head of household, and 50% are current or former FSS participants. Additionally, MHA strives to tailor the required Homeownership Education and Counseling Courses to the needs of diverse populations. Referrals are made to service providers who teach the course in Spanish, Vietnamese, or offer an online course for mobility challenged disabled clients.

BELOW MARKET RATE HOMEOWNERSHIP PROGRAM

Marin Housing also provides a Below Market Rate Homeownership Program which is open to low to moderate income first time home buyers throughout the county. This program has a current inventory of approximately 300 properties all located in communities outside of concentrated poverty. This program is administered via lottery and all fair housing requirements are closely adhered to.

Referral Services

Marin Housing provides referral call services for those searching for affordable housing.

Excerpt:
Marin County
Consolidated
Plan

91.205 HOUSING AND HOMELESS NEEDS ASSESSMENT

91.205(a) General

The Consolidated Plan projects housing needs in Marin County for the five year period between Fiscal Years 2010 and 2014. A discussion of the data gathered in the planning process to arrive at these projections can be found in section 91.200.

Local housing agencies believe that the 2000 Census figures for extremely low income, very low income, and low income households understate the total housing need over the five year period covered by this report. For this reason, this Consolidated Plan used Census data where generally deemed reliable and local data and estimates when deemed more accurate. Local social service agencies believe that minority households were under-reported in the Census data and these households tend to have larger families and more serious unmet housing needs than the county average. Additional data was gathered by the Health & Human Services Lead Agency for the Continuum of Care (CoC) through the Homeless Management Information System (HMIS) a collaboration of eight key homeless housing and service providers.

Marin County receives funding from the Housing Opportunities for Persons with AIDS (HOPWA) Program through the City and County of San Francisco, which receives HOPWA funding on behalf of the Counties of Marin, San Francisco, and San Mateo. The San Francisco Consolidated Plan, which was prepared in consultation with the County of Marin, includes a metropolitan-wide strategy to address the needs of people living with HIV and their families.

91.205(b) Categories of Persons Affected

91.205(b)(1) The Numbers and Types of Households in Need of Housing

Housing needs have escalated in Marin over the past decade, and particularly in the last few years. There is a greater need for rental housing since once overly generous bank lending policies, which allowed many to purchase homes which they may not have been able to afford if prudent lending standards had been applied, have reverted to more conventional qualification standards. Cutbacks in federal, state, and local housing programs and human service support programs have further increased the unmet demand for assistance. Housing costs initially rose dramatically in Marin County in the first few years since the 2005-09 Consolidated Plan was published, but declined, along with the rest of the nation's property values, during the recession beginning in 2008. Recently, property values have stabilized and have increased slightly.

Needs of the Extremely Low Income

Table 1A, The Continuum of Care Chart, and HUD Table 2a, Priority Needs Summary Table, estimate the needs of the homeless (which represent a large percentage of the

extremely low income) for various types of housing. HUD Table 2a estimates the cost of providing the needed emergency, transitional, and permanent housing to meet this need.

Housing assistance for extremely low income persons who are homeless or at risk of homelessness will continue to be a priority over the next five years. If resources are available, the County will continue to make funding commitments to projects serving the needs of extremely low income families and individuals who are in imminent danger of becoming homeless and have neither permanent housing nor an adequate support network.

Marin County will continue to make funding commitments to programs which prevent homelessness and address the unmet needs of homeless families and individuals, the mentally ill, alcohol and drug abusers, victims of domestic violence, runaway and abandoned youth, those in need of emergency shelter, and those with transitional housing needs. Permanent housing will be provided for those capable of independent living, and housing and supportive services will be provided for those not capable of living independently.

There is a critical need for assisted living housing for extremely low income seniors in Marin. Assisted living combines housing with the supportive services that are needed to assist seniors and people with disabilities with the activities of daily living. While there has been development of market-rate assisted living housing, there is an unmet need for assisted living units affordable to extremely low income people. There are no state or federal funds designated for providing financial aid for residents of assisted living facilities.

**Table 1A
Homeless and Special Needs Populations
Continuum of Care: Housing Gap Analysis Chart**

		Current Inventory	Under Development	Unmet Need/ Gap
Individuals				
Example	Emergency Shelter	100	40	26
Beds	Emergency Shelter	120	0	0
	Transitional Housing	139	0	141
	Permanent Supportive Housing	399	0	528
	Total	658	0	669
Persons in Families With Children				
Beds	Emergency Shelter	54	0	0
	Transitional Housing	275	0	226
	Permanent Supportive Housing	95	0	52
	Total	424	0	278

Continuum of Care: Homeless Population and Subpopulations Chart

Part 1: Homeless Population	Sheltered		Unsheltered	Total
	Emergency	Transitional		
Number of Families with Children (Family Households):	13	62	10	85
1. Number of Persons in Families with Children	50	180	29	259
2. Number of Single Individuals and Persons in Households without children	211	156	400	767
(Add Lines Numbered 1 & 2 Total Persons)	261	336	429	1,026
Part 2: Homeless Subpopulations	Sheltered		Unsheltered	Total
a. Chronically Homeless	92			
b. Seriously Mentally Ill	103			
c. Chronic Substance Abuse	135			
d. Veterans	44			
e. Persons with HIV/AIDS	8			
f. Victims of Domestic Violence	126			
g. Unaccompanied Youth (Under 18)	1			

**HUD Table 1B
Special Needs of the Non-Homeless**

Sub-Populations	Priority Need High, Medium, Low, No Such Need	Estimated Priority Units	Estimated Dollars to Address
Elderly	Medium	1,000	\$300,000,000
Frail Elderly	High	500	\$175,000,000
Severe Mental Illness	Medium	500	\$175,000,000
Developmentally Disabled	Medium	30	\$8,000,000
Physically Disabled	Medium	1,000	\$300,000,000
Persons w/ Alcohol/Other Drug Addictions	Medium	150	\$15,000,000
Persons w/ HIV/AIDS	Medium	20	\$6,000,000
Other (Specify)			
Total			\$979,000,000

HUD Table 2C
Summary of Specific Housing and Community Development Objectives
(Table 2A Continuation Sheet)

Applicant's Name Marin County, California

Priority Need Category
Community Development

Specific Objective
Number H-1

Marin County will use federal funds to address the affordable housing needs of low income persons by funding an average of 3 projects per year, allocating an average of \$1,830,000 in CDBG and HOME funds annually.

Specific Objective
Number C-1

Marin County will use federal funds to acquire and or rehabilitate community facilities serving the needs of low income persons by funding an average of 6 capital improvement projects per year, allocating an average of \$600,000 in CDBG funds annually

Specific Objective
Number PS-1

Marin County will use federal funds to address basic human needs of low income persons by funding an average of 15 public service projects per year, allocating an average of \$250,000 in CDBG funds annually.

**Table 2A
Priority Needs Summary Table**

PRIORITY HOUSING NEEDS (households)		Percent of Median Income	Priority Need Level	Unmet Need	Goals
Renter	Small Related	0-30%	High	1,710	\$547,200,000
		31-50%	High	1,764	\$564,480,000
		51-80%	Medium	2,544	\$814,080,000
	Large Related	0-30%	High	414	\$132,480,000
		31-50%	High	623	\$199,360,000
		51-80%	Medium	844	\$270,080,000
	Elderly	0-30%	High	1,690	\$540,800,000
		31-50%	High	988	\$316,160,000
		51-80%	Medium	980	\$313,600,000
	All Other	0-30%	High	2,595	\$830,400,000
		31-50%	High	1,634	\$522,880,000
		51-80%	Medium	3,559	\$1,138,880,000
Owner	0-30%	Low	3,657	\$1,170,240,000	
	31-50%	Low	4,316	\$1,381,120,000	
	51-80%	Low	7,645	\$2,446,400,000	
Special Populations		0-80%	High	3,200	\$1,024,000,000
Total Goals					\$12,212,160,000
Total 215 Goals*					\$9,334,186,700

*Total 215 Goals = Total Goals, excluding rental units for households at 51%-80% of median income, and excluding 1/3 of special populations units for households at 0-80% of median income.

Excerpt:
Marin County
Housing
Element

single family housing comprising 63% of the total units added. Based on 2000 data from the California Department of Finance, the unincorporated area has 22,201 single-family homes (82% of all housing stock) and 4,886 multi-family homes (18% of all housing stock), for a total of 27,087 homes. Table 2 shows the breakdown of housing by type.

Table 2: Number of Single Family and Multiple Family Homes Added by Jurisdiction (1990-2000)

Year	Single Family Detached	%	Single Family Attached	%	Single Family Total	% of Total Units	2 to 4 Units	%	5 or More Units	%	Multi Family Total	% of Total Units	Total Housing Units Added
Belvedere	12	100%	0	0%	12	100%	0	n/a	0	n/a	0	0%	+12
Corte Madera	164	96%	7	4%	171	90%	18	100%	0	0%	18	10%	+189
Fairfax	40	100%	0	0%	40	100%	0	n/a	0	n/a	0	0%	+40
Larkspur	98	100%	0	0%	98	29%	7	3%	235	97%	242	71%	+340
Mill Valley	106	92%	9	8%	115	91%	0	0%	11	100%	11	9%	+126
Novato	930	89%	110	11%	1,040	77%	22	7%	289	93%	311	23%	+1,351
Ross	17	100%	0	0%	17	100%	0	n/a	0	n/a	0	0%	+17
San Anselmo	39	100%	0	0%	39	91%	4	100%	0	0%	4	9%	+43
San Rafael	409	70%	174	30%	583	34%	123	11%	1,025	89%	1,148	66%	+1,731
Sausalito	37	109%	-3	-9%	34	64%	9	47%	10	53%	19	36%	+53
Tiburon	326	94%	20	6%	346	100%	-2	n/a	3	n/a	1	0%	+347
Marin Unincorp.	917	95%	51	5%	968	77%	50	18%	234	82%	284	23%	+1,252
Marin Co. Total	3,095	89%	368	11%	3,463	63%	231	11%	1,807	89%	2,038	37%	+5,501

Source: California Department of Finance, 1990-2000

Age and Condition of the Housing Stock

About two-thirds of the existing homes in Marin County were built more than 30 years ago. In general, the condition of the housing stock in Marin County is good. The CDBG Rehabilitation Loan Program provided 21 loans totaling \$480,000 in 2000. The program has served 533 low and very-low-income homeowners throughout the County since its inception, with 214 of those homes are in the unincorporated area. The program expects to provide loans to 99 homes during this Housing Element period. Specific programs include single-family home repair loans, emergency repair and accessibility grants, exterior enhancement rebates, weatherization and home security grants for seniors, and a multi-family rehabilitation loan program. County policies have continued to support and expand these efforts.

Household Characteristics

Household Types

The Census Bureau in their count defines a household as all persons who occupy a housing unit, including families, single people, or unrelated persons. Persons living in licensed facilities or dormitories are not considered households. There were 100,650 households in Marin County in 2000, of which about 60 percent were families and 40 percent were non-family households. About 30% of all households were people

Table 3: Distribution of Households By Type

Jurisdiction	Family Households	Family Age 65+	Single Person Households	Single Person Age 65+	Non-Family Household (2+)	Non-Family (2+) Age 65+	Total Households	Total HH Age 65+
Marin Unincorporated	16,333	3,520	6,642	1,994	2,459	327	25,434	5,841
Marin County Total	60,679	12,830	30,041	9,613	9,930	1,171	25,434	23,614

Source: 2000 U.S. Census

living alone, with about one-third of those being individuals who are age 65 or over — representing about 10 percent of all households. Table 3 shows the distribution of households by type in 2000.

According to the 2000 Census, the average household size in Marin County was 2.40 persons. The countywide average household size is expected to increase to 2.41 by 2005, before declining to 2.39 by 2020. Compared to the rest of the Bay Area, Marin County's average household size is lower, averaging 0.3 fewer persons per household.

Small households generate less impact on a per unit basis than larger households, although, high housing prices can force people to share living accommodations, thereby increasing household size. Marin County's aging population, discussed earlier, also reduces the occupancy rate as children move out and mortality increases. On average, renter households in Marin County (2.21 persons per household in 2000) are smaller than owner households (2.42 persons per household in 2000).

Housing Tenure

Tenure refers to whether a housing unit is rented or owned. According to the 2000 Census figures, there were 64,024 owner-occupied units in Marin County (61 percent of all units) and 36,626 renter-occupied units (35 percent of the total) in the year 2000. This is an increase in the percentage of owner-occupied units in comparison to 1990 (when 59 percent were owner-occupied and 36 percent were rented), which also reflects that a higher proportion of single-family homes were built as compared to multi-family units. In the unincorporated area of Marin County, as shown in Table 4, there is even a higher rate of ownership, with 66% of the units being owner-occupied (65% in 1990), and 27% being renter-occupied (29% in 1990).

Vacancy Rate Trends

The vacancy rates for housing in Marin County (from the 1990 and 2000 U.S. Census) have decreased since 1990, when the Census recorded a vacancy rate of 4.7 percent. In 2000, the total vacancy rate was recorded at 4.1 percent. However, the effective vacancy rate for rental housing units is 2.2 percent, which excludes units that are unavailable as long-term rentals. The 2.2 percent figure is indicative of a very tight rental housing market in which demand for units exceeds the available supply. Based on rent level surveys, the rental vacancy rate is most likely much tighter for units affordable to very low, low and even moderate-income households. Table 5 shows vacancy rates in Marin County in 2000.

Table 4: Housing Units by Tenure by Jurisdiction (1990 and 2000)

	1990				2000			
	Renter	Owner	Vacant	Total	Renter	Owner	Vacant	Total
Belvedere	223	741	73	1,037	239	717	103	1,059
Percent	22%	71%	7.0%	100%	23%	68%	9.7%	100%
Corte Madera	1,087	2,490	140	3,717	1,038	2,738	74	3,850
Percent	29%	67%	3.8%	100%	27%	71%	1.9%	100%
Fairfax	1,250	1,842	133	3,225	1,275	2,031	112	3,418
Percent	39%	57%	4.1%	100%	37%	59%	3.3%	100%
Larkspur	2,811	2,911	243	5,965	3,081	3,061	271	6,413
Percent	76%	78%	3.8%	160%	80%	80%	7.0%	167%
Mill Valley	2,072	3,883	178	6,133	2,121	4,026	139	6,286
Percent	34%	63%	2.9%	100%	34%	64%	2.2%	100%
Novato	6,947	11,289	546	18,782	6,009	12,515	470	18,994
Percent	37%	60%	2.9%	100%	32%	66%	2.5%	100%
Ross	45	679	51	775	98	663	44	805
Percent	6%	88%	6.6%	100%	12%	82%	5.5%	100%
San Anselmo	1,766	3,364	195	5,325	1,751	3,516	141	5,408
Percent	33%	63%	3.7%	100%	32%	65%	2.6%	100%
San Rafael	9,240	11,055	846	21,141	10,346	12,025	577	22,948
Percent	44%	52%	4.0%	100%	45%	52%	2.5%	100%
Sausalito	2,103	1,990	285	4,378	2,166	2,088	257	4,511
Percent	48%	45%	6.5%	100%	48%	46%	5.7%	100%
Tiburon	1,107	2,166	170	3,443	1,121	2,591	181	3,893
Percent	32%	63%	4.9%	100%	29%	67%	4.6%	100%
Unincorporated	7,364	16,581	1,891	25,836	7,381	18,053	1,971	27,405
Percent	29%	65%	7.4%	102%	27%	66%	7.2%	100%
Total County	36,015	58,991	4,751	99,757	36,626	64,024	4,340	104,990
Percent	36%	59%	4.8%	100%	35%	61%	4.1%	100%

Source: California Department of Finance; U.S. Census, 2000; Baird + Driskell

Table 5: Vacancy Status for Vacant Housing Units by Jurisdiction (2000)

	<i>Effective</i>		Rented or For Seasonal/		For		Total Vacant	Vacancy Rate for All Units
	For Rent	<i>Vacancy % for Rentals</i>	For Sale	For Sold/Not Occupied	Mirgrant Workers	Other Vacant		
Belvedere	10	4.0%	4	11	59	0	19	9.7%
Corte Madera	20	1.9%	9	9	14	1	21	1.9%
Fairfax	42	3.2%	13	8	27	0	22	3.3%
Larkspur	70	2.2%	18	18	94	0	71	4.2%
Mill Valley	36	1.7%	24	20	28	0	31	2.2%
Novato	151	2.5%	120	75	51	0	73	2.5%
Ross	6	5.8%	3	3	11	0	21	5.5%
San Anselmo	34	1.9%	9	19	31	0	48	2.6%
San Rafael	181	1.7%	108	40	111	0	137	2.5%
Sausalito	68	3.0%	12	36	106	0	35	5.7%
Tiburon	36	3.1%	18	23	77	0	27	4.6%
Unincorporated	152	2.0%	86	138	1,293	5	297	7.2%
Total County	806	2.2%	424	400	1,902	6	802	4.1%

Source: U.S. Census, 2000; Baird + Driskell

In general, a higher vacancy rate is considered necessary by housing experts to assure adequate choice in the marketplace and to temper the rise in home prices. A 5.0 percent rental vacancy rate is considered necessary to permit ordinary rental mobility. In a housing market with a lower vacancy rate, tenants will have difficulty locating appropriate units and strong market pressure will inflate rents. Thus, the 1990's have seen a significant tightening in the local housing market, a phenomenon that has been experienced in many Bay Area communities. Nationwide, there was a sharp drop in multifamily housing construction during the 1990's, which contributed to low vacancy rates and rising rents. According to a study conducted by University of Southern California demographer and planner Dowell Myers, the reason for the drop was due to the loss of federal tax credits, local resistance to apartment construction, litigation and liability issues, and population changes.

In addition, the lower the vacancy rate the greater the tendency for landlords to discriminate against potential renters. Fair Housing of Marin is a civil rights agency that investigates housing discrimination, including discrimination based on race, origin, disability, gender, and children. Their caseload consists almost entirely of renters. The organization receives approximately 1,200 inquiries a year, of which about 250 are discrimination complaints that are fully investigated. Fair Housing of Marin also educates landowners on fair housing laws, provides seminars in English, Spanish, and Vietnamese on how to prepare for a housing search and recognize discrimination, and education programs on the importance of community diversity in schools, which includes an annual "Fair Housing" poster contest.

What Various Jobs Pay (2000)

■ Examples of Very Low Income Jobs (Maximum of \$28,050/year or \$2,338/month for a single person household)

Bookkeeper/Accountant
Cashier
Restaurant Cook
Customer Service Representative
Emergency Medical Technician
Pharmacy Aide
Receptionist
Recreation Worker
Retail Salesperson
Childcare Instructor, City of San Rafael, \$18,432/yr.
Housing Assistline Worker, Marin Housing, \$25,956/yr.

■ Examples of Low Income Jobs (Maximum of \$44,850/year or \$3,738/month for a single person household)

Park Ranger
Experienced Carpenter
Electrician
Elementary School Teacher
Financial Manager
Courtroom Clerk, County Courts, \$39,180/yr.
Custodian, County of Marin, \$31,848/yr.
Dispatcher, County of Marin, \$36,432/yr.
Elections Clerk, County of Marin, \$31,956/yr.
Family Support Officer, County of Marin, \$32,796/yr.
Open Space Ranger, County of Marin, \$40,212/yr.
Small Claims Advisor, County Courts, \$31,284/yr.
Street Maintenance Worker, Fairfax, \$28,836/yr.
Children's Librarian, Corte Madera, \$42,828/yr.
Customer Service Rep, MMWD, \$42,840/yr.
Account Clerk II, San Rafael, \$34,632/yr.

■ Examples of Moderate Income Jobs (Maximum of \$67,300/year or \$5,608/month for a single person household)

Nurse Practitioner
Fire Inspector
Police Supervisor
Mechanical Engineer
Pharmacist
Administrative Analyst, San Rafael, \$53,052/yr.
Entry Level Firefighter, San Rafael, \$51,192/yr.
Police Officer, Twin Cities, \$57,600/yr.

Overcrowding

Overcrowded housing is defined by the US Census as units with more than one inhabitant per room, excluding kitchens and bathrooms. Year 2000 Census data on overcrowding are not yet available. In 1990, as shown in Table 6, the incidence of overcrowding in Marin County was one percent for owner-occupied units, and six percent for rental units. However, it is likely that 1990 Census counts of overcrowding underestimated the actual occurrence, as households living in overcrowded situations were unlikely to provide accurate data on other household members who might be living in the unit illegally or in violation of their rental agreement.

It is also likely that the incidence of overcrowding has *increased* over the 1990 levels, given the increase in housing prices relative to local incomes, the increase in the average household and family size, and the very low vacancy rates reported in the Census statistics. It should also be noted that studies show that overcrowding results in a multitude of negative public health indicators, including increased transmission of tuberculosis and hepatitis. In addition, studies show increases in domestic violence, sexual assault, mental health problems and substance abuse related to overcrowded living conditions.

Table 6: Overcrowded Housing Units by Tenure by Jurisdiction
(Housing Units with More Than One Person Per Room)

	Renters ¹	Owners ¹	Total ² Overcrowded	Total Occupied Housing Units
Unincorporated	300	102	402	23,945
Percent	4%	1%	2%	
Total County	2,056	418	2,474	95,006
Percent	6%	1%	3%	
Bay Area	122,399	54,424	176,823	2,246,242
	13%	4%	8%	
California	876,133	339,482	1,215,615	10,381,206
	19%	6%	12%	

¹Shows the percentage of overcrowded renter or owner housing units

²Shows the percentage of overcrowded housing to total housing units

Source: U.S. Census, 1990

Housing Costs, Household Income and the Ability to Pay for Housing

Household Income

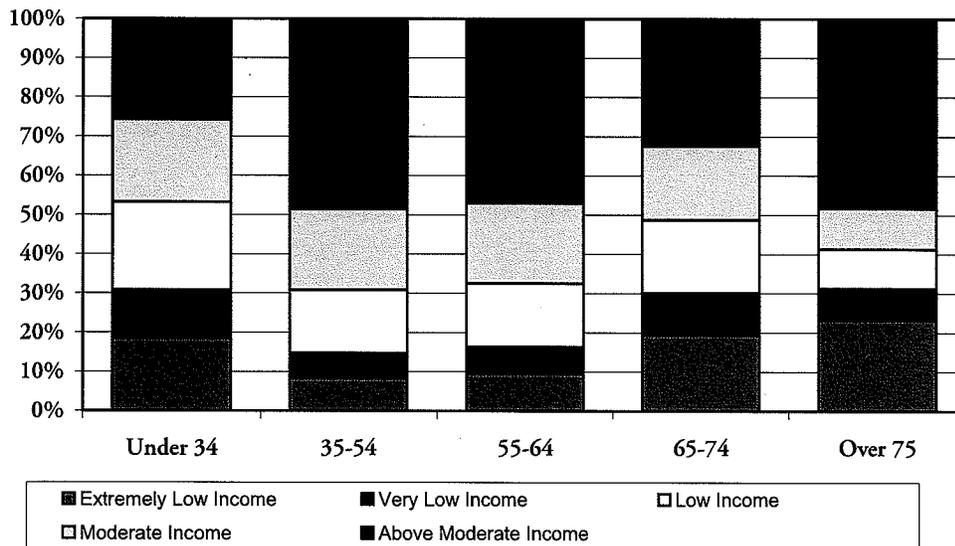
Income is defined as wages, salaries, pensions, social security benefits, and other forms of cash received by a household. Non-cash items, such as Medicare and other medical insurance benefits, are not included as income. It is generally expected that people can afford to pay about a third of their income on housing. Housing cost includes principal, interest, property taxes and insurance, but not utilities, food, etc. It is therefore critical to understand the relationship between household incomes and housing costs to determine how affordable—or unaffordable—housing really is.

It is currently estimated that 39% of all Marin County households (see graph below) fall in the extremely low, very low and low-income categories, earning less than 80% of median income. There is an even a greater proportion of very low and low-income households among renters. It is estimated in 2000 that 55% of all renters in Marin County fall in the extremely low, very low and low-income categories, earning less than \$64,100 for a family of four. Although the average household income in Marin County has been increasing, the number of households that fall in these income categories has also increased.

Information on household income by household size is maintained by the U.S. Department of Housing and Urban Development (HUD) for each county and updated annually. Income categories are defined as a percentage of Marin County Median Household Income for four person households: (1) *Extremely Low Income*—Below 35% of median income; (2) *Very-Low Income*—Below 50% of median income; (3) *Low Income*—50-80% of Marin County median income; (4) *Moderate Income*—80-120% of Marin County median income; and (5) *Above-Moderate Income*—120% and above.

Figures 1, 2 and 3 below and on the next page show a breakdown of current households in Marin County by age of householder and income category. While middle age households (35-54 years of age) comprise the majority of households in Marin County, proportionately the most significant very low income housing need is in younger households (under 34) and seniors (65 years plus).

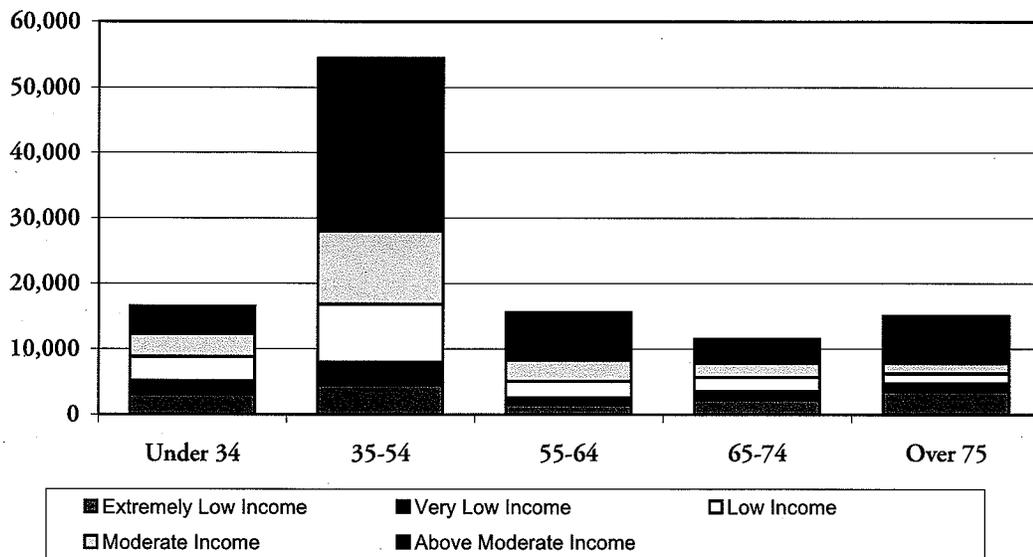
Figure 1: Estimated Distribution of Marin County Households by Age (2000)



Sales Prices and Rents

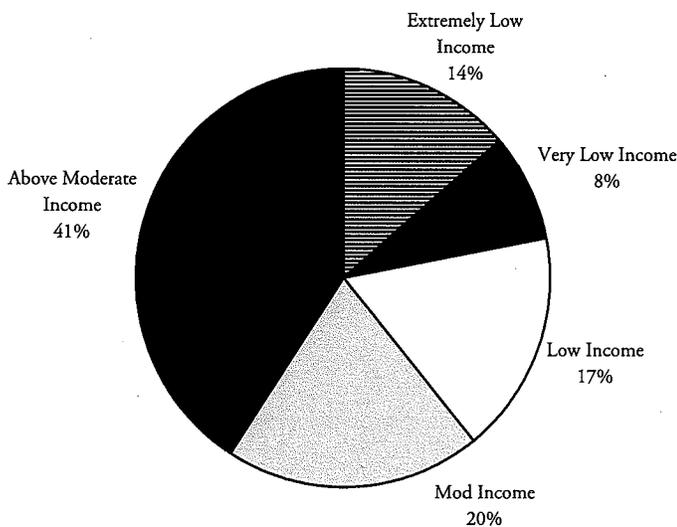
From 1993 to 2000 the median home sales price in Marin County increased from \$314,250 to \$523,000. The median price for a single family detached home in Marin

Figure 2: Estimated Distribution of All Households in Marin County by Age and Income



County in 2000 was \$599,000, requiring an income over \$150,000 per year to qualify for a loan. The median price of a townhome or condominium in 2000 was \$315,000, which would require an income over \$84,000 per year to qualify for a conventional loan.

Figure 2.20: Distribution of Marin County Households By Income Category (2000)



According to rental data compiled by Michael Burke of Frank Howard Allen, rents in Marin County have increased 23% over the last two years for one-bedroom units and 22% for two-bedroom units. The average rent for a one-bedroom unit in Marin County increased from \$775 in 1992 to \$1,334 in the third quarter of 2000. The average rent for a two-bedroom unit in Marin County increased from \$931 in 1992 to \$1,607 in the third quarter of 2000. Table 7 shows average rents in Marin County in 1999 and 2000 as compiled by RealFacts, Inc.

Table 7: Marin County Average Rent by Unit Type in Apartment Complexes of Over 50 Units, 1999-2000

Type of Unit Bed/Bath	Jan- Mar 1999	April- June 1999	July- Sept 1999	Oct- Dec 1999	Jan- Mar 2000	April- June 2000	July- Sept 2000	Oct- Dec 2000	Last Four Quarters Change +/-	Average 1999	Average 2000	% Change Jan 2000 - Dec 2000	% Change Jan 1999 - Dec 2000
0/1	\$855	\$870	\$891	\$922	\$942	\$981	\$1,020	\$1,024	11.1%	\$885	\$992	8.7%	19.8%
1/1	\$1,172	\$1,195	\$1,220	\$1,247	\$1,264	\$1,326	\$1,419	\$1,480	18.7%	\$1,209	\$1,372	17.1%	26.3%
2/1	\$1,237	\$1,248	\$1,278	\$1,312	\$1,333	\$1,397	\$1,440	\$1,508	14.9%	\$1,269	\$1,420	13.1%	21.9%
2/2	\$1,505	\$1,533	\$1,578	\$1,620	\$1,656	\$1,724	\$1,883	\$1,921	18.6%	\$1,559	\$1,796	16.0%	27.6%
2 TH	\$1,550	\$1,579	\$1,601	\$1,521	\$1,528	\$1,699	\$1,757	\$1,790	17.7%	\$1,563	\$1,694	17.1%	15.5%
3/2	\$1,923	\$1,909	\$2,017	\$2,075	\$2,087	\$2,331	\$2,640	\$2,621	26.3%	\$1,981	\$2,420	25.6%	36.3%
3 TH	\$1,911	\$1,948	\$1,958	\$2,130	\$2,130	\$2,346	\$2,396	\$2,382	11.8%	\$1,987	\$2,314	11.8%	24.6%
Average	\$1,356	\$1,376	\$1,414	\$1,446	\$1,466	\$1,558	\$1,687	\$1,750	21.0%	\$1,398	\$1,615	19.4%	29.1%
Overall													
Occupancy	97.2%	97.5%	97.8%	97.3%	98.2%	98.7%	98.8%	97.7%	0.4%	98.3%	98.4%	-0.5%	0.5%
Vacancy	2.8%	2.5%	2.2%	2.7%	1.8%	1.3%	1.2%	2.3%		2.6%	1.7%		

Source: RealFacts, Inc., 2001

The Ability to Pay for Housing

Housing that costs 30% or less of a household's income is referred to as "affordable housing." Because household incomes and sizes vary, the price, which is considered "affordable" for each household also varies. For example, a large family with one small income could afford a different type of housing than a double-income household with no children.

Households 'overpay' for their housing when they must pay more than 30 percent of their income on housing. Because income and housing cost data from the 2000 Census are not yet available, estimates of current overpayment in Marin County are based on 1990 Census data applied to 2000 data on housing tenure. Approximately 47 percent of renters are estimated to be overpaying for housing (i.e., paying greater than 30 percent of their income on housing) in 2000, while approximately one-third of owners are overpaying for housing.

Tables 8 and 9 below translate each of the income categories into 'affordable rents' and 'affordable home prices.' These are the rents and home prices that a household earning that level of income could be expected to pay if they were to spend 30 percent of their income on housing (33% for owner-occupied housing). The exact amount that one could pay would of course depend on the amount of down payment and the specific terms of their mortgage. These are rough calculations, meant as 'indicators' only. They demonstrate the "gap" between market prices and affordability at various income levels.

Given the household income trends and housing cost trends discussed previously, it is reasonable to conclude that the incidence of overpayment for very low, low and

Table 8: Estimate of the Ability to Pay for Sales Housing (2001)

Household Size and Income Category	Monthly Income	Annual Income	"Rule of Thumb"		Gap Between		Gap Between "Rule of Thumb" Price and Median TH/C Unit
			Home Price at Four Times Annual Income	Median Priced Single Family Detached Unit	"Rule of Thumb" Price and Median SFD Unit	Median Priced Townhouse and Condo Unit	
Single Person							
Extremely Low Income	\$1,638	\$19,650	\$78,600	\$599,000	-\$520,400	\$315,000	-\$236,400
Very Low Income	\$2,338	\$28,050	\$112,200	\$599,000	-\$486,800	\$315,000	-\$202,800
Low Income	\$3,738	\$44,850	\$179,400	\$599,000	-\$419,600	\$315,000	-\$135,600
Median Income	\$4,671	\$56,050	\$224,200	\$599,000	-\$374,800	\$315,000	-\$90,800
Moderate Income	\$5,608	\$67,300	\$269,200	\$599,000	-\$329,800	\$315,000	-\$45,800
Two Persons							
Extremely Low Income	\$1,871	\$22,450	\$89,800	\$599,000	-\$509,200	\$315,000	-\$225,200
Very Low Income	\$2,671	\$32,050	\$128,200	\$599,000	-\$470,800	\$315,000	-\$186,800
Low Income	\$4,271	\$51,250	\$205,000	\$599,000	-\$394,000	\$315,000	-\$110,000
Median Income	\$5,342	\$64,100	\$256,400	\$599,000	-\$342,600	\$315,000	-\$58,600
Moderate Income	\$6,408	\$76,900	\$307,600	\$599,000	-\$291,400	\$315,000	-\$7,400
Four Persons							
Extremely Low Income	\$2,338	\$28,050	\$112,200	\$599,000	-\$486,800	\$315,000	-\$202,800
Very Low Income	\$3,338	\$40,050	\$160,200	\$599,000	-\$438,800	\$315,000	-\$154,800
Low Income	\$5,342	\$64,100	\$256,400	\$599,000	-\$342,600	\$315,000	-\$58,600
Median Income	\$6,675	\$80,100	\$320,400	\$599,000	-\$278,600	\$315,000	\$5,400
Moderate Income	\$8,008	\$96,100	\$384,400	\$599,000	-\$214,600	\$315,000	\$69,400

Source: Baird + Driskell/Community Planning; RealFacts, Inc., 2001

Table 9: Estimate of the Ability to Pay for Rental Housing (2001)

Household Size and Income Category	Monthly Income	Rent @ 30%		Average Rent (4Q2000) for the Smaller Unit	Ability to Pay "Gap" for Smaller Unit	Average Rent (4Q2000) for the Larger Unit	Ability to Pay "Gap" for Larger Unit
		of Monthly Income	Expected Unit Size				
Single Person							
Extremely Low Income	\$1,638	\$491	0-1 BR	\$1,024	-\$533	\$1,480	-\$989
Very Low Income	\$2,338	\$701	0-1 BR	\$1,024	-\$323	\$1,480	-\$779
Low Income	\$3,738	\$1,121	0-1 BR	\$1,024	\$97	\$1,480	-\$359
Median Income	\$4,671	\$1,401	0-1 BR	\$1,024	\$377	\$1,480	-\$79
Moderate Income	\$5,608	\$1,683	0-1 BR	\$1,024	\$659	\$1,480	\$203
Two Persons							
Extremely Low Income	\$1,871	\$561	1-2 BR	\$1,480	-\$919	\$1,508	-\$947
Very Low Income	\$2,671	\$801	1-2 BR	\$1,480	-\$679	\$1,508	-\$707
Low Income	\$4,271	\$1,281	1-2 BR	\$1,480	-\$199	\$1,508	-\$227
Median Income	\$5,342	\$1,603	1-2 BR	\$1,480	\$123	\$1,508	\$95
Moderate Income	\$6,408	\$1,923	1-2 BR	\$1,480	\$443	\$1,508	\$415
Four Persons							
Extremely Low Income	\$2,338	\$701	2-3 BR	\$1,508	-\$807	\$2,621	-\$1,920
Very Low Income	\$3,338	\$1,001	2-3 BR	\$1,508	-\$507	\$2,621	-\$1,620
Low Income	\$5,342	\$1,603	2-3 BR	\$1,508	\$95	\$2,621	-\$1,019
Median Income	\$6,675	\$2,003	2-3 BR	\$1,508	\$495	\$2,621	-\$619
Moderate Income	\$8,008	\$2,403	2-3 BR	\$1,508	\$895	\$2,621	-\$219

Source: Baird + Driskell/Community Planning; RealFacts, Inc., 2001

moderate-income households may increase in the future. Overpaying households are shown in Table 10. It should be noted as well, that owners are given tax breaks for mortgage interest payments while renters are not. In fact, by far the largest (and often least recognized) federal housing subsidy is for mortgage and property tax deductions.

Market prices for single-family homes are out of reach for many people who work in Marin County. However, average market rate rental housing is affordable at the moderate-income level for a two person household with both persons employed.. It can be concluded from analysis that new rental housing at market rates can provide a portion of the County's moderate income housing need.

Special Housing Needs

Overview

In addition to overall housing needs, the County must plan for housing special need groups. To meet the community's special housing needs (including the needs of the local workforce, seniors, people living with disabilities, agricultural workers, the homeless, people with HIV/AIDS and other illnesses, people in need of mental health care, single parent families, single with no children, and large households), Marin County must be creative and look to new ways of increasing the supply, diversity and affordability of this specialized housing stock.

There are 3,226 deed restricted affordable housing units throughout Marin County. All existing deed restricted affordable housing units represent 3.0% of all the housing units in Marin County based on the 2000 Census data. Special needs housing stock is 54.7 % of all the established deed restricted affordable housing units throughout Marin County. Of the total deed restricted units 2,385 (74%) are rental units, 401 (12%) are home ownership units, 145 (4%) are cooperative housing, 99 (3%) are transitional housing and 196 (6%) are either renter or owner units not previously counted. If all the units in the pipeline were constructed, the total affordable housing stock would increase by 49%.

There is a continuum of housing types which address special needs, beginning with independent living (owning or renting),

Table 10: Estimated Overpaying Households by Tenure by Jurisdiction (2000)
(Households Paying More Than 30% of Their Income on Housing)

	Renters ¹	Owners ¹	Total ² Overpaying	Total Households
Belvedere	102	193	295	956
Percent	43%	27%	31%	
Corte Madera	523	796	1,319	3,776
Percent	50%	29%	35%	
Fairfax	608	743	1,350	3,306
Percent	48%	37%	41%	
Larkspur	1,477	1,038	2,514	6,142
Percent	48%	34%	41%	
Mill Valley	1,146	1,387	2,533	6,147
Percent	54%	34%	41%	
Novato	2,556	4,047	6,603	18,524
Percent	43%	32%	36%	
Ross	0	236	236	761
Percent	0%	36%	31%	
San Anselmo	973	1,162	2,135	5,267
Percent	56%	33%	41%	
San Rafael	5,519	3,586	9,104	22,371
Percent	53%	30%	41%	
Sausalito	877	624	1,501	4,254
Percent	41%	30%	35%	
Tiburon	402	762	1,164	3,712
Percent	36%	29%	31%	
Unincorporated	2,992	6,144	9,136	25,434
Percent	41%	34%	36%	
Total County	17,174	20,718	37,892	100,650
Percent	47%	32%	38%	

¹Shows the percentage of renter or owner households overpaying

²Shows the percentage of total households overpaying

Source: Ca. Dept. of Finance; Census, 1990 and 2000; Baird + Driskell

Table 11: Deed Restricted Housing Units Constructed by Jurisdiction (1988-1998)
(Units with Deed Restrictions Establishing Below Market Rate Rents or Sales Price)

	Total BMR Units Added	ABAG 1988-1998 BMR Need	Percent of ABAG Need Met	Total Housing Units Built	Percent BMR of Total Units
Unincorporated	258	125	206%	1,252	21%
Total County	258	5,653	5%	1,252	21%

Source: Ca. Dept. of Finance; ABAG; Barbara Collins, Marin County Affordable Housing Strategist, 2001

Table 12: Programs Administered by Marin Housing (2000)

Type of Housing Program	Unincorp.	
	Area	Countywide
Section 8 Rental Assistance	170	1859
Conventional Public Housing	416	496
MHA-Owned Rental Housing	0	83
Rebate for Marin Renters	20	64
Mortgage Credit Certificates	78	268
Residential Rehabilitation Loans	214	533
Shelter Plus Care	3	65
Housing Assistline	400	2174
Housing Opportunities for People with AIDS (HOPWA)	0	114
Rental Deposit Guarantees	12	91

Note: These figures do not include all subsidized units in Marin County as many projects are owned and/or managed by nonprofit organizations

Source: Marin Housing, 2001

assisted living, group home and skilled nursing facilities, residential treatment (licensed facilities), supportive housing, transitional housing, detoxification programs, Safe Haven, and emergency shelter. Many of the housing options for special needs housing is service enriched, meaning services are offered to tenants to help them achieve maximum independence.

The Marin Housing Authority (MHA) administers the Section 8 Voucher Program that provides housing opportunities for 4,917 people (in 1,859 units). The waiting list for the Section 8 Program can be as long as five years due to the number of individuals and families who are in need of affordable housing. The Shelter Plus Care Program also administered by MHA, provides 65 rental subsidies linked with supportive services to 78 individuals who are homeless and living with a mental health disability. There are 98 rental subsidies for 114 people living with HIV/AIDS independently in the community who are served through the Housing Opportunities for People With AIDS Programs (HOPWA). Additional programs offer services to specific special needs populations housed through Marin Housing Authority which assist tenants in maintaining their housing. These programs target services to frail seniors, families to become self-sufficient, and at risk populations with a substance abuse and/or mental health disability.

Additional evidence of need is illustrated by the waiting list for the Section 8 Program, which MHA opened in Fall, 2008 with the following results: (1) 11,809 households submitted applications; (2) 8,030 or 68% live or work in Marin County; (3) 1,653 households or 14.1% were from the unincorporated area of Marin County; (4) in Marin County, half of the applications were from families, one-quarter from disabled/handicapped, one-tenth from elderly households, and one-ninth from single person households; and (5) 60% of the applications were from non-Hispanic /Caucasian families, 26% from African American families, 14% from Hispanic families, 9% from Asian families, and 1% from Native American families.

MHA
AGENCY PLAN
RAB
COMMENTS

Marin County Resident Advisory Board

Comments and Recommendations

Marin Housing Authority Administrative Plan & Capital Funding

RAB members have been meeting with MHA staff as well as holding off site working meetings on a regular basis. The Marin Housing Authority staff has been supportive of the newly formed board.

Resident Advisory Board has reviewed and discussed with MHA staff the following comments and recommendations to the Administrative Plan:

1. Capital Fund Budget
2. Goals and Objectives- 5.2
3. Chapters 1 thru 8
4. "Other Comments & Recommendations"

1. Capital Fund Budget

- The RAB commends Marin Housing Authority for success in receiving Federal Stimulus (ARRA) funding. These funds will help with some of the property needs, however, so much of the funding has had to be siphoned off to meet emergency and priority needs to the exclusion of other public housing complexes.
- RAB members commented that it appears that MHA has continued to apply a "band-aid" approach to resolution of the property needs at Golden Gate Village.
- RAB recommends that MHA continue to review and aggressively seek additional funding sources to address the long term capital improvement needs of all public housing complexes in its portfolio.

2. Goals and Objectives: 5.2 Administrative Plan

"Client Feedback" systems:

- Recommend that residents understand their right to form a Resident Council at each complex.
- RAB supports the formation of site based Resident Councils as an important component in the ability of residents to discuss issues related to housing and to provide MHA with client feedback.
- RAB commends MHA for taking the initiative to hold elections for selection of Resident Council representatives at each of the five public housing complexes under its management.

Resident Advisory Board
Comments & Recommendations
September 15, 2010

- RAB supports all initiatives to educate and cultivate site based Resident Councils.
- RAB recommends site based Resident Councils as a means to strengthen client feedback.
- Recommend that MHA provide training and education on site to interested residents in order to cultivate and nurture site Resident Councils.

Services to Residents:

- RAB recommends development of community gardens at public housing sites in order to promote pride in community living and to increase value to the neighborhood.
 - RAB supports upgrading community rooms, laundry rooms and other public areas in and around the sites to encourage residents to meet and communicate.
 - Provide residents with current MHA contact numbers regarding maintenance, support staff, hierarchy of personnel in order to be able to write to the appropriate person or call in maintenance issues.
 - Update bulletin boards on site with current Notices and other informative messages about utilizing community room space, food give away programs, etc.
3. Chapters 1 - 5: No comments or recommendations at this time.
- Chapter 6: Adjusted Income-“Anticipated” Medical Expenses:
- A significant amount of time at the RAB off site meetings as well as with MHA staff was spent in discussions on how to best address the many concerns of both public housing and Section 8 participants regarding medical allowance verification process.
 - RAB recognizes that many housing participants are fearful that they will not receive all allowable medical/dental expenses, resulting in higher share of cost in rent.
 - RAB strongly recommends MHA revise its current policies and the forms used for medical verification.
 - Transparency is key issue to removing barriers of confusion by providing residents with full disclosure related to their specific allowable deductions for medical expenses.
 - Recommend a summary statement that identifies calculations/allowances with name of the provider so that any errors may be corrected.
 - In cases where the treating medical/dental provider has not filled out the form the resident should be notified.
 - Although MHA states that the past payment history of the resident may be used to identify anticipated medical expenses it remains unclear under what circumstances this criteria will be utilized.
 - The term “anticipated” is not relevant to expenses that residents may not have foreseen, including expenses for prescriptions, physical therapy, dental, eyeglasses and exams, exams, and blood tests, etc and that are incurred during the year in which the rent is being calculated.

Resident Advisory Board
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- Recommend that MHA provide clear guidance and directive for the resident to follow if they believe that the medical expenses are not accurate reflection of what they may be spending in the coming year.
- Recommend that the residents receive an explanation regarding when to request a recertification as their medical expenses accumulate during the year.
- The current MHA policy related to third-party medical expense verification forms is ambiguous and does not serve the purpose under which HUD has promulgated the regulation.
- Recommend that MHA review and analyze and clarify forms/language to providers to ensure accurate and timely reporting.
- RAB comment that MHA provide residents with a "medical expense validation" form to log expenses that may be difficult to have verified (transportation costs related to medical allowances; physical therapy prescribed, etc.)
- Recommend that MHA define and publish exceptions allowed including transportation costs for medical appointments, alternative means of verification.

Chapter 7 - Verification of Self-employed/Small Business Expenses:

- MHA currently requires self employed small business owners to submit not only 1040 tax forms but all "manifests, general ledgers, etc" as well.
- Recommend that MHA revise its Administrative Plan to state that either copies of IRS tax forms or "manifests, ledgers, receipts" will be accepted as proof of business expenses.
- RAB comment that residents should be informed of their right to review their file and to make copies of any of the relevant information pertaining to their housing.

Chapter 8

- RAB comment Housing Quality Standard policy should be clearly outlined and highlighted in order for residents to understand their responsibility to report any errors or inaccuracies at the time of the housing inspection.
- Recommend that housing inspectors ensure that residents fully understand when and how to report any suspected mold issues to Housing Authority.

4. "Other Comments/Recommendations"

Fair Market Rents & MHA goals to update website information:

- Recommend that MHA include in its website the current FMR's approved by HUD for Marin County along with the Rent Reasonable standard used by MHA to approve Section 8 Lease Housing Assistance Contracts.
- Comment that in fully disclosing the Rent Reasonableness for each unit size on its website MHA opens the door to new landlord participation if the standards are explained fully and the benefits of participation are fully outlined.

Resident Advisory Board
Comments & Recommendations
Septemeber 15, 2010

RAB members wish to thank the Marin Housing Authority staff for their hospitality in providing refreshments at each meeting and in their courteous responses to the member questions and comments.

Respectively submitted:

Margaret M. Nolan
Resident Advisory Board Secretary

Resident Advisory Board Members:
Marion Brady, Kimberly Colclough, Barbara Chism, Kevin Gladstone, Rita Kiesow, Linda Knanishu, Gayle Theard, Isear Wesley, Jackie White.

Margaret Nolan

Gayle Theard

Kevin Gladstone

Jackie White

Isear Wesley

Linda Knanishu

Marion Brady

David Latina

From: Margaret Nolan [margaret_nolan@sbcglobal.net]
Sent: Saturday, May 22, 2010 3:32 PM
To: donbesdk@att.net; galelapro@gmail.com; chameleonchic8@yahoo.com; David Latina; Kimberly Carroll; Nannette Beacham-Sparks; 'Jack Baker'; Stephen Willard; TReyolds@marinhousing.org
Subject: RAB Member Comments & Recommendations-Questions
Attachments: COMMENT & RECOMMENDATION RAB MEMBER.doc

MHA Staff & RAB members:

Attached please find my summary of concerns specific to Venetia Oaks and other comments relative to some of the Capital Fund Program expenditures.

Some questions for MHA Staff to be prepared for the RAB meetings:

1. Please advise if the Physical Needs Assessment evaluations/reports will be provided to the board for comment and review?
2. Will RAB be following Robert's Rules?
3. How will members be offering comments and recommendations? Is written format appropriate from each member or do we vote on recommendations?
4. Please provide full information on MHA chain of command; titles and duties of each staff person.]
5. Please include a chart of properties managed by MHA identifying the number of units, person responsible for that property management.

* If the attached summary of comments and recommendations/questions is not appropriate to be submitted as part of the RAB process, please advise!

Thank you!

Margaret M. Nolan

RAB Member

Resident Venetia Oaks

Marianne Lim

From: Margaret Nolan [margaret_nolan@sbcglobal.net]
Sent: Tuesday, June 01, 2010 11:12 AM
To: Kimberly Carroll
Cc: Dan Nackerman; David Latina; Tikillah Reynolds; Nannette Beacham-Sparks; Marianne Lim; Stephen Willard
Subject: RAB - Direction, Representation, Leadership

Dear Kimberly:

I have some concerns about the representation and participation of the current Resident Advisory Board:

In recent telephone contacts I made with some fellow RAB members there was a general agreement that many people feel inadequate to address or comment as RAB members; particularly about the Capital Funding budget; annual and five year plans. The board will begin review the Administrative Plan at the next meeting (June 9th.) In the meantime RAB members do not know how to review/ comment/make recommendations on the complex and lengthy budget analysis that was presented at the last meeting (our third meeting as a board.)

After telephone discussions with other members of the board it appears that most people do not have a grasp on their duties, responsibilities as a board.

Members do not even know how many complexes there are, where they are, who lives in them; what the needs are; etc; etc; - this is deeply disturbing; I understand that materials have been provided for background information but it appears that members still are confused or have not the capacity to do this kind of reading.

It is imperative that the MHA staff seriously review the RAB representation and understand what appears to be either a need for more training or selection of residents who may be better equipped to understand and represent issues related to public housing properties/units. Of the five elderly/disabled complexes, only one complex is represented and both members reside at Venetia Oaks (myself and Jackie White.)

Golden Gate Village members have not appeared at the meetings except for one member who attended May 26th meeting. All of the other board members are from Section 8 program. The members from Section 8 housing programs do not understand the needs of the elderly/disabled complexes and do not represent their interests; Section 8 residents are overrepresented on the board and disabled/elderly complexes are underrepresented.

It is my understanding that RAB members are to provide feedback on the PHA plans and budget. However, the chairperson Barbara Chism has told me that she considers herself only a "figurehead" and that she does not anticipate adding anything to the meetings since we are there only to listen to the professionals. I am concerned that we will not be a valid board given the direction we are going in to date. We need more leadership and direction.

Thank you.

Margaret Nolan

Secretary RAB

From: Kimberly Carroll [mailto:KCarroll@Marin Housing.org]
Sent: Friday, May 28, 2010 2:26 PM
To: MARGARET NOLAN
Subject: FW: M. Nolan 5/22 e-mail

Are you clear on this questions for last week?

Kimberly

From: Marianne Lim
Sent: Friday, May 28, 2010 1:44 PM
To: Kimberly Carroll
Subject: M. Nolan 5/22 e-mail

Hi Kimberly:

Attached is the e-mail I was referring to from Margaret Nolan with some additional questions.

Marianne

Marianne Lim, LEED AP
Senior Project Manager
Marin Housing Authority
4020 Civic Center Drive
San Rafael, CA 94903-4173
415.472.3382 Direct
415.491-2525 Main
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mlim@marinhousing.org
www.marinhousing.org

COMMENT & RECOMMENDATION:
RAB MEMBER: MARGARET NOLAN
VENETIA OAKS

ANNUAL AND FIVE YEAR PHA PLANS:

1. Include category of "Repair & Replacement" for items that include screens, windows, refrigerators, stoves, countertops, cabinet doors and hinges.
2. Venetia Oaks building is over 40 years old and the cabinets and counter tops are inaccessible and worn out.
3. Heating units – outsized for the small one bedroom units; cause excessive air and noise and in many cases residents choose to use the stove to heat the unit or small electric heaters rather than risk attacks of asthma from the excessive air that blows directly into the living room. The heaters are so loud that it is not possible to have a phone conversation while running the unit.
4. Environmental impact on issues related to inadequate insulation for winter drafts and summer heat. Currently residents must install air conditioning units on upper units due to the excessive heat in the summer due to inadequate insulation. In winter there are drafts that create increased use of electric heating units. In addition the windows and sliding glass doors are so fragile that wind causes rattling and threatens to cause damage by glass breaking.
5. Patios and common areas of units have insufficient drainage. Water stand when there is heavy rain and past winter required multiple sand bags to ensure that water did not enter into the living room. There is a threat of flooding in first & second floor units due to failure of gutter and drainage system design. Several residents had to dig a ditch to divert excess rain water from their units. MHA needs to plan how to meet this on-going and worsening problem.
6. MHA needs to add to the management improvement efforts by ensuring that a property inspection is done at least monthly. Units that are in violation should be noticed by the property manager with appropriate follow up. Many residents have used their outer small entry areas for storage of large and small items causing the property to appear rundown and are a violation of the HUD requirement to maintain units in decent, safe and sanitary condition. Interior units have housekeeping issues related to disregard of maintaining the unit in clean and sanitary condition. MHA can ensure that all residents understand the requirement to keep units in clean and decent condition and identify those residents who are either unwilling or unable to maintain their units in acceptable condition. Appropriate action would be required to either identify the need for a care-giver or require the resident to "clean up or clear out."
7. Expenditures for tree cutting and landscaping should be balanced with the need to provide the residents with timely replacements and repairs to interior of the unit. Without any improvements to the interior of Venetia Oaks for over a period of 40 years it is reasonable to anticipate serious deterioration. This property deterioration leads to a demoralized feeling of the individual resident who perceives that the lack of MHA to sufficiently address and correct unit deficiencies is an indication of their "less than" status and/or class.

8. Capital Fund Program expenditures appear excessive in categories of administrative, consulting fees and professional service fees as related to those expenditures budgeted for elderly and disabled properties.
9. It should not be the backs of the residents that MHA administration carries the responsibility of providing quality administrative and management services. It is assumed that HUD would only authorize funding to be given to an agency that already has the expertise to handle multiple properties that are aging and have significant property improvement requirements. MHA must carefully examine it's staffing and management expenditures to ensure that the best quality is achieved at the most cost efficient means.
10. Recommend that MHA and HUD carefully review the Capital Fund spending as it relates to proportion of fees set aside for administrative salaries, staffing and management improvement and training.
11. Recommend that property improvements to elderly and disabled complexes be given equal distribution in accordance with properly identified physical needs assessment.

Submitted by RAB board member Margaret Nolan for review by RAB and MHA

Request: please give guidance on how RAB members are to add comments and recommendations at meetings; will it be in written form, do members provide their recommendations verbally at the meeting, do all members have to vote on what is included in recommendations? More clarification on process is needed.

Request: Does the RAB receive the report of the Physical Need Assessment as part of the review process? Cost of the Assessment; recommendations; etc.

Marianne Lim

From: Margaret Nolan [margaret_nolan@sbcglobal.net]
Sent: Monday, August 02, 2010 7:50 PM
To: Kimberly Carroll; Nannette Beacham-Sparks; Marianne Lim; Tikillah Reynolds; Paul Cummins; Jeff Dinh; David Latina
Cc: Dan Nackerman
Subject: RAB Member Comments & Recommendations

To MHA Staff:

Comments and recommendations-Administrative Plan and Capital Fund Budget. These comments are my own and do not necessarily reflect the opinions or comments of any other board member.

Best regards,
Margaret Nolan

Margaret Nolan

Comments and Recommendations

Marin Housing Authority Administrative Plan & Capital Funding

The following are my comments and recommendations submitted to MHA as a Resident Advisory Board member. These comments and recommendations are my own and do not necessarily reflect the comments and recommendations of any other board member.

1. Capital Fund Budget
2. Goals and Objectives
3. Chapters 1 thru 7
4. "Other Comments & Recommendations"

1. Capital Fund Budget

- Although HUD mandates priorities for capital funding and that in turn directs how and where capital improvement budget money is spent, there is a concern that many elderly/disabled public housing complexes improvements are being postponed to a later date. Golden Gate Village structural problems identified and prioritized in Property Needs Assessment Reports are significant and are anticipated to take millions of dollars to correct. Golden Gate Village property issues require expert evaluation and thorough analysis by MHA in order to implement a plan to resolve the need for ongoing repairs and capital improvements.
- Recommend that MHA make efforts to identify specific steps toward the analysis of the issues and that future planning be transparent and in coordination and cooperation with Golden Gate Village residents and Resident Councils.
- MHA has continued to apply a "band-aid" approach to resolution of the property needs at GGV and that other public housing senior/disabled complexes are being neglected due to

lack of funds and long range planning. Recommend that MHA seek solid solutions before the situation becomes worse.

- It is highly commendable that MHA has been successful in obtaining additional funding through awards of ARRA funding and Energy grants. Recommends MHA continue to review and aggressively seek additional funding sources to address the long term capital improvement needs of all public housing complexes in its portfolio.

2. Goals and Objectives

- Recommendation/Comments regarding "Client Feedback" systems that include the following:
 - Analysis of needs of residents along with a profile of the population MHA seeks to serve in providing informational meetings.
 - Consider all factors to target interests and needs of the population; age, disabilities, cultural, ability to speak English.
 - Identify pattern of issues/comments/complaints that residents have already provided to MHA and that were received via telephone calls, letters, memos and Site Manager's log book regarding notification to MHA on complaints from the residents throughout the year.
 - Provide residents with the names, phone numbers of all the MHA staff responsible for the on-going management of the programs administered.
 - Identify and provide information to all residents how to call in or submit written requests for maintenance issues.
 - Identify appropriate maintenance staff phone numbers (including how to handle emergency maintenance.)
 - Provide forms for residents to fill out regarding maintenance issues needing attention in the complex or on the property and that may be submitted to the on-site manager to forward to Marin Housing Authority.
 - Recommend On-site Managers hold meetings with residents on a regular basis to review concerns, comments and encourage community participation.
 - ~~Recommend reviewing successful Housing Authority policies and administration to identify best practices for inclusion into MHA management programs.~~
 - Review maintenance crew methods and work product to tighten up the current goal of 20 day timeframe of unit turnover.
 - Provide maintenance staff with training and follow-up supervision to identify "weak links" in the current system. Identify other means that may increase efficiency of turnover time; i.e.; readily available inventory and supplies for repair and replacements of the unit and a thorough walk-thru of the unit with an updated report on possible upgrades that will be required upon move-out.
 - Recommend that MHA keep all the public housing units upgraded on a regular basis; flooring, sinks, stoves, refrigerators, lighting as well as regular painting and window/screen replacement repair as needed. These items are not currently taken care of unless the resident makes serious and lengthy attempts to have MHA respond. Therefore it would seem reasonable that if regular repairs and replacements were included in the Administrative Planning and budget the extensive work to turnover a unit would be far less time consuming than is the current "goal."
 - Recommend that MHA develop a plan for "repair and replacement" budget items considering that the housing stock is in many cases over 40 years old and upgrades have only been done on an "as needed" basis or upon move-out. Recommend a thorough property needs

assessment considering such items as out-dated electrical systems, lighting, worn out cement patios and decks as well as kitchen cabinet deficiencies, inadequate storage space (leading to the problem of "hoarding" or what is actually a failed attempt by the resident to try to organize a lifetime of items into a small space that has room for less than one person (example: Venetia Oaks has one closet in one bedroom unit and this one closet is intended to store all clothes, shoes, coats, and other personal items. Recommend that MHA provide residents with opportunity to access storage at low cost off site or have one of the empty units on the property designated as small extra storage room for small items.

3. Chapters 1 - 5

No comments or recommendations at this time.

Chapters 6 - 7

▪ Chapter 6-35- Adjusted Income-"Anticipated" Medical Expenses:

- Recommend term "anticipated" medical expenses be clarified- how medical expenses have been calculated, what has been allowed and how the amounts were applied to the rent.
- Transparency is key issue to removing barriers of confusion by providing residents with full disclosure related to their specific allowable deductions for medical expenses.
- Recommend a summary statement form to be attached to Lease Agreement at time of initial eligibility and recertification clearly identifying the medical provider name and the amount allowed as "anticipated" medical expense.
- In cases where the treating medical/dental provider will not agree to sign and provide verification MHA should consider the past year receipts and the self-certification of the resident to allow medical expenses.
- In formulating the policy on "anticipated" medical expenses MHA should make known to the provider that they are not to be held legally responsible for any errors in providing the anticipated expense verification. In addition, providers may be informed that they may submit documentation based on the patient's prior year medical payments that have not already been allowed.
- Although MHA states that the past payment history of the resident may be used to identify anticipated medical expenses it remains unclear under what circumstances this criteria will be utilized.
- The term "anticipated" is not relevant to expenses that residents may not have foreseen, including expenses for prescriptions, physical therapy, dental, eyeglasses and exams, exams, and blood tests, etc and that are incurred during the year in which the rent is being calculated.
- Recommend that MHA provide clear guidance and directive for the resident to follow if they believe that the medical expenses are not accurate reflection of what they may be spending in the coming year.
- Recommend that the residents receive an explanation regarding when to request a recertification as their medical expenses accumulate during the year.
- The current MHA policy related to third-party medical expense verification and allowances is ambiguous and does not serve the purpose under which HUD has promulgated the regulation. Recommend that MHA review and analyze and clarify language for all allowable medical/dental expenses.

"Other Comments/Recommendations"

air Market Rents & MHA goals to update website information:

- Recommend that MHA include in its website the current FMR's approved by HUD for Marin County along with the Rent Reasonable standard used by MHA to approve Section 8 Lease Housing Assistance Contracts.
- Comment that in fully disclosing the Rent Reasonableness for each unit size on its website MHA opens the door to new landlord participation if the standards are explained fully and the benefits of participation are fully outlined.

Verification of Self-employed/Small Business Expenses:

- Verification of self-employed/small business "net" expenses is excessive in requiring "manifests, general ledger, receipts, etc." as well as IRS Income Tax forms, Schedules. The IRS accepts the 1040 tax forms submitted by self employed persons/small business owners in paying Estimated Taxes and to calculate "Net Income." IRS does not require the self employed person/small business owner provide all "general ledgers, manifests, receipts, etc." at the time of filing pertinent tax forms related to business expenses. If the 1040 tax return is prepared in accordance with IRS rules and regulations that tax report should be adequate to meet the verification policies of Marin Housing Authority to calculate "net income."
- Considering the time and expense it takes to prepare income tax forms *(either self prepared using specific tax preparation software or professionally prepared) it is unreasonable and excessive for MHA to require multiple verifications from the small - business, self employed person to verify business expenses.
- Recommend that MHA amend the PHA Administrative Plan to state that self employed, small business owners may submit as proof of expenses and net income all properly filed IRS tax forms and statements. If the individual has not filed an income tax return then it is reasonable for MHA to request other means of expense verification such as "manifests, ledgers, receipts, etc."

Submitted Wednesday, August 4, 2010

By: Margaret Nolan, Resident Advisory Board Member

**Comments by RAB member Marion Brady regarding
MHA Section 8 Draft Administrative Plan, Chapter 6, including
clarification of the out-of-pocket
medical expense verification process**

1. The Anticipated Medical Expense Verification form is confusing and many sources/providers ignore it, throw it away, or think it was mistakenly sent to them and return it to the Housing Authority thinking that they were the intended recipient. They don't understand the importance of the form and complete it cursorily, often having a clerical person fill it out instead of the doctor carefully considering the information given. They also often feel they cannot estimate with accuracy a patient's future medical expense needs, and not infrequently refuse to fill out that part. They are intimidated by the penalty clause, fearing legal action if the estimates prove incorrect.

A) It is difficult for medical sources to sign a penalty clause re: Anticipated Medical Expenses when the future may or may not bear out the expenses entered. Medical providers should not be held legally liable if the future is not as anticipated. I suggest a large-print statement that says that, unless their entries are clearly fraudulent or made with fraudulent-like intent, they are not subject to legal action.

B) In cases where the medical source WILL not sign such a form, the MHA should consider using the past year receipts and self-certification, with evidence, of their out-of-pocket medical expenses.

C) The form sent to all doctors needs to say at top of FIRST paragraph:
"The above person is a patient with your office. [in large print] The following information from you is needed to determine his/her eligibility for a Federal rental housing subsidy administered by the Housing Authority of the County of Marin. This patient has named you as one of their medical providers. We need your help to determine his/her out-of-pocket medical expenses for the current year, as well as your input as to what those expenses might be in the coming year. Feel free to use the current year as an indicator of future expenses. We realize it may be difficult to anticipate future expenses. If you cannot do so, please at the very least complete this form and include a printout, if available, of the current year's expenses."

The information you provide is essential in determining your patient's continuing eligibility for Federal rental housing assistance. Without your input, this patient's eligibility for rental assistance may be terminated."

Comments by RAB member Marion Brady regarding
MHA Section 8 Draft Administrative Plan, Chapter 6, including
recommendations for clarification of the out-of-pocket
medical expense verification process

D) The words "Housing Authority of Marin" at top of page are in larger print than anything else on the page, but not connected with the address, which might reduce some confusion. It is the most obvious thing on the page, and when the provider (usually clerical staff) sees those words, and can think of no connection between themselves and the Housing Authority, they discard the form.

E) Prescription Verification form must be revised. Pharmacies not familiar with the form are unwilling to: ① Certify anticipated medications
2. **Defining medical expenses by IRS publication 502 (page 6-37)** and →
is very detrimental to some patients because they have enormous out-of-pocket medical expenses that are not covered by Medi-Cal or insurance. (continued on back of page)
Out-of-pocket expenses MUST be included in order to be equitable.

A) For example, patients may require artificial saliva, without which they cannot swallow or eat, artificial tears, without which they are at risk for severe eye damage, alcohol swabs to give themselves injections, without which they would be at risk for infection, Hibiclens soap to clean injection sites and wounds to prevent MRSA. When immune systems are damaged and susceptible to infections these things are medically necessary, in addition to bandages of various types: Sterile and non-sterile. They can be very costly over the period of a year. Credibility needs to be given for things recommended by doctors which are life-giving and out-of-pocket such as water therapy several times per week.

B) **Travel expenses need to be considered as out-of-pocket medical expenses** for visits out of the local area, such as to San Francisco or Sonoma, or West Marin. Visits for physical therapy, medical testing (e.g., X-rays, MRIs), medical treatment, medical procedures need to be allowed. Some patients have extreme, or out-of-normal visits for repeated outpatient medical procedures, and travel is a considerable cost to them...including gas, bridge tolls, and parking. These cannot be obtained from medical providers.

C) When a client has exceptionally complex out-of-pocket medical expenses, with many more providers than usual and providers have sent client for numerous diagnostic tests, procedures, and treatments done by additional providers, as well as complicated travel expenses, client needs

E) continued ② Do all the ^{time consuming} paperwork the form request -
of listing all prescription meds ~~use~~ filled
for that patient in previous 12 mths
For some patients this can be in the
hundreds of meds. ^{therefore:} Form must state
clearly: A printout of medications filled
in the previous 12 months may be attached
in lieu of a written list.

**Comments by RAB member Marion Brady regarding
MHA Section 8 Draft Administrative Plan, Chapter 6, including
clarification of the out-of-pocket
medical expense verification process**

to have face-to-face interview. The interview needs to be in person and not by mail or phone. MHA cannot send a form to every Xray place or physical therapy office.

3. (Page 6-37 thru 6-41) If a client feels that the medical provider has given inaccurate estimates of anticipated medical expenses, there needs to be a procedure to follow to iron out the differences. If the provider has misunderstood and therefore incorrectly filled out the MHA form, the client needs to have a voice based on their experience-based opinion of out-of-pocket expenses which is built into the procedures.

4. If the MHA staff member has made a calculation error in determining total anticipated out-of-pocket expenses for the future year *in the opinion of the client*, that client needs a clear procedure to be able to determine where the inaccuracy lies and a forum to give their own testimony.

Kimberly Carroll

From: Margaret Nolan [margaret_nolan@sbcglobal.net]
Sent: Friday, September 03, 2010 11:56 AM
To: Kimberly Carroll
Subject: Administrative Plan 2010- Chapter 7-page 31

The following is regarding Administrative Plan Chapter 7 2010 page 31 and is submitted as part of public comment as well as RAB member.

The following Chapter is used as the basis for comments following for clarification and recommendations:

Admin Plan Chapter 7 2010 Page 31

Eligible Household Qualified Expenses 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.

To be eligible for the medical expenses deduction, the costs must qualify as medical expenses. See Chapter 6 (6-II.D.) for MHA's policy on what counts as a medical **Unreimbursed Expenses**

To be eligible for the medical expenses deduction, the costs must not be reimbursed by another source.

MHA 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

MHA Policy

When anticipated costs are related to on-going payment of medical bills incurred in past years, MHA will verify:

The anticipated repayment schedule

The amounts paid in the past, and

Whether the amounts to be repaid have been deducted in past years.

**Comment: "Unreimbursed Expenses"
"Expenses Incurred in Past Years"**

Summary of Recommendation for revision of the stated policy:

When the resident has during the course of the year paid out of pocket expenses for dental or medical care that had not been anticipated at the time of verification, MHA will do a recalculation of the medical/dental expense to allow credit to be applied for the following annual recertification upon provider's verification of the additional expense that had been paid but not anticipated.

Please see following pages for examples and additional comments/recommendations:

Example: Verification form for annual recertification is mailed to dental provider in July, 2009. Annual recertification is due: September 1, 2009 for the lease period. Provider anticipated services for the remainder of that year (2009.) However, dental services included work that was more extensive than originally anticipated.

At time of verification July 1, 2009 – anticipated cost: \$2,000.00
By end of 2009 actual cost & payments: 3,700.00

MHA applied only the amount at time of verification in July, 2009 to the rent calculation and disallowed the difference of \$1,700.00 for the next annual recertification. Resident paid a total of \$3,700.00 during the applicable recertification period but the remaining \$1,700.00 was never credited.

There is a discrepancy or gap in the policy statements and procedures under which MHA gathers medical/dental/prescription expenses. A tenant may pay out of pocket medical expenses during the course of the annual recertification period that may not be known at the time the provider filled out the verification form. If the resident has not been given a summary statement of the rent calculation and allowable expenses there is no opportunity to correct deficiencies or errors/oversights.

This causes confusion for the provider who may be asked multiple times for the same information or to provide duplicate copies of the same form or even more disturbing may be asked to provide ledgers, manifests of their business records. The result is that the provider will no longer believe it worthwhile to offer services to the resident under punitive or excessive and burdensome policies. This would not be conducive to the intent of the legislation that has created the HUD program to allow participants to pay a fair share of the rent.

Recommend: MHA adopt language in its policy that includes provision for the fact that if medical/dental expenses vary over the course of the rental certification period that adjustment will be made to the rent. Provider verification of the actual costs paid in a revised statement should be considered adequate.

Recommend: Residents receive a MHA Worksheet Allowable Expenses and Rent Calculation Summary that details name of provider and expense allowed along with income sources counted in the formula for annual recertification.

Sincerely,

Margaret Nolan
RAB Member

Kimberly Carroll

From: Margaret Nolan [margaret_nolan@sbcglobal.net]
Sent: Thursday, September 23, 2010 9:55 AM
To: Kimberly Carroll
Subject: RE: RAB Comments

Hi Kimberly:

I cannot draft a formal statement representing RAB Comments and Recommendations that has not been fully reviewed and approved. At the last meeting I arrived at 5:00 p.m. and from 5:00 to approximately 5:24 the members in attendance read the draft version that I had prepared. There was disagreement among members regarding content. Rita K. left without saying anything; Isear Wesley had no comments; Barbara C. felt all the time as a board had accomplished "nothing." She told me to sit down and be quiet when I attempted to explain the draft version - Linda objected to wording. Meeting ended at 5:30 p.m. I am not going to submit a formal Comment and Recommendation representing the board as a group without thoughtful review and agreement by the board as a whole. I have submitted my individual comments and recommendations and all members were told many times that they could do the same.

RAB board needs to have members who are willing and able to actively participate.

Margaret Nolan
RAB Secretary/Member

From: Kimberly Carroll [mailto:KCarroll@marinhousing.org]
Sent: Wednesday, September 22, 2010 3:11 PM
To: Margaret Nolan
Subject: RAB Comments

Can you please send me the comments that you made last week for the Agency Plan? I don't think I ever got your revised comments.

Thanks

needs of the extremely low and low income seniors (and disabled) need to be addressed, prioritized and placed as the primary priority and goal of the agency.

Cathy Cortez.

Bradley House, Tiburon.

MHA
AGENCY PLAN
PUBLIC
COMMENTS

Fair Housing of Marin
Comments to the Marin Housing Authority 2011 Annual Plan
September 20, 2010

Fair Housing and Equal Opportunity

Fair Housing of Marin is pleased to see that the MHA has expanded the information available to tenants regarding fair housing rights. We are also pleased to see that the MHA has included an explicit statement of its non-discrimination policy.

FHOM suggests that MHA further expand section 2-II.B "Definition of Reasonable Accommodation" to include reference to support animals. MHA's policy regarding pets must allow for companion animals if requested as a reasonable accommodation. Even if there is a "no pet" policy, a housing provider must allow both service and companion animals, and may not charge an extra deposit. See *HUD v. Purkett*, FH-FL 19,372 (HUDALJ July 21, 1990). Though a service animal must be trained, it may be trained by the owner. See *Bronk v. Ineichen*, 54 F.3d 425 (7th Cir. 1995); see also *Green v. Hous. Auth. of Clackamas Cty.*, 994 F. Supp. 1253 (D. Ore. 1998). There is no training requirement for companion animals. See *Majors v. Hous. Auth. of the Cty. of DeKalb*, 652 F.2d 454 (5th Cir. 1981).

FHOM also suggests that MHA modify its Reasonable Accommodation Request form referenced in section 2-II.D. The form requires a disabled resident's medical provider to aver that he or she would be "willing to testify under oath" to the information provided. We are concerned that such language is unnecessary and may be considered unreasonable. It could act as a deterrent and effectively dissuade a medical provider from attesting to the extent of a patient's disability for fear of future prosecution. The form also asks a medical provider to state whether he or she recommends the requested accommodation for other individuals, a calculation which is irrelevant as the law mandates that reasonable accommodations should be considered on an individualized, case-by-case basis. The Reasonable Accommodation Request form should be modified, as the current iteration may have the actual effect of increasing barriers to accommodation.

Similarly, section 2-II.E states that "[b]efore making a determination whether to approve the request, MHA...may require the family to sign a consent form so that MHA may verify the need for the requested accommodation." Requiring consent for MHA to contact an individual's medical provider or otherwise knowledgeable third party is an overreaching invasion of privacy. Although a housing provider is entitled to request reliable disability-related information as necessary, that information "can usually be provided by the individual himself or herself." *Joint Statement of Dep't of Hous. & Urban Dev. & Dep't of Justice on Reasonable Accommodations Under the Fair Housing Act* ("Joint Statement"), May 17, 2004. Direct access to an individual's medical records or detailed information about the nature of a person's disability is not necessary. See *Joint Statement*.

We encourage MHA to distribute its Fair Housing and Equal Opportunity statement with its residential lease to ensure full dissemination of fair housing information to applicants and tenants.

One Strike Policy

Although MHA's One-Strike Policy is not currently under revision, Fair Housing of Marin would like to submit comments which we request MHA take into consideration.

Section 6 of the public dwelling lease states that MHA may terminate tenancy if any tenant, household member, guest, or other person under the tenant's control engages in criminal activity or drug-related activity. While federal regulations require that all public housing authority dwelling leases contain a clause providing for termination of tenancy if a resident or person under the resident's control engages in criminal activity that threatens the "health, safety, or right to peaceful enjoyment of the premises by other tenants" or other drug-related criminal activity, public housing authorities are not mandated to evict all tenants suspected of engaging in any criminal activity. 42 U.S.C. § 1437(d)(1)(6). U.S. Supreme Court precedent vests in a public housing authority the discretion to consider all the circumstances in an eviction for criminal activity. *Dep't of Hous. and Urban Dev. V. Rucker*, 535 U.S. 125 (2002). Consistently strict enforcement of the One-Strike Policy (i.e., termination of all tenancies wherein a tenant or other person under the tenant's control is suspected of engaging in any criminal activity, without regard to the specific circumstances at hand) may have a disparate impact based on race or mental disability.

Race is a protected class under the federal Fair Housing Act. As of March 2010, over 60 percent of public housing residents in Marin City were Black; a total of 82 percent of residents of Marin City are people of color. Because a disproportionately high number of public housing residents are Black, it is statistically likely that, through consistently inflexible enforcement of the policy, a similarly disproportionately high number of Black residents will be at risk of losing their housing.

Mental disability is also a protected class. An estimated 1,500 residents of the county are developmentally disabled, and MHA administers 200 elderly/disabled public housing units. People with mental disabilities, especially people with serious mental illness, may engage in unusual and possibly criminal behavior as a result of their disabilities. A person with a mental disability who is suspected of engaging in non-violent, non-drug related criminal activity such as trespass or nuisance could still face termination of housing benefits under a rigid enforcement of the policy.

We suggest amending the One-Strike Policy to explicitly recommend the exercise of discretion in circumstances where a person engages in, or is suspected of engaging in, criminal activity that does not pose a direct threat to other residents. We also recommend amending the dwelling lease itself to include the domestic violence exemption provided under the Violence Against Women Act ("VAWA"). The current dwelling lease does not state that victims of domestic violence will be exempted from "good cause" eviction, which may foster two problems: (1) inconsistent enforcement of the One-Strike Policy, perhaps against victims who have not been adequately apprised of their rights under VAWA, and (2) the emergence of a misperception among residents that if they report domestic violence, they will be evicted. Residents' perceptions are especially important, as fear of eviction could engender a cycle of further victimization.

Kimberly Carroll

From: Cathy Cortez [cathycortez@live.com]
Sent: Thursday, September 02, 2010 1:24 PM
To: Kimberly Carroll; bos@co.marlin.ca.us
Subject: MHA Agency Plan

Once again, the Marin Housing Authority is completing their annual and five year plans and goals as is required by HUD regulation. Once again, matters relating to the nonpublic housing properties in the portfolio, especially Bradley House, are not included. All matters relating to the multifamily nonpublic housing properties are conducted behind closed doors without inclusion or participation of the residents in those programs. The draft of the agency plan outlines the directions, goals and plans for the agency, completely neglecting and ignoring the nonpublic housing properties, or the needs and concerns of the rapidly aging demographic in Marin. As a multifamily resident living in an "at risk" property and a concerned Marin citizen, this is of great issue.

Two major points from the draft are:

1. Preservation of Public Housing stock--no mention or transparency relating to the NON PUBLIC Multifamily properties especially in relation to preservation. This is something that I have been addressing and reporting to the agency and the Board for nearly four years. What about preservation of multifamily?

2. Goals to increase development of workforce housing. This is another major concern that I have been presenting for nearly four years. There is no mention of protection and preservation of existing multifamily properties or of goals to increase housing for Marin's most vulnerable, the low income seniors and disabled. Only workforce.

"Affordable" housing is based on a percentage of the AMI. In Marin, this is very high, and excludes the housing needs of the most vulnerable and lowest income residents of our county. "Affordable" rents are not affordable for this demographic. For many years it has been the role of the housing authority to provide, protect, preserve, and increase, housing for this demographic. The thousands of people on the waiting lists, as well as the aging population in Marin shows that this is a very strong and crucial need. Why is this no longer the priority and primary goal of this agency?

There are many agencies in Marin, including EAH, who are addressing the needs for the development and increase of workforce housing according to the ABAG standards. It is highly unfortunate that MHA is now prioritizing, planning and working on those goals rather than continuing to be the agency that looks out for, addresses and places primary priority and goals on the housing needs of the most vulnerable and lowest income residents of Marin County. With the largest demographic in Marin, the baby-boomers, just now reaching senior status, with the long waiting lists of extremely low and low income Marin residents waiting for housing, and with the thousands more waiting for openings on long-closed lists, the