

<p>9.0</p>	<p>Housing Needs. Based on information provided by the applicable Consolidated Plan, information provided by HUD, and other generally available data, make a reasonable effort to identify the housing needs of the low-income, very low-income, and extremely low-income families who reside in the jurisdiction served by the PHA, including elderly families, families with disabilities, and households of various races and ethnic groups, and other families who are on the public housing and Section 8 tenant-based assistance waiting lists. The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location.</p> <p>Housing Needs are as follows:</p> <ul style="list-style-type: none"> <=30% of AMI = 1,295 units =>30% but <=50% of AMI = 756 units =>50% of AMI = 265 units <p>For a total of 2,316 housing needs for this period. From this universe, there are 123 families registered in the PHA Waiting List and 100% are Hispanic. From the total registered families at the Waiting List, 114 are families with children, nine (9) are elderly, and some five (5) are families with disabilities</p> <p>Nevertheless the municipality has this housing needs within the area, actually participants needs are covered by the housing inventory we have in the program. As of April 30, 2010 the AHA have enough available units in case of any participant needs. Information regarding units of different sizes and areas is available upon request for every participant or visitor to the program facilities.</p> <p>Last Utility and Reasonableness Rent Study results provide excellent information when comparing units rent among the area. Actually, there are no voucher available and at the same time, there is no need of housing for new participant. Demand and service are fulfilled at this time.</p>
<p>9.1</p>	<p>Strategy for Addressing Housing Needs. Provide a brief description of the PHA's strategy for addressing the housing needs of families in the jurisdiction and on the waiting list in the upcoming year. Note: Small, Section 8 only, and High Performing PHAs complete only for Annual Plan submission with the 5-Year Plan.</p>

10.0	<p>Additional Information. Describe the following, as well as any additional information HUD has requested.</p> <p>(a) Progress in Meeting Mission and Goals. Provide a brief statement of the PHA's progress in meeting the mission and goals described in the 5-Year Plan.</p> <p>During the past years, the municipality made progress toward accomplishing these objectives. Highlights of achievements are as follows:</p> <ul style="list-style-type: none"> • The Municipality of Arroyo kept searching for opportunities to apply for additional rental voucher as they become available, and requirements were met • Several landlords were oriented about the section 8 program requirements and enrollment requirements • In the initial briefings and as required, tenants were oriented about the mobility and portability options of the voucher program. • At least once a year, meetings are conducted with the tenants, where they are informed about the options and opportunities to acquire a job or self-sufficiency. Also, the Municipality invites persons from the Family Department, representatives from other programs in the Municipality, from the Consortium, and financial and economic assistance agencies. • Promotional flyers are posted in the different Governmental Agencies, such as Social Services, the City Hall, the Consortium, etc., to promote the Program among potential landlords. • Reviewing the payment standards • Briefings were given to the participants interested in the Homeownership Option • Some personnel was trained to enhance the HQS and regarding the Homeownership Option • Assistance to HUD trainings/orientation meetings. Training was given to the personnel in different capabilities areas. Such as: HQS, Section 8 Management. • Tenants were oriented about job training and placement opportunities • Achieved and maintained the High Performance Level on SEMAP • The waiting list system was enhanced. • The Section 8 participants were oriented and announcements published, regarding their rights and how does the Program works. • Tenants are oriented regarding the Equal Opportunity Act and the Hearing/Complaints processes • Equal opportunity was offered to all participants including persons with disabilities • Equal opportunity handouts and other orientation material are available for participants • Equal opportunity handout is placed on the PHA main office <p>(b) Significant Amendment and Substantial Deviation/Modification. Provide the PHA's definition of "significant amendment" and "substantial deviation/modification"</p> <p>The Housing Authority of Arroyo's definition of "substantial deviation" of Annual Plans from the 5-Year Plan and "significant amendment or modification" of the Annual Plan will consider the following to be significant amendments or modification.</p> <p>The HA of Arroyo, after submitting its Annual Plan to HUD, may modify, amend or change any policy, rule, regulation or other aspect of its plan. If any item does not significantly change the HA of Arroyo's Mission Statement and Goals and Objectives, then it shall not be considered a substantial deviation from the Plan. If any modifications, amendments of changes in any policy, rule, regulation or other aspect of the plan are not inconsistent with the Municipality of Arroyo Housing Authority's Mission Statement, its Goals and Objectives, or HUD regulations, then these shall not be deemed significant amendment or modifications to the Annual and 5-Year Plan.</p> <p style="padding-left: 40px;">A substantial change in Mission Statement or Goals identified in the Five-Year Plan.</p> <p>Significant Amendment Modification: Significant modifications to major strategies to address housing needs and to major policies (e.g., policies governing eligibility, selection or admissions and rent determination)</p>
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11.0	<p>Required Submission for HUD Field Office Review. In addition to the PHA Plan template (HUD-50075), PHAs must submit the following documents. Items (a) through (g) may be submitted with signature by mail or electronically with scanned signatures, but electronic submission is encouraged. Items (h) through (i) must be attached electronically with the PHA Plan. Note: Faxed copies of these documents will not be accepted by the Field Office.</p> <p>(a) Form HUD-50077, <i>PHA Certifications of Compliance with the PHA Plans and Related Regulations</i> (which includes all certifications relating to Civil Rights)</p> <p>(b) Form HUD-50070, <i>Certification for a Drug-Free Workplace</i> (PHAs receiving CFP grants only)</p> <p>(c) Form HUD-50071, <i>Certification of Payments to Influence Federal Transactions</i> (PHAs receiving CFP grants only)</p> <p>(d) Form SF-LLL, <i>Disclosure of Lobbying Activities</i> (PHAs receiving CFP grants only)</p> <p>(e) Form SF-LLL-A, <i>Disclosure of Lobbying Activities Continuation Sheet</i> (PHAs receiving CFP grants only)</p> <p>(f) Resident Advisory Board (RAB) comments. Comments received from the RAB must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the recommendations and the decisions made on these recommendations.</p> <p>(g) Challenged Elements</p> <p>(h) Form HUD-50075.1, <i>Capital Fund Program Annual Statement/Performance and Evaluation Report</i> (PHAs receiving CFP grants only)</p> <p>(i) Form HUD-50075.2, <i>Capital Fund Program Five-Year Action Plan</i> (PHAs receiving CFP grants only)</p>
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**ATTACHMENT A
VIOLENCE AGAINST WOMEN ACT (VAWA)**

The Fair Housing policy of the AHA to comply fully with all Federal, State, and local non-discrimination laws and in accordance with the rules and regulations governing Fair Housing and equal opportunity in housing and employment, and with the American with Disabilities Act.

To further its commitment to full compliance with applicable Civil Rights laws, the AHA will provide access to information to Section 8 participants regarding “discrimination”.

For families and/or individuals who report apparent discrimination in obtaining assisted housing, the AHA shall assist them by providing the family/individual with a HUD Housing Discrimination Complaint Form. The individual can complete this form, and report apparent discrimination to the HUD Caribbean Office.

The Municipality of Arroyo in compliance with Public Law 109-162 Violence Against Women Act, Puerto Rico Public Law 54, Public Law 22, will provide and assist these families in need of help by all means possible, we will help with housing and refer them to all agencies prepared to handle these matters so that they can receive all the help necessary.

We will not allow in to the our program any person that has been charged for the action mentioned above in and out of our jurisdiction and in compliance with Puerto Rico Public Law 266 Art. 5, Art 7 and the 24 CFR 982.553 regulations we will deny any participation of such persons in our program.

Wile awaiting new guidelines from the Department of Housing and Urban Development for implementing VAWA, the Municipality of Arroyo (RQ-068), has adopted the following goals and objective , for Domestic Violence Policy:

1. The VAWA applies to the Housing Choice Voucher Program.
2. The applicant/tenant/victim will be treated with respect and dignity.
3. The Municipality of Arroyo will notify voucher holders of their right under VAWA including the possible portability of voucher between jurisdictions to escape an imminent threat of further domestic violence or staking.
4. VAWA will be incorporate into the landlord and tenant orientation process.
5. Necessary conforming amendment to HCVP rules, regulations and paperwork will be further addressed after receipt of guidelines from the HUD.

As part of the Public Policy of the Municipality of Arroyo through the Housing Opportunities Program for Voucher (Section 8), disclosure is necessary to the general public on compliance with the Violence Against Women Act (VAWA) and the rights of the applicants concerned and their families.

Services:

The Municipality of Arroyo, in compliance with laws against domestic violence and sexual abuse crimes, provided by all possible means, to all the families affected and need support, assistance services, including referrals to any agency that is suited to handle these cases and give them the necessary assistance. Among the agencies which the Municipality has are:

Office of Women's' Affairs

Citizens Assistance Office

Child Care

Early Head Start

The laws that are referred to here:

Public Law 109-162 of the Act Against Violence Against Women Act (VAWA)

Puerto Rico State Law 54

Public Law 22

Goals:

- The applicant, tenant or victim will be treated with respect, dignity and sensitivity at all times.
- The Program will notify the voucher's holders on the rights under VAWA, including the possibility of portability of the voucher to another jurisdiction, so the tenant can escape the threat of possible domestic violence or stalking.
- In the orientation process for both, the landlord and the tenant, VAWA will be incorporated.
- If necessary and in accordance with the laws, policies, processes and documentation of the program, made the necessary amendments, as required in the guidelines of HUD (Housing and Urban Development), including written notice thereof.

Disclaimer

1. The fact that the applicant or any family member is or was a victim of domestic violence or harassment according to VAWA does not guarantee that assistance will be denied by the Housing Opportunity Program for Voucher (Section 8).
2. VAWA also establishes that a situation of domestic violence, abuse or harassment:
 - a. Not constitute a grave violation of the lease if the applicant or any family member is the victim and the violation of contract is related to such abuse or violent situation.
 - b. The fact that the applicant or any family member is the victim, not a sufficient reason for denying assistance.

This means that services will not be denied to any person for being a victim of any such situation.

3. While it is true that the Municipality of Arroyo not allow admission to the program to any applicant who has been accused of committing a criminal act, VAWA establish that the accused person cannot be rejected if the criminal act is:
 - a. Directly related to domestic violence or harassment.
 - b. It is linked to a household member, a person under the responsibility of the applicant or any home's guest.
 - c. Any family member, including the applicant, is the victim of the act or has Being threatened.

Certification

In case that the Housing Opportunity Program by Voucher (Section 8), informs to any applicant that the eligibility has been denied because of an incident, cases of domestic violence or harassment, and ask for the assistance of court protection under VAWA Act, the program will require a certification. The same must be received in our office within a period of 14 working days after receipt. Otherwise, the program can find the applicant ineligible without reference to that law.

The forms of certificate may be:

1. Completing and submitting a certification form that will deliver the program,

which was approved by the Department of Housing and Urban Development (HUD).

2. Provide the Program a complaint filed with the Police of Puerto Rico and protection order issued by the Department of Justice (which indicates that we are complying with the protocol to be followed before a case of domestic violence).

Privacy

1. The Housing Opportunity Program by Voucher (Section 8) will handle the information provided by the applicant concerning an incident, cases of domestic violence or harassment, in strict confidence. Such information will not be disclosed without proper consent except as necessary in an eviction proceeding or as required by law.

Limitations

People should know that VAWA has limitations on the rights of applicants. It is important to know that nothing falls within the Act:

1. Preclude the Housing Opportunity Program by Voucher (Section 8), to determine whether it is ineligible for housing assistance for any other situation that does not involve rape or domestic violence or harassment, for which VAWA provides protection.
2. Preclude the Housing Opportunity Program by Voucher (Section 8), to determine whether it is ineligible for housing assistance if it demonstrates a real and imminent threat to other people close to the property, including those who provide services to it. If the program can demonstrate this threat, VAWA does not protect the applicant as to the determination of ineligibility.
3. Restrict the authority of the program to obey a court order concerning rights of access or control of property. Including possession or distribution of property or protection orders to victims.
4. It does not replace any federal, state or local law that provides greater protection than VAWA.

Rights of the Housing Opportunity Program by Voucher (Section 8)

The Program has the authority through VAWA, sheltered under federal law, to vacate, remove or terminate assistance to any benefits from them, which is involved in a crime of physical violence against another person. This without affecting other occupants registered under the same contract.

Definitions

Domestic violence- This includes crime or misdemeanor charges of violence by the spouse or former spouse of the victim, someone with whom you have a child together, a person living or has lived with the victim, who wants to be considered a spouse under the laws or by anyone who harms a victim who is under protection law on domestic or family violence.

Violence between couples-Violence committed by a person:

- having or having romantic or intimate relationship with the victim.
- where the ratio is determined by; duration of the relationship; relationship; or frequency of interaction between two people.

Harassment-is:

- chase, follow or constant acts of intent to kill, injure, harass or intimidate another person, or order to monitor the intentions above.
- that the above actions cause fear of death, serious injury or emotional harm to his person, to any immediate member of that person or the spouse or intimate partner of that person.

Close family member- means:

- spouse, parent, sibling (a) natural child or person under their care.
- someone who lives in the same household and have blood relationship or marriage.

Offender- means the person committing domestic violence between partners or harassment against any victim.

**ATTACHMENT B
RESIDENTS ADVISORY BOARD (RAB)**

The following are the members of the Residents Advisory Board (RAB) of the Municipality of Arroyo Housing Authority:

- | | |
|--------------------------|----------------|
| 1. Ms. Talina Fernandez | President |
| 2. Ms. Yolisbeth Semidey | Vice-President |
| 3. Ms. Limary Maldonado | Secretary |
| 4. Ms. Yadira Cochran | Vocal |
| 5. Ms. Marianela Díaz | Vocal |
| 6. Ms. Yolanda I. Torres | Vocal |

The members of the RAB have assisted to the public meeting done on February 22, 2011 where the One Year Plans were discussed. No comments were received during such public hearing.

Although, the documentation (One Year Plan) was available at the Section 8 Program Offices during working hours, no additional comments were received. The Administrative Plan does not suffer changes since last update done on FY 2010.

**ADMINISTRATIVE PLAN
2010 REVISION**

SECTION 8
ADMINISTRATIVE PLAN

2010
HON. BASILIO FIGUEROA DE JESUS
Mayor

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II. I INTRODUCTION

Our goal is to provide decent, safe, and sanitary rental housing for eligible families and to provide opportunities and promote self-sufficiency and economic independence for Section 8 participants. In order to achieve this mission, we will:

- Recognize residents as our ultimate customer
- Improve Public Housing Authority (AHA) management and service delivery efforts through effective and efficient management of AHA staff
- Seek problem-solving partnerships with residents, landlords, community, and government leadership
- Apply limited AHA resources to the effective and efficient management and operation of Section 8 programs.

The purpose of this plan is to establish guidelines to be followed in determining eligibility for the Section 8 programs. The basic guidelines for this plan are governed by the requirements of the Department of Housing and Urban Development (HUD), with latitude for local policies and procedures. The Policies and Procedures governing admission and continued occupancy are outlined in the plan and these requirements are binding upon applicants, residents, landlords and this AHA alike. Notwithstanding the above, changes in applicable federal law and regulations shall supersede provisions in conflict with this policy.

The Arroyo Housing Authority of the Municipal Government of Arroyo has revised this Administrative Plan in order to provide organizational and operational guidance for administering and selecting families for participation in the Section 8 Existing Housing Voucher Program.

Administrative Plan is available during working hours for public reference at the Management Office at the Federal Affairs Department. A notification is posted at all times in the Bulletin Board informing citizens that the Plan is readily available to participants and general public.

The objectives of this plan are to:

- Promote the overall goal of decent, safe, and sanitary housing by using the Section 8 program to house eligible families in private rental housing; therefore increasing the housing stock for the very low-income families.
- Improve the City's housing stock by requiring participating landlords to meet Section 8 Housing Quality Standards for their rental property.
- Facilitate the efficient management of the AHA and compliance with Federal Regulations by establishing policies for the efficient and effective management of the Section 8 program and staff.
- Comply in letter and spirit with Title I of the Civil Rights Act of 1964, and all other applicable Federal Laws and Regulations to insure that occupancy in assisted housing is administered without regard to race, color, religion, sex, Handicap, familial status and national origin.
- To preserve the nation's existing housing stock, where possible, in accordance with Congress' intent in the Housing and Community Development Act of 1974. The Section 8 Program will allow the AHA to utilize existing housing stock and allow a family who qualifies for Section 8 Assistance and lives in substandard housing to remain, if the owner brings the house up to HQS Standards and the Section 8 participant decides to remain in that unit.

III. II ADMINISTRATIVE STRUCTURE

- Informing eligible families of the availability of section 8 assistance;
- Encouraging owners to make their units available for lease by Section 8 participants;
- Determining the maximum amount of housing assistance payments that can be used for family-paid utilities; and posting the utility allowances annually;
- Receiving applications from families and determining their eligibility for assistance;
- Conduct inspections to Section 8 housing units to determine that they meet or exceed Section 8 Housing Quality Standards;
- Approve leases;
- Making Housing Assistance payments to owners;
- Perform annual and periodic re-examination of income, family composition and re-determination of rent.

The Section 8 Office will have the major responsibility and authority in the implementation of the Section 8 Voucher Housing Programs. As such, duties and responsibilities of the Section 8 Office may be summarized as follows:

- Overall responsibility for insuring compliance with federal regulations, coordinating the implementation of Tenant Policy, Affirmative Marketing Plan and for directing the day to day activities designed to meet program goals and objectives.
- The Housing Inspector is responsible for insuring that housing units (existing) meet the Section 8 Housing Quality Standards.
- The Section 8 Accountant maintains accounting books, records, and reports in accordance with Municipal and HUD requirements; assures adequate funds for payment of the rental contracts.

The Section 8 Office has the following job descriptions for each technical and administrative staff member that performs the work required by the Section 8 Housing Voucher Programs.

Section 8 Program Coordinator

- *Administrative Responsibility:* Report directly to the Housing Department Director. Supervise the Section 8 Office. Coordinate with the Mayor and the Accountant on financial matters.
- *Functional responsibility:* Has overall responsibility for compliance with the Administrative Plan, coordination of the Section 8 Program, Tenant Policy Section 8 Office requirements and pertinent Municipal policies. It is also responsible for meeting goals and objectives.

Specific Duties:

- Direct Technical and administrative work of the Section 8 Program.
- Certify payroll of program employee.
- Set program goals and prepare staff work plans.
- Responsible for staff supervision.
- Responsible for assuring compliance with HUD regulations in program implementation.
- Organize, assign and supervise work performed by program personnel.
- Negotiate contracts with unit owners and tenants.
- Prepare weekly reports to the Mayor concerning progress and problems.
- Evaluate grievances presented by unit owners and tenants.

- Perform Quality Inspection Report of 5% of the total rented units.
- Analyze and report on current rent reasonableness.
- Comply with any other duty assigned by the Mayor and Federal Programs Director (Supervisor).
- Interview owner's applicants and complete applications for Section 8 assistance, including telephone contacts.
- Verify eligibility of families in order to ensure compliance with program eligibility criteria.
- Prepare case reports and maintain an adequate file with all documents.
- Conduct annual family reexaminations.
- Verify family income.
- Participate in negotiation of contracts with owners.
- Frequent contact with owners in order to update rental housing market information in coordination with housing inspectors.
- Visit participants and neighborhoods to perform any required special investigation or inspection.

Section 8 Program Technicians

Executes special investigations due to grievances of information received regarding program abuse. The technicians are responsible for ensuring that each family selected to participate in the Section 8 Program enters into a contract which is to be signed by the head of the family.

Administrative Responsibility: Reports to the Section 8 Program Coordinator.

Functional responsibility: Responsible for initiation and maintenance of contact with clients and applicants, verification of eligibility and follow-ups. Responsible for maintaining current, updated files on available housing units, and providing information to clients. Responsible for establishing the terms and conditions of the lease contract and the consequences for non-compliance (Section 984.302 (5)).

Specific Duties:

- Prepare case reports and maintain adequate file of all documentation.
- Assist in annual family reexaminations.
- Assist in the maintenance files including required documents and current listing of available housing units.

- Provide individual information to clients concerning available housing and any other related matters.
- Notify in writing to owners and participants of deficiencies encountered and will give a time frame to perform the repairs.
- Fully document each file with the necessary inspection documents.
- Responsible for the maintenance of documentation related to Housing Quality Standards inspections including maintaining proper files for the inspector.

Section 8 Program Accountant (Fiscal Unit Coordinator)

Administrative Responsibility: Reports to the Section 8 Program Coordinator.

Functional Responsibility: Has overall responsibility for ensuring that all accounting books, records and reports are maintained in accordance with HUD requirements and generally accepted accounting standards.

Specific Duties:

- Inform Section 8 Program Coordinator and Department Director on the status of the program's finances.
- Prepare requisitions for program funds.
- Prepare monthly payrolls for housing owner participants of the Section 8 Program.
- Prepare annual Section 8 applications (especially Form HUD 52672 and HUD 52673).
- Maintain a record of rental payments to the owners (AHAP register).
- Coordinate with the Section 8 Program Coordinator about changes in address, income, family composition and any other information pertaining to tenants and owners.
- Prepare financial reports at the end of the fiscal year.
- Perform other duties as required by the Section 8 Program Director.
- Perform the accounting for the Section 8 Program.
- Maintain accounting files in accordance with Section 8 program needs.
- Verify payrolls of Section 8 Program employees.
- Keep records of Portability payments and receivables.
- Prepare monthly trial balances for the Section 8 Program.

Section 8 Program Housing Inspector

Administrative Responsibility: Report to the Section 8 Program Coordinator.

Functional responsibility: Responsible for ensuring that housing units (existing) meet Section 8 Housing Quality Standards.

Specific Duties:

- Perform initial, annual or special inspections to proposed or under contract existing housing units.
- Will approve units in compliance with Housing Quality Standards.
- Verbally notify owners and participants of deficiencies encountered and will give a time frame to perform the repairs.
- Analyze and report on current reasonableness for each contract housing unit.
- Execute the Inspection Form (HUD-52580), Lead Based Paint Certification, Rent Reasonableness and Request for Lease Approval Forms.
- Advise clients on all matters including complaint procedure. Hand delivers documents to participants.
- Arrange appointments with participant owners and tenants to discuss matters related to the Section 8 Program. Make and receive telephone calls related to Section 8 Program.
- Perform other duties as required by Department of Federal Affairs Director and/or the Section 8 Program Coordinator.

Section 8 Program Secretary

Administrative Responsibility: Report to the Section 8 Program Coordinator

Functional Responsibility: Over all responsibility for typing, filing, and maintain the agenda of Section 8 activities.

Specific duties:

- Typing all letters and memos related to Section 8 activities.
- In charge of the organization and filing of all documents pertaining to Section 8 program.
- Transcription of oral and written work assigned by the director or program Coordinator.
- Coordination and organization of meetings by Section 8 personnel.
- In charge of the incomings calls to the program.
- Revise documents and correspondence submitted for the director approval.

- Receive and attend public who are visiting the Section 8 office.
- Any other duties assigned by the director.

IV. III ADMINISTRATION OF PROGRAM PROCEDURES

The Housing Authority has developed detailed procedures for the administration of Section 8 Existing Housing Voucher Program. These procedures provide the framework for directing, managing and monitoring program activities. They include local procedures and policies for the treatment of applicants and participants.

The overall objective of this activity is to assure that program availability is adequately publicized in order to reach families and owners of rental housing units. Affirmative marketing efforts are a key component, since certain groups are difficult to reach by conventional means, in order to ensure that all eligible candidates have an opportunity to participate in the program.

Each time the Section 8 Office enters into an Annual Contribution Contract for new units, it makes known to the public-via publication in the Section 8 Bulletin Board and/or other suitable means the availability and nature of housing assistance for very low income families. This notice contains the following information:

- When families may apply for the program.
- A brief description of the Section 8, including the possibility of families receiving assistance for the units which they are currently occupying.
- It states that occupants and applicants of public and/or other housing may apply for the Section 8 Housing Programs if they wish to participate.
- Special outreach for handicapped families.

The AHA will publish a notice inviting owners to make dwelling units available for leasing by participating families. This notice is published via memorandum posted in the City hall Bulletin Board, and in other suitable means, as necessary, in order to reach a maximum number of owners and real estate brokers located in all geographical sectors within the jurisdiction of the Housing Administration.

3.2.1 Eligibility

All individuals who are admitted to the Section 8 Program in the AHA, must be individually determined eligible under the term of this Plan. In order to be determined eligible, an applicant must meet the following requirements:

- The applicant family must qualify as a family.
- The applicant family's Annual Income must not exceed income limits established by HUD for the Section 8 Programs.
- Head of Household must be:
 - 19 years of age or older,
 - 18 years of age and married (not common law), or
 - A person that has been relieved of the disability of non-age by a juvenile court.

3.2.2 Ineligible

Applicants are not automatically determined eligible to receive federal assistance. An applicant will not be placed on a waiting list or offered Section 8 assistance until eligibility is determined. If the applicant's family income exceeds the Income limits established by HUD and published in the Federal Register, the applicant will be declared ineligible. The family no longer requires assistance, if 30% of the adjusted income exceeds the Applicable Payment Standard (the Housing Voucher Contract remains in effect for one year after the family's assistance is terminated). This also applies if the family is paying 40% or more of rent.

If this applies, families will be notified that they have six (6) months to make the proper adjustments to leave the program and pay their own subsidy. Families will be oriented in different other programs that may benefit them and aid them in becoming home owners themselves.

3.2.3 Informed of Ineligibility

If the applicant has failed to meet any outstanding requirements for eligibility and is determined ineligible, he/she will be so informed and the reasons stated in writing. The applicant will be granted ten days from the date stated on the ineligible letter to request an informal meeting. The applicant may bring any person he/she wishes to represent them at the informal meeting. The request for an informal

meeting may be submitted in writing and/or the request may be verbal. However, the request must be received by the AHA within the time frame established by the AHA for the meeting.

3.2.4 Single Person

Under Section 24 CFR 5.405, the AHA is permitted to determine as eligible, single persons living alone or intending to live alone who do not meet any of the definitions of a family (Ref CFR 5.403). Single persons are only eligible for one bedroom voucher.

3.2.5 Declaration of Citizenship

Section 214 of the Housing and Community Development Act of 1980 prohibits AHA's from making financial assistance available to a person other than United States citizens, nationals, or certain categories of eligible non-citizens in HUD's assisted housing programs. This law is referred to as the "Non-citizens Rule" and is effective June 19, 1995.

3.2.6 Adding a Person to the Program

Once an applicant becomes a participant in the AHA's tenant-based program, the head of household must request permission to add another person to the program (except for birth, adoption or court-awarded custody of a child). The person being added must meet all eligibility requirements before the AHA will approve any addition to the tenant-based program.

Families are required to provide Social Security Numbers for all family members age 6 and older prior to admission, if they have been issued SSN by the Social Security Administration. All members of the family defined above must submit either of the following documents:

3.3.1 Social Security Number (SSN)

The SSN must be submitted; or sign a certification if they have not been assigned a SSN. If the individual is under 18, the certification must be executed by his parent or guardian. If the participant who has signed a certification form to obtain a SSN, it must be disclosed at the next regularly scheduled reexamination, or next rent change.

Verification will be done through providing of a valid SSN card issued by the Social Security Administration.

The AHA will accept copies of the SSN card only when it is necessary for the AHA to verify by mail the continuing eligibility of participating families.

If an applicant or tenant cannot provide his/her SSN card, other documents listed below showing his/her SSN may be used for verification. He/she may be required by the AHA to provide one or more of the following alternative documents to verify his/her SSN, until a valid SSN card can be provided. These documents include:

- Drivers license, that displays the SSN
- Identification card issued by a Federal, State or local agency
- Identification card issued by an employer or trade union
- Identification card issued by a medical insurance company
- Earnings statements or payoff stubs
- Bank statements
- IRS Form 1099, or W-2 Form
- Benefit award letters from government agencies
- Medicaid Cards
- Unemployment benefit letter
- Life insurance policies
- Court records such as real estate, tax notices, marriage and divorce, judgment or bankruptcy records
- Verification of Social Security benefits with Social Security Administration.

Note: *If the AHA verifies Social Security benefits with the Social Security Administration, the acceptance of the SSN by the Social Security Administration may be considered evidence of its validity.*

Applicants may not become participants until the documentation is provided and verified. The applicant will retain their position on the waiting list during this period. The applicant will be given a reasonable time, subject to the circumstances, to furnish the documentation before losing their place on the waiting list and the time may be extended, if such circumstances require an extension. The decision will be made by a AHA representative and documented in writing, and places in the applicant's file.

3.3.2 Employers Identification Number (EIN)

The Employers Identification Number (EIN) can be submitted together with an applicable consent form.

3.3.3 Additional Documentation

In determining eligibility, the following additional documentation may be required:

- Temporary Assistance to Needed Families (TANF)
- Birth Certificate or Drivers License that displays the date of Birth and/or form issued by a Federal, State, City or County Agency that displays the date of birth.
- Child Care Verification
- Credit References (History)
- Employers Verification
- Landlord Verification
- Social security benefits
- Assets Verification
- Bank Accounts: Checking Accounts - \$500 + Balance
- Savings Accounts – 4100 + Balance
- Marriage Certificate: If a marriage certificate is not available the following information is acceptable:
 - Drivers license that displays the same address and last names
 - Federal Tax Forms that indicate that the family filed taxes as a married couple during the last reporting period
 - Other acceptable forms of documentations of marriage that would include any document that has been issued by a Federal, State, or Municipal Government and indicates that the individuals are living as a married couple. Couples that are considered married under common law can provide the same information, as listed above, to document that they are living together as a married couple.
- Personal references: personal references (other than from family members) may be used when an applicant cannot produce prior rental history records. Personal references must be notarized.
- Police Reports

- Current reports from drug treatment center facilities
- Supplemental Social Security Income (SSI) Benefits
- Unemployment Compensation
- VA Benefits
- Documentation to support medical expenses
- Any other reasonable information to determine eligibility may be requested by the AHA.

Note: *For the purpose of this Plan, if a member of the current family has committed acts of fraud or has an arrest record, including a drug related arrest, that reflects that the family member may be a danger to the health, safety, or welfare of the community then that person will not be allowed to be a participant of the program. The AHA shall prohibit assistance to any household that includes any individual who is subject to a lifetime registration requirement under a state sex offender registration program.*

Individuals who have been evicted from any housing complex for engaging in criminal activities, including drug-related criminal activities may be denied assistance.

3.3.4 Separation with Children

Separation means the ending the co-habitation by mutual agreement. If an applicant is separated from a person and has children by that person or former spouse, applicant must provide at least one of the verification listed below:

- A final divorce decree. Applies to individuals who are divorced and not separated and is the only documentation accepted for individuals that are divorced.
- Receiving court-ordered child support from former spouse.
- Verification that applicant is pursuing child support through Department of Human Resources, Child Support Unit or other applicable office.
- If applicant is receiving personal child support, then applicant can make arrangements to have child support paid through the court system, either through the circuit clerks' office, Department of Human Resources, or through a court reference.
- Receiving TANF through the Department of Human resources for former spouse's children.
- A notarized statement from current landlord (not family) verifying that the current landlord knows that the applicant and spouse have not lived together for the last six (6) months or more.

- Income tax statements from both husband and wife indicating both filed income taxes separately the last year and that they filed from different addresses.
- Written statement from an abuse shelter, law enforcement agencies, and social services agencies that applicant needs housing due to physical abuse.
- Food stamp verification. If no other documentation is available.

3.3.5 Separation – No Children

If applicant is separated from a person and has no children by that person, applicant must provide at least one of the verifications listed below:

- A final divorce decree. Applies to individuals who are divorced and not separated and is the only documentation accepted for individuals that are divorced.
- A notarized statement from current landlord (not family) verifying that the current landlord knows that the applicant and spouse have not lived together for the last six (6) months or more.
- Income tax statements from both husband and wife indicating both filed income taxes separately the last year and that they filed from different addresses.
- Written statement from Lawyer that applicant has filed suit for divorce because of physical abuse.
- A written statement from an abuse shelter, law enforcement agencies, social service agencies that applicant needs housing due to physical abuse.

3.3.6 U.S. Citizenship Verification and Appeal Procedures

The Housing Authority (AHA) must follow the verification procedures and verify the person or person's declaration of U.S. Citizenship through the INS SAVE system.

Once the verification is completed and verification from the INS SAVE system confirms the declarations of U.S. Citizenship and the applicant(s) meets all other conditions for occupancy, as outlined in the Admission and Continued Occupancy Policy (ACOP), Section VIII Admission Eligibility Criteria, or the Section 8 Administrative Plan, Section 8 Eligibility Criteria (as appropriate), the application will be processed for assistance.

If the INS SAVE system does not confirm U.C. Citizenship, the AHA must request that a manual research be conducted of INS records. The AHA must request the secondary verification (manual search) by INS within ten calendar days of receipt of the initial failed verification. INS will issue a

decision within 30 days of its receipt of the request for a secondary verification. If the secondary verification fails to confirm eligible immigration status, the AHA shall notify the family of rights of appeal to INS. If INS is unable to issue a decision within 30 days, the INS will inform the family and the AHA of the reasons for the delay. When the AHA receives a copy of the INS decision (and the decision does not confirm the declaration of U.S. citizenship), the AHA will notify the family of its rights to request an informal hearing. The informal hearing will be conducted in accordance with the applicable Section of this Plan.

3.3.6.1 Assistance to an applicant may not be delayed, denied, or terminated, if:

- The primary and secondary verification of any immigration document that were timely submitted has not been completed;
- The family member of whom required evidence has not been submitted has moved;
- The family member who is determined not to be in an eligible immigration status following INS verification has moved;
- The INS appeals process has not been concluded;
- Assistance is prorated;
- Assistance for a mixed family is continued.

3.3.6.2 Assistance to an applicant shall be denied, and a tenant's assistance shall be terminated, upon the concurrence of any of the following:

- **Evidence of citizenship (i.e. the declaration) is not timely submitted;**
- **Evidence of citizenship and eligible immigration status is timely submitted but INS primary and secondary verification does not verify eligible immigration status;**
- **The family does not pursue appeal or AHA informal hearing rights;**
- **INS appeal and informal hearing rights are pursued, but the final appeal or hearing decisions are decided against the family member.**

3.3.6.3 Notice must be given to the family and shall advise:

- That financial assistance or housing will be denied or terminated, and provide a brief explanation of the reasons;
- That they may be eligible for prorating of assistance;
- In the case of a tenant, the criteria and procedures for obtaining relief for mixed families and other families; and
- Any future appeal rights have been exercised.

3.3.7 Criminal Records Management Police

All adult applicants and tenants shall complete an "Authorization for Release of Police Record". The AHA shall request a Police Information Center check for criminal history for an applicant or tenant. Applicants and tenants may be requested to furnish fingerprints for this purpose through the local law enforcement office. The information shall be furnished to the AHA pursuant to the agreement between the U.S. Department of Housing & Urban Development and the U.S. Department of Justice.

For the purpose of screening applicants, lease enforcement and eviction the AHA or its Agents will attempt to obtain reports and any police records from law enforcement agencies related to a persons criminal conviction records for persons eighteen (18) years of age or older. The AHA may also request this information for juveniles, to the extent that the release of such information is not prohibited by State, or local laws.

Before the AHA takes any adverse action based on a criminal conviction record, the AHA or its Agents must provide the applicant or tenant with a copy of the criminal record and an opportunity to

dispute the accuracy or relevancy of the record. For applicants, the copy will be provided at a hearing. The hearing is afforded to each applicant that is denied admission and provides the applicant the opportunity to dispute any information used to deny an applicant housing assistance. For participants, the copy will be provided in accordance with the Ahi's Informal Review or Hearing Procedure.

The AHA will keep all criminal records received confidential and not misuse or improperly disseminate the information. Criminal records of any adult applicant/tenant which are used as the basis of denying tenancy or eviction are confidential and shall not be disclosed to any person or entity other than for official use or for use in court proceedings. The term "adult" means a person who is 18 years of age or older, or who has been convicted of a crime as an adult under any Federal, State, or local law.

Records shall be destroyed once action is taken and any grievance procedures, or court proceeding is completed. A notice of record destruction shall be maintained in a separate file.

The AHA will work through their local law enforcement agencies to obtain information from NCIC. Also, the AHA may pay reasonable fees charged by law enforcement agencies that provide the information. The applicant or tenant may not be charged for any expenses related to the investigation.

3.4.1 Housing Voucher Waiting List Selection and Participation Process

3.4.1.1 Equal Opportunity: The Fair Housing Act makes it illegal to discriminate on the basis of race, color, religion, sex, handicap, familial status and nation origin and complying with CRF 982-204. This AHA should not deny any family the opportunity of applying for a Housing Voucher.

3.4.1.2 Types of Selection: The AHA may admit an applicant for participation in the program either:

- As a special admission (see definition below), or
- As a waiting list admission. Also, a Section 8 participant is responsible for finding an existing housing unit suitable to the holder's needs and desires (Reference 24 CFR 982.353, where family can lease a unit).

3.4.1.3 Special Admissions: If HUD awards program funding that is targeted for families living in specified units:

- The AHA must use the assistance for the families living in these units.
- The AHA may admit a family that is not on the AHA waiting list, or without considering the family's waiting list position. The AHA must maintain records showing that the family was admitted with HUD-targeted assistance.
- For housing covered by the Low-Income Housing Preservation and Resident Home Ownership Act of 1990 (41 U.S.C.4101 et seq.).

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

- Numeric Order in which the applicant applied
- Applicant Name;
- Racial or ethnical designation of the head of household.
- Family Size
- Date and time of application;
- Qualification for Local Preferences
- Type of Income
- Families reason for applying for program
- Quality Control (Reason why participant was selected)

The waiting list of the Municipality of Arroyo will not be merged with other waiting list and it will be a single waiting list for admission to the Program, although our waiting list is currently closed until further notice effective July, 2010.

3.4.3 Order of Selection from the Waiting List

- When a Housing Voucher is available, the AHA will select the family at the top of the waiting list. The order of admission from the waiting list may not be based on family size, or on the family unit size for which the family qualifies for under the AHA occupancy guidelines. If the AHA does not have sufficient funds to subsidize the family unit size of the family at the top of the waiting list, the AHA may not skip the top family to admit an applicant with a smaller family unit size. Instead, the family at the top of the waiting list will be admitted when sufficient funds are available.

- Provided, however, the provisions of the Deconcentration Rule, contained within this policy, shall supersede the selection of applicants based on date and time and local preference points, if applicable, and allow the AHA to skip families on the waiting list to accomplish this goal.

The AHA will remove an applicants name from the waiting list for the following:

- The AHA will remove names of applicants who do not respond to AHA request for information updates.
- The AHA will remove the names of applicants who refuse the AHA's offer of tenant-based assistance.
- Do not meet AHA requirements for Section 8 assistance.

The applicant will be notified by the AHA, in writing, that they have ten (10) calendar days, from the date of the written correspondence, to respond to AHA's request. The correspondence will also indicate that their name will be removed from the waiting list if they fail to respond within the time frame specified. The AHA's system of removing applicants names from the waiting list will not violate the rights of disabled person(s). If an applicant's failure to respond to a request from the AHA for information or updates was caused by the applicant's disability, the AHA will provide reasonable accommodations and give the applicant an opportunity to respond. An example of a reasonable accommodation would be to allow an applicant to be reinstated on the waiting list based on the original date and time of their application. If the applicant indicates that they did not respond due to a disability. If the disability is not apparent, the AHA may request the applicant to have a doctor submit a written statement indicating that the applicant did not respond due to their disability.

To ensure that the AHA's waiting list reflects the most current applicant information the waiting list will be updated and purges every 3 years. This will be conducted using the following process:

- Send out mailing to waiting list applicants, requiring verification of continued interest and a new preliminary application providing all information needed for placement on the waiting list. A

deadline for the up-date request return will be informed together with an explanation of the consequences if the application is not received by the deadline date.

- If a notice is marked “addressee unknown”, the application will be closed. The notice and envelope will be attached to the corresponding file and maintained for three (3) years.
- When there has not been a response or a return notice at the deadline date, the application will be closed. Copy of the mailed notice will be attached to the original application and maintained for three (3) years.

At the time of application, initial determinations of an applicant’s entitlement to a Preference may be made on the basis of an applicant’s certification of their qualification for that preference. Before selection is made, this qualification must be verified.

3.4.8 Local Preferences

3.4.8.1 Residency: This preference states that persons that live within the AHA boundaries will be one of the criteria’s for selection in the Waiting List with nondiscrimination and equal opportunity requirements.

3.4.8.2 Involuntary Displacement: Involuntary Displacement applicants are applicants who have or will (within no more than six months from the date of certification of verification) vacate housing as a result of:

- A disaster (fire, flood, etc.).
- Federal, state and local government action related to code enforcement, or public improvement or development.
- Action by a housing owner which is beyond an applicant’s ability to control, occurs despite the applicant having met all previous conditions of occupancy, and is other than a rent increase.

If the owner is an immediate family relative and there has been no previous rental agreement and the applicant has been part of the owner’s family immediately prior to application, an involuntary displacement situation will not be considered.

3.4.8.3 Victims of Domestic Violence:

- have vacated due to actual or threatened physical violence directed against the applicant or the applicant’s family by a spouse or other household member, or
- Live in housing with an individual who engages in such violence.

Such “actual” or “threatened” violence must have occurred recently or be of a continuing nature.

An applicant who lives in a violent neighborhood or is fearful of other violence outside the household is not considered involuntarily displaced.

Verification of Involuntary Displacement includes the following documentation:

- Certification from a unit of government or social service agency concerning displacement due to disaster.
- Certification from a unit of government concerning displacement due to code enforcement or public improvement or development.
- Certification from an owner concerning displacement due to owner action.
- Certification from local police, social service agency, court, clergy person, physician, or public or private shelter, counseling facility concerning displacement due to domestic violence.

3.4.8.4 Families with disabilities

- Another criteria would be to select persons that are elderly (62 years of age or older) and or disabled

3.4.8.5 40% of Income for Rent (Working Families)

The definition of this preference involves definition of two terms: “Family Income” and “Rent”. For purposes of the Preference Rule, “Family Income” is Monthly Income as defined in 24 CFR 813.102. “Rent is defined as:

- The actual amount due and paid and current under a lease or occupancy agreement (calculated on a monthly basis), plus
- The monthly amount of tenant-supplied utilities, which can be either:
 - The AHA’s reasonable estimate of the cost of such utilities, using the Section 8 Utility Allowance Schedule, or
 - The average monthly payments the family actually made for these utilities in the most recent 12 months period, or shorter period if appropriate, as determined by the AHA.

Verification of Income, Rent, and Utilities Payments: Income must be verified in accordance with already existing AHA procedures used to verify income to determine eligibility and Total Tenant Payment.

Amounts due under a lease or occupancy agreement must be verified by requiring the family to furnish copies of rental receipts, canceled checks, money order receipts or a copy of current purchase agreement, or by contacting the lien holder or landlord directly.

If there is no lease or occupancy agreement, documentation provided will have to cover the prior 3 months of rent. If there is a lease, and the family has resided there less than three months, the AHA will accept the lease and a lesser number of rent receipts.

Actual amount paid for utilities must be verified by requiring family to provide copies of appropriate bills or receipts, or obtain information directly from utility supplier.

Initial Determination: At the time of application, initial determinations of an applicant's entitlement to a Federal Preference may be made on the basis of an applicant's certification of their qualification for that preference. Before selection is made, this qualification must be verified as outlined above. If the preference verification indicated that the applicant is not entitled to the preference, the applicant will be replaced in order on the waiting list, without the Federal Preference, or given a 10% exception.

3.4.8.6 Living in Substandard Housing

- Is dilapidated (does not provide safe, adequate shelter; has one or more critical defects or a combination of defects requiring considerable repair; endangers the health, safety, and well-being of family);
- Does not have operable indoor plumbing;
- Does not have usable flush toilet in the unit for the exclusive use of the family;
- Does not have usable bathtub or shower in unit for exclusive family use;
- Does not have adequate, safe electrical service;
- Does not have a kitchen;
- Has been declared unfit for Habitation by a government agency.

A family who resides as part of another family unit shall not be considered a separate family from the family unit substandard housing definition preference purposes.

An applicant who falls under the “Homeless family” definition is considered to be living in substandard housing. “Homeless Family” is one that:

- Lacks a fixed, regular, adequate nighttime residence,
- Has a primary nighttime residence that is a supervised, public or private shelter providing temporary accommodations, or an institution providing temporary residence for individuals intended to be institutionalized, or a public or private place not ordinarily used as a sleeping accommodation for human beings.

“Homeless Family” does not include any individual imprisoned or detained pursuant to State law or an Act of Congress.

Verification of Substandard Housing: Includes certification from a unit of government or from the applicant’s current landlord that the unit’s condition meets the definition of substandard. For “Homeless Families”, verification is a certification of this status from a public or private facility providing shelter to the family, or from local police or a social service agency.

3.4.8.7 Procedure for Re-opening and Closing the Waiting List

A waiting list is adequate when a sufficient number of eligible applicants are included to ensure that new or turnover vouchers are issued as quickly as possible to eligible applicants. At the same time the waiting will not be so large as to result in an unreasonable wait for housing.

The AHA will close the waiting list when sufficient funds are not available to assist all applicants on the waiting over a reasonable period of time determined to be not more than 24 months. Before closing the waiting list, verification will be made to the effect of assuring that it includes sufficient number of extremely requirement regarding that 75% of families admitted are extremely low income.

A Public Notice will be posted at the City Hall Bulletin Board in order to notify citizens that action has been taken regarding the waiting list either by closing or reopening of it.

The purpose of the briefing is to cover the Housing Voucher holders' packet in order to fully inform the participant about the program so that he/she will be able to discuss it with potential landlords.

All families (head of households) are required to attend the briefing when they are initially issued a Housing Voucher. No Housing Voucher will be awarded unless the household representative has attended a briefing.

Failure to attend a scheduled briefing (without notice to the AHA) will result in the family's application being placed in the inactive file and the family may be required to reapply for assistance. Applicants who provide prior notice of an inability to attend a briefing will be scheduled for the next briefing.

Failure of an applicant, without good cause, to participate in a scheduled briefing shall result in withdrawal of his/her application. This applicant will be notified of such withdrawal of his/her application. This applicant will be notified of such withdrawal and determination of ineligibility and of his/her right to an informal review.

When a Family initially receives its Participation in the Housing Voucher, a full explanation (oral) of the following shall be provided to assist the Family in finding a suitable unit and to apprise the Family of its responsibilities and the responsibilities of the Owner (this may be done either in group or individual sessions depending on the circumstances). Also, families will be given adequate opportunity to raise questions and to discuss the information listed below: (Reference 24 CFR 982.301)

- A description of how the program works;
- Family and owner Responsibility; and
- Where the family may lease a unit, including renting dwelling unit inside or outside the AHA jurisdiction.

- If the family is currently living in a high poverty census tract in the AHA jurisdiction, the briefing must also explain the advantages of moving to an area that does not have a high concentration of poor families.

When briefing family that includes a disabled person, appropriate measures will be taken to ensure effective communication.

Note: For a family that qualifies to lease a unit outside the AHA jurisdiction under portability procedures, the briefing must include an explanation of how portability works. The AHA may not discourage the family from choosing to live anywhere in the AHA jurisdiction, or outside the AHA jurisdiction under portability procedures.

When issuing a Housing Voucher, the AHA shall give the Family a Section 8 Participant's Packet, which includes: (Reference 24 CFR 982.301)

- The term of the voucher and the policy for extensions or suspensions of such term.
- How the AHA determines the maximum rent for an assisted unit;
- What the family should consider in deciding whether to lease a unit, including:
 - The condition of the unit;
 - Whether the rent is reasonable
 - The cost of any tenant-paid utilities and whether the unit is energy-efficient; and
 - The location of the unit, including proximity to public transportation (if applicable), center of employment, schools and shopping.
- Where the family may lease a unit (Portability eligibility). For a family that qualifies to lease a unit outside the AHA jurisdiction under portability procedures, the information packet must include an explanation of how portability works;
- The HUD-required "lease addendum" (The lease addendum is the language that must be included in the lease).
- The form of request for lease approval, and an explanation of how to request AHA approval to lease a unit.
- A statement of the AHA policy on providing information about a family to prospective owners.

- The AHA subsidy standards, including, when the AHA will consider granting exceptions to the standards;
- The HUD brochure on how to select a unit;
- The HUD lead-based paint (LBP) brochure, notices and certificates;
- Information on federal, state and local equal opportunity laws, fair housing information, and a copy of the housing discrimination complaint form;
- A list of landlords or other parties known to the AHA who may be willing to lease a unit to the family, or help the family find a unit;
- Notice that if the family includes a disabled person, the family may request a current listing of accessible units known to the AHA that may be available;
- Family obligations under the program;
- The grounds on which the AHA may terminate assistance for a participant family because of family action or failure to act; and
- The informal hearing procedures. This information must describe when the AHA is required to give a participant family the opportunity for an informal hearing, and how to request a hearing.

(Reference 24 CFR 982.302 and 982.305) When a family finds a unit, and the owner is willing to lease the unit under the program, the family may request the AHA to approve the lease and unit.

- If the AHA determines that a unit which an Eligible Family wished to lease meets HQS and the proposed Lease is approved, the AHA shall notify the Owner and the Family of its determination of Lease approval.
- After receiving notification from the AHA, the Owner and the AHA representative shall schedule a meeting and execute and sign the Contract. After the contract is executed, the Owner and Family shall execute and sign the Lease and provide a copy to the AHA.
- The AHA shall retain the following in its files:
 - The Request for Lease Approval;
 - The approved Lease;
 - Inspection Report;
 - AHA certification that the current rent being charged for comparable units in the private unassisted market, taking into account the location, size, type, quality, amenities,

facilities and management and maintenance service of such unit. This certification will be maintained for three years to comply with HUD regulations and HUD inspections; and

- Executed Contract.

3.5.6 Issuing or Denying Vouchers:

3.5.6.1 Term of the Voucher: 60 days. A Voucher is valid for a period of 60 days from the date of issuance. Prior to expiration, the family may contact the AHA to inquire about assistance the AHA can provide the family in locating suitable housing. The family must submit a Request for Lease Approval within the 60-day period unless an extension has been granted by the AHA. Once the family has submitted a Request for Lease Approval the clock is stopped and/or suspended on the term of the voucher. When the clock is stopped (suspended), the time remaining days will be reinstated to the initial 60-day period of the Voucher, if necessary. If the unit is not approved for any reason, the remaining days will be reinstated to the initial term of the voucher. If the initial term is not adequate for finding a unit to lease, the family may request an extension of the initial term as described below.

3.5.6.2 Requesting an extension of the term. A family may request an extension of the Voucher time period. All requests for extension should be received prior to the expiration date of the Voucher. Extensions are permissible at the discretion of the AHA primarily for the following reasons:

- Extenuating circumstances such as hospitalization or a family emergency for an extended period of time which has affected the family's ability to find a unit within the initial 60-day time period. The AHA representative will verify the extenuating circumstances prior to granting an extension.
- The family has evidence that they made a consistent effort to locate a unit and request support services from the AHA, throughout the initial 60-day time period with regard to their inability to locate a unit.
- The family has turned a Request for Lease Approval prior to the expiration of the 60-day time period, but the unit has not passed HQS.
- Time Period for extensions: A AHA representative may grant one or more extensions not to exceed a total of 60 days. The initial term plus any extensions may not exceed 120 calendar days from the beginning of the initial term.

- Extension for Disabled Persons: The AHA representative must grant an extension of up to 120 days for persons who are disabled.

3.5.7 Occupancy Policies

The term “family” as used in this policy means: Two or more persons related by blood, marriage, or by operation of law. A family with or without children (the temporary absence of a child from the home due to placement in foster care shall not be considered in determining family composition and family size); who live regularly together as a single household in the dwelling unit. By definition, a family must contain a competent adult of at least 19 years of age or 18 years of age and married (not common law) to enter into a contract and capable of functioning as the head of the household.

Note: If an individual is 18 and qualifies under the definition of family by being married, the head of household and the spouse must be parties to the lease. There must be some concept of family living beyond the mere sharing or intention to share housing accommodations by two or more persons to constitute them as a family within the meaning of this policy. Some recognized an acceptable basis of family relationship must exist as a condition of eligibility, such as:

- An elderly family;
- A near-elderly family;
- A disabled family;
- A displaced family;
- The remaining member of a tenant family (Refer Definition No. 101); and
- A single person who is not elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family.

Note: Housing assistance limitation for single persons. A single person who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family may not be provided (for tenant-based assistance) housing assistance for which the family unit size exceeds the one bedroom level (Ref. 982.207 Housing assistance limitation for single persons, published in the Federal Register on 2/13/96).

The rule does not prohibit a single person from residing in a larger unit (2 or ore bedrooms) with the amount of subsidy for a zero or one-bedroom family unit size. The limit is on the amount of subsidy paid NOT the SIZE of the UNIT.

An applicant is continuously assisted under the 1937 Housing Act if the family is already receiving assistance under the 1937 Housing Act Program when the family is admitted to the Section 8 Program.

3.5.8 Grounds for Denial or Termination of Assistance

3.5.8.1 Denied Admission: The AHA may deny an applicant admission to participate in the Section 8 Program or, with respect to a current participant, may refuse to issue another Voucher for a move to another unit, approve a lease, or execute a new Contract for the Section 8 participant, if the applicant or participant: (Ref: 24 CFR 982.552)

- Owes rent, other amounts, or judgments to any AHA or any other federally subsidized housing program (declared ineligible). At the AHA discretion, the applicant may be declared eligible upon payment of the debt, with the date and time of the application being the time of payment and meeting other criteria.
- As a previous participant in the Section 8 Program or as a participant in the Public Housing Program, the applicant has not reimbursed the AHA or another AHA for any amounts paid to owner under a housing assistance contract for rent or other amounts owed by the Family under its lease and for a vacated unit.
- Has violated any Family obligation listed on the voucher.
- Engage in drug-related criminal activity or violent criminal activity, including activity by the family member.
- Breaches a repayment agreement to the AHA and/or owner.
- Committed acts which would constitute fraud in connection with and/or has been evicted from any federally assisted housing program.
- Did not provide information required within the time frame specified during the application process.
- If the applicant or any member of the applicant's family does not sign and submit consent forms those are provided by the AHA for the purpose of verifying employment and income information.

- If the applicants family did not complete properly all application requirements, including verifications.
- If the applicant and all adults did not sign a release allowing the AHA to request a copy of a police report from the Police Department or other Law Enforcement Agencies.
- If the applicant is a former Public Housing or Section 8 participant who vacated the unit in violation of program requirements (declared ineligible).
- If the AHA determines that a person is illegally using a controlled substance or abuses alcohol in a way that may interfere with the health, safety, or right to peaceful enjoyment of the premises.

3.5.8.2 Notification of Denial: If the applicant is denied admission, the AHA will notify, in writing, of its determination and inform the applicant that they have an opportunity for an informal review on such determination. The denial letter will allow the applicant ten (10) calendar days to request an informal review with the AHA.

3.5.9 Termination of Tenancy by Owner

3.5.9.1 Reason for Termination: The Owner shall not terminate the tenancy of the family except for:

- Serious or repeated violation of the terms and conditions of the Lease.
- Criminal activity by the tenant, any member of the households, a guest or another person under the tenant's control.
- Violation of Federal, State or Local law that imposes obligations on the tenant in connection with the occupancy or use of the premises.
- Other good cause, which may include, but not limited to: failure by the family to accept the offer of a new lease or revision; a family history of disturbance of neighbors or destruction of property; the owner's desire to use the unit for personal or family use, or for a purpose other than a residential unit; or a business or economic reason for termination of a tenancy.

3.5.9.2 Eviction by Court Action; The owner may evict the Family from the contract unit by instituting a court action and must notify the AHA, in writing, of the commencement of procedures for termination of tenancy.

3.5.9.3 Written Notice: Owners must provide written notice of not less than 90 days before termination of a tenant-based housing assistance payment (HAP) contract. Copy of notice must be provided to the AHA.

3.5.9.4 Termination During First Year: During the first year of the lease term, the owner may not terminate the tenancy for “other good cause”, unless the owner is terminating the tenancy because of something the family did or failed to do.

3.5.10 Termination of Housing Assistance Payment (HAP) Contract

3.5.10.1 When the Unit is Too Big or Too Small: If the AHA determines that a unit does not meet HQS space standards because an increase in family size or a change in family composition, the AHA must inform the family to find an acceptable unit as soon as possible.

3.5.10.2 Breach of Contract: Reasons for termination of HAP contract must be outlined in the contract.

3.5.10.3 Automatic termination of HAP Contract: The HAP contract terminate automatically 180 calendar days after the last housing assistance payment to the owner.

3.5.11 Security Deposits

The owner established the amount of the security deposit. It should be consistent with private market practice or deposits for unassisted units. When the tenant moves out of the unit, the owner may use the security deposit in accordance with the Lease as reimbursement for unpaid rent, damages to the unit, or for amounts owed under the Lease. The owner must give the tenant a written list of charges and the amount of each item. The owner must refund the tenant for any unused balance. The security deposit will be an arrangement between the owner and the tenant. The AHA will require all tenants to have at least a one (1) month deposit equal to a one month of rent payment prior to a new or change of unit of tenant/owner contract.

IV STANDARDS FOR DENYING ADMISSION OR TERMINATING Assistance based on Criminal Activity or Alcohol Abuse in Accordance with Section 982.55

The Quality Housing and Work Responsibility Act (QHWRA) provided authority for better screening and denial of federally assisted housing to individuals and families with specific types of criminal activities in their history.

The mandatory provisions that follow require AHA prohibiting admission to federally assisted housing if:

- Prohibiting admission of drug criminals: Any housing member has been evicted from Federally-assisted housing for drug-related criminal activity, for three years from the date of eviction. If the evicted household member who engaged in drug-related criminal activity has successfully completed a supervised drug rehabilitation program or circumstances leading to the eviction no longer exist, the AHA may after an evaluation of documentation..
- Any household member is currently engaging in illegal drug use.
- The AHA determines that there is unreasonable cause to believe that a household member's illegal use or a pattern of illegal use of a drug may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

- Any household member that has ever been convicted of a drug related criminal activity for manufacture or production of methamphetamine on the premises of federally assisted housing.

The AHA must prohibit admission to the program if any member of the household is subject to a lifetime registration requirement under a State sex offender registration program. In this screening of applicants, the AHA will perform criminal history background checks necessary to determine whether any household member is subject to a lifetime sex offender registration requirement in the State where the housing is located and in other States where the household members are known to have resided.

The AHA may prohibit admission of a household to the program if the AHA determines that any household member is currently engaged in, or has engaged in during a reasonable time before the admission:

- Drug-related criminal activity;
- Violent criminal activity;
- Other criminal activity which may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity; or
- Other criminal activity which may threaten the health or safety of the owner, property management staff, or persons performing a contract administrative function or responsibility on behalf of the AHA (including a AHA employee or a AHA contractor, subcontractor or agent).

The period before admission decision is established as three (3) years in which an applicant must have engaged in such activities. Reconsideration will be given to the magnitude of the offense, prior conviction and evidence sustaining the criminal activity.

The AHA will prohibit admission to the program if the AHA determines that it has reasonable cause to believe that a household member's abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

This will be based on documents, previous acts certifications, and other legally permissible means.

The AHA will have the discretion to reconsider an applicant who was previously denied admission to Federally-assisted housing because of a determination concerning a member of the household who has been engaged in criminal activity drug related or other. The AHA may admit the household if with sufficient evidence it can determine that the household member is not currently engaged in, and has not engaged in, the criminal activity described above during a reasonable period, before the admission decision. However, to the extent that an Owner chooses to adopt this admission provision or a similar admissions authority that is based upon a household member's current or recent actions, the AHA must have sufficient evidence submitted by the household member which includes:

- A certification that states that she/he is not currently engaged in such criminal activity and has not engaged in such criminal activity during the specified period; and
- Supporting information from such sources as a probation officer, a landlord, neighbors, social service agency workers or criminal records that were verified by the AHA.

The AHA will terminate assistance for a family under the program if the AHA determines that:

- Any household member is currently engaged in illegal use of a drug; or
- A pattern of illegal use of a drug by any household member interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.
- Any member of the household has ever been convicted of drugs-related criminal activity for manufacture or production of methamphetamine on the premises of federally assisted housing.
- Any family member has violated the family's obligation under Section 982.551 not to engage in any drug-related criminal activity.

The AHA will terminate assistance under the program for a family if the AHA determines that any household member has violated the family's obligation under Section 982.551 not to engage in violent criminal activity.

The AHA will terminate assistance for a family if the AHA determines that a household member's abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

Lease will include this language in the provisions of the contract.

The AHA may terminate assistance for criminal activity by a household in this section if the AHA determines, based on preponderance of the evidence, that the household member has engaged in the activity, regardless of whether the household member has been arrested or convicted for such activity.

Such evidence will be based on:

- A determination made by the AHA that a household member is illegally using a drug.
- A determination made by the AHA that a pattern of illegal use of a drug by a household member interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.
- Criminal activity by a tenant, any member of the tenant's household, a guest or another person under the tenant's control:
 - That threatens the health, safety, or right to peaceful enjoyment of the premises of other residents (including property management staff residing on the premises);
 - That threatens the health, safety, or right to peaceful enjoyment of their residences of persons residing in the immediate vicinity of the premises.
 - If the tenant is fleeing to avoid prosecution, custody or confinement after conviction for a crime or an attempt to commit a crime that is felony under the laws of the place from which the individual flees.
 - If the tenant is in violating a condition of probation or parole imposed under Federal or state law.
 - A determination made by the Landlord that a household member's abuse or pattern of abuse of alcohol threatens the health, safety, or right to peaceful enjoyment of the premises of other residents.

The tenancy may be terminated and tenant may be evicted through judicial action for criminal activity by a covered person if the AHA determines that the covered person has engaged in the criminal activity, regardless of whether the covered person has been arrested, or convicted for such activity and without satisfying a criminal standard of proof of the activity.

In the screening of applicants, the AHA will perform the necessary criminal history background checks to determine the applicant's suitability for Federal-assisted housing. Therefore, the AHA will contact National and State sex offenders registry agencies. Admission will be prohibited to all sex offenders who are subject to a lifetime registration requirement under a state sex offender program. In accordance with federal law, any individual who is a sex offender subject to a lifetime registration requirement under state law shall not be admitted to federally-assisted housing.

The AHA will obtain criminal background information concerning a "household member" for applicant screening, lease enforcement, or eviction. Prior to performing or requesting a AHA to conduct a background check, the AHA must obtain signed written consent forms from the applicant or household member. All criminal background checks conducted will be done consistently for every applicant and/or resident.

The AHA must request the criminal conviction records in the States where the applicant resides and has resided. The AHA may rely on the applicants' declarations regarding their residences and any other information. The AHA determination with regard to the screening and admission of applicants is based upon the criminal conviction record. All findings of criminal background of sex offender status used to make a determination must be documented.

V. V OUTREACH TO OWNERS AND FAMILIES

Outreach will be conducted in order to pursue the following objectives:

- Stimulate and sustain interest in the program
- Promote helpful information to potential participants
- Ensure information will reach the population least likely to apply
- Announce the opening or closing of waiting list.

The outreach will include:

- Press releases in local newspapers
- Distribution of flyers
- Community service announcements in radio
- Participation of supportive services and non for profit organizations
- Agency referrals
- Other participant's referral of known potential clients and owners.

The AHA will encourage participation by owners of suitable units located outside areas of low income or minority concentration by distributing and communicating information concerning property owners leasing units under the Section 8 Programs through the local media. This effort will be directed towards accessing potential renters through owners of housing units to offer their units for participation. A notice will be published inviting owners to make dwelling units available. The Notice will be posted in the City Hall Bulletin Board.

The AHA will make known to the public, through publications in a newspaper of general circulation as well as through minority media and other suitable means, the availability and nature of housing assistance for lower-income families. The notice will inform such families where they may apply for Section 8 rental assistance. The AHA shall take affirmative actions to provide opportunities to participate in the program to persons who, because of such factors as race, ethnicity, sex of household head, age, or source of income, are less likely to apply for Section 8 rental assistance. The AHA will hold meetings concerning the Section 8 programs with local social community agencies, as part of its outreach efforts.

All outreach will be developed in accordance with equal opportunity standards and HUD guidelines for Fair Housing opportunities.

VI. VI ASSISTING FAMILIES THROUGH THE DISCRIMINATION

VII. COMPLAINT PROCEDURE

The Administrative Plan will be available to Section 8 Program participants. A Notice informing potential applicants and participants of such availability will be permanently posted in the Bulletin Boards located at the City Hall and at the Federal Programs Office. The Plan will be physically available for review during working hours at the Federal Program Office.

Under the Program, Section 8 participants will receive assistance from the AHA regarding discrimination and the complaint process applicable.

Each participant will be orally briefed in regard to the right to receive information and to file a complaint, when they understand discrimination has occurred. In addition, Posters will be posted in public bulletin boards at the City Hall and at the Federal Programs office in order to allow person that have or think they may be discriminated, to receive information at the Program's Management Office; a permanent Notice will also be posted to this effect. The applicable Discrimination Complaint Form is part of the Information Packet received by each participant family. Once a complaint is received:

- The AHA will conduct an investigation into the matter.
- The participant will be informed of the result of the investigation within sixty (60) days of the receipt of the complaint.
- If illegal discrimination has occurred, the appropriate sanctions will be enforced.

VIII. VII FAMILIES THAT INCLUDE PERSONS WITH DISABILITIES

Although the existing market of accessible units is limited in the AHA's area, efforts will continue towards assessing units to identify and address reasonable accommodation needs.

The AHA will conduct in the program year, a market study geared to identify available accessible units. When a participant family includes a person with disability, the AHA will:

- Assist the disabled participant in locating accessible unit.
- Conduct site visits to the different units available.
- Serve as liaison between unit owners and disabled participants in order to achieve reasonable accommodation.
- Include evidence of all efforts in the participants file.

IX. VIII PROVISION TO OWNER OF INFORMATION REGARDING A FAMILY

The must inform the owner that the AHA has not screened the family's behavior or suitability for tenancy and that such screening is the owner's own responsibility.

8.2

An owner may consider a family's background with respect to such factors as:

- Payment of rent and utility bills.
- Caring for a unit and premises.
- Respecting the rights of others to the peaceful enjoyment of their housing.

8.3

The AHA must give the owner the family's current address (as shown in the AHA records) and the name and address of the landlord at the family's current and prior address, if known to the AHA. The AHA will provide information to an owner for all participants including information regarding tenancy history.

X. IX AHA DISAPPROVAL OF OWNER

The AHA must not approve a unit if the AHA has been informed (by HUD or otherwise) that the owner is debarred, suspended, or subject to a limited denial of participation. Also, when directed by HUD, the AHA must not approve a unit if:

- The federal government has instituted an administrative or judicial action against the owner for violation of the Fair Housing Act or other federal equal opportunity requirements and the action is pending; or
- A court or administrative agency has determined that the owner violated the Fair Housing Act or other Federal equal opportunity requirements.

The AHA will deny approval to lease a unit from an owner for any one of the following:

- Owner has violated obligations under the AHA contract.
- Owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
- The owner has engaged in drug-trafficking.
- The owner has a history or practice on non-compliance with the HQS requirements, State or local housing codes.
- The owner has not paid State or local real estate taxes, fines or assessments.

Note: After May 18, 1998, if the owner is a parent, child, grandparent, grandchild, sister or brother of any member of the participant family, the AHA must not approve the unit. However, if the housing authority determines that approval of the unit would provide reasonable accommodation for a family member who is disabled person, the unit may be approved.

XI. X SUBSIDY STANDARDS

The following subsidy standards shall determine the number of bedrooms required to accommodate each family without overcrowding or over housing:

Subsidy Standard Chart:

<u>Number of Bedrooms</u>	<u>Number of Persons</u>	
	<u>Minimum</u>	<u>Maximum</u>
1	1	2
2	2	4
3	3	6
4	4	8
5	5	10

Section 8 participants shall be issued a Voucher based on the subsidy standard listed above. In determining family unit size for a particular family, the AHA may grant an exception to the above subsidy standard if the AHA determines that the exception is justified by the age, sex, health, Handicap, or relationship of family members or other personal circumstances.

The family unit size for any family consisting of a single person must be either a zero or one-bedroom unit, unless a live-in-aid resides with the family. Any live-in-aid must be approved by the AHA, in advance, and reside in the unit to care for a family member who is disabled or is at least 50 years of age. A live-in-aid must be counted in determining the family unit size.

A family that consists of a pregnant woman (with no other person) must be pre-treated as a two-person family.

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 size unit.

XII.

XIII. XI FAMILY ABSENCE FROM THE ASSISTED UNIT

Absence means that no member of the family is residing in the unit. Families participating in the program may be absent for a period of 14 calendar days without notifying the AHA. If the family anticipates being absent for more than 14 consecutive calendar days, the head of the household must request written permission from the AHA prior to leaving the assisted unit. The written request must be submitted 30 calendar days in advance of the anticipated absence. The AHA may approve absences in excess of 14 consecutive calendar days for vacation, hospitalization or other good cause as presented to the AHA by head of household. The AHA will respond in writing within 10 calendar days of the receipt of the request for approved absence. The AHA will not approve any request for absence for a period of more than 90 consecutive calendar days in any circumstance, or for any reason.

Note: If an emergency situation exists, such as hospitalization, the head of household must notify the AHA by telephone as soon as possible and request a determination via the telephone. Verbal request for determination may only be made in emergency situations. The AHA will respond verbally and follow-up its verbal determination in writing within ten calendar days of the verbal request.

XIV. XII CONTINUED ASSISTANCE AFTER FAMILY BREAK-UP

The AHA shall determine which family members will continue to receive assistance after a family break-up. The head of the household, spouse or any adult member of the household must notify the AHA that there has been a family break-up and continued assistance is being requested. The assisted family member making the request must submit the request in writing to the AHA and request a determination. The request must be made within 10 calendar days of the break-up. The AHA will consider the following factors in making this determination:

- Assisted Unit: Whether the assistance should remain with family members remaining in the original assisted unit.
- Interest of Family Members: The interest of minor children or of ill, elderly or disabled family members.
- Physical Violence: Whether family members are forced to leave the unit as a result of actual or threatened physical violence or against family members by a spouse or other member of the household.

The AHA will issue a determination within 10 calendar days of receipt of the request for a determination. The person requesting the determination may request an informal hearing in accordance with the AHA established procedures if they disagree with the determination of the AHA.

Note: If a court determines the disposition of property between the members of the assisted family in a divorce or separation under a settlement or judicial decree, the AHA is bound by the court's determination of which family members continue to receive assistance in the program. The AHA will continue giving assistance, after the break-up of a marriage, to the family member to whom the custody of the children was granted by the court. In a case where there are no children involved, the AHA will determine who will continue to receive the assistance.

XV.

XVI. XIII APPLICANT DENIED ASSISTANCE AND PROVIDED OPPORTUNITY FOR INFORMAL REVIEW OR PARTICIPANT ASSISTANCE IS TERMINATED AND PROVIDED OPPORTUNITY FOR INFORMAL HEARING

13.1.1 Informal Review Process:

The AHA must give an applicant an opportunity for an informal review of the AHA decision denying assistance to the applicant. The review may be conducted by any person or persons designated by the AHA, other than a person who made or approved the decision under review or a subordinate of this person. The applicant must be given an opportunity to present in writing or oral objections to the AHA decision. The AHA must notify the applicant of the final decision after the informal review. This notice must include a brief statement of the reasons for the final decision.

13.1.2 Informal Review Not Required:

An informal review is not required to be given by the AHA in the following circumstances:

- Discretionary administrative determinations by the AHA.
 - General policy issues or class grievances.
 - A determination of the family unit size under the AHA subsidy standards.
 - A AHA determination not to approve the suspension or extension of a voucher term.
 - A determination not to grant approval to lease a unit under the program, or to approve a proposed lease.
 - A determination not to grant approval to lease a unit under the program, or to approve a propose lease.
 - A determination that a unit selected by the applicant is not in compliance with HQS.
 - A determination that the unit is not in accordance with HQS because of the family size or composition.
-
- A determination of the family annual or adjusted income, and the use of such income to compute the housing assistance payment.
 - A determination of the appropriate utility allowance for tenant-paid utilities from the AHA utility allowance schedule.
 - A determination of the family unit size under the AHA subsidy standards.
 - A determination that the participant is residing in a unit with a larger number of bedrooms than appropriate for the family size under the AHA subsidy standards, or the AHA determination to deny the family's request for an exception of the standards.
 - A determination to terminate assistance for a participant family because of the family's action or failure to act.
 - A determination to terminate assistance because the participant family has been absent from the assisted unit for more than fourteen days in a calendar year.

Note: In the cases described hereinabove, the AHA must give the opportunity for an informal hearing before the AHA terminates housing assistance payments for the family under an outstanding AHAP contract.

13.2.1 The AHA is not required to give an informal hearing for any of the following:

- Discretionary administrative determinations by the AHA
- General policy issues or class grievances
- Establishment of the AHA schedule of utility allowances for families in the program
- A AHA determination not to approve an extension or suspension of a voucher term.
- A AHA determination not to approve a unit or lease.
- A AHA determination that an assisted unit is not in compliance with HQS. Provided that the AHA must provide the opportunity for an informal hearing for a decision to terminate assistance for a breach of the HQS caused by the family as described in the Voucher/Lease Addendum, or in other HUD rules and regulations or AHA policies.
- A AHA determination that the unit is not in accordance with HQS because of the family size.
- A AHA determination to exercise or not to exercise any right or remedy against the owner under a AHAP contract.

13.2.2 Notice to the Family: The AHA must notify the family that they may ask for an explanation of the basis for the AHA determination, and if the family does not agree with the determination, the family may request an informal hearing on the decision. The AHA must give the family prompt written notice that the family may request a hearing, and this notice must contain a brief statement of the reasons for the decision, state that if the family does not agree with the decision, the family may request an informal hearing on the decision. The family has ten days from the date of the notice to request in writing the informal hearing. The hearing will be scheduled by the AHA within ten days from the date of the request.

13.2.3 Hearing Procedures: The AHA must give the participant an opportunity for an informal hearing of the AHA decision terminating assistance to the participant. The hearing may be conducted by any person or persons designated by the AHA, other than a person who made or approved the decision under review or a subordinate of this person. The person who conducts the hearing may regulate the conduct of the hearing with the AHA hearing procedures. The AHA and the participant shall each have the right to review any and all relevant documents which may be used in the hearing. Any fees for copying or procuring the documents shall be at the expense of the requesting party. The participant may be represented by a lawyer or other representative at the hearing. Costs of representation shall be the responsibility of the participant. The participant must be given an opportunity to present written or oral objections to the AHA decision. The AHA and the family must be given the opportunity to present evidence, and may question any witnesses. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings. The AHA must notify the applicant of the final decision after the informal review. This notice must include a brief statement of the reason of the final decision. Factual determination relating to the individual circumstances of the family shall be based upon a preponderance of the evidence presented at the hearing. A copy of the hearing decision shall be furnished to the family.

XVII. XIV FAIR MARKET RENT (FMR), PAYMENT STANDARD FOR VOUCHERS AND RENT REASONABLENESS LIMITATION

Some requirements of this section are the same for all three types of tenancy. Some requirements only apply to a specific type of tenancy. Unless specifically stated, requirements of this subpart are the same for all tenancies in the tenant-based programs.

- A regular tenancy under the program;
- An over-FMR tenancy under the program; and
- A tenancy under the voucher program.

The owner and the family negotiate the rent to owner. At the family's request, the AHA must help the family negotiate the rent to owner.

14.3.1 AHA Determination

- The AHA may not approve a lease until the AHA determines that the initial rent to owner is a reasonable rent;
- The AHA must re-determine the reasonable rent, before any increase in the rent to the owner;
- If there is a five percent decrease in the published FMR in effect 60 days before the contract anniversary (for the unit size rented by the family) as compared with the FMR in effect one year before the contract anniversary; or
- If directed by HUD.
- The AHA may re-determine the reasonable rent, at any other time.
- At all times during the assisted tenancy, the rent to owner may not exceed the reasonable rent as most recently determined or re-determined by the AHA.

Once the rent reasonableness has been determined, all relevant documentation should be maintained in each case. A certification will be prepared and included in each file.

Rent reasonableness method:

In order to comply with SEMAP Indicator 2 the inspector will perform a rent reasonableness for each inspected unit is receiving a justified and reasonable rent while complying with HUD requirements.

- Each new admission and annual recertification should have the rent reasonableness form in the inspected file.
- The inspector will complete the entire rent reasonableness form and it should have at least 2 or 3 rent comparisons without exceptions.
- The inspector should identify through classifieds in the newspapers the rents requested by unit owners for a rent comparison. This rent comparison should be performed within the jurisdiction of Arroyo and its adjacent areas, that is, unit location or nearby sectors.

- The inspector could call or visit the identified area in the classifieds of the local newspaper in order to develop a justified rent reasonableness.
- Each rent reasonableness for should have at least three (3) rent comparisons.
- The form should contain the units physical address, the square feet of the construction, bedroom size, service accessibility , type of unit, amenities (if any), gross rent and identify utilities provided by the owner (if any).
- After having completed the rent reasonableness form the inspector should certify that the approved rent is justified, reasonable, and complies with HUD regulations.
- The quality control inspector will have a registry of all rent reasonableness forms and will document that they are correct in order to comply with SEMAP.

14.3.2 Comparability for Rent Reasonableness

The AHA must determine whether the rent to owner is a reasonable in comparison to rent for other comparable assisted units. The annual rent market study will assist in such analysis. So that said determination can be ascertained, the following will be considered:

- The location, quality, size, unit type, and age of the contract unit.
- Any amenities, housing services, maintenance and utilities to be provided by the order in accordance with the lease.

14.3.3 Owner Certification of Rents Charged for Other Units

By accepting each monthly housing assistance payment from the AHA, the owner certifies that the rent to owner is not more than rent charged by the owner for comparable unassisted units in the premises. The owner must give the AHA information requested by the AHA on rents charged by the owner for other units in the premises or elsewhere.

14.4.1 Purpose

- Fair market rents (FMR's) are published by HUD. In the tenant-based programs, the FMR/exception rent limit is used to determine the maximum subsidy for a family.
- For the voucher program, the FMR/exception rent limit is the maximum "payment standard" (maximum subsidy) for a family.

14.4.2 Determining exception rent

At HUD's sole discretion, HUD may approve an area exception rent for all units, or all units of a given size (number of bedrooms), leased by program families in a part of the fair market rent area that is designated as an "exception rent area". A HUD approved area exception rent applies to all AHA's with jurisdiction of the exception rent area.

- An area exception rent may not exceed 110 percent of the FMR.
- HUD will determine the area exception rent by either of the following two (2) methods:
 - Median Rent Method: In the median rent method, HUD determines the area exception rent by multiplying the FMR times a fraction of which the numerator is the median gross rent of the entire FMR area. In this method, HUD uses median gross rent data from the most recent decennial United States Census, and the exception rent area may be any geographic entity within the FMR area (or any combination of such entities) for which median gross rent data is provided in decennial census data products.
 - 40th Percentile Rent Method: In this method, HUD determines that the area exception rent equals the 40th percentile of rents to lease standard quality rental housing in the exception rent area. HUD determines the 40th percentile rent in accordance with the methodology described in 24 CFR 888.113 for determining fair market rents. A AHA that asks HUD to approve an area exception rent determined by the 40th percentile rent method must present statistically representative rental housing survey data that justify exception rent approved by HUD.
- An area exception rent will not be approved unless HUD determines that an exception rent is needed either:
 - To help families find outside areas of high poverty; or
 - Because voucher holders have trouble finding housing for lease under the program within the term of the voucher.
- The total population of exception rent area in an FMR area may not include more than 50 percent of the population of the fair market rent area.

- At any time, HUD may withdraw or modify any approved area exception rent.

Exception rent as reasonable accommodation for person with disabilities: AHA approval. For a regular tenancy in the program, on request from the family that includes a person with disabilities, the AHA must approve an exception rent of up to 110 percent of the fair market rent if the exception rent is needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities in accordance with 24 CFR Part 8.

14.5.1 Use of payment standard

For a voucher tenancy or for an over-FMR-tenancy under the program, a “payment standard” is used to calculate the monthly housing assistance payment for a family. The “payment standard” is the maximum monthly subsidy payment for a family. Actually the AHA is using the 2010 FMR HUD table as the Payment Standard. It is used in a 90 and 100 percent.

14.5.2 Voucher program: Amount of assistance

- The AHA must adopt a payment standard schedule that establishes payment standards for the AHA voucher program. For each FMR area and for each exception rent area, the AHA must establish voucher payment standard amounts by unit size (zero-bedroom, one-bedroom, and so on).
- The AHA is actually using the 2010 FMR table for all new contracts, reexaminations and interim-reexaminations.
- For a voucher tenancy, the payment standard for each unit size may not be:
 - More than the current FMR/ exception rent limit, or
 - Less than 80 percent of the current FMR/ exception rent limit, unless a lower percent is approved by HUD.

14.5.2.2 Voucher assistance formula

- For a voucher tenancy, the housing assistance payment for a family equals the lesser of:

- The applicable payment standard minus 30 percent of monthly adjusted income; or
- The monthly gross rent minus the minimum rent.
- The minimum rent is the higher of:
 - 10 percent of the monthly gross income; or
 - A higher minimum rent as required by law.
- The minimum rent implemented by the AHA since November, 2008 is \$25.00.

14.5.2.3 Voucher payment standard schedule

- A voucher payment standard schedule is a list of the payment standard amounts used to calculate the voucher housing assistance payments for each unit size in the FMR area. The payment standard schedule for an FMR area includes payment standard amounts for any HUD-approved exception rent in the FMR area.
- The voucher payment standard schedule establishes a single payment standard for each unit size in an FMR area and, if applicable, in a HUD-approved exception rent area within an FMR area.
- Payment standard amounts on the payment standard schedule must be within the maximum and minimum limits stated in paragraph 14.5.2.1 of this section. Within these limits, payments standard amounts on the schedule may be adjusted annually, at the discretion of the AHA, if necessary to assure continued affordability of units in the AHA jurisdiction.
- To calculate the housing assistance payment for a family, the AHA must use the applicable payment standard from the AHA payment standard schedule for the fair market rent area (including the applicable payment standard for any HUD-approved exception rent area) where the unit rented by the family is located.
- Effective as of November, 2008 annual reexaminations, the AHA will be using the current 2008 FMR. From there on afterwards the AHA will be using the updated FMR tables.

14.5.2.4 Payment standard for certain subsidized projects. For a voucher tenancy in an insured or noninsured Section 236 project, a Section 235 project of the Rural Development Administration, or a Section 221(d)(3) below market interest rate project,

the payment standard may not exceed the basic rental charge (as defined in 12 U.S.C. 1715z-1(f)(1), including the cost for tenant-paid utilities

14.5.3 Over-FMR tenancy: Determining amount of assistance

14.5.3.1 Payment standard. For an over-FMR tenancy, the payment standard for the unit size is the FMR/exception rent limit.

14.5.3.2 Over FMR tenancy assistance formula. For an over-FMR tenancy, the housing assistance payment for a family equals the lesser of:

- The applicable payment standard minus the total tenant payment; or
- The monthly gross rent minus the minimum rent required by law.

14.5.4 Payment standards for this family

14.5.4.1 This paragraph (14.5.4) applies to both a voucher tenancy and an over-FMR tenancy.

14.5.4.2 The payment standard for a family is the lowest of:

- The payment standard for the family unit size; or
- The payment standard for the unit size rented by the family.

If the unit is rented by a family located in an exception rent area, the AHA must use the appropriate payment standard for the exception rent area.

During the AHAP contract term for a unit, the amount of the payment standard for a family is the higher of:

- The initial payment standard (at the beginning of the lease term) minus any amount by which the initial rent to owner exceeds the current rent to owner; or
- The payment standard as determined at the most recent regular re-examination of family income and composition effective after the beginning of the AHAP contract term.

If there is a change in family size or composition during the AHAP contract term, paragraph 14.5.4.4 of this section does not apply at the next regular re-examination following such change, or thereafter during the term.

14.6.1 AHA Discretion to Approve

14.6.1.1 At the request of the family, the AHA may approve an over-FMR tenancy in accordance with this section.

14.6.1.2 Generally, the AHA is not required to approve any over-FMR tenancy. However, the AHA must approve an over-FMR tenancy in accordance with this section, if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities in accordance with 24 CFR Part 8.

14.6.1.3 The AHA generally will approve over-FMR tenancy if it is to aid in furthering of the goals and objectives of fair housing.

14.6.2 Requirements

14.6.2.1 Ten percent limit. The AHA may not approve additional over-FMR tenancies if the number of such tenancies currently is ten percent or more of the number of incremental units the HUD-approved budget for the AHA. "Incremental units" means the number of budgeted certificate units for which HUD provided tenant-based program funding designated for families previously residing in housing with Section 8 project-based assistance.

14.6.2.2 Amount of Assistance. During an over-FMR tenancy, the amount of the housing assistance payment is determined in accordance with Sec.982.505 (c).

14.6.2.3 Method of Selection. The method of selection shall be on a first come, first serve basis. Persons with a disability shall be given a preference in selection.

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The monthly housing assistance payment equals the gross rent, minus the higher of: the total tenant payment; or the minimum rent as required by Law.

14.8.1 FMR/exception Rent Limit

14.8.1.1 The initial gross rent for any unit may not exceed the FMR/exception rent limit on the date the AHA approves the lease. The FMR/exception rent limit for the family is the lower of:

- The FMR/exception rent limit for the family unit size; or
- The FMR/exception rent limit for the unit size rented by the family.

14.8.2 Reasonable Rent

The initial rent to owner may not exceed a reasonable rent as determined in accordance with Sec. 982.503.

14.9.1 When rent is adjusted. At each annual anniversary date of the AHAP contract, the AHA must adjust the rent to owner at the request of the owner in accordance with this section.

Amount of annual adjustment

The adjusted rent to owner equals the lesser of:

- The pre-adjustment rent to owner multiplied by the applicable Section 8 annual adjustment factor, published by HUD in the Federal Register that is in effect 60 days before the AHAP contract anniversary.
- The reasonable rent (as most recently determined or re-determined by the AHA in accordance with Sec.982.503); or
- The amount requested by the owner.

In making the annual adjustment, the pre-adjustment rent to owner does not include any previously approved special adjustments.

The rent to owner may be adjusted up or down in accordance with this section.

Notwithstanding paragraph 14.9.2 of this section, the rent to owner for a unit must not be increased at the annual anniversary date unless:

- The owner requests the adjustment by giving notice to the AHA; and
- During the year before the annual anniversary date, the owner has complied with all requirements of the AHAP contract, including compliance with HQS.

The rent to owner will only be increased for housing assistance payments covering months commencing on the later of:

- The contract anniversary date; or
- At least sixty days after the AHA receives the owner's request,

To receive an increase resulting from the annual adjustment for an annual anniversary date, the owner must request the increase at least 60 days before the annual anniversary date.

14.10.1 Substantial and General Cost Increases

At HUD's sole discretion, HUD may approve a special adjustment of the rent to owner to reflect increases in the actual and necessary costs of owning and maintaining the unit because of substantial and general increases in:

- Real Property Taxes;
- Special Government Assessments;
- Utility rates; or
- Costs of utilities not covered by regulated rates.

A AHA may make a special adjustment of the rent to owner only if the adjustment has been approved by HUD. The owner does not have any right to receive a special adjustment.

14.10.2 Reasonable Rent.

The adjusted rent may not exceed the reasonable rent. The owner may not receive a special adjustment if the adjusted rent would exceed the reasonable rent.

14.10.3 Terms of Special Adjustment

The AHA may withdraw or limit the term of any special adjustment. If a special adjustment is approved to cover temporary or one-time costs, the special adjustment is only a temporary or one-time increase of the rent to owner.

14.10.4 Rent to Owner (Effect of rent control)

In addition to the rent reasonableness limit under this subpart, the amount of rent to owner also may be subject to rent control limits under State or local law.

14.10.5 Rent to Owner (In subsidized projects):

14.10.5.1 Subsidized Rent: The rent to owner in an insured or noninsured Section 236 project, a Section 515 project of the Rural Development Administration, a Section 221 (d)(3) below market interest rate is the subsidized rent. During the assisted tenancy, the rent to owner must be adjusted to follow the subsidized rent, and must not be adjusted by applying the published Section 8 annual adjustment factors. For such units, special adjustments may not be granted. The following sections do not apply to a tenancy in a subsidized project described in paragraph 14.12.1.1 of this section: Section.982.509 (annual adjustment) and Section 982.510 (special adjustment).

14.10.5.2 Distribution of Housing Assistance Payment: The monthly housing assistance payment is distributed as follows:

- The AHA pays the owner the lesser of the housing assistance payment or the rent to owner.
- If the housing assistance payment exceeds the rent to owner, the AHA may pay the balance of the housing assistance payment either to the family or directly to the utility supplier to pay the utility bill on behalf of the family.

14.10.5.3 Family Share (Family responsibility): The family share is calculated by subtracting the amount of the housing assistance payment from the gross rent. The AHA may not use housing assistance payments or other program funds (including any administrative fee reserve) to pay any part of the family share. Payment of the family share is the responsibility of the family.

14.10.5.4 Family Income and Composition (Regular and interim examinations): The AHA's responsibility for re-examining family income and composition are specified in 24 CFR Part 5, Subpart F. The AHA must obtain and document in the tenant file third party verification of the following factors, or must document in the tenant file why third party verification was not available:

- Reported family annual income;
- The value of assets;
- Expenses related to deduction from annual income; and
- Other factors that affect the determination of adjusted income.

The AHA can conduct interim re-examination in accordance with policies in the AHA administrative plan:

- At any time, the AHA may conduct an interim re-examination of family income and composition.
- At any time, the family may request an interim determination of family income or composition because of any changes since the last determination. The AHA must make the interim determination within a reasonable time after the family request.

14.10.5.5 Family Reporting of Change: The AHA must adopt policies prescribing when and under what conditions the family must report a change in family income or composition. This must be made ten (10) days after the change occurs.

14.10.5.6 Effective Date of Re-examination: The AHA must adopt policies prescribing how to determine the effective date of a change in the housing assistance payment resulting from an interim re-determination. At the effective date of a regular or interim re-examination, the AHA must make appropriate adjustments in the housing assistance payment and family unit size.

14.10.5.7 Family Member Income: Family income must include income of all family members, including family members not related by blood or marriage. If any new family member is added, family income must include any income of the additional family member. The AHA must conduct a re-examination to determine such additional income, and must make appropriate adjustments in the housing assistance payment and family unit size.

14.11.1 Maintaining Schedule

The AHA maintains a utility allowance schedule for all tenant-paid utilities (except telephone), for cost of tenant-supplied refrigerators and ranges, and for other tenant-paid housing services (e.g. trash collection, disposal of waste and refuse). The AHA gives HUD a copy of the utility allowance schedule. At HUD's request, the AHA also provide any information or procedures used in preparation of the schedule. The schedule is reviewed annually. As a result of such review, a copy of the schedule and computation sheets will be submitted to HUD together with changes, if any occurred.

XVIII. EFFECTIVE AS OF NOVEMBER 2008, ANNUAL REEXAMINATIONS THE UTILITIES ALLOWANCES WILL BE INCREASED 20%. ONCE THE NEXT SCHEDULE IS UPDATED, IT WILL BE INCREASED BY 10%.

XIX.

XX. XV REPAYMENT OF DEBT TO THE AHA AND DENIAL ASSISTANCE

The AHA will offer an applicant and/or participant the opportunity to enter into an agreement for repayment of the money owed to the AHA or amounts paid to an owner by the AHA. The agreement will be on the terms prescribed by the AHA. The AHA may at anytime deny or terminate assistance for breaching an agreement. If the participant breaches an agreement, the AHA may terminate housing assistance payments which are being made on behalf of the participant under an outstanding contract.

The AHA will no longer consider the participation of a family in the Section 8 Housing Voucher Program, after the family has been denied assistance and they have been terminated by the program due to violations of the Program's policies and procedures.

XXI. XVI DETERMINATION OF PARTICIPANT RENT AND RE- EXAMINATION OF INCOME AND FAMILY CIRCUMSTANCES

Rent as initially determined or at annual re-examination will remain in effect for the period between regular re-examination of family income and composition unless the following changes in family circumstance occur. Also, Section 8 participant agrees to report, in writing, and provide certification following any change in annual income within ten (10) calendar days of the occurrence.

- Loss or addition of family composition of any family member through birth, death, divorce, removal of other continuing circumstances and the amount, if any, of family member's income;
- Employment, unemployment, or changes in employment of a permanent nature of the family head, spouse, or other wage earner that is 18 years of age; or
- To correct errors made when determining eligibility or at re-examination.

Note: If an error result in a retroactive rent payment due to the participant not providing correct information concerning annual income, the Section 8 participant may request the AHA representative to approve a repayment schedule. The Section 8 participant must make the request, in writing, to the AHA

representative. The amount of the repayment will be the higher of \$10.00 per month or 10 percent of the monthly adjusted income. The AHA representative will provide the Section 8 participant with a written response to their request and if approved the written notification will include the amount of the monthly repayment plus the due date of the first payment.

The final estimate of Family Income will be made by the AHA on the basis of verified information regarding income.

There is no minimum income requirement, but the staff should use good interviewing skills to determine whether there is income which is not being reported.

Families may not be required to apply for public assistance, but it may be suggested to them. If the family reports zero income, the AHA will have the family sign a verification form to verify that no income is being provided.

Families will be required to report any changes in their income status within ten (10) calendar days of the occurrence of employment and/or any other type of income is received. Families with zero income may be requested to re-certify more frequently.

Once each year, or as required by the AHA, the AHA must re-examine the income and family composition of all families participating in the Section 8 Program in accordance with 24 CFR 5.617. Verifications acceptable to the AHA shall be obtained and determinations made. In the event of failure or refusal of the family to report the necessary information, the AHA may terminate the assistance.

The AHA will also perform third party verification which means that the program staff will contact the participant's employer and request written evidence specifying income information. This will then be compared to the documentation that the participant provided. If the employer does not supply written evidence, then oral third party verification will be acceptable. This will be done by means of a telephone call to the participant's supervisor, employer, or agency.

The AHA Section 8 Program has an income verification process that consists of the following:

- Form HUD-9886 (Authorization for the Release of Information/ Privacy Act Notice)- this is a consent form which is sign by the participant to allow us to request the following: previous

wages, salaries from employees, wage information, unemployment compensations, social security, etc.

- Income verification- the AHA will use all available sources to obtain income information including techniques such as Upfront Income Verification (EIV- Enterprise Income Verification and TASS- Tenant Assessment SubSystem). This is a technique that will help reduce income and rent error due to income information that was unreported by the participant.

The AHA will use the following verification methods:

- Upfront verification (EIV and TASS)
- Written third party verification
- Oral third party verification
- Document review
- Tenant declaration
- Look at Exhibit 5-5 provided by the Voucher Guidebook

The AHA shall maintain records to insure that:

- Every participant's income and family composition has been re-examined within a twelve (12) month period.
- Upon completion of re-examination and verification, the participant shall be notified, in writing, no later than sixty (60) days prior to the effective date. (Copy of such notification is to be retained in the participants file).
- Any change in rent and the date on which it becomes effective.
- Any changes required because of change in the composition of the family.
- During the moment of renewing the AHA contract, all tenants earning \$3,300 or more income annually will be required to present evidence of having filed income tax documents.
- This person will be required to sign the annual AHA renovation contract. By not doing so, their subsidy check will be retained.
- The tenant will be required to put water and light receipts under their names. In the date of the inspection, the tenant should have both services, if not it will be notified to the Family Department.

- During each annual reexamination the tenant will have to provide receipts indicating they have a balance of zero. If there are debts ranging higher than \$100, the reexamination will be postponed until the tenant provides the payment of these bills.
- It will also be required that at the moment of the annual reexamination the tenant must provide a copy of their credit report.

Rent as initially set or at annual re-examination will remain in effect for the period between regular rent determinations unless changes in family circumstances occur.

The participant is required and agrees to report, in writing, the following specified changes in family income and composition within ten (10) calendar days of occurrence:

- Loss or addition to family composition of any kind through birth, death, marriage, divorce, removal or other continuing circumstance and the amount, if any, of such family member's income. Any such additions, other than birth, must be approved by the AHA in advance, and must qualify, the same as applicant or any other prospective new participant.
- Employment, unemployment or changes in income for employment of a permanent nature of the family head, spouse, or other wage earner eighteen (18) years of age or older.
- The starting of or stopping, or an increase or decrease of any benefits or payments received by any member of the family or household from Retirement Pensions, Aid from Dependent Children, Private Pension Fund, Disability Compensation, Veterans Administration, Child Support, Alimony, and Regular Contributions or Gifts. Lump sum payments or retroactive payments of benefits from any of the above sources which constitute the sum of monthly payments for a preceding period paid in lump sum must be reported and rent adjusted retroactively on such income to date of eligibility for any family member residing in the household for that period of time.
- Cost of living increases in Social Security or public assistance grants need not be reported until re-examination and re-determination of rent.
- Errors or omission made at admission or re-examination shall be corrected by the AHA. Retroactive payments will be made to the participant if the error is in his/her favor.

- A participant who has had a rent reduction/increase after initial occupancy or after annual re-examination must report all changes in income within ten (10) calendar days regardless of the amount or source.

On occasions, the AHA is required to compute rent based on information that is supplied by the participant and third party information that has not or will not be provided by the employer. When this situation occurs, the AHA will compute a temporary rent based on the information available. Once the information is verified the participant will be notified in writing. If an underpayment was made based on the information provided, the participant will have fourteen (14) days from the date of the AHA notification to pay the amount specified. If the participant has made an overpayment, that amount will be credited to his/her account, with the landlord. The head of household and spouse (if applicable) and a AHA representative will sign this Notice of Temporary Rent and it will be filed appropriately with a copy provided to the participant.

Any decrease in rent resulting from any decreases in family income will be made effective the first of the month following the date the decrease in family income was reported and verified in writing.

The participant agrees to pay any increase in family income the first of the second month following the date in which such increase in family income occurred, and to pay any back rent due because of failure to report such increase in family income.

- Any interim change in rent will require verification of all family income that has not been verified within ninety (90) calendar days of the previous rent determination.
- Participant agrees to pay any increase in rent resulting from the implementation of changes in rent computation or increases due to changes in regulations, policies or procedures requiring implementation by the United States Department of Housing and Urban Development.
- Temporary employment/unemployment or increase and decreases in wages “for any reason” of less than 30 days will not constitute a rent adjustment.

- If it is found that a participant has misrepresented or failed to report facts upon which rent is based so that the participant is paying less than they should be paying, the increase in rent shall be made retroactive to the date the increase would have taken effect. The participant will be required to pay the difference between the rent paid and the amount that should have been paid. In addition, the participant may be subject to civil and criminal penalties. Misrepresentation is a serious program violation which may result in termination.
- If the tenant doesn't pay their part of the rent in a period of (30) days their voucher will be cancelled.

Special re-examinations are pre-scheduled extensions of admission or continued occupancy determination, and will be considered for the following reasons:

- It is impossible to determine annual family income accurately due to instability of family income and/or family composition, a temporary determination of income and rent is to be made and a special re-examination shall be scheduled for thirty (30), sixty (60) , or ninety (90) days, depending on circumstances. The participant shall be notified, in writing, of the date of the special re-examination.
- If the family can be anticipated at the scheduled time, the re-examination shall be completed and appropriate actions taken. If a reasonable anticipation of income cannot be made, another special re-examination shall be prescribed and the same procedure followed as stipulated in the preceding paragraph until a reasonable estimate can be made.
- Rents determined at special re-examinations shall be made effective as established in this Plan.

The AHA shall immediately grant an exemption from application of the minimum monthly rent to any family making a proper request in writing who is unable to pay because of financial Hardship, which shall include:

- The family Has lost eligibility for, or is awaiting an eligibility determination from a federal, state, or local assistance program, including a family that includes a member who is an alien lawfully admitted for permanent residence under the Immigration and Nationalization Act who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.
- The family would be evicted as a result of the implementation of the minimum rent (this exemption is only applicable for the initial implementation of a minimum rent or increase to the existing minimum rent).
- The income of the family has decreased because of changed circumstance, including loss of employment.
- A death in the family has occurred which affects the family circumstances.
- Other circumstances which may be decided by the AHA on a case by case basis.

Unless the participant qualifies under one of the above mentioned categories, the minimum rent will be reduced from \$50.00 to \$25.00.

All of the above must be proven by the resident providing verifiable information in writing to the AHA prior to the rent becoming delinquent and before the lease is terminated by the AHA.

If a resident request a Hardship exemption (prior to the rent being delinquent) under this section, and the AHA reasonably determines the Hardship to be of a temporary nature, exemption shall not be granted during a ninety day period beginning upon the making of the request for the exemption. A resident may not be evicted during the ninety day period for non-payment of rent. In such a case, if the resident thereafter demonstrates that the financial Hardship is of a long term basis, the AHA shall retroactively exempt the resident from the applicability of the minimum rent requirement for such ninety day period. This paragraph does not prohibit the AHA from taking eviction action for other violations of the lease:

- Work activities requirement; or
- Because of fraud.

Families whose welfare assistance is reduced specifically because of fraud or failure to comply with a work activities requirement will not affect their Section 8 tenant-based assistance.

XVII Where a Family can Lease a Unit with Tenant-Based

XXII. ASSISTANCE AND PORTABILITY PROCEDURES

The family may receive tenant-based assistance to lease a unit located anywhere in the jurisdiction of the initial PHA.

Families living in the jurisdiction of the initial PHA may receive tenant-based assistance to lease a unit outside the initial jurisdiction:

- In the same metropolitan statistical area (MSA) as the initial PHA;
- In an MSA that is next to the same MSA as the initial PHA; or
- In the same State as the initial PHA;
- In the jurisdiction of a PHA anywhere in the United States that is administering tenant-based program.

Note: Nonresident applicants (applicants that do not live in the legal jurisdiction of the initial PHA) that apply for tenant based assistance do not have any right to lease a unit outside the initial PHA jurisdiction during the twelve (12) month period from the time the family is admitted to the program. However, the family may lease a unit outside the initial PHA's jurisdiction under portability procedures if both the initial PHA and receiving PHA agree.

The PHA will inform the voucher holder of the full range of areas where they may lease units both inside and outside the PHA's jurisdiction.

- For admission to the voucher program, a family must be income eligible in the area where the family initially leases a unit with assistance in the voucher program.
- A portable family transferring between the voucher programs must be income eligible for the new program in the area where the family leases an assisted unit. This requirement applies if the family is either: transferring from the initial PHA's program to the receiving PHA voucher program, or transferring from the initial PHA's voucher program to the receiving PHA's certificate program.
- If a portable family was already a participant in the initial PHA voucher program, income eligibility is not re-determined unless the family transfers between the programs.

If the dwelling unit is approvable, a family may select the dwelling unit occupied by the family before selection for participation in the program.

When the family selects eligible housing that meets all program requirements the PHA may not directly or indirectly reduce the family's opportunity to select among available units.

- When a family moves under portability to an area outside the initial PHA's jurisdiction, the initial PHA must administer the assistance for the family if: the unit is located within the same state as the initial PHA, in the same MSA as the initial PHA (but in different state), and no other PHA with a tenant-based program has jurisdiction in the area where the unit is located.
- If the above condition exists, the family remains in the program of the initial PHA. The initial PHA has the same responsibilities for administration of assistance for the family living outside the PHA's jurisdiction and for other families assisted by the PHA within the PHA's jurisdiction.

- When a family moves under portability to an area outside the initial PHA jurisdiction, another PHA (the receiving PHA) must administer assistance for the family if a PHA with a tenant-based program has jurisdiction in the area where the unit is located. When this situation exists, the PHA with jurisdiction in the area where the family wants to lease a unit must issue the family a voucher. If there is more than one such PHA, the initial PHA may choose the receiving PHA.
- The receiving PHA has the choice of assisting the family under either the certificate program or the voucher program. If the family was receiving assistance under the initial PHA's Housing program, but is ineligible for admission to the voucher, a receiving PHA that administers a Housing program must provide continued assistance under the voucher program.

The initial PHA must determine whether the family is income eligible in the area where the family wants to lease a unit. The initial PHA must advise the family how to contact and request assistance from the receiving PHA. The initial PHA must promptly notify the receiving PHA to expect the family. The family must promptly contact the receiving PHA, and comply with receiving PHA procedures for incoming portable families. The initial PHA must give the receiving PHA the most recent HUD Form 50058 for the family, and related verification information. If the receiving PHA opts to conduct a new re-examination, the receiving PHA may not delay issuing the family a voucher or otherwise delay approval of a unit unless the re-certification is necessary to determine income eligibility. When the portable family requests assistance from the receiving PHA, the receiving PHA must promptly inform the initial PHA whether the receiving PHA will bill the initial PHA for assistance on behalf of the portable family, or will absorb the family into its own program. The receiving PHA must determine whether to extend the voucher term. The family must submit a request for lease approval to the receiving PHA during the term of the receiving PHA voucher. To provide tenant-based assistance for portable families, the receiving PHA must perform all PHA functions, such as re-examination of family income and composition.

If funding is available for the receiving PHA, when a voucher is received, the receiving PHA may absorb the family into the receiving PHA's voucher program.

The receiving PHA may bill the initial PHA for housing assistance payment and administrative fees. The initial PHA must promptly reimburse the receiving PHA for the full amount of the housing assistance payments (PHAO) made by the receiving PHA for portable family. The amount of the PHAP for a portable family in the receiving PHA's program is determined in the same manner as for other families in the receiving PHA program. The initial PHA must promptly reimburse the receiving PHA for 80 percent of the initial PHA's on-going administrative fee for each unit month that the family receives assistance under the tenant-based programs from the receiving PHA. HUD may reduce the administrative fee to the initial PHA, if the PHA does not promptly reimburse the receiving PHA for housing assistance payments or fees on behalf of portable families.

XXIII. XVIII HOUSING QUALITY STANDARDS INSPECTIONS

XXIV.

When the AHA receives a Request for lease approval the AHA shall inspect the unit for compliance with the AHA's housing quality standards (HQS). The AHA's inspector will inspect the unit for compliance with HQS standards and send the owner the results of the inspection. If there are defects or deficiencies which must be corrected in order for the unit to comply with HQS standards, the Owner shall be advised, in writing, by the AHA of the work required to be done before a Contract can be executed. The unit will be re-inspected to ascertain that the necessary work has been performed and the unit meets HQS standards for occupancy.

The AHA will maintain a copy of every inspection and re-inspection report for three years, with one exception. If the unit inspected requires testing for Lead Based Paint and/or the unit requires treatment of chewable surfaces based on the testing, the AHA shall keep indefinitely the test results, if applicable, the Owner certification of the treatment. The inspection reports will specify the defects or

deficiencies which must be corrected in order for the unit to be corrected for the unit to meet HQS standards. The inspection report will also reflect any other defects or deficiencies, which do not cause the unit to fail, in the event of a subsequent claim by the owner that they were caused during the period of occupancy by the Family.

Before a unit can be approved of Occupancy under the Section 8 program, the unit must meet the performance requirements set forth in 24 CFR 982.401, which are the Housing Quality Standards (HQS). The Section 8 office utilizes Form HUD-52580 to perform and record inspections of each unit.

- The AHA will perform the following inspections, as applicable:
- Initial Inspections –performed after receiving the request for Lease Approval.
- Yearly Inspections - as required by HQS for tenant continuing to receive assistance and remaining in the same unit.
- Re-inspections –performed by AHA staff for the purpose of verifying that deficiencies noted in the previous inspection have been corrected and meet HQS.
- Quality Control Inspections – The Section 8 inspector will re-inspect five (5) percent (based on random sample) of the total number of Section 8 units under AHAP contract to insure that inspections are being performed in compliance with HQS standards.
- Move-out Inspections –Performed after the tenant moves out of the unit where the Owner and/or the Owner’s representative will be required to attend the move-out inspection.
- The tenant and owner will receive a notification of when the inspection will be performed. Both shall be required to be present during the inspection. .
- If the unit is two families, each must have its own utility meters. (Ex. Water and electricity).

XXV. XIX ADDITIONAL TERMS AND CONCEPTS

In addition to the terms and concepts used for the purpose of the Voucher Program the following terms, definitions and concepts apply

- Eligible Family- An eligible family, as defined in 24 CFR Part 887, Section 151 (a), that qualifies as a very low income family at the time it initially receives assistance under the AHA Housing Voucher Program.

- Lower Income Family- A family whose income does not exceed 80% of the Median Income for the area, as determined by HUD.
- Applicable Standard- the Schedule of Housing Costs used to calculate the Housing subsidy.
- Initial Payment Standard- This schedule applies to all families at the outset of the Housing Voucher Program. The family size is based on the AHA's occupancy standards. The Initial Payment Standard Schedule is based on the Fair Market Rent Schedule or the HUD approved community-wide exemption rents in effect at the time of execution, by HUD, of the AHA original ACC for the first increment of funding under the Housing Voucher Program.
- New Family/Mover Schedule- The AHA may establish a new family/mover schedule at any time. The amounts on the new family/mover schedule can be any amount between the Initial Payment Standard (or Adjustment Standard, if applicable) and the FMR in effect at the time the new family/mover schedule is adopted.
- Adjustment Standard Schedule- The AHA may, at its discretion, establish an adjustment standard schedule twice during any five-year period in order to assure continued affordability. The amounts of the adjustment standard can be any amount between the Initial Payment Standard (or previous adjustment standard schedule, if applicable) and the FMR in effect at the time the adjustment standard schedule is adopted. No adjustment standard schedule may be established if less than 60 months have elapsed since the next to the last adjustment standard schedule was adopted.
- Housing Voucher- A document issued by the AHA declaring a family to be eligible for participation in the Housing Voucher Program stating the terms and conditions for the family's participation.
- Housing Voucher ACC- A written agreement between HUD and a AHA to provide annual contributions to the AHA for Housing Assistance Payments, and administrative fees to the AHA.
- Housing Voucher Contract- A written contract between the AHA and an Owner- on a form prescribed by HUD for the Housing Voucher Program- in which the AHA agrees to make Housing Assistance Payments to the Owner on behalf of an eligible family.
- Gross Rent- the actual rent for the unit stated in the lease and payable to the owner, plus any utility allowance(s) appropriate for that unit.
- Guest- person temporarily staying in the unit with the consent of a tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant.

- Premises- the building or complex or development in which the public or assisted housing dwelling unit is located.
- Other person under the tenant's control- a person who, although not staying as a guest in the unit, is, or was at the time of the activity in question, on the premises because of an invitation from the tenant or other member of the household who Has express or implied authority to so consent on behalf of the tenant.
- Admission- the effective date of the first AHAP contract for a family.
- Applicant- A family that has applied for admission to a program, but is not yet a participant in the Program.
- Head of Household- an adult member of the family which is primarily responsible and accountable for the family in regard to lease obligations.
- Housing Quality Standard- The HUD minimum quality standards for housing assistance.
- Jurisdiction- The area in which the AHA Has authority under State and local laws.
- Minimum rent- the minimum rent established by the AHA is \$50.00.
- Owner- Any person with legal right to lease a unit to a participant.
- Participant- a Family that has been admitted to the AHA Program, and is currently assisted.
- Preference- The system by which a selection of applicant family is made.
- Reasonable Rent- A rent to owner that is not more than either: rent charged for comparable units in the private unassisted market; or rent charged by the owner for a comparable unassisted unit in the building or premises.
- Re-certification- The process of securing documentation that indicated tenant meet eligibility requirements for continued occupancy.
- Handicapped Person and/or disabled Person- A person Having a physical or mental impairment which is expected to be a long continued and indefinite duration, substantially impedes that ability to live independently, and such disability could be improved by suitable housing condition.
- Utility Allowance- The allotted amount, by unit size and type, for tenant-furnished utilities and services, based on the typical cost of each utility and service in that locality.
- Total Tenant Payment- The portion of the monthly gross rent payable by an eligible family, including the utility allowance paid by said family.

- Minimum Total Tenant Payment- The minimum amount of gross rent that an assisted family must pay toward rent, which is equivalent to 10% of the family's gross income.
- Portability- Portability is the ability for a Housing Voucher holder to move from the jurisdiction of its current AHA to the jurisdiction of another AHA.

XXVI. XX POLICIES

The AHA has developed the following policy concerning limitation on adjacent AHA's Vouchers moves: This AHA will not accept, or refer, mobility or portability of Vouchers from, or to, any adjacent AHA's.

The determination taken to establish this policy is based on the fact that the adjacent AHA's Municipalities are within commuting distance from our Vouchers can be administered and served by the AHA's without Having to assign them to, or reclude them from our AHA.

Furthermore, participants will not be permitted to transfer to any Housing Authority within United States unless the HA agrees to absorb the participant. This is due to the fact that subsidy in the States is much higher than ours and we will be paying double our fair market rent.

Participants which are currently in the States and are receiving subsidy from the AHA will be cancel after completing one year of subsidy.

The following policy for the treatment of applicants and participants regarding verification of citizenship and/or place of birth will be executed through third party verification. If third party verification cannot be used, the AHA will document in the file why another method was used. This policy also applies to all other Program verification requirements.

The Fair Housing policy of the AHA to comply fully with all Federal, State, and local non-discrimination laws and in accordance with the rules and regulations governing Fair Housing and equal opportunity in housing and employment , and with the American with Disabilities Act.

To further its commitment to full compliance with applicable Civil Rights laws, the AHA will provide access to information to Section 8 participants regarding “discrimination”.

For families and/or individuals who report apparent discrimination in obtaining assisted housing, the AHA shall assist them by providing the family/individual with a HUD Housing Discrimination Complaint Form. The individual can complete this form, and report apparent discrimination to the HUD Caribbean Office.

The Municipality of Arroyo in compliance with Public Law 109-162 Violence Against Women Act, Puerto Rico Public Law 54, Public Law 22, will provide and assist these families in need of help by all means possible, we will help with housing and refer them to all agencies prepared to handle these matters so that they can receive all the help necessary.

We will not allow in to the our program any person that has been AHArged for the action mentioned above in and out of our jurisdiction and in compliance with Puerto Rico Public Law 266 Art. 5, Art 7 and the 24 CFR 982.553 regulations we will deny any participation of such persons in our program.

While awaiting new guidelines from the Department of Housing and Urban Development for implementing VAWA, the Municipality of Arroyo (RQ-062), has adopted the following goals and objective , for Domestic Violence Policy:

6. The VAWA applies to the Housing Choice Voucher Program.
7. The applicant/tenant/victim will be treated with respect and dignity.
8. The Municipality of Arroyo will notify voucher holders of their right under VAWA including the possible portability of voucher between jurisdictions to escape an imminent threat of further domestic violence or staking.
9. VAWA will be incorporate into the landlord and tenant orientation process.
10. Necessary conforming amendment to HCVP rules, regulations and paperwork will be further addressed after receipt of guidelines from the HUD.

As part of the Public Policy of the Autonomous Municipality of Arroyo through the Housing Opportunities Program for Voucher (Section 8), disclosure is necessary to the general public on compliance with the Violence Against Women Act (VAWA) and the rights of the applicants concerned and their families.

Services:

The Municipality of Arroyo, in compliance with laws against domestic violence and sexual abuse crimes, provided by all possible means, to all the families affected and need support, assistance services, including referrals to any agency that is suited to handle these cases and give them the necessary assistance. Among the agencies which the Municipality has are:

Office of Women's' Affairs

Citizens Assistance Office

Child Care

Early Head Start

The laws that are referred to here:

Public Law 109-162 of the Act Against Violence Against Women Act (VAWA)

Puerto Rico State Law 54

Public Law 22

Goals:

- The applicant, tenant or victim will be treated with respect, dignity and sensitivity at all times.
- The Program will notify the voucher's holders on the rights under VAWA, including the possibility of portability of the voucher to another jurisdiction, so the tenant can escape the threat of possible domestic violence or stalking.
- In the orientation process for both, the landlord and the tenant, VAWA will be incorporated.
- If necessary and in accordance with the laws, policies, processes and documentation of the program, made the necessary amendments, as required in the guidelines of HUD (Housing and Urban Development), including written notice thereof.

Disclaimer

1. The fact that the applicant or any family member is or was a victim of domestic violence or harassment according to VAWA does not guarantee that assistance will be denied by the Housing Opportunity Program for Voucher (Section 8).

2. VAWA also establishes that a situation of domestic violence, abuse or harassment:
 - a. Not constitute a grave violation of the lease if the applicant or any family member is the victim and the violation of contract is related to such abuse or violent situation.
 - b. The fact that the applicant or any family member is the victim, not a sufficient reason for denying assistance.

This means that services will not be denied to any person for being a victim of any such situation.

3. While it is true that the Municipality of Arroyo not allow admission to the program to any applicant who has been accused of committing a criminal act, VAWA establish that the accused person cannot be rejected if the criminal act is:
 - a. Directly related to domestic violence or harassment.
 - b. It is linked to a household member, a person under the responsibility of the applicant or any home's guest.
 - c. Any family member, including the applicant, is the victim of the act or has been threatened.

Certification

In case that the Housing Opportunity Program by Voucher (Section 8), informs to any applicant that the eligibility has been denied because of an incident, cases of domestic violence or harassment, and ask for the assistance of court protection under VAWA Act, the program will require a certification. The same must be received in our office within a period of 14 working days after receipt. Otherwise, the program can find the applicant ineligible without reference to that law.

The forms of certificate may be:

1. Completing and submitting a certification form that will deliver the program, which was approved by the Department of Housing and Urban Development (HUD).
2. Provide the Program a complaint filed with the Police of Puerto Rico and

protection order issued by the Department of Justice (which indicates that we are complying with the protocol to be followed before a case of domestic violence).

Privacy

1. The Housing Opportunity Program by Voucher (Section 8) will handle the information provided by the applicant concerning an incident, cases of domestic violence or harassment, in strict confidence. Such information will not be disclosed without proper consent except as necessary in an eviction proceeding or as required by law.

Limitations

People should know that VAWA has limitations on the rights of applicants. It is important to know that nothing falls within the Act:

1. Preclude the Housing Opportunity Program by Voucher (Section 8), to determine whether it is ineligible for housing assistance for any other situation that does not involve rape or domestic violence or harassment, for which VAWA provides protection.
2. Preclude the Housing Opportunity Program by Voucher (Section 8), to determine whether it is ineligible for housing assistance if it demonstrates a real and imminent threat to other people close to the property, including those who provide services to it. If the program can demonstrate this threat, VAWA does not protect the applicant as to the determination of ineligibility.
3. Restrict the authority of the program to obey a court order concerning rights of access or control of property. Including possession or distribution of property or protection orders to victims.
4. It does not replace any federal, state or local law that provides greater protection than VAWA.

Rights of the Housing Opportunity Program by Voucher (Section 8)

The Program has the authority through VAWA, sheltered under federal law, to vacate, remove or terminate assistance to any benefits from them, which is involved in a crime of physical violence against another person. This without affecting other occupants registered under the same contract.

Definitions

Domestic violence- This includes crime or misdemeanor charges of violence by the spouse or former spouse of the victim, someone with whom you have a child together, a person living or has lived with the victim, who wants to be considered a spouse under the laws or by anyone who harms a victim who is under protection law on domestic or family violence.

Violence between couples-Violence committed by a person:

- having or having romantic or intimate relationship with the victim.
- where the ratio is determined by; duration of the relationship; relationship; or frequency of interaction between two people.

Harassment-is:

- chase, follow or constant acts of intent to kill, injure, harass or intimidate another person, or order to monitor the intentions above.
- that the above actions cause fear of death, serious injury or emotional harm to his person, to any immediate member of that person or the spouse or intimate partner of that person.

Close family member- means:

- spouse, parent, sibling (a) natural child or person under their care.
- someone who lives in the same household and have blood relationship or marriage.

Offender- means the person committing domestic violence between partners or harassment against any victim.

XXVII. XXI GRIEVANCE PROCEDURE

Grievance shall mean any dispute which a tenant may have with respect to landlord's action or failure to act, which adversely affect the tenant's rights, duties, welfare or status. It does not include

any dispute the tenant may have with the landlord concerning termination of tenancy or eviction involving activities that threatened health, safety, or right to peaceful enjoyment of the landlord's premises or of other tenants.

The grievance procedure will begin by the tenant presenting a complaint either orally or in writing. It may be discussed informally and settled without a hearing. A summary will be prepared in reasonable time and a copy will be given to the tenant. It will specify names of participants, dates of meeting, nature of the proposed disposition, reasons therefore, and the procedures by which a hearing may be obtained by the tenant.

In the event the tenant is not satisfied with the informal settlement, the tenant shall submit a written request for hearing to the landlord within five (5) business date from the date of receipt of the summary. The request will specify reasons for the grievance and the action or relief result.

If the tenant does not request a hearing, then the landlord's disposition of the grievance shall become final, provided that failure to request a hearing shall not constitute a waiver by the tenant of his rights to contest.

Before a hearing is scheduled in any grievance involving the rent, the tenant shall paid the landlord an amount equal to the rent due and payable as of the first of the month preceding the month in which the act took place. The tenant shall there after deposit monthly the same amount of the monthly rent in an escrow account held by the landlord until the complaint is resolved. The failure to make such payments shall result in termination of the grievance procedure.

Upon the tenant's compliance or upon the AHA notifying the tenant that a hearing will be held, a hearing shall be promptly scheduled. A written notification specifying date, time, place, and procedure shall be delivered to the tenant and the landlord. It must be held at a time and place reasonably convenient to both parts.

The hearing officer shall prepare a written decision together with the reasons therefore within a reasonable time not to exceed ten (10) calendar days.

Certification for a Drug-Free Workplace

U.S. Department of Housing
and Urban Development

Applicant Name

Municipality of Arroyo (RQ-068)

Program/Activity Receiving Federal Grant Funding

HUD Housing Choice Voucher Program (section 8)

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.)

Within the Municipality of Arroyo, Puerto Rico

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 Hon. Basilio Figueroa De Jesús	Title Mayor	
Signature	Date	April 11, 2011
X		

Certification of Payments to Influence Federal Transactions

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

Applicant Name

Municipality of Arroyo

Program/Activity Receiving Federal Grant Funding

HUD's Housing Choice Voucher Program (Section 8)

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

Hon. Basilio Figueroa De Jesús

Title

Mayor

Signature

Date (mm/dd/yyyy)

04/11/2011

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, Omar Negrón Judice the OCMA Commissioner certify that the Five Year and
Annual PHA Plan of the Municipality of Arroyo is consistent with the Consolidated Plan of
Puerto Rico prepared pursuant to 24 CFR Part 91.

 2/10/11

Signed / Dated by Appropriate State or Local Official

Civil Rights Certification

U.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.

Municipality of Arroyo, Puerto Rico

RQ-068

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 Hon. Basilio Figueroa De Jesús	Title Mayor
Signature	Date 04/11/2011

**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 ___ 5-Year and/or ___ Annual PHA Plan for the PHA fiscal year beginning **July 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.

Municipality of Arroyo, Puerto Rico

PHA Name

RQ-068

PHA Number/HA Code

_____ 5-Year PHA Plan for Fiscal Years 20____ - 20_____

Annual PHA Plan for Fiscal Years 2011 - 2012

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 Basilio Figueroa De Jesus	Title Mayor
Signature	Date April 11, 2011

COMMONWEALTH OF PUERTO RICO
MUNICIPALITY OF ARROYO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2010

Section III – Major Federal Award Program Findings and Questioned Costs

Finding Reference	10-05
Program	Section 8 Housing Choice Vouchers Program (CFDA 14.871) U.S. Department of Housing and Urban Development
Requirement	Special Test – Depository Agreements
Statement of Condition	During our verification, we noted that the Municipality did not comply with the compliance requirement of Depository Agreements. The PHA is required to enter into depository agreement with their financial institutions in the form required by HUD. (Form HUD-51999)
Criteria	Code of Federal Regulations 24, Subpart D, 982.156 states. (c) The PHA must enter into an agreement with the depository in the form required by HUD. (d) If required under a written freeze notice from HUD to the depository: (i) The depository may not permit any withdrawal by the PHA of funds held under the depository agreement unless expressly authorized by written notice from HUD to the depository; and (ii) The depository must permit withdrawals of such funds by HUD. (2) HUD must send the PHA a copy of the freeze notice from HUD to the depository.
Cause of Condition	The program is not performing an effective review of compliance requirement that are required by HUD.
Effect of Condition	The PHA is not in compliance with laws and established regulation as prescribed by HUD.
Recommendation	Procedures should be implemented to ascertain that the PHA complies with the established Federal Regulation, as prescribed by HUD.
Questioned Costs	None
Management Response and Corrective Action	The Program will make a procedure to comply with the preparation of Form HUD- 51999, Depository Agreement. The Municipality will submit a corrective action plan outlining this finding to be corrected in a detailed manner no later than end the fiscal year 2011. Implementation Date: June 2011 Responsible Person: Luis A. Torres Federal Programs Department Director