

HOUSING AUTHORITY OF THE COUNTY OF BUTTE (HACB)  
**Board of Commissioners Meeting**  
2039 Forest Avenue, Chico, California 95928

**MEETING AGENDA**

May 21, 2020  
2:00 p.m.

**Coronavirus (COVID-19) Advisory Notice:** The health and safety of Butte County residents and community members, public officials and employees is a top priority for the Housing Authority of the County of Butte and the Board of Commissioners.

Pursuant to current State Public Health directives to shelter-in-place and practice social distancing, and as authorized by Governor Gavin Newsom’s Executive Orders N-25-20 and N-29-20, Board of Commissioners meetings will be closed to the public for the foreseeable future. Members of the Board of Commissioners and HACB staff will be participating either in person or via teleconference. The Board of Commissioners encourages members of the public to participate remotely from a safe location.

**Please join my meeting from your computer, tablet or smartphone.**

<https://global.gotomeeting.com/join/916108405>

**Dial in instructions:**

United States (Toll Free): [1 877 309 2073](tel:18773092073)

United States: [+1 \(571\) 317-3129](tel:+15713173129)

Access Code: 916-108-405

If you have any trouble accessing the meeting agenda, or attachments; or if you are disabled and need special assistance to participate in this meeting, please email [marysolp@butte-housing.com](mailto:marysolp@butte-housing.com) or call 530-895-4474 x.210. Notification at least 24 hours prior to the meeting will enable the Housing Authority to make a reasonable attempt to assist you.

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NEXT RESOLUTION NO. [4775](#)

ITEMS OF BUSINESS

1. ROLL CALL
2. AGENDA AMENDMENTS
3. CONSENT CALENDAR
  - 3.1 Minutes for the meeting of April 16, 2020  
Minutes for the Special Meeting of May 14, 2020

- 3.2 Checks written for:
  - 3.2.1 Accounts Payable (General) – \$213,697.98
  - 3.2.2 Accounts Payable (FLH) – \$80,680.85
  - 3.2.3 Landlords – \$1,249,404.70
  - 3.2.4 Payroll– \$117,114.10
- 3.3 Financial Statements
- 3.4 Section 8 Housing Choice Voucher Program
- 3.5 Property Vacancy Report
- 3.6 Public Housing
- 3.7 Construction Projects
- 3.8 Capital Fund Improvement Projects
- 3.9 Farm Labor Housing Report
- 3.10 Bond Properties
- 3.11 Other Properties
- 3.12 Family Self Sufficiency
- 3.13 Rental Assistance Programs
- 3.14 Quarterly Investment Report/Reserves Analysis

4. CORRESPONDENCE

5. REPORTS FROM EXECUTIVE DIRECTOR

- 5.1 Recognition of Commissioner – Acknowledging Commissioner Besser’s years of service to the HACB.

Recommendation: Resolution No. 4775

- 5.2 Recognition of Commissioner – Acknowledging Commissioner Jones’ years of service to the HACB.

Recommendation: Resolution No. 4776

- 5.3 Section 8 Administrative Plan (AP) – Receive Comments; adopt Section 8 (AP).

Recommendation: Resolution No. 4777

5.4 Receive and File Proposed Agency Annual and Five-Year Plan – Authorize publication Notice for review and schedule Public Hearing on July 16, 2020 for adoption of Agency Plan.

Recommendation: Receive and File

5.5 Receive and File Proposed Public Housing Admissions and Continued Occupancy Policy (ACOP) and Section 8 Administrative Plan (AP) – Schedule Public hearing on July 16, 2020 for adoption of ACOP and AP.

Recommendation: Receive draft ACOP and Section 8 AP, authorize publication of Public Notice for public review and comment (minimum 45 days required) and schedule public hearing for receipt of comment and final adoption of documents on July 16, 2020.

5.6 Strategic Asset Plan – Asset Repositioning Status Update.

Recommendation: Information/Discussion

5.7 Development Activity – Status Review.

Recommendation: Information/Discussion

5.8 COVID-19 (Coronavirus) – Agency Response Update.

Recommendation: Information/Discussion

6. MEETING OPEN FOR PUBLIC DISCUSSION

7. MATTERS CONTINUED FOR DISCUSSION

8. SPECIAL REPORTS

9. REPORTS FROM COMMISSIONERS

10. MATTERS INITIATED BY COMMISSIONERS

11. EXECUTIVE SESSION

12. COMMISSIONERS' CALENDAR

- **Next Meeting – June 18, 2020**

13. ADJOURNMENT

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE  
BOARD OF COMMISSIONERS MEETING**

**MEETING MINUTES OF April 16, 2020**

Chair Moravec called the meeting of the Housing Authority of the County of Butte to order at 2:11 p.m.

*(Pursuant to current State Public Health directives to shelter-in-place and practice social distancing, and as authorized by Governor Gavin Newsom’s Executive Orders N-25-20 and N-29-20, This Board of Directors meeting observed “social distancing” protocols, and was conducted via teleconference and web-conference. Meeting notice and public participation was addressed consistent with the State Governor’s COVID-19 Executive Order, providing for Brown Act exceptions.)*

1. ROLL CALL

Present for the Commissioners: Kate Anderson, Larry Hamman, Laura Moravec, Rich Ober, and David Pittman.

Present for the Staff: Ed Mayer, Executive Director; Larry Guanzon, Deputy Executive Director; Sue Kemp, Finance Director; Tamra Young, Administrative Operations Director; Marysol Perez, Executive Assistant; Jerry Martin, Modernization Coordinator and Angie Little, Section 8 Housing Manager.

2. AGENDA AMENDMENTS

None.

3. CONSENT CALENDAR

President Mayer notified the Board of Commissioners of the two (2) current Tenant Commissioner vacancies.

Commissioner Pittman moved that the Consent Calendar be accepted as presented. Commissioner Hamman seconded. The vote in favor was unanimous.

#### 4. CORRESPONDENCE

COVID-19 Request Letter - Industry response letter from 850 Housing Authorities asking Congress for pandemic help. HUD has offered guidance for program waivers, and Housing Authorities are seeing regulatory relief from HUD and financial relief from Congress.

#### 5. REPORTS FROM EXECUTIVE DIRECTOR

- 5.1 Election of Officers – Routine Annual Election of Officers. Chair Moravec turned the meeting over to Executive Director/Board Secretary Mayer, to conduct the annual election of Board Officers in accordance with HACB’s Bylaws. Executive Director Mayer asked for nominations for the positions of Chair and Vice Chair for the year April 2020 through March 2021. Commissioner Pittman nominated Chair Moravec to continue to serve as Chair, to which Commissioner Hamman seconded. Chair Moravec accepted the nomination and, after no further nominations for Chair were made, the nomination process for Board Chair was closed. Commissioner Pittman nominated Commissioner Hamman for the position of Vice Chair, Chair Moravec seconded. Commissioner Hamman accepted the nomination of Vice Chair. After no further nominations for Vice Chair, the nomination process for Vice Chair was closed. Executive Director Mayer called for a vote for Chair Moravec to continue to serve as Chair of the Board, resulting four (4) Ayes in favor, with an abstention from Chair Moravec. Executive Director then called for a vote for making Commissioner Hamman Vice Chair, resulting in four (4) Ayes in favor, with an abstention from Commissioner Hamman. Executive Director Mayer congratulated the newly elected officers, and appreciated the ongoing service of both re-elected officers.

The meeting was turned over to Chair Moravec by Executive Director Mayer.

- 5.2 Gridley Farm Labor Housing – Authorization for the next contract for the rehabilitation work at FLH was presented for approval. Multiple bids were received (4), staff was surprised by the interest in the project. The lowest bid received was from J. Walt Construction Inc., 15% below the architect’s estimate, but 40% more than the last time the project bid five (5) years ago. HACB staff is very grateful and excited knowing the work can be completed, and that the contractor is known to the architect. The per unit basis comes out to \$270,000 per unit to rehab vs. roughly \$450,000 per unit for new unit. Chair Moravec wanted to confirm the number of units being rehabilitated to be seventeen (17). Jerry Martin, Modernization

Coordinator confirmed the total units renovated will be seventeen (17), totaling \$5,553,000.

**\*RESOLUTION NO. 4772 \***

Commissioner Hamman moved that Resolution No. 4772 be adopted by reading of title only: “AUTHORIZATION TO ENTER INTO CONTRACT WITH J. WALT CONSTRUCTION INC. FOR PHASE II & III MODERNIZATION AT GRIDLEY FARM LABOR HOUSING”. Commissioner Pittman seconded. The vote in favor was unanimous.

- 5.3 Cordillera Apartments – During the earlier meeting of Butte County Affordable Development Corporation. The Board of Directors authorized the assignment of ownership of Cordillera Apartments and its regulatory agreements to the Housing Authority of the County of Butte. It is recommended that HACB accept the assumption of ownership and regulatory interests. As previously stated in the BCAHDC meeting; this transaction has been reviewed with auditors, accountants and attorneys; due to both entities being closely related. Given that both entities are non-profit and have similar missions, no conflicts were identified in the transaction, as BCAHDC is simply assigning ownership of the property and regulatory obligations to HACB. The assignment is a function of the HACB’s Strategic Asset plan, where Cordillera Apartments is to be moved to the HACB for purposes of portfolio financing and leveraging. The proposed transaction is a reportable tax event with the IRS, though it is not a tax consequence event. HACB will have to acknowledge the fair market value of the property on its books, which was appraised at \$1.8 million, and BCAHDC will report the transaction as a donation of \$800k (Book Value) in their books. Most importantly it has been determined that the proposed transaction furthers affordable housing opportunity in Butte County.

**\*RESOLUTION NO. 4773\***

Commissioner Pittman moved that Resolution No. 4773 be adopted by reading of title only: “ACCEPTANCE AND ASSUMPTION OF OWNERSHIP AND REGULATORY INTERESTS IN CORDILLERA APARTMENTS, 37, 41, 45, 49, 53 CAMEO DRIVE, CHICO, CA”. Commissioner Ober seconded. The vote in favor was unanimous.

- 5.4 Strategic Asset Plan – Executive Director Mayer provided an update on the strategic asset plan activity. To summarize; six properties have had appraisals and physical needs assessments completed. Currently, given the COVID-19 pandemic and associated economic uncertainty, the bond transaction is on hold as such bonds cannot be priced in the markets. The HACB will seek private bond financing in the interim. BCAHDC has outreached to Alden Torch, Limited Partner (LP) at 1200

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Park Avenue Apartments, Chico, regarding early buyout of their partnership interests. Alden Torch proposed a methodology that strayed significantly from what is provided for in the Partnership Agreement, a methodology that was determined counterproductive to BCAHDC interests. The conversation has tentatively been put on hold pending year-end, bringing with it the completion of the 15-year LIHTC compliance period, at which point the mechanisms found in the Partnership Agreement for LP buyout can be employed. Finally, Executive Director Mayer detailed that the remaining tax credit properties, Chico Commons Apartments, Chico, and Walker Commons Apartments, Chico will be bundled together with 1200 Park Avenue Apartments for collective repositioning, once Year-15 issues have been cleared for 1200 Park Avenue Apartments.

- 5.5 Development Activity – Currently there is much affordable housing development opportunity in the area, in part due to federal appropriations from a Sonoma County Congressman, a significant allocation of 9% LITHC’s has been appropriated to fourteen disaster-affected counties in California, including Butte County. In anticipation of this extraordinary allocation, there are a number of affordable housing development projects ramping up. Pacific West Communities (PWC) has multiple projects in the area - two in Gridley, two in Oroville and another in Chico. The Chico project, if successful, would be the largest 9% tax credit project in the state; with approximately 220 units; in addition to three projects in Orland. In addition, AHDC has a project in the works at Meriam Park in Chico, and CHIP and Jamboree each have projects underway in Chico. The HACB, through its non-profit instrumentality, BCHADC, is engaged as Managing General Partner (MGP) in five of these projects, and anticipates opportunity to participate in as many as an additional five projects. Also in the pipeline is the re-digestion of Kathy Court Apartments, Paradise, an architect is currently assessing the site; whether it is re-created as before, or re-built using an alternate (bungalow style?) approach.
- 5.6 COVID-19 (Coronavirus) – Executive Director Mayer discussed the HACB’s staff response to the COVID-19 pandemic and associated public health recommendations. As of this date we have entered our fourth week of shelter in place orders. HACB is considered an essential services provider, but continues to be closed to the public. Maintenance is processing emergency work orders only; with the use of Personal Protective Equipment (PPE). HQS inspectors have started inspecting vacant units. Communications continue through use of electronic media - telephone, text, fax, e-mail, etc. Technology has been deployed to gain ever greater functionality for employees assigned to home duty. Friday’s will be added into the work schedule mix. Increasing work hours from just two days a week in

office to three. Currently Staff is re-thinking work shifts to maximize hours worked and keep the trajectory of the agency without setback. If an employee or a resident contracts COVID-19 (coronavirus) the HACB must inform HUD.

6. MEETING OPEN FOR PUBLIC DISCUSSION

None.

7. MATTERS CONTINUED FOR DISCUSSION

None.

8. SPECIAL REPORTS

None.

9. REPORTS FROM COMMISSIONERS

None.

10. MATTERS INITIATED BY COMMISSIONERS

Commissioner Pittman requested to have regular updates/ visual pictures of the FLH construction status.

Chair Moravec was very pleased with HACB's COVID-19 Agency response update; thanked Executive Director Mayer for the comprehensive explanation.

Commissioner Pittman offered congratulations to newly elected Chair Moravec and Vice Chair Hamman.

11. EXECUTIVE SESSION

None.

12. COMMISSIONERS' CALENDAR

- **Next regular meeting – May 21, 2020.**



13. ADJOURNMENT

Commissioner Hamman moved that the meeting be adjourned. Commissioner Pittman seconded. The meeting was adjourned at 3:06 p.m.

Dated: April 16, 2020.

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Laura Moravec, Board Chair

ATTEST:

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Edward S. Mayer, Secretary

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE  
BOARD OF COMMISSIONERS MEETING**

**SPECIAL MEETING MINUTES OF May 14, 2020**

Chair Moravec called the meeting of the Housing Authority of the County of Butte to order at 2:01 p.m.

*(Pursuant to current State Public Health directives to shelter-in-place and practice social distancing, and as authorized by Governor Gavin Newsom’s Executive Orders N-25-20 and N-29-20, This Board of Directors meeting observed “social distancing” protocols, and was conducted via teleconference and web-conference. Meeting notice and public participation was addressed consistent with the State Governor’s COVID-19 Executive Order, providing for Brown Act exceptions.)*

1. ROLL CALL

Present for the Commissioners: Kate Anderson, Larry Hamman, Laura Moravec, and David Pittman.

Present for the Staff: Ed Mayer, Executive Director; Larry Guanzon, Deputy Executive Director; Sue Kemp, Finance Director; Tamra Young, Administrative Operations Director; and Marysol Perez, Executive Assistant

2. AGENDA AMENDMENTS

None.

3. CONSENT CALENDAR

None.

4. CORRESPONDENCE

None.

5. REPORTS FROM EXECUTIVE DIRECTOR

- 5.1 Kathy Court Apartments, Paradise - This special meeting was called to address a time sensitive matter; a vote is needed from the Board of Commissioners on the proposed PG&E Bankruptcy Plan (Plan), within which HACB’s Kathy Court claim against PG&E will be addressed. The vote must be received by the Court on Friday, May 15, 2020. The claim and proposed Plan have been sorted through for legitimacy and it is recommended

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that the Board of Commissioners vote in favor. Voting in favor means the HACB's claim will be settled by means of apportionment between all Fire Victim Fund claimants, remuneration in the form of cash and PG&E common stock. Commissioner Pittman asked Commissioner Anderson what her thoughts were in regards to the vote; Commissioner Anderson's response was that there is controversy regarding the claim amongst Paradise residents, many are voting in favor, not wanting to put at risk what is on the table now. To which Executive Director Mayer added that in this instance, it is best to vote for something known. Should the plan not be approved, it is unknown where the claims process will go, or how long it will take.

**\*RESOLUTION NO. 4774\***

Commissioner Hamman moved that Resolution No. 4774 be adopted by reading of title only: "KATHY COURT APARTMENTS, PARADISE – PG&E BANKRUPTCY VOTE". Commissioner Anderson seconded. The vote in favor was unanimous.

6. MEETING OPEN FOR PUBLIC DISCUSSION

None.

7. MATTERS CONTINUED FOR DISCUSSION

None.

8. SPECIAL REPORTS

Budget Committee Meeting Update – Finance Director Kemp will email Budget Committee members with upcoming meeting date and details. Next week staff will meet and draft the framework for a draft budget. The first of the year's component budgets will be presented during the June Board of Commissioners meeting; union negotiations will be a factor this year, with a Union Contract renewal on January 1<sup>st</sup>.

9. REPORTS FROM COMMISSIONERS

None.

10. MATTERS INITIATED BY COMMISSIONERS

Commissioner Pittman brought up the July 1<sup>st</sup> LIHTC application deadline, where the State will entertain proposals for developments under a special allocation of federal 9% LIHTC's made available to fourteen disaster-affected California counties. The State's proposed allocation plan shows an enormous supply

of 9% credits to Butte County, providing a once in a generation opportunity to develop affordable housing. The City of Oroville has been inundated with housing project requests. Executive Director Mayer affirmed knowledge of the developer “feeding frenzy” that is occurring regarding the availability of Disaster credits in Butte County. This subject will be on next weeks Board Meeting agenda. He currently has knowledge of 16 different affordable housing developments in the area, for a total of over 1,000 proposed units of affordable housing.

11. EXECUTIVE SESSION

None.

12. COMMISSIONERS’ CALENDAR

- **Jamboree Housing – GoToMeeting regarding 1297 Park Avenue Development; Barber Neighborhood Community Meeting – May 14, 2020; 7:00 p.m.**
- **Next Meeting – May 21, 2020.**

13. ADJOURNMENT

Commissioner Anderson moved that the meeting be adjourned. Commissioner Pittman seconded. The meeting was adjourned at 2:17 p.m.

Dated: May 14, 2020.

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Laura Moravec, Board Chair

ATTEST:

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Edward S. Mayer, Secretary

Housing Authority of the County of Butte  
HACB Operating Account  
AP Check Register

Payment Date	Payment Number	Remit to Vendor	Total Check Amt
4/1/2020	152423	CALIFORNIA WATER SERVICE	\$186.00
4/1/2020	152424	P G & E	\$597.00
4/10/2020	1765	Internal Revenue Service	\$20,540.38
4/10/2020	1766	Employment Development Department	\$3,926.33
4/10/2020	1767	Employment Development Department	\$72.55
4/10/2020	1768	MassMutual Financial Group	\$3,010.00
4/10/2020	1769	CalPERS	\$10,764.81
4/10/2020	1770	CalPERS	\$3,174.38
4/10/2020	152425	A & K Water Works dba	\$650.00
4/10/2020	152426	A-1 Appliance	\$648.42
4/10/2020	152427	Adecco Employment Services	\$6,030.44
4/10/2020	152428	Advanced Document	\$163.95
4/10/2020	152429	Benefit Resource, Inc.	\$625.00
4/10/2020	152430	Biggs Municipal Utilities	\$2,608.97
4/10/2020	152431	COMCAST CABLE	\$360.88
4/10/2020	152432	Chico Commons	\$262.50
4/10/2020	152433	Chico Turf Plus, LLC	\$85.00
4/10/2020	152434	Douglas DeSoto	\$438.98
4/10/2020	152435	Down Range Investments, LLC	\$903.72
4/10/2020	152436	GreatAmerica Financial Services	\$155.52
4/10/2020	152437	HD Supply Facilities Maintenance, Ltd.	\$12.79
4/10/2020	152438	Illustratus	\$238.68
4/10/2020	152439	InterWest Insurance Services, LLC	\$600.00
4/10/2020	152440	JACKSONS GLASS CO, INC.	\$745.81
4/10/2020	152441	MACS HARDWARE	\$29.85
4/10/2020	152442	MAINTENANCE PLUS	\$189.83
4/10/2020	152443	OFFICE DEPOT INC	\$485.33
4/10/2020	152444	P G & E	\$4,571.79
4/10/2020	152445	RECOLOGY BUTTE COLUSA COUNTIES, INC.	\$4,081.27
4/10/2020	152446	ROTO-ROOTER OROVILLE	\$547.50
4/10/2020	152447	Roy V. Peters	\$906.14
4/10/2020	152448	S.E.C. 5 Private Security dba	\$2,991.00
4/10/2020	152449	SPRINT	\$65.83
4/10/2020	152450	Slakey Brothers, Inc.	\$390.73
4/10/2020	152451	US Bank	\$223.08
4/10/2020	152452	Valero Marketing & Supply	\$451.16
4/10/2020	152453	Valley Lock & Safe	\$1,477.97
4/10/2020	152454	Valley Truck & Tractor Co.	\$75.05
4/10/2020	152455	Yuba City	\$4,137.21
4/24/2020	1771	Internal Revenue Service	\$20,578.95
4/24/2020	1772	Employment Development Department	\$3,937.38
4/24/2020	1773	Employment Development Department	\$72.55

4/24/2020	1774	MassMutual Financial Group	\$3,010.00
4/24/2020	1775	CalPERS	\$10,711.09
4/24/2020	1776	CalPERS	\$3,174.38
4/24/2020	152458	A-1 Appliance	\$2,165.61
4/24/2020	152459	AT&T	\$190.77
4/24/2020	152460	Access Information Holdings, LLC.	\$63.11
4/24/2020	152461	Adecco Employment Services	\$696.78
4/24/2020	152462	Advanced Document	\$284.21
4/24/2020	152463	Asbestos Science Technology	\$2,761.71
4/24/2020	152464	CALIF. WTR. SER. ORO	\$1,132.21
4/24/2020	152465	CALIFORNIA WATER SERVICE	\$181.26
4/24/2020	152466	CHICO COMMONS LP.	\$1,314.71
4/24/2020	152467	CIC	\$2,563.10
4/24/2020	152468	COMCAST CABLE	\$103.95
4/24/2020	152469	Clean Master	\$1,962.00
4/24/2020	152470	Cypress Dental Administrators	\$3,250.40
4/24/2020	152471	David Pittman	\$50.00
4/24/2020	152472	E Center	\$186.38
4/24/2020	152473	EAGLE SECURITY SYSTEMS	\$150.00
4/24/2020	152474	ENTERPRISE-RECORD	\$284.42
4/24/2020	152475	Golden State Risk Management Authority	\$27,864.00
4/24/2020	152476	Gregory P. Einhorn	\$1,925.00
4/24/2020	152477	Gridley Municipal Utilities	\$960.77
4/24/2020	152478	JACKSONS GLASS CO, INC.	\$279.99
4/24/2020	152479	JACOBS, ANDERSON, POTTER & CHAPLIN, LLP	\$984.00
4/24/2020	152480	Larry Hamman	\$50.00
4/24/2020	152481	Laura Moravec	\$50.00
4/24/2020	152482	MAINTENANCE PLUS	\$399.46
4/24/2020	152483	MES VISION	\$590.48
4/24/2020	152484	MRI Software LLC	\$1,521.45
4/24/2020	152485	NOR CAL LANDSCAPE MAINTENANCE	\$882.00
4/24/2020	152486	Neal Road Recycling & Waste	\$10.00
4/24/2020	152487	Nor-Cal Landscape Maintenance dba	\$11,106.00
4/24/2020	152488	OFFICE DEPOT INC	\$575.08
4/24/2020	152489	OPER. ENG. LOCAL #3	\$784.00
4/24/2020	152490	P G & E	\$1,177.65
4/24/2020	152491	Plan B Professional Answering Services	\$113.00
4/24/2020	152492	QUILL CORPORATION	\$778.52
4/24/2020	152493	ROTO-ROOTER OROVILLE	\$412.50
4/24/2020	152494	Richard H. Ober	\$50.00
4/24/2020	152495	SAVE MART SUPERMARKET	\$58.44
4/24/2020	152496	Scrubbs, Inc.	\$23.95
4/24/2020	152497	Sierra Landscape & Maintenance	\$6,000.00
4/24/2020	152498	Staples Business Credit	\$869.37
4/24/2020	152499	THRIFTY ROOTER-SERVICE & PLUMBING	\$589.00
4/24/2020	152500	TIAA COMMERCIAL FINANCE, INC	\$143.72
4/24/2020	152501	Void / The Home Depot Credit Services	\$0.00
4/24/2020	152502	The Home Depot Credit Services	\$2,260.19

4/24/2020	152503	Thermalito Irrigation	\$342.22
4/24/2020	152504	Umpqua Bank	\$5,058.39
4/24/2020	152505	Unum Life Insurance Company	\$526.78
4/24/2020	152506	Unum Life Insurance Company	\$402.50
4/24/2020	152507	Valerie Hurd	\$222.00
4/24/2020	152508	WASTE MANAGEMENT	\$4,910.92
4/24/2020	152509	WCP Solutions	\$418.28
4/24/2020	152510	Warren Asbestos Abatement Cont., Inc.	\$5,107.50
		<b>Total</b>	\$213,697.98

Housing Authority of the County of Butte  
 FLH Operating Account  
 AP Check Register

Payment Date	Payment Number	Remit to Vendor	Total Check Amt
4/10/2020	1774	Brian Jones	\$814.78
4/10/2020	1775	Juan Corona	\$362.35
4/10/2020	1776	Messenger Publishing Group	\$125.00
4/17/2020	1777	Elvira Medina de Mayorga	\$736.07
4/24/2020	1778	DURHAM PUMP, INC	\$1,478.91
4/24/2020	1779	HACB	\$46,075.62
4/24/2020	1780	P G & E	\$134.12
4/24/2020	1781	United States Postal Service (CMRS-FP)	\$259.00
4/24/2020	1782	Warren Asbestos Abatement Cont., Inc.	\$30,695.00
		<b>Total</b>	<b>\$80,680.85</b>



**Housing Authority of the County of Butte**  
**BALANCE SHEET**  
**March, 2020**

	<b>Cumulative</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash - Unrestricted	2,570,095.50
Cash - Other Restricted	797,242.31
Cash - Tenant Security Deposits	292,488.81
Accounts Receivable - HUD	54,231.63
Accounts Receivable - Other Gov	36,422.50
Accounts Receivable - Misc	167,174.52
Accounts Receivable - Tenants	69,790.77
Accounts Receivable - Fraud	0.00
Note Receivable - Current Portion	9,201.00
Accrued Interest Receivable	67,194.17
Investments - Unrestricted	2,400,225.44
Investments - Restricted	1,913,740.67
Inventories	23,127.03
Prepaid Expenses	234,354.00
Inter-program Due From	109,157.06
<b>Total Current Assets</b>	<b>8,744,445.41</b>
<b>Fixed Assets</b>	
Fixed Assets & Accumulated Depreciation	20,777,021.78
<b>Total Fixed Assets</b>	<b>20,777,021.78</b>
<b>Other Non-Current</b>	
Notes Loans & Mortgages Receivable	1,903,770.58
Deferred Outflows - GASB 68 & 75	740,047.83
Safety Deposit Box, Key Deposit	10.00
Investment in Limited Partnerships	3,381,373.55
<b>Total Other Non-Current</b>	<b>6,025,201.96</b>
<b>TOTAL ASSETS</b>	<b>35,546,669.15</b>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts payable	114,555.90
Accrued Payroll Liabilities	182,728.04
Accrued Interest Payable	146,446.96
Tenant Security Deposits	297,568.05
Deferred Revenue	231,964.34
Payable to HUD	0.00
Long Term Debt - Current Portion	521,120.40
Accrued Liabilities - Other	124,266.91
Inter-program Due To General Fund	109,157.06
<b>Total Current Liabilities</b>	<b>1,727,807.66</b>
<b>Long-Term Liabilities</b>	
Deferred Outflows - GASB 68 & 75	371,498.99
Other Post Retirement Ben-Net GASB 75	187,528.00
Unfunded Pension Liability - GASB 68	3,240,458.00
Long-Term Debt	3,523,514.19
Non-Current Liability- Other (FSS)	87,298.69
<b>Total Long-Term Liabilities</b>	<b>7,410,297.87</b>
<b>TOTAL LIABILITIES</b>	<b>9,138,105.53</b>
<b>NET POSITION</b>	
Beginning Net Position	26,673,495.34
Retained Earnings	-264,931.72
<b>TOTAL NET POSITION</b>	<b>26,408,563.62</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>35,546,669.15</b>

**HOUSING AUTHORITY of the COUNTY of BUTTE**  
**CONSOLIDATED INCOME STATEMENT**  
**October 1, 2019 to March 31, 2020**

	Month to Date			Year to Date			50.0%
	Actual	Budget	Remaining	Actual	Budget	Remaining	% used
<b>REVENUE</b>							
NET DWELLING RENT	282,376	270,021	-12,355	1,658,175	3,240,254	1,582,079	51.2%
TENANT CHARGES	17,482	7,088	-10,393	63,031	85,060	22,029	74.1%
LAUNDRY REVENUE	3,465	2,612	-853	14,632	31,344	16,712	46.7%
HUD GRANT REVENUE	1,493,205	1,552,637	59,432	8,835,229	18,631,648	9,796,419	47.4%
OTHER GRANT REVENUE	31,034	30,000	-1,034	206,574	360,000	153,426	57.4%
MORTGAGE INTEREST INCOME	6,062	6,111	48	36,375	73,330	36,955	49.6%
FRAUD RECOVERY	7,498	2,833	-4,665	24,630	34,000	9,370	72.4%
OTHER INCOME	-2,161	39,198	41,359	190,591	470,372	279,781	40.5%
INVESTMENT INCOME-unrestricted	3,794	3,984	191	25,224	47,812	22,588	52.8%
INVESTMENT INCOME-restricted	92	1,304	1,212	1,503	15,650	14,147	9.6%
<b>TOTAL REVENUE</b>	<b>1,842,847</b>	<b>1,915,789</b>	<b>72,942</b>	<b>11,055,964</b>	<b>22,989,470</b>	<b>11,933,506</b>	<b>48.1%</b>
<b>EXPENSES</b>							
ADMIN. EMPLOYEE SALARIES	146,731	158,721	11,990	948,359	1,904,650	956,291	49.8%
AUDIT FEE	0	2,609	2,609	7,350	31,310	23,960	23.5%
ADVERTISING & MARKETING	125	941	816	2,440	11,286	8,846	21.6%
PR TAXES & BENEFITS-ADMIN	70,074	82,461	12,386	450,744	989,526	538,782	45.6%
OFFICE EXPENSES	22,194	24,078	1,884	116,965	288,936	171,971	40.5%
LEGAL EXPENSES	3,888	2,067	-1,821	10,214	24,800	14,586	41.2%
TRAVEL	3,156	2,975	-181	15,992	35,700	19,708	44.8%
ALLOCATED OVERHEAD	0	0	0	0	0	0	0.0%
OTHER ADMIN. EXPENSE	26,063	31,083	5,020	181,531	372,999	191,468	48.7%
<b>TOTAL ADMIN. COSTS</b>	<b>272,232</b>	<b>304,934</b>	<b>32,702</b>	<b>1,733,595</b>	<b>3,659,207</b>	<b>1,925,612</b>	<b>47.4%</b>
TENANT SERVICES-SALARIES	4,549	3,777	-772	28,088	45,320	17,232	62.0%
RELOCATION COSTS	0	0	0	0	0	0	0.0%
EMP. BENEFITS-TENANT SVCS	628	1,612	984	4,925	19,343	14,418	25.5%
TENANT SERVICES-MISC.	7,984	2,930	-5,053	18,803	35,165	16,362	53.5%
<b>TOTAL TENANT SERVICES</b>	<b>13,160</b>	<b>8,319</b>	<b>-4,841</b>	<b>51,815</b>	<b>99,828</b>	<b>48,013</b>	<b>51.9%</b>
WATER	11,896	14,257	2,361	96,711	171,081	74,370	56.5%
ELECTRICITY	6,995	9,029	2,034	43,162	108,345	65,182	39.8%
GAS	1,513	1,665	152	8,743	19,981	11,238	43.8%
SEWER	15,570	15,567	-2	92,153	186,807	94,654	49.3%
<b>TOTAL UTILITIES-PROJECT</b>	<b>35,973</b>	<b>40,518</b>	<b>4,544</b>	<b>240,770</b>	<b>486,213</b>	<b>245,444</b>	<b>49.5%</b>
MAINT. SALARIES	28,862	29,142	280	181,480	349,700	168,220	51.9%
MAINTENANCE MATERIAL	8,549	13,429	4,881	74,271	161,150	86,879	46.1%
MAINT. CONTRACT COSTS	93,231	78,863	-14,368	432,330	946,358	514,028	45.7%
PR TAXES & BENEFITS-MAINT	17,074	16,686	-388	106,930	200,234	93,304	53.4%
<b>TOTAL MAINTENANCE</b>	<b>147,716</b>	<b>138,120</b>	<b>-9,596</b>	<b>795,012</b>	<b>1,657,442</b>	<b>862,430</b>	<b>48.0%</b>
PROTECTIVE SERVICES	3,411	4,478	1,067	21,737	53,740	32,003	40.4%
INSURANCE-ALL	22,622	23,155	533	135,400	277,854	142,454	48.7%
OTHER GENERAL EXP	8,491	9,167	675	64,132	110,000	45,868	58.3%
P.I.L.O.T.	9,526	10,258	732	60,929	123,100	62,171	49.5%
BAD DEBTS - TENANTS	0	4,817	4,817	0	57,800	57,800	0.0%
INTEREST EXPENSE	1,422	11,378	9,956	8,549	136,541	127,992	6.3%
<b>TOTAL OTHER OPERATING EXP.</b>	<b>45,472</b>	<b>63,253</b>	<b>17,781</b>	<b>290,748</b>	<b>759,035</b>	<b>468,287</b>	<b>38.3%</b>
EXTRAORDINARY MAINT.	0	0	0	0	0	0	0.0%
CASUALTY LOSSES	34,191	0	-34,191	24,542	0	-24,542	0.0%
HOUSING ASSIST PAYMENTS	1,243,391	1,261,798	18,407	7,142,798	15,141,578	7,998,780	47.2%
HAP - PORTS IN	0	0	0	0	0	0	0.0%
FRAUD LOSSES	0	833	833	0	10,000	10,000	0.0%
<b>TOTAL OTHER COSTS</b>	<b>1,277,582</b>	<b>1,262,632</b>	<b>-14,950</b>	<b>7,167,340</b>	<b>15,151,578</b>	<b>7,984,238</b>	<b>47.3%</b>
<b>TOTAL EXPENSES</b>	<b>1,792,136</b>	<b>1,817,775</b>	<b>25,640</b>	<b>10,279,280</b>	<b>21,813,303</b>	<b>11,534,023</b>	<b>47.1%</b>
<b>RETAINED EARNINGS 1</b>	<b>50,711</b>	<b>98,014</b>	<b>47,303</b>	<b>776,684</b>	<b>1,176,166</b>	<b>399,483</b>	<b>66.0%</b>
+ PRINCIPAL/REPL. RESERVE <sup>2</sup> (NET)	-3,786	2,482	6,268	-22,431	29,780	52,211	-75.3%
+ USDA GRANT FUNDS	0	500,000	500,000	0	6,000,000	6,000,000	0.0%
- DEBT SERVICE PMTS (BONDS&USDA) <sup>3</sup>	-17,111	-21,278	-4,167	-1,437,666	-255,332	1,182,334	563.1%
+/- GAIN/LOSS on PARS TRUST ACCT	-212,135	0	0	-181,432	0	181,432	0.0%
- CAPITALIZED ASSETS	-35,952	-580,771	-544,819	-458,567	-6,969,254	-6,510,687	6.6%
+/- ACCR. INTEREST	-3,371	-5,566	-2,195	-30,846	-66,789	-35,943	46.2%
<b>NET CASH FLOW</b>	<b>-221,644</b>	<b>-7,119</b>	<b>2,390</b>	<b>-1,354,258</b>	<b>-85,428</b>	<b>1,268,830</b>	<b>1585.3%</b>

1 + PARS trust interest - Depreciation = Balance Sheet -\$264,932

2 Replacement Reserve receipts

3 Includes \$1,335,000 Bond pay-off & USDA debt payments

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE  
SECTION 8 HOUSING CHOICE VOUCHER PROGRAM  
CALENDAR YEAR 2020**

HCV FSS GRANT (old)	133,775	FY 2020 ADMIN FEES	-109,831
PHA HELD HAP-current	17,708	POST-2003 ADMIN FEES	833,745
HUD HELD HAP@12/31/19	1,969,701	INV. IN CAP ASSETS	142,641

HACB FINANCIAL DATA													
ADMINISTRATIVE	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	Y-T-D
BEGINNING ADMIN RESERVES	950,541	895,130	846,053	0	0	0	0	0	0	0	0	0	950,541
BEG. INVESTED IN CAPITAL ASSETS	151,119	148,293	145,467	0	0	0	0	0	0	0	0	0	151,119
HUD ADMIN FEE REVENUE	113,933	113,933	115,498	0	0	0	0	0	0	0	0	0	343,364
FRAUD RECOVERY	1,522	1,779	3,749	0	0	0	0	0	0	0	0	0	7,050
INTEREST INCOME	4,691	-34,807	-105,074	0	0	0	0	0	0	0	0	0	-135,190
DEPRECIATION (reduces Capital Assets)	-2,826	-2,826	-2,826	0	0	0	0	0	0	0	0	0	-8,478
BAD DEBT-ADMIN / OPEB YE Adj	0	0	0	0	0	0	0	0	0	0	0	0	0
ADMINISTRATIVE EXPENDITURES	-175,557	-129,982	-136,312	0	0	0	0	0	0	0	0	0	-441,851
ENDING ADMIN RESERVE BALANCE	1,043,423	991,520	866,555	0	0	0	0	0	0	0	0	0	866,555
<i>YTD Change in Admin.</i>	<i>-58,237</i>	<i>-110,140</i>	<i>-235,105</i>										<i>-235,105</i>
HAP - Cash Basis	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	Y-T-D
BEGINNING HAP RESERVES	47,004	34,095	11,127	0	0	0	0	0	0	0	0	0	47,004
HUD HAP REVENUE	1,199,301	1,178,001	1,230,710	0	0	0	0	0	0	0	0	0	3,608,012
FRAUD RECOVERY	1,522	1,779	3,749	0	0	0	0	0	0	0	0	0	7,050
FSS FORFEITURES	0	754	0	0	0	0	0	0	0	0	0	0	754
BAD DEBT-HAP	0	0	0	0	0	0	0	0	0	0	0	0	0
HOUSING ASSISTANCE PAYMENTS	-1,213,732	-1,203,502	-1,227,878	0	0	0	0	0	0	0	0	0	-3,645,112
ENDING HAP RESERVE BALANCE	34,095	11,127	17,708	0	0	0	0	0	0	0	0	0	17,708
<i>YTD Change in HAP</i>	<i>-12,909</i>	<i>-35,877</i>	<i>-29,296</i>										<i>-29,296</i>
HUD VOUCHER MGMT SYSTEM DATA (Incl. Accrued HAP Exp)													
HAP - Accrual Basis	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	Y-T-D
HAP BUDGET (Funding + Reserves)	1,244,202	1,244,202	1,244,202										3,732,606
HAP EXPENDITURES (Current Month)	1,208,642	1,203,145	1,211,535										3,623,322
CY 2020 HAP BUDGET UTILIZATION	97%	97%	97%										97%
BUDGET AVAILABLE (YTD)	1,244,202	2,488,404	3,732,606										3,732,606
TOTAL HAP EXPENDITURES (YTD)	1,208,642	2,411,787	3,623,322										3,623,322
BUDGET REMAINING (YTD)	35,560	76,617	109,284	-	-	-	-	-	-	-	-	-	109,284
UNITS LEASED SUMMARY	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	Y-T-D
UNITS LEASED (1st of Mo.)	1,924	1,928	1,940										5,792
UNIT MONTH'S AVAILABLE	2,206	2,206	2,206										6,618
OVER or (UNDER) LEASED	-282	-278	-266	0	0	0	0	0	0	0	0	0	-826
CY 2020 VOUCHER UTILIZATION	87%	87%	88%										88%
CY 2019 VOUCHER UTILIZATION	80%	81%	82%	82%	83%	84%	85%	86%	86%	86%	86%	87%	84%
CY 2020 AVERAGE HAP	628	624	625										626
CY 2019 AVERAGE HAP	520	531	537	546	559	563	574	584	590	607	604	607	569

Notes: Post-2003 Admin Fees include 2011 HAP Set-Aside of \$290,786  
CY 2020 HAP Budget Estimate = \$12,960,724 Renewal + \$1,969,701 Reserves subject to final 2019 reconciliation

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**HOUSING CHOICE VOUCHER (SECTION 8)**  
**UTILIZATION SUMMARY REPORT**  
**ROLLING 12 MONTH ANALYSIS**

UNITS LEASED SUMMARY	MAY'20	APR'20	MAR'20	FEB'20	JAN'20	DEC'19	NOV'19	OCT'19	SEP'19	AUG'19	JUL'19	JUN'19
<b>BUTTE</b>												
ACC UNIT MONTHS	1955	1955	1955	1955	1955	1955	1955	1955	1955	1955	1955	1955
CURRENT LEASED	1769	1768	1773	1762	1756	1739	1736	1728	1718	1720	1712	1689
<b>VOUCHER UTILIZATION %</b>	<b>90.49%</b>	<b>90.43%</b>	<b>90.69%</b>	<b>90.13%</b>	<b>89.82%</b>	<b>88.95%</b>	<b>88.80%</b>	<b>88.39%</b>	<b>87.88%</b>	<b>87.98%</b>	<b>87.57%</b>	<b>86.39%</b>
<b>GLENN</b>												
ACC UNIT MONTHS	87	87	87	87	87	87	87	87	87	87	87	87
CURRENT LEASED	61	61	61	60	59	59	60	60	61	62	62	60
<b>VOUCHER UTILIZATION %</b>	<b>70.11%</b>	<b>70.11%</b>	<b>70.11%</b>	<b>68.97%</b>	<b>67.82%</b>	<b>67.82%</b>	<b>68.97%</b>	<b>68.97%</b>	<b>70.11%</b>	<b>71.26%</b>	<b>71.26%</b>	<b>68.97%</b>
<b>VASH</b>												
ACC UNIT MONTHS	164	164	164	164	164	164	164	164	164	164	164	164
CURRENT LEASED	104	104	102	102	105	109	111	109	110	109	109	108
<b>VOUCHER UTILIZATION %</b>	<b>63.41%</b>	<b>63.41%</b>	<b>62.20%</b>	<b>62.20%</b>	<b>64.02%</b>	<b>66.46%</b>	<b>67.68%</b>	<b>66.46%</b>	<b>67.07%</b>	<b>66.46%</b>	<b>66.46%</b>	<b>65.85%</b>
<b>TOTAL</b>												
ACC UNIT MONTHS	2206	2206	2206	2206	2206	2206	2206	2206	2206	2206	2206	2206
CURRENT LEASED	1934	1933	1936	1924	1920	1907	1907	1897	1889	1891	1883	1857
<b>VOUCHER UTILIZATION %</b>	<b>87.67%</b>	<b>87.62%</b>	<b>87.76%</b>	<b>87.22%</b>	<b>87.04%</b>	<b>86.45%</b>	<b>86.45%</b>	<b>85.99%</b>	<b>85.63%</b>	<b>85.72%</b>	<b>85.36%</b>	<b>84.18%</b>

HAP SUMMARY*	MAY'20	APR'20	MAR'20	FEB'20	JAN'20	DEC'19	NOV'19	OCT'19	SEP'19	AUG'19	JUL'19	JUN'19
ACC BUDGET	\$ 1,183,746	\$ 1,285,498	\$ 1,230,710	\$ 1,178,001	\$ 1,199,301	\$ 1,178,797	\$ 1,148,360	\$ 1,141,037	\$ 1,018,137	\$ 1,055,870	\$ 1,104,170	\$ 724,123
ACTUAL HAP	\$ 1,192,231	\$ 1,213,390	\$ 1,204,991	\$ 1,203,599	\$ 1,205,684	\$ 1,161,467	\$ 1,147,911	\$ 1,133,319	\$ 1,120,070	\$ 1,105,359	\$ 1,077,250	\$ 1,044,243
PER UNIT COST	\$ 616	\$ 628	\$ 622	\$ 626	\$ 628	\$ 609	\$ 602	\$ 597	\$ 593	\$ 585	\$ 572	\$ 562
<b>BUDGET UTILIZATION %</b>	<b>100.72%</b>	<b>94.39%</b>	<b>97.91%</b>	<b>102.17%</b>	<b>100.53%</b>	<b>98.53%</b>	<b>99.96%</b>	<b>99.32%</b>	<b>110.01%</b>	<b>104.69%</b>	<b>97.56%</b>	<b>144.21%</b>

ACTIVITY SUMMARY	MAY'20	APR'20	MAR'20	FEB'20	JAN'20	DEC'19	NOV'19	OCT'19	SEP'19	AUG'19	JUL'19	JUN'19
# PORT IN BILLED	0	0	0	0	0	0	0	0	0	0	0	0
#PORT OUT UNDER CONTRACT	143	146	155	150	149	137	127	124	120	115	111	105
ZERO HAP	12	9	15	15	19	19	16	13	15	18	14	13
UTILITY ASSISTANCE PAYMENTS	78	67	66	67	68	72	73	71	70	75	45	44
NEW ADMISSIONS	**	22	29	33	22	18	18	24	24	28	29	45
INITIAL VOUCHERS SEARCHING	108	127	147	176	159	174	224	174	185	183	158	118
ACTUAL/ESTIMATED EOP	16	4	11	11	11	15	15	14	26	16	18	22
REMAIN ON WAITING LIST	3434	3492	3532	3696	4032	4099	4172	4195	4399	733	1403	875

\*HAP Summary is a "snapshot" as of the 1st of the month, which does not include prior month adjustments per VMS.

\*\*No data.

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE  
VACANCY REPORT AS OF THE 1ST OF THE MONTH  
2020**

<b>HOUSING AUTHORITY OWNED PROPERTIES</b>												
	<b>Gridley FLH</b>		<b>Open Market Units</b>			<b>Bond Properties</b>						
<b>Location</b>	<b>FLH</b>	<b>Demo</b>	<b>Locust</b>	<b>Gridley Springs II</b>	<b>Other</b>	<b>Alamont</b>	<b>Evanswood</b>	<b>Kathy Ct</b>	<b>Lincoln</b>	<b>Park Place</b>	<b>Total</b>	<b>Occupancy</b>
<b># of Units</b>	<b>115*</b>	<b>7</b>	<b>10</b>	<b>24</b>	<b>3</b>	<b>30</b>	<b>27</b>	<b>12</b>	<b>18</b>	<b>40</b>	<b>127</b>	<b>%</b>
May-20	23**	0	0	0	0	0	0	12***	1	0	1	99.2%
Apr-20	22**	0	0	0	0	1	0	12***	0	0	1	99.2%
Mar-20	19**	0	0	0	0	1	0	12***	0	0	1	99.2%
Feb-20	19**	0	0	0	0	2	1	12***	0	0	3	97.6%
Jan-20	18**	0	0	0	0	3	2	12***	1	0	6	95.3%
Dec-19	17**	0	0	0	0	0	2	12***	1	0	3	97.6%
Nov-19	16**	0	0	0	0	1	0	12***	0	1	2	98.4%
Oct-19	15**	0	0	0	0	1	0	12***	0	0	1	99.2%
Sep-19	13**	0	0	0	0	2	0	12***	0	0	2	98.4%
Aug-19	12**	0	0	0	0	1	0	12***	0	0	1	99.2%
Jul-19	12**	0	1	0	0	0	0	12***	0	0	0	100.0%
Jun-19	14**	0	0	0	0	1	0	12***	0	0	1	99.2%

\* Unit count adjusted by units offline - (6) uninhabitable and (9) less units due to rehab reconfiguration.

\*\* Vacancy rate does not include units offline for construction; (14) units.

\*\*\* Full vacancy; (12) units, due to Camp Fire loss.

<b>HUD LOW-INCOME PUBLIC HOUSING</b>									
<b>Location</b>	<b>Gridley</b>	<b>Biggs</b>	<b>Chico</b>	<b>Oroville</b>	<b>Chico</b>	<b>Oroville</b>	<b>Oroville</b>	<b>Total</b>	<b>Occupancy</b>
<b>Project #</b>	<b>43-1, 4</b>	<b>43-2</b>	<b>43-3</b>	<b>43-10</b>	<b>43-13</b>	<b>43-14</b>	<b>43-15</b>		
<b># of Units</b>	<b>50</b>	<b>20</b>	<b>100</b>	<b>60</b>	<b>45</b>	<b>20</b>	<b>50</b>	<b>345</b>	<b>%</b>
May-20	1	1	3	2	0	1	1	9	97.4%
Apr-20	0	1	2	1	0	2	1	7	98.0%
Mar-20	0	2	1	2	0	2	1	8	97.7%
Feb-20	0	2	2	1	1	1	1	8	97.7%
Jan-20	0	3	2	1	0	2	0	8	97.7%
Dec-19	0	2	2	0	0	2	1	7	98.0%
Nov-19	0	2	2	1	0	1	2	8	97.7%
Oct-19	1	3	2	1	3	0	3	13	96.2%
Sep-19	1	1	2	0	3	1	0	8	97.7%
Aug-19	1	1	2	1	3	1	0	9	97.4%
Jul-19	0	0	0	0	2	1	1	4	98.8%
Jun-19	0	0	2	0	2	0	1	5	98.6%

<b>BANYARD MGMT</b>	
<b>Location</b>	<b>Chico Commons</b>
<b># of Units</b>	<b>72</b>
May-20	1
Apr-20	2
Mar-20	2
Feb-20	3
Jan-20	3
Dec-19	3
Nov-19	3
Oct-19	3
Sep-19	2
Aug-19	2
Jul-19	3

<b>BCAHDC</b>					
<b>Location</b>	<b>Cordillera</b>	<b>1200 Park Ave</b>	<b>Gridley Springs I</b>	<b>Harvest Park</b>	<b>Walker Commons</b>
<b># of Units</b>	<b>20</b>	<b>107</b>	<b>32</b>	<b>90</b>	<b>56</b>
May-20	0	1	0	3	0
Apr-20	0	1	0	1	0
Mar-20	0	2	0	1	0
Feb-20	1	1	0	2	0
Jan-20	0	0	0	0	0
Dec-19	0	0	2	1	0
Nov-19	1	1	1	3	0
Oct-19	1	1	1	1	0
Sep-19	0	1	1	0	0
Aug-19	0	2	1	1	1
Jul-19	0	2	1	1	0

## Public Housing

### Waiting List: Number of Applicants

Bedroom Size	Chico	est wait	Oroville	est wait	Gridley/Biggs	est wait
1	1/18 Transfer list	3+	297	8+	210	8+
2	250	7+			154	6+
3	57	3+	30	3+	28	4+
4	19	5+			16	3+
5					4	5+

\* Chico 1-bedroom waiting list closed 06-15-09

\*\*Only 1 5-bedroom unit. Est wait would be based on when the family plans to move out

### Waiting List: Number of ADA Requested Units

Bedroom Size	Chico	# PH	Oroville	# PH	Gridley/Biggs	# PH
1	0	3	30		17	2
2	3	7			3	
3	2	2	2	6	0	
4	0	4+			0	
5					0	

## MEMO

Date: May 15, 2020

To: HACB Board of Commissioners

From: Jerry Martin, Modernization Coordinator

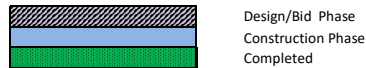
Subject: Status of HACB Construction Projects

As of May 15, 2020, the status of HACB construction activity follows:

- Public Housing – All sites. Abatement and replacement of asbestos-containing floor tiles; twelve (12) units have been completed during the 2019/2020 fiscal year to date; 111 of 232 Public Housing units have been completed overall.
- Public Housing – All Sites. Five-year Environmental Review, A project has been organized to perform required environmental review of improvement and maintenance projects planned for the next five-year period for all Public Housing sites. Project in process.
- Public Housing – Energy Conservation. Electrical Fixture replacements in planning, project bidding planned for spring/early summer of 2020.
- Public Housing- All Sites. Refrigerator Replacement, a project to replace (124) Refrigerators that have reached the end of their useful life. Project let, scheduled to begin June 2020.
- Public Housing – Sewer Lateral Investigations, Projects 43-1A, 43-1B, 43-04, 43-2A & 2B – Investigate and prioritize the repair and replacement of deteriorating sewer line laterals serving the Gridley and Biggs concrete block units. Project construction site work is 95% complete; emergency sewer line repairs underway, with expected completion at the end of May.
- Public Housing – 115 Nelson Avenue Community Room & Maintenance Shop, Window and Door Security Improvements, install exterior window and door security screens throughout building to address ongoing vandalism. Contract awarded, project scheduling underway.
- Walker Commons – Architectural design for project siding, PTAC unit, window, and path of travel replacements are currently in planning for Strategic Asset Plan work.
- Farm Labor Housing – Combined Phase II & III Rehab. Phase II & III construction has been awarded to J. Walt Construction, Inc. Contract procurement processes are currently underway with site construction work planned to begin during mid to late June 2020

12 Month HACB Project Schedule - May 15, 2020

1 to 5	1 Most Urgent	5 Less Urgent	Cost Est	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
<b>FLH</b>															
1		Phase (II & III) Combined Unit Rehab - Re-design	\$199,637.00												
1		Phase (II & III) Combined Unit Rehab - Bidding and CM	\$23,300.00												
1		Phase (II & III) Combined Unit Rehab - Construction (11 Buildings)	\$6,140,849.00												
1		Well 1,2,3 TCP Water Contaminate Corrective Action Plan Rev 2	\$26,030.00												
3		Admin Building- Gutters, Downspout, Paint	\$35,000.00												
1		FLH - Tree Maintenance	\$75,000.00												
1		Demo Units - Siding & Paint	\$128,000.00												
<b>Public Housing</b>															
2		Energy Performance - Electrical	\$254,380.00												
2		Appliance Replacements (Refrigerators)	\$85,153.78												
3		ADA Units upgrade (43-10)	\$213,000.00												
1		Sewer Lateral Replacement 43-1A,1B, 04, 03	\$86,000.00												
1		Sewer Lateral Investigation and Replacement 43-01A,1B, 4, 2A, 2B	\$188,668.00												
1		ACM Tile Abatement	\$58,484.00												
1		115 Nelson Ave. Security and Site Improvements	\$28,161.08												
1		20 Natoma Court - Fire Damage Rehabilitation	\$34,500.38												
4		Oro Dam Wall	\$250,000.00												
3		PH Capital Fund Energy Audit	\$13,000.00												
3		PH Capital Fund Environmental Review	\$75,052.20												
<b>Chico Commons</b>															
1		Gutters and Downspout Replacement	\$36,177.00												
1		Exterior Building Paint	\$176,418.00												
2		HVAC Replacements	\$300,000.00												
3		Cabinets, Interior Work	\$200,000.00												
<b>Walker Commons</b>															
2		Architecture: Window, HVAC, Siding Repl.	\$35,000.00												
3		Siding Repl/ Gutter and Downspout Repl/ Window Upgrade	\$225,000.00												
3		HVAC	\$89,000.00												
3		ADA Path of Travel	\$95,000.00												
<b>DAC's Reports</b>															
1		Update ALL reports in ALL projects	\$1,200.00												
<b>Evanswood HOA</b>															
		Alamont	Pending Bond Issuance												
		Evanswood Apts	Pending Bond Issuance												
		Lincoln Apts.	Pending Bond Issuance												
		Park Place Apts.	Pending Bond Issuance												
		Cordillera Apts.	Pending Bond Issuance												
		Locust Apts.	Pending Bond Issuance												
		Kathy Court Apts.													
		2039 Forest Avenue													
1		Public Housing Patio Security Fencing	\$18,750.00												
<b>Total next 12 months</b>			<b>\$9,090,760.44</b>												



501-18	
Obligation Start:	5/29/2018
Obligation End:	5/28/2021
Disbursement End:	5/28/2023
501-19	
Obligation Start:	4/16/2019
Obligation End:	4/15/2022
Disbursement End:	4/15/2024
501-20	
Obligation Start:	4/6/2020
Obligation End:	4/5/2023
Disbursement End:	4/5/2025



## MEMO

Date: May 15, 2020

To: HACB Board of Commissioners

From: Jerry Martin, Modernization Coordinator

Subject: Public Housing - Capital Fund Status Report

### **Capital Fund 501-18, Funding Amount \$817,783**

This Capital Fund is 96% obligated and 73% expended. Projects Include:

- **ACM Tile Replacement** – All concrete-block units – ongoing, six (6) units have been completed to date.
- **Five-year Environmental Review** – All Public Housing Units, perform required CFR 24 Part 58 Environmental Review of improvement and maintenance projects planned for the next five-year period, project underway.
- **Bathroom Tub/Shower Remodel** – Select concrete block units, (10 units est.) – ongoing
- **Energy Conservation Work** – Electrical fixture replacements, countywide, in planning.
- **Sewer Service Line Investigation and Replacements** – Gridley and Biggs CMU units (43-01A, 01B, 04, 02A, 02B), Project construction is approximately 95% complete, with emergency sewer line repairs scheduled for completion during May.
- **HVAC Replacements** – 43-03, Replace three (3) gas/electric package HVAC units. Project is complete.
- **ADA Unit Accessibility Work** – Winston Gardens (43-10), three units to be upgraded to full accessibility standards, in planning.
- **Unit Appliance Replacements/Upgrades** – Countywide, refrigerator replacement project, Purchase Order issued, project scheduled to begin during early June.
- **Resurfacing of Roadways** – Rhodes Terrace, Shelton Oaks (43-13), Winston Gardens (43-10), Gardella (43-14), Hammon Park, Oro Dam Blvd (43-15), Project is complete.
- **Site Upgrade, Landscaping and Accessibility Work** – Landscape upgrades, tree trimming and miscellaneous improvements addressed in DAC report, ongoing.

### **Capital Fund 501-19, Funding Amount \$812,881**

This Capital Fund is 16% obligated and 4% expended. Projects Include:

- **ACM Tile Replacement** – All concrete-block units – ongoing, three (3) units have been completed to date.
- **Five-year Environmental Review** – All Public Housing Units, perform required CFR 24 Part 58 Environmental Review of improvement and maintenance projects planned for the next five-year period, contract awarded with project scheduling underway.

- **Bathroom Tub/Shower Remodel** – Select concrete block units – ongoing
- **Kitchen Remodel** – Select units – ongoing
- **Energy Conservation Work** – Electrical fixture replacements, countywide, in planning.
- **Unit Appliance Replacements/Upgrades** – Countywide, in planning.
- **Site Upgrade, Landscaping and Accessibility Work** – Landscape upgrades, tree trimming, and miscellaneous improvements addressed in DAC report, in planning.
- **ADA Unit Accessibility Work** – Winston Gardens (43-10), three units to be upgraded to full accessibility standards, in planning.
- **HVAC Replacements** – Replace failing gas/electric package HVAC units, ongoing
- **Sewer Service Line Replacements** – Chico, Gridley and Biggs CMU units (43-01A, 01B, 04, 02A, 02B, 03), in planning.
- **Landscape Upgrades** – Landscape replacement, Shelton Oaks 43-13, in planning.
- **Landscape Upgrades** – Individual Water Meter replacement for Gridley Units (43-1A, 1B 04), in planning.
- **Window and Door Security Screen Improvements** – 115 Nelson Avenue Community Room & Maintenance Shop, Installation of window and door security screens to prevent vandalism, contract awarded, project scheduling underway.

**Capital Fund 501-20, Funding Amount \$869,023**

Disbursement of this Capital Fund pending HUD approval.

- Annual Contribution Contract Amendment submitted to HUD for grant acceptance.
- HUD funding has been disbursed, program ready for implementation.
- 2020-2024, Capital Fund 5-Year Action Plan approval process underway. Required Resident Advisory Board, Public Meeting has been completed.
- Board of Commissioners consideration of 2020-2024, Capital Fund 5-Year Action Plan scheduled for July 2020.

**Capital Fund Program - Summary by Capital Fund Project**

Cash Available as of 05-15-2020																	
Capital Funds 501-18, 501-19 and 501-20																	
			501-18 (Revision #1, 10-30-2018)				501-19				501-20				Totals		
			Original	Revised	Obligated	Expended	Original	Revised	Obligated	Expended	Original	Revised	Obligated	Expended	Orig/Revised	Expended	Balance
Line No.	Summary by Development Account																
Total Non-CGP Funds																	
1	100	Reserved Budget	9,226	0			4,455				869,023				873,478	0	873,478
2	1406	Operations (20%)	27,875	27,875			28,811								56,686	0	56,686
3	1408	Management Improvements	2,000	2,000			2,000								4,000	0	4,000
4	1410	Administration (10%)	80,855	81,778	81,778	81,778	80,842		80,842	10,431					162,620	92,209	70,411
5	1480	Audit	2,000	2,000			2,000								4,000	0	4,000
7	1480	Fees and Costs	55,120	55,120	100,949	71,123	75,120								130,240	71,123	59,117
14	1480	General Capital Fund Activity: Site Improvement, Dwelling Structures, Dwelling Equipment	637,207	645,510	605,181	443,090.20	616,153		50,472	20,972					1,261,663	464,063	797,601
17	1480	Relocation Costs	3,500	3,500			3,500								7,000	0	7,000
16	1492	Move to Work Demonstration													0	0	0
18	1501	Moving To Work Demonstration													0	0	0
19	1503	Collator Exp/Debt Svc													0	0	0
20	1504	RAD-CFP													0	0	0
21	9000	RAD Investment Activity													0	0	0
22	9001	Debt Reserves													0	0	0
23	9002	Bond Debt Obligation													0	0	0
24	9900	Post Audit Adjustment													0	0	0
			817,783	817,783	787,908.00	595,991	812,881	0	131,314	31,403	869,023	0	0	0	2,499,687	627,394	1,872,293
					96%	73%			16%	4%			0%	0%			

HUD Low Income Public Housing

**Capital Fund Program Summary - Projects Proposed or Under Contract**

Acct Code		100 Reserved Budget	1406 Operations	1408 Mgmt. Improvements	1410 Admin	1480 Audit	1480 Fees and Cost	1480 General Capital Activity	1480 Relocation Costs	Totals	"UC" Under Contract
	Cash Available as of 05-15-2020	873,478	56,686	4,000	70,411	4,000	59,117	797,601	7,000	1,872,293	
	501-18, 501-19 and 501-20 Funding										
100	Reserved Budget	873,478								873,478	
1406	Operations		56,686							56,686	
1408	Management Improvements			4,000						4,000	
1411	Audit Cost Cap Fund					4,000				4,000	
1410	Administration				70,411					70,411	
1430	Fees and Costs: Arch. Service, Permits Const. Admin, Etc..						33,283			33,283	
1430	Fees and Costs: CAP Fund Environmental Review ECORP						25,834			25,834	UC
1450	Tree Maintenance- Amp Wide							-		-	Complete
1450	Sewer Lateral Investigation 43-01A,01B, 04							51,905		51,905	UC
1450	Sewer Lateral Investigation 43-02A, 02B							25,032		25,032	UC
1450	Parking and Driveway Asphalt and Concrete Site Imp							(0.00)		(0)	Complete
1450	115 Nelson Ave Door and Window Security							30,977.97		30,978	
1460	Dwelling Structures									-	
1465	Dwelling Equipment - 43-03 HVAC Repl							-		-	Complete
1470	Non-Dwelling Structures									-	
1475	Non-Dwelling Equipment									-	
1485	Demolition									-	
1480	General Capital Fund Activity: Site Improvement, Dwelling Structures, Dwelling Equipment							689,686		689,686	
1495	Relocation Costs								7,000	7,000	
1502	Contingency									-	
										1,872,293	Total

## MEMO

Date: May 15, 2020

To: HACB Board of Commissioners

From: Larry Guanzon, Deputy Executive Director  
Ed Mayer, Executive Director  
Juan Meza, Property Manager

Subject: Farm Labor Housing, Gridley – status report

As of May 1, 2020, we have a total of (74) occupied units on the property, none of which are *FEMA evacuees*, as the last remaining FEMA household moved out in late March. We have sixteen (16) units that are offline because they fall in Phases II and III of the rehab effort, eight (8) units are deemed uninhabitable, and twenty-three (23) units that are available for occupancy. Staff continues to work on processing applications at this time. We have (1) scheduled move-in and anticipate moving in another (1-2) applicants before the end of this month. There are currently five (5) applicants on our waiting list. There's (1) intention to vacate notice due to the resident purchasing a house and no unlawful detainers at this time. Our goal and number one priority continue to be renting out all habitable units on the property.

Both staff and residents have adapted well to the changes made due to the Coronavirus pandemic. Our maintenance staff is still only completing work orders that are considered emergencies or urgent. We will continue to inform our residents moving forward of any agency changes impacted by the Coronavirus.

On-site security is reporting no significant problems on the property at this time. Maintenance staff and the Resident Manager continue to work on vacancy make-readies. Sierra Landscaping continues to do a good job of servicing the landscaping needs of the property. We will be requesting proposals this month to service many of trees considered to be top-heavy or a potential safety hazard within the property, and anticipate this project starting in the month of June.

Monthly food distribution was held this month on May 12, 2020 from 5-8 pm in the Community Room; to help ensure the safety of our residents all of the food was pre-packaged and distributed by staff wearing gloves and masks. Promotores, along with the E-Aprende staff, are no longer meeting with our residents, as their respective programs are on hold in working with the pandemic.

Mi C.A.S.A. has suspended classes due to the Coronavirus and hopes to open its doors to all students when the pandemic is under control. Kathy Mckenzie, Mi C.A.S.A. director, continues to communicate with staff and students to check on their well-being and to offer her support.

Subsequent to the Board's contract authorization last month, the construction contract for the approximately \$6 million Phase II and III remodeling work has been formally awarded and is being prepared for Contractor signature. Phases II and III include nineteen (19) buildings, in which thirty-eight (38) units are scheduled to be converted to thirty-one (31) units. Construction is anticipated to start sometime mid- to late-June 2020.

The levee taking transaction is now at Title, having secured approval documents from both USDA-RD and State HCD. The last Title exceptions are being addressed. Proceeds, in the amount of \$66,450, will be directed toward the property's rehab efforts.

Without engaging management whatsoever, a number of FLH residents have made complaint about FLH water quality to the State Water Board, an action which precipitated County Public Health investigation. The County found nothing to support the complaint. The property has been subject to a State-approved investigation regarding the presence of 1-2-3 TCP, a chemical regulated by the State. While the investigation work has affirmed the absence of the chemical, or any other harmful chemical in the water provided, the tenant complaint alleges that the water turns to jelly overnight, that it causes hair to fall out, and that it damages car paint, amongst other things. The County has provided documentation to these residents of testing to date, and that the water is considered potable. All FLH residents receive bottled water as a precautionary measure during the State-regulated testing period. Management believes the complaint to be spurious.

## MEMO

Date: May 15, 2020  
To: HACB Board of Commissioners  
From: Larry Guanzon, Deputy Executive Director  
Subject: Status Report – Bond Portfolio (Series 2000A Bonds)

- Alamont Apartments, Chico (30 units, family)
- Lincoln Apartments, Chico (18 units, family)
- Kathy Court Apartments, Paradise (12 units, family)
- Evanswood Estates, Oroville (27 units, family)
- Park Place Apartments, Oroville (40 units, senior)

*For Alamont, Lincoln, Kathy Court, Evanswood and Park Place Apartments, please also see monthly reports provided by the property manager, RSC Associates Inc., following this memo.*

**Alamont Apartments, Chico** – As of May 1st there are no vacancies. The property continues to perform consistent with budget.

**Evanswood Apartments, Oroville** – This property currently has zero (0) vacancy. The complex continues to perform per budget. The units need repair and upgrade to its exterior envelope and to ensure there is no water intrusion. The exterior building work will most likely occur when the property is repositioned through our asset management work.

**Kathy Court Apartments, Paradise** – Kathy Court, burnt to the ground in the Disaster, has been cleared and retains its 12-unit septic system. A claim against PG&E has been made for the difference between insurance proceeds and the estimated cost of replacement; a settlement proposal will be considered on May 14<sup>th</sup> by means of Special Meeting. The property is secured by means of a “placeholder” property management agreement with RSC Associates. We have contacted an architect to provide analysis and schematic plans for two approaches to rebuilding: either “as it was pre-Camp Fire” and “single story bungalow style”.

**Lincoln Apartments, Chico** – Lincoln Apartments has one (1) vacancy as of the 1<sup>st</sup> of May. Capital improvement work continues to be considered, including upgrade of the 2<sup>nd</sup> level walkway assembly, including surfacing, soffit ting, railings, and stairways. Exterior painting will follow the walkway improvements, and parking lot repair is planned for this year. The walkway work will most likely occur when the property is repositioned thru our asset management work.

**Park Place Apartments, Oroville** – The property continues to have zero (0) vacancy.

*Note, the 2000A Bond Series debt has been fully redeemed, there is no debt being serviced by these properties. Investment-grade physical needs assessments (PNA’s) and appraisals have been completed for these properties, in anticipation of their re-finance. Two other properties have been added for inclusion in this re-finance effort: the Locust Street Apartments, Chico, and Cordillera Apartments, Chico (currently owned by HACB’s instrumentality, BCAHDC, but in process of transfer to HACB).*



May 12, 2020

Mr. Ed Mayer, Executive Director  
Housing Authority of the County of Butte  
2039 Forest Avenue, Suite 10  
Chico, CA 95928

**RE: 2000-A REVENUE BOND PROPERTIES**

Dear Ed:

Please find enclosed for your review the following financial information for the month that ended on April 30, 2020, for the five properties under the 2000-A Revenue Bond, consisting of Alamont Apartments, Evanswood Estates, Kathy Court Apartments, Lincoln Apartments, and Park Place Apartments.

1. Alamont Apartments
  - a. Project Cash Flow and Bank Account Summary, Budget
  - b. Comparison, General Ledger, Trial Balance and Tenant Rent Roll.
  - c. 12 Month Income Statement.
  - d. 2019/2020 Performance Review.
  - e. Capital Improvement Summary.
2. Evanswood Estates
  - a. Project Cash Flow and Bank Account Summary, Budget  
Comparison, General Ledger, Trial Balance and Tenant Rent Roll.
  - b. 12 Month Income Statement.
  - c. 2019/2020 Performance Review.
  - d. Capital Improvement Summary.
3. Kathy Court Apartments
  - a. Project Cash Flow and Bank Account Summary, Budget  
Comparison, General Ledger, Trial Balance and Tenant Rent Roll.
  - b. 12 Month Income Statement.
  - c. 2019/2020 Performance Review.
  - d. Capital Improvement Summary.



4. Lincoln Apartments

- a. Project Cash Flow and Bank Account Summary, Budget Comparison, General Ledger, Trial Balance and Tenant Rent Roll.
- b. 12 Month Income Statement.
- c. 2019/2020 Performance Review.
- d. Capital Improvement Summary.

5. Park Place Apartments

- a. Project Cash Flow and Bank Account Summary, Budget Comparison, General Ledger, Trial Balance and Tenant Rent Roll.
- b. 12 Month Income Statement.
- c. 2019/2020 Performance Review.
- d. Capital Improvement Summary.

**ALAMONT APARTMENTS**

Alamont Apartments ended the month of April with no vacancies.

Total rental income for the month of April was \$24,601.00 which was \$416.00 more than was budgeted due to having no unpaid rents. Service income for the month came to \$367.09 and met budget. This brought the total income to \$24,968.09, which was higher than budget by \$394.09 due to the reasons previously mentioned.

Moving on to the monthly expenses, you will see that the renting expenses totaled \$112.49, for office supplies, which met budget. Total administrative expenses came to \$2,034.45 which was under budget by \$215.55 due to lower resident manager expenses and lower phone expenses. Total utility expenses were \$2,308.98, lower than budget by \$207.02 due to all utility costs being lower than budget. There were no apartment turnover expenses in the month of April. Maintenance expenses for the month were \$1,301.86 which was under budget by \$2,352.14 due to low maintenance needs in all categories for the month. The net operating income came to \$19,210.31, more than what was budgeted by \$3,369.31 due to the reasons mentioned above. There were no capital improvements during the month of April.

After the total financial expenses of \$7,385.00, the net project cash flow came to \$11,825.31, which was \$9,521.31 more than the budget for the reasons mentioned above. As you review the Cash Balance

Summary on Page 2 of the Cash Flow Statement, you will see that the property ended the month with total cash on hand of \$120,182.45. This total consisted of \$3,000.00 in the general checking account, \$13,431.56 in the general savings account, \$103,700.89 in the financial reserve account, and \$50.00 in the petty cash account.

### **EVANSWOOD ESTATES**

Evanswood Estates ended the month of April with no vacant units, but there were four notices for move outs in May.

Total rental income for the month came to \$28,655.00 which was higher than budget by \$810.00. This variance was due to the collection of prepaid rents, unpaid rents, and pet rent. The service income for the month was \$1,706.05 which was above budget by \$1,641.05 due to the collection of maintenance fees. This brought the total income to \$30,361.05, which was \$2,451.05 higher than budget for the reasons previously mentioned.

Moving on to the monthly expenses, the renting expenses totaled \$56.15, under budget by \$56.85 due to lower costs for forms and office supplies costs. Total administrative expenses were \$7,791.42, which was over budget by \$985.42 due to collections fees as well as higher management fees. These fees were higher as we collected outstanding balances for rent and move-out repairs. The total utility expenses for the month came to \$1,411.73, which was under budget by \$117.27. There were no turnover expenses for the month of April. Total maintenance expenses were \$2,044.27, over budget by \$144.27 due to gutter and drain servicing. This brought the net operating income to \$19,057.48, which was \$1,575.48 higher than what was budgeted due to the reasons described above.

Capital improvements for April came to \$1,500.00 for a water heater replacement for Unit #40, however, capital improvements were under budget by \$750.00 for the month. The total financial expenses for the month came in at \$10,947.00 which brought the net project cash flow to \$6,610.48, which was \$1,598.48 above what was budgeted.

As you review the Cash Balance Summary on the Cash Flow Statement, you will see that the property ended the month with total cash on hand of \$140,345.62 with \$3,000.00 in the general checking, \$22,460.68 in the general savings, and \$114,884.94 in the replacement reserve account.

### **KATHY COURT APARTMENTS**

Kathy Court Apartments ended the month of April with no available units due to the Camp Fire.

There was no rental income for April due to the Camp Fire. There were no renting expenses. The total administrative expenses came to \$370.00, which was the management fee and asset management fee. There were no utility expenses, or apartment turnover expenses. There were maintenance expenses of \$1,434.87 for the month of April due to grounds clean-up costs. The total operating expenses came to \$1,804.87. The net operating income was a negative figure of \$1,804.87. There were no capital improvements. The net project cash flow came to a negative \$1,804.87.

As you can see on the Cash Flow statement, the property ended the month with total cash on hand of \$18,817.08.

Mr. Ed Mayer, Executive Director  
Chico, California

May 12, 2020  
Page 4

### **LINCOLN APARTMENTS**

Lincoln Apartments ended the month of April with one vacant unit, Unit #18.

The total rental income for the month of April came to \$11,196.60 and was lower than budget by \$1,198.40, due to vacancy loss and unpaid rents. Service income totaled \$554.92 which was above budget by \$68.92. This brought the total income to \$11,751.52, lower than what was budgeted by \$1,129.48 for the reasons previously mentioned.

Moving on to the April monthly expenses, the renting expenses came to \$34.90, lower than budget by \$160.10 due to lower office supply expenses and no advertising or referral expenses. Total administrative expenses were \$1,252.03 and lower than budget for the month by \$85.97 due to lower resident manager and management fees. Utility expenses totaled \$1,337.41, which was under budget by \$80.59 due to lower utility costs. Apartment turnover expenses for the month of April came to \$540.00 for carpet cleaning and labor costs. The total maintenance expenses were \$827.09, which was under budget by \$1,425.91, due to low overall maintenance needs during April. This brought the net operating income to \$7,760.09 which was higher than what was budgeted by \$648.09 due to the reasons previously mentioned.

There were no capital improvement costs for the month of April. After the total financial expenses of \$1,692.00, the net project cash flow came to \$6,068.09, higher than what was budgeted by \$1,537.09 for the reasons described above.

As you review the Cash Balance Summary on Page 2 of the Cash Flow Statement, you will see that the property ended the month with total cash on hand of \$91,687.28. This consisted of \$3,000.00 in the general checking account, \$66,568.28 in the general savings, \$22,019.00 in the financial reserve account, and \$100.00 in the petty cash account.

### **PARK PLACE APARTMENTS**

Park Place Apartments ended the month of April with no vacant units, as there was a new move in on the 9<sup>th</sup> of April.

Total rental income for the month of April was \$23,021.84 which was lower than budget by \$163.16 due to unpaid rents. Service income for the month totaled \$293.38, which met budget. This brought the total income to \$23,315.22, which was lower than budget by \$195.78 for the reasons described above.

Moving on to the monthly expenses, you will see that the renting expenses came to \$194.10 which was under budget by \$130.90 due to no resident activity expenses. Total administrative expenses were \$2,657.10, which was under budget by \$171.90 due to lower management fees and no legal fees. Utility expenses totaled \$1,625.95, which was under budget by \$490.05 due to lower overall utility costs. There

Mr. Ed Mayer, Executive Director  
Chico, California

May 12, 2020  
Page 5

totaled \$2,772.34, lower than budget by \$805.66, due to lower labor costs and no water heater or exterior lighting costs. This brought the net operating income to \$14,641.04, higher than budget by \$1,282.04 for the reasons previously mentioned.

The capital improvement costs for April came to \$822.83 for the replacement of linoleum for Unit #31. After the total financial expenses of \$9,688.00, the net project cash flow came to \$4,130.21, higher than the budget by \$984.21, for the reasons previously mentioned.

We have been working with TRC on the property common area energy assessment. Per their report the property will qualify for energy efficiency upgrades that will be funded by the Energy Savings Assessment Common Area Measures (ESA CAM) program. Specific upgrades include LED light fixtures, high efficiency gas water heater for the laundry room and an energy efficient refrigerator for the recreation room. We are in the process of gathering bids for these upgrades which require final approval from TRC prior to installation.

As you review the Cash Balance Summary on Page 2 of the Cash Flow Statement, you will see that the property ended the month with total cash on hand of \$163,150.58. This consisted of \$3,000.00 in the general checking account, \$45,422.58 in the general savings account, \$114,628.00 in the financial reserve account and \$100.00 in the petty cash account.

Please give me a call if you have any questions regarding any of your properties. We will keep you apprised of any needs or concerns regarding each of the properties.

Sincerely yours,

RSC ASSOCIATES, INC.



Richard Gillaspie  
Property Manager

RG:ph  
Enclosures

**ALAMONT APARTMENTS**

**2019 / 2020 PERFORMANCE REVIEW**

Performance Review 2019 - 20

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
TOTAL INCOME 2015/16	19,094	18,781	20,358	19,663	19,667	20,674	20,112	20,031	20,112	20,304	18,897	20,922	238,614
TOTAL INCOME 2016/17	20,554	19,496	20,063	20,103	19,755	19,712	19,831	20,550	19,790	21,389	20,733	21,892	243,868
TOTAL INCOME 2017/18	21,116	20,232	21,376	22,180	21,356	21,815	20,840	21,521	20,783	25,254	21,031	26,876	264,379
TOTAL INCOME 2018/19	22,324	23,966	24,865	22,689	23,755	23,318	22,432	22,893	24,972	20,904	23,201	23,410	278,730
TOTAL INCOME 2019/20	22,677	23,429	23,720	22,277	23,270	25,436	24,968						165,777
VARIANCE	353	-537	-1,145	-412	-486	2,119	2,536						2,427

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2015/16 VACANCY LOSS	0	0	0	-295	-245	-6	0	-308	-383	-745	-786	308	-2,459
2016/17 VACANCY LOSS	-1,009	-59	-143	-715	-715	-715	-715	-1,276	0	0	-623	-900	-6,870
2017/18 VACANCY LOSS	-900	-1,650	-692	0	-362	-630	0	0	0	0	-600	-510	-5,343
2018/19 VACANCY LOSS	0	0	-75	0	0	0	1	-453	-853	-534	-1,515	-1,336	-4,765
2019/20 VACANCY LOSS	-843	-840	-3,192	-1,333	-872	0	0						-7,080
VARIANCE	-843	-840	-3,117	-1,333	-872	0	-1						-7,006

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2015/16 UNPAID RENTS	0	0	0	-6	25	18	38	17	18	-387	-10	-106	-393
2016/17 UNPAID RENTS	372	-701	-523	90	0	0	0	-82	-188	520	-5	5	-512
2017/18 UNPAID RENTS	0	0	0	-105	-388	435	-880	-905	-890	2,970	-1,330	2,258	1,165
2018/19 UNPAID RENTS	-763	651	161	20	10	49	-1,331	-397	1,567	-1,117	553	792	196
2019/20 UNPAID RENTS	-901	-561	120	0	0	0	0						-1,342
VARIANCE	-138	-1,212	-40	-20	-10	-49	1,331						-139

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2015/16 TOTAL OPER EXP	7,727	5,984	6,690	6,298	7,919	7,167	7,624	6,575	11,218	14,315	11,245	7,644	100,405
2016/17 TOTAL OPER EXP	8,496	11,058	11,877	6,413	6,078	9,088	6,795	8,681	5,630	7,085	5,697	9,850	96,747
2017/18 TOTAL OPER EXP	6,106	5,187	9,864	6,020	7,929	9,337	6,550	5,796	6,207	8,438	7,682	8,730	87,846
2018/19 TOTAL OPER EXP	7,667	4,586	6,898	7,084	6,495	9,216	7,876	9,609	8,883	9,986	9,400	12,778	100,478
2019/20 TOTAL OPER EXP	12,655	7,721	10,633	24,089	7,083	21,406	5,758						89,344
VARIANCE	4,988	3,135	3,735	17,005	587	12,190	-2,118						39,522

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2015/16 TOTAL NOI	11,367	12,797	13,668	13,365	11,748	13,508	12,488	13,456	8,894	5,989	7,652	13,277	138,209
2016/17 TOTAL NOI	12,058	8,438	8,186	13,690	13,677	10,624	13,036	11,869	14,160	14,304	15,036	12,043	147,121
2017/18 TOTAL NOI	15,009	15,045	11,512	16,160	13,427	12,477	14,290	15,725	14,576	16,816	13,349	18,145	176,533
2018/19 TOTAL NOI	14,657	19,380	17,967	15,605	17,260	14,102	14,557	13,284	16,089	10,918	13,801	10,632	178,252
2019/20 TOTAL NOI	10,022	15,708	13,087	-1,812	16,187	4,031	19,210						76,433
VARIANCE	-4,635	-3,672	-4,880	-17,418	-1,073	-10,071	4,654						-37,095

**EVANSWOOD ESTATES  
2019 - 2020 PERFORMANCE REVIEW**

Ev08-09pr

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
TOTAL INCOME 2015/2016	24785	22727	24227	24736	24603	24193	23688	23949	24683	22273	25678	24151	289695
TOTAL INCOME 2016/2017	24015	25556	22288	22612	24826	25791	25401	24471	22296	28305	26950	27243	299754
TOTAL INCOME 2017/2018	22505	26517	25247	25129	28868	24735	27062	25902	25823	25872	26340	26061	310062
TOTAL INCOME 2019/2019	26346	23751	29950	26505	26326	26333	26637	27013	26970	27477	27784	28165	323257
TOTAL INCOME 2018/2020	28019	26745	24076	27047	28691	30393	30361						195332
<b>VARIANCE</b>	<b>1674</b>	<b>2994</b>	<b>-5874</b>	<b>543</b>	<b>2365</b>	<b>4060</b>	<b>3724</b>						<b>9486</b>
	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2015/2016 VACANCY LOSS	-300	0	0	0	-767	-573	0	0	-1015	-2102	-1117	-906	-6780
2016/2017 VACANCY LOSS	-1050	-2120	-2986	-1883	-832	183	0	-925	-1043	139	0	16	-10501
2017/2018 VACANCY LOSS	-1106	-1073	-1394	0	0	0	0	0	-271	0	-470	0	-4314
2018/2019 VACANCY LOSS	0	0	-406	0	0	0	0	0	-663	0	0	-187	-1257
2019/2020 VACANCY LOSS	0	-1300	-3491	-1357	-275	0	0						-6423
<b>VARIANCE</b>	<b>0</b>	<b>-1300</b>	<b>-3085</b>	<b>-1357</b>	<b>-275</b>	<b>0</b>	<b>0</b>						<b>-6017</b>
	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2015/2016 UNPAID RENTS	0	-1000	-150	508	409	-100	-440	-904	283	-201	-462	604	-1453
2016/2017 UNPAID RENTS	-14	1235	0	-1082	423	-170	-4	101	-2136	2285	547	-658	527
2017/2018 UNPAID RENTS	-2154	2050	0	-153	89	-1100	1100	0	0	0	0	-378	-546
2018/2019 UNPAID RENTS	25	-3357	2195	1500	0	-1	1	-93	-101	-101	49	158	275
2019/2020 UNPAID RENTS	-144	-13	-546	-265	0	1300	255						587
<b>VARIANCE</b>	<b>-169</b>	<b>3344</b>	<b>-2740</b>	<b>-1765</b>	<b>0</b>	<b>1301</b>	<b>254</b>						<b>224</b>
	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2015/16 TOTAL OPER. EXP.	13529	7885	7892	8769	9140	23910	11093	8440	7089	10075	13493	18394	139709
2016/17 TOTAL OPER. EXP.	13821	9431	9079	12822	15960	18874	8695	8807	7492	14743	9537	9188	138449
2017/18 TOTAL OPER. EXP.	8518	8435	12995	34778	9702	7854	9656	8487	9275	9478	10419	8561	138157
2018/19 TOTAL OPER. EXP.	23913	9190	18864	9513	8508	11091	9837	7165	9203	12520	8017	11098	138917
2019/20 TOTAL OPER. EXP.	21236	10291	10327	26583	9605	19177	11304						108522
<b>VARIANCE</b>	<b>-2676</b>	<b>1101</b>	<b>-8537</b>	<b>17071</b>	<b>1097</b>	<b>8086</b>	<b>1467</b>						<b>17608</b>
	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2015/2016 TOTAL NOI	11256	14843	16335	15967	15463	283	12595	15508	17594	12198	12185	5757	149985
2016/2017 TOTAL NOI	10194	16124	13210	9790	8866	6917	16706	15663	14804	13562	17413	18056	161305
2017/2018 TOTAL NOI	13987	18082	12252	-9649	19166	16881	17406	17415	16549	16395	15921	17501	171905
2018/2019 TOTAL NOI	2433	14561	11086	16992	17818	15242	16801	19848	17767	14958	19768	17067	184340
2019/2020 TOTAL NOI	6783	16454	13749	464	19086	11216	19057						86810
<b>VARIANCE</b>	<b>4350</b>	<b>1893</b>	<b>2663</b>	<b>-16528</b>	<b>1268</b>	<b>-4026</b>	<b>2257</b>						<b>-8122</b>

**LINCOLN APARTMENTS**

**2019 / 2020 PERFORMANCE REVIEW**

LNA07-08pr

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
TOTAL INCOME 2015/16	10837	10462	8970	9553	10644	10104	10559	10374	10953	10092	10765	10529	123,843
TOTAL INCOME 2016/17	10302	11082	10773	11146	11141	11847	10578	11156	11174	11378	11420	11179	133,177
TOTAL INCOME 2017/18	10423	11837	11327	11169	10653	11027	12506	11296	10638	12351	11862	10876	135,967
TOTAL INCOME 2018/19	12798	10026	12618	11543	11664	12250	11212	11950	12116	11490	12445	12026	142,137
TOTAL INCOME 2019/20	12781	12076	11392	11908	13498	12364	11752						85,772
<b>VARIANCE</b>	<b>-16</b>	<b>2050</b>	<b>-1225</b>	<b>365</b>	<b>1834</b>	<b>114</b>	<b>539</b>						<b>3,661</b>
	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2015/16 VACANCY LOSS	-258	-575	-595	-1217	-867	-192	0	-360	-1231	-635	-191	-679	-6,799
2016/17 VACANCY LOSS	-700	-169	-510	0	0	43	0	0	0	0	0	-567	-1,904
2017/18 VACANCY LOSS	-645	-250	0	-405	-645	-122	8	-550	-750	0	0	75	-3,284
2018/19 VACANCY LOSS	-575	0	-950	0	750	0	0	0	0	0	0	0	-775
2019/20 VACANCY LOSS	0	0	-625	108	0	0	-650						-1,167
<b>VARIANCE</b>	<b>575</b>	<b>0</b>	<b>325</b>	<b>108</b>	<b>-750</b>	<b>0</b>	<b>-650</b>						<b>-392</b>
	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2015/16 UNPAID RENTS	-475	-437	-475	-247	-889	593	0	-11	500	0	-21	21	-1,442
2016/17 UNPAID RENTS	0	-5	5	0	0	0	0	0	0	0	0	0	0
2017/18 UNPAID RENTS	-400	375	0	36	-155	-453	-532	-100	100	100	90	-755	-1,694
2018/19 UNPAID RENTS	480	-1000	930	-425	-1103	101	-679	131	220	-430	595	-30	-1,210
2019/20 UNPAID RENTS	540	-160	-412	-518	1012	25	-119						368
<b>VARIANCE</b>	<b>60</b>	<b>840</b>	<b>-1342</b>	<b>-93</b>	<b>2115</b>	<b>-76</b>	<b>560</b>						<b>2,064</b>
	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2015/16 TOTAL OPER. EXP.	8125	6141	7193	7575	5193	8897	8761	5351	8204	6854	3664	4856	80,815
2016/17 TOTAL OPER. EXP.	5915	5497	5065	4829	4795	3994	4206	3846	3140	4493	4089	6684	56,552
2017/18 TOTAL OPER. EXP.	11576	8838	6363	4723	7257	3792	3742	4423	5217	7734	6941	3620	74,225
2018/19 TOTAL OPER. EXP.	7866	7526	6294	5598	4312	4721	4897	3485	2514	4268	3286	4298	59,064
2019/20 TOTAL OPER. EXP.	3776	3954	5080	7130	4251	4237	3991						32,420
<b>VARIANCE</b>	<b>-4090</b>	<b>-3572</b>	<b>-1214</b>	<b>1531</b>	<b>-61</b>	<b>-483</b>	<b>-906</b>						<b>-8,795</b>
	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2015/16 TOTAL NOI	2712	4321	1777	1979	5451	1206	1798	5023	2750	3238	7101	5673	43,029
2016/17 TOTAL NOI	4387	5586	5707	6318	6346	7853	6372	7310	8034	6885	7332	4495	76,624
2017/18 TOTAL NOI	-1153	2999	4965	6446	3396	7235	8764	6873	5422	4617	4922	7260	61,746
2018/19 TOTAL NOI	4932	2500	6324	5944	7352	7529	6315	8465	9602	7222	9160	7728	83,073
2019/20 TOTAL NOI	9006	8121	6313	4778	9247	8127	7760						53,352
<b>VARIANCE</b>	<b>4074</b>	<b>5622</b>	<b>-11</b>	<b>-1166</b>	<b>1895</b>	<b>598</b>	<b>1445</b>						<b>12,456</b>





## MEMO

Date: May 15, 2020

To: HACB Board of Commissioners

From: Larry Guanzon, Deputy Executive Director

Subject: Status Report – “Other Properties”

- Locust Apartments, Chico (10 units, family)
- #29 Evanswood Estates, Oroville (1 unit, family)
- Gridley Springs II, Gridley (24 units, family)
- 2131 Fogg Ave, (1 single family house) Demo

*For Locust Apartments and #29 Evanswood Estates, please find the monthly reports provided by the property manager, RSC Associates Inc., following this memo. Please also find Sackett Corporation’s financials for Gridley Springs II.*

**Locust Apartments**, Chico (12 units, Family, Owner: HACB, PM: RSC Assoc.) The property has zero (0) vacancy. Please find the RSC monthly owners report.

**#29 Evanswood Estates**, Oroville (1-unit, Family, Owner: HACB, PM: RSC Assoc.) This unit was vacant as of the beginning of May. The interior will need paint and additional turnover repairs in order to get it ready for occupancy. This is the second time this unit has turned over since it was purchased.

**Gridley Springs II**, Gridley (24 units, Family, Owner: HACB, PM: Sackett Corporation) The property currently has zero (0) vacancies. Please find the Sackett Corporation’s Owner’s report following. The property may be subject to a restructuring, as Dawson Holdings, BCAHDC partner in GS I, has approached the HACB to consider re-unification of both GS I and II under single ownership.

**2131 Fogg Ave**, Oroville – (1-unit, Family, Owner: HACB, PM: HACB) This single family “Demo” house is occupied. Roof leaks have appeared with the onset of the rains, signaling the end of the useful life of the roofing. Bid proposals for repair/replacement were solicited but we did not get adequate response from area roofers, we will attempt again in the Spring/Summer, using temporary remedies in the meantime. An architect is being retained to schematically explore site use, principally, the exploration of use of “small houses” in building out the property.



May 11, 2020

Mr. Ed Mayer, Executive Director  
Housing Authority of the County of Butte  
2039 Forest Avenue, Suite 10  
Chico, CA 95928

**RE: 1519 LOCUST STREET APARTMENTS**

Dear Ed:

Please find enclosed for your review the following financial information for the month that ended April 30, 2020. This statement is accompanied by the following financial statements for the 1519 Locust Street Apartments.

1. Project Cash Flow and Bank Account Summary, Budget Comparison, General Ledger, Trial Balance and Tenant Rent Roll.
2. 12 Month Income Statement.
3. 2019/2020 Performance Review.
4. Capital Improvement Summary.

1519 Locust Street Apartments ended the month of April with no vacant units, as there were no new move ins or move outs.

The total rental income for the month of April came to \$6,037.14 which was higher than the budgeted figure by \$106.14. Service income totaled \$46.08 which was lower than budget by \$375.92 due to no collection of application fees, cleaning fees, repair and maintenance fees, and lower than budgeted laundry income. This brought the April total income to \$6,083.22 which was \$269.78 lower than budget for the reasons previously mentioned.

Moving on to the monthly expenses, you will see that the renting expenses came to \$23.15 which met budget.

Mr. Ed Mayer, Executive Director  
Chico, California

May 11, 2020  
Page 2

Total administrative expenses were \$567.26 which was lower than budget by \$505.74 due to lower resident manager expenses lower management expenses, and no legal fees for the month of April. Utility expenses for the month came to \$717.76, which was \$102.76 higher than budgeted due to higher water costs.

Apartment turnover expenses for the month of April came to \$3,308.27 due to full interior painting and repair labor and material costs for unit #1. The March letter referred turnover expenses to unit #1 and those expenses were attributed to unit #6 which was completed in February. Total maintenance expenses for the month came to \$1,918.60 which was \$474.60 over budget. This is due to irrigation repairs and on-site maintenance staff labor. The total operating expenses came to \$6,610.04 which was \$1,977.04 higher than the budgeted figure for the reasons described above. There were no capital improvement costs for the month. This brought the net project cash flow to a negative figure of \$526.82, which was higher than what was budgeted by \$2,246.82.

As you review the Cash Balance Summary on the Cash Flow, you will see that the property ended the month with total cash on hand of \$56,128.73. Of that amount, \$3,000.00 is in the general checking account with \$49,246.73 in the general savings and \$3,882.00 in the financial reserve account.

Please give me a call if you have any questions regarding the 1519 Locust Street Apartments.

Sincerely yours,

1519 LOCUST STREET APARTMENTS

Richard Gillaspie  
Property Manager

RG:ph  
Enclosures

**1519 LOCUST STREET APARTMENTS**

**2019 / 2020 PERFORMANCE REVIEW**

Ala08-09pr.xls

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
TOTAL INCOME 2016/17	6,708	6,552	6,060	6,007	6,085	6,166	6,468	6,166	6,169	6,183	6,182	6,230	74,976
TOTAL INCOME 2017/18	6,139	6,177	6,145	6,069	6,161	5,936	6,206	6,650	6,294	6,267	6,293	5,888	74,226
TOTAL INCOME 2018/19	6,321	5,992	6,325	7,771	6,311	4,765	7,124	6,342	6,219	6,265	9,094	5,415	77,944
TOTAL INCOME 2019/20	5,996	4,525	10,712	6,216	7,354	7,151	6,083						48,037
<b>VARIANCE</b>	<b>-325</b>	<b>-1,467</b>	<b>4,387</b>	<b>-1,555</b>	<b>1,043</b>	<b>2,386</b>	<b>-1,041</b>						<b>3,427</b>

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2016/17 VACANCY LOSS	-195	0	0	0	0	0	0	0	0	0	0	0	-195
2017/18 VACANCY LOSS	0	0	0	0	0	-73	0	0	0	0	0	0	-73
2018/19 VACANCY LOSS	0	0	0	0	0	-690	0	-161	-859	-283	0	0	-1,993
2019/20 VACANCY LOSS	0	-350	0	-416	-128	-313	0						-1,208
<b>VARIANCE</b>	<b>0</b>	<b>-350</b>	<b>0</b>	<b>-416</b>	<b>-128</b>	<b>377</b>	<b>0</b>						<b>-518</b>

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2016/17 UNPAID RENTS	504	301	6	0	0	0	0	0	0	0	0	0	811
2017/18 UNPAID RENTS	0	-60	-20	5	5	-93	32	20	0	0	-148	-44	-303
2018/19 UNPAID RENTS	-345	0	0	345	0	0	80	-56	-621	-330	-251	-818	-1,997
2019/20 UNPAID RENTS	-383	-1,300	-199	-861	504	3	-688						-2,924
<b>VARIANCE</b>	<b>-38</b>	<b>-1,300</b>	<b>-199</b>	<b>-1,206</b>	<b>504</b>	<b>3</b>	<b>-768</b>						<b>-3,004</b>

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2016/17 TOTAL OPER EXP	6,072	2,818	2,359	2,261	2,052	2,026	2,099	1,980	1,832	2,748	2,594	1,958	30,800
2017/18 TOTAL OPER EXP	2,251	2,172	1,985	2,643	2,801	3,822	3,739	2,498	2,428	2,161	3,326	1,757	31,581
2018/19 TOTAL OPER EXP	2,381	2,216	3,041	2,264	2,458	2,459	3,951	1,949	3,536	4,138	2,913	2,688	33,994
2019/20 TOTAL OPER EXP	3,408	2,193	3,030	2,327	2,455	5,393	4,358						23,163
<b>VARIANCE</b>	<b>1,027</b>	<b>-23</b>	<b>-11</b>	<b>63</b>	<b>-3</b>	<b>2,934</b>	<b>407</b>						<b>4,394</b>

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2016/17 TOTAL NOI	636	3,734	3,701	3,746	4,034	4,140	4,369	4,186	4,336	3,435	3,588	4,272	44,176
2017/18 TOTAL NOI	3,888	4,005	4,160	3,427	3,360	2,114	2,467	4,152	3,867	4,106	2,967	4,132	42,645
2018/19 TOTAL NOI	3,940	3,776	3,284	5,508	3,853	2,306	3,173	4,393	2,682	2,127	6,181	2,727	43,950
2019/20 TOTAL NOI	2,588	2,332	7,682	3,889	4,899	1,758	1,726						24,873
<b>VARIANCE</b>	<b>-1,353</b>	<b>-1,444</b>	<b>4,398</b>	<b>-1,619</b>	<b>1,046</b>	<b>-548</b>	<b>-1,448</b>						<b>-966</b>



May 12, 2020

Mr. Ed Mayer, Executive Director  
Housing Authority of the County of Butte  
2039 Forest Avenue, Suite 10  
Chico, CA 95928

**RE: 29 EVANSWOOD CIRCLE, OROVILLE**

Dear Ed:

Please find enclosed for your review the following financial information for the month ending April 30, 2020, for 29 Evanswood Circle.

1. Project Cash Flow and Bank Account Summary, Budget Comparison, General Ledger, Trial Balance and Tenant Rent Roll.
2. 12 Month Income Statement.
3. Capital Improvement Summary.

29 Evanswood Circle was vacated as of April 30, 2020. The total income for the month was \$1,000.86 with no unpaid rent.

Moving on to the expenses, there was \$4.55 in renting expenses for forms and office supplies for the month. The total administrative expenses were \$250.09 including \$100.09 for the management fee and \$150.00 in homeowner association dues. Water and garbage expenses for the month were \$47.83. The property had no maintenance expenses in April. This brought the total operating expenses to \$302.47. The net operating income was \$698.39. There were no capital improvements this month.

As you review the Cash Balance Summary on the bottom of Page 1 of the Cash Flow Statement for April, you will note that the property ended the month with total cash on hand of \$34,383.01. Of that amount, \$33,483.01 is in the general checking account and \$900.00 in the deposit checking account.

Mr. Ed Mayer, Executive Director  
Chico, California

May 12, 2020  
Page 2

Please give me a call if you have any questions regarding the information enclosed or the unit.

Sincerely yours,

29 EVANSWOOD CIRCLE

Richard Gillaspie  
Property Manager

RG:ph  
Enclosures



## GRIDLEY SPRINGS

May 2020

### Property Status:

1. GSI is 100% occupied with Zero notices to vacate.
2. GSII 100% occupied with 1 - Notice to vacate.
3. We finally received the Inspection Closeout Letter for the CTCAC (Extended Use) inspection for GSII that was completed in June 2019.
4. We have very little deferred rent due to COVID-19 for April:  
GSI = \$1340.00; GSII-\$1056.00
5. Thankfully as of this date there are Zero reported cases of covid-19 at Gridley Springs.

Thank you!  
Mac Upshaw



**HACB GRIDLEY SPRINGS II**  
As of  
**April 30, 2020**

**CASH SUMMARY - Operating Account**

	APRIL		7 months YTD	
	2020	%%	2020	%%
Total Rent Revenue	16,371.00	100.00%	111,379.55	100.00%
Vacancies	0.00	0.00%	(195.00)	-0.18%
Net Rental Revenue	16,371.00	100.00%	111,184.55	99.82%
Other Income	73.10	0.45%	550.27	0.49%
<b>Total Revenue</b>	<b>16,444.10</b>	<b>100.45%</b>	<b>111,734.82</b>	<b>100.32%</b>
<b>Expenses:</b>				
Administrative Expenses	2,784.87	17.01%	21,780.92	19.56%
Utilities	1,661.61	10.15%	12,262.99	11.01%
Operating & Maintenance	3,829.32	23.39%	26,480.99	23.78%
Depreciation and Amortization Expense	0.00	0.00%	0.00	0.00%
Taxes & Insurance	543.08	3.32%	4,145.17	3.72%
<b>Total Expenses</b>	<b>8,818.88</b>	<b>50.55%</b>	<b>64,670.07</b>	<b>45.66%</b>
<b>Net Operating Income</b>	<b>7,625.22</b>	<b>33.54%</b>	<b>47,064.75</b>	<b>34.79%</b>
Interest and Finance Expense	565.08	3.45%	3,955.56	3.55%
Replacement Costs	0.00	0.00%	3,365.57	3.02%
<b>Net Cash Flow from Operations</b>	<b>7,060.14</b>		<b>39,743.62</b>	

**Plus (Minus)**

Interest Income	(3.35)	(28.25)
Unpaid Rent Collected (Owed)	(717.00)	301.00
Prepaid Rent Received (Absorbed)	(342.00)	(959.00)
Security Deposits Received (Refunded)	0.00	574.00
Accrued Interest (Payment)	(26,311.92)	(23,041.44)
<b>Net Cash Increase (Decrease)</b>	<b>(20,314.13)</b>	<b>16,589.93</b>
<b>Beginning of Period Cash Balance</b>	<b>77,412.87</b>	<b>46,180.05</b>
Contributions (Distributions) to Owner	(15,602.00)	(15,602.00)
Transfer from (to) Impound Account	(399.58)	(2,797.06)
Transfer From (to) Replacement Reserves	(450.00)	(3,150.00)
Transfer from (to) Security account	0.00	(573.76)
<b>Ending Cash Balance - Operating Account</b>	<b>\$40,647.16</b>	<b>\$40,647.16</b>
<b>- Replacement Reserve</b>		<b>\$109,189.74</b>
<b>- Tax and Insurance Impounds</b>		<b>\$40,344.18</b>
<b>- Security Deposit Accounts</b>		<b>\$14,508.74</b>

<b>TENANT RECEIVABLES</b>	Current Month	<b>UNIT STATUS</b>	Current Month
<b>Rent and Rent Related Receivables</b>		Total Units	24
Balance at Beginning of Month	1.00	Vacant units at beginning of month	0
Uncollected (Collected) During Month	717.00	Plus Units vacated during month	0
Written off to Bad Debts	0.00	Less move ins and deposits to hold	0
Balance at End of Month	\$718.00	Vacant units at end of month	0



**Income Statement**  
**HACB GRIDLEY SPRINGS II**  
As of  
**April 30, 2020**

	***** Current Month *****			***** Year-to-Date *****		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>*** REVENUES ***</b>						
Rent Revenue - Gross Potential						
Apartment Rents	14,718.00	15,321.00	(603.00)	100,027.55	107,240.00	(7,212.45)
Tenant Assistance Payments	1,653.00	0.00	1,653.00	11,352.00	0.00	11,352.00
<b>Total Revenue</b>	<b>16,371.00</b>	<b>15,321.00</b>	<b>1,050.00</b>	<b>111,379.55</b>	<b>107,240.00</b>	<b>4,139.55</b>
Apartment Vacancies	0.00	(306.00)	306.00	(195.00)	(2,142.00)	1,947.00
<b>Total Vacancies</b>	<b>0.00</b>	<b>(306.00)</b>	<b>306.00</b>	<b>(195.00)</b>	<b>(2,142.00)</b>	<b>1,947.00</b>
<b>NET RENTAL REVENUE</b>	<b>16,371.00</b>	<b>15,015.00</b>	<b>1,356.00</b>	<b>111,184.55</b>	<b>105,098.00</b>	<b>6,086.55</b>
Interest Income-Other Cash	3.22	0.00	3.22	27.27	0.00	27.27
Interest Income-Sec Deposits	0.13	0.00	0.13	0.98	0.00	0.98
<b>Total Financial Revenue</b>	<b>3.35</b>	<b>0.00</b>	<b>3.35</b>	<b>28.25</b>	<b>0.00</b>	<b>28.25</b>
Misc Tenant Charges/Damages & Cleaning	0.00	125.00	(125.00)	0.00	875.00	(875.00)
NSF and Late Fee Income	0.00	0.00	0.00	0.00	0.00	0.00
Other Income/Application Fee	0.00	0.00	0.00	0.00	0.00	0.00
Laundry Revenue	69.75	83.00	(13.25)	522.02	585.00	(62.98)
<b>Total Other Revenue</b>	<b>69.75</b>	<b>208.00</b>	<b>(138.25)</b>	<b>522.02</b>	<b>1,460.00</b>	<b>(937.98)</b>
<b>TOTAL REVENUE</b>	<b>16,444.10</b>	<b>15,223.00</b>	<b>1,221.10</b>	<b>111,734.82</b>	<b>106,558.00</b>	<b>5,176.82</b>
<b>*** EXPENSES ***</b>						
<b>Administrative Expenses</b>						
Advertising and Promotions	0.00	21.00	(21.00)	0.00	145.00	(145.00)
Credit Reports	0.00	0.00	0.00	0.00	0.00	0.00
IT Support Services	128.00	128.00	0.00	896.00	896.00	0.00
Telephone/Answering Service	0.00	0.00	0.00	237.30	0.00	237.30
Consulting/Purchased Services	0.00	0.00	0.00	0.00	0.00	0.00
Postage and Mailing	0.00	0.00	0.00	95.99	0.00	95.99
Administrative Expense/Office Personnel	0.00	0.00	0.00	32.14	0.00	32.14
Office Supplies/Expenses	132.49	439.00	(306.51)	520.46	3,069.00	(2,548.54)
Dues and Subscriptions	64.29	0.00	64.29	64.29	0.00	64.29
Management Fee	1,080.00	1,080.00	0.00	7,515.00	7,560.00	(45.00)
Manager Salaries	1,380.09	1,342.00	38.09	8,728.02	9,390.00	(661.98)
Education/Registration fees	0.00	63.00	(63.00)	16.72	875.00	(858.28)
Legal Expense	0.00	125.00	(125.00)	0.00	435.00	(435.00)
Auditing Fees	0.00	0.00	0.00	3,675.00	3,500.00	175.00
Other Administrative Costs	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Administrative Expenses</b>	<b>2,784.87</b>	<b>3,198.00</b>	<b>(413.13)</b>	<b>21,780.92</b>	<b>25,870.00</b>	<b>(4,089.08)</b>
<b>Utility Expenses</b>						
Electricity	112.84	292.00	(179.16)	1,160.00	2,040.00	(880.00)
Water	263.13	500.00	(236.87)	1,948.61	3,500.00	(1,551.39)
Gas	11.59	83.00	(71.41)	180.31	585.00	(404.69)
Sewer	807.22	912.00	(104.78)	5,706.26	6,360.00	(653.74)
Garbage and Trash Removal	466.83	663.00	(196.17)	3,267.81	4,665.00	(1,397.19)
<b>Total Utility Expenses</b>	<b>1,661.61</b>	<b>2,450.00</b>	<b>(788.39)</b>	<b>12,262.99</b>	<b>17,150.00</b>	<b>(4,887.01)</b>
<b>Operating &amp; Maintenance Expense</b>						
Clean and Repair Apartment	0.00	0.00	0.00	120.00	0.00	120.00
Cleaning Supplies	0.00	0.00	0.00	195.00	0.00	195.00
Exterminating Contract	200.00	0.00	200.00	700.00	0.00	700.00
Tree Service	0.00	0.00	0.00	0.00	0.00	0.00
Grounds Contract	1,000.00	0.00	1,000.00	5,850.00	0.00	5,850.00
Grounds Maintenance and Supplies	284.00	0.00	284.00	1,779.71	0.00	1,779.71
Maintenance Personnel	1,338.31	1,342.00	(3.69)	8,479.87	9,390.00	(910.13)
Repair Materials	200.86	1,667.00	(1,466.14)	4,813.25	11,665.00	(6,851.75)
Repair Contract/Vendor Labor	0.00	1,825.00	(1,825.00)	1,753.00	12,775.00	(11,022.00)
Electrical Repair and Supplies	0.00	0.00	0.00	0.00	0.00	0.00
HVAC Repair/Maintenance	806.15	1,667.00	(860.85)	1,396.15	11,665.00	(10,268.85)
Appliance Repair and Maintenance	0.00	0.00	0.00	162.96	0.00	162.96
Plumbing Repair and Supplies	0.00	0.00	0.00	329.00	0.00	329.00
Interior Painting and Supplies	0.00	0.00	0.00	820.00	0.00	820.00
Gas, Oil and Mileage	0.00	0.00	0.00	82.05	0.00	82.05
Fire Protection Equipment	0.00	0.00	0.00	0.00	0.00	0.00
Misc Operation & Maintenance	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Operating &amp; Maint Expenses</b>	<b>3,829.32</b>	<b>6,501.00</b>	<b>(2,671.68)</b>	<b>26,480.99</b>	<b>45,495.00</b>	<b>(19,014.01)</b>

**Income Statement**  
**HACB GRIDLEY SPRINGS II**  
As of  
**April 30, 2020**

	***** Current Month *****			***** Year-to-Date *****		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>Taxes &amp; Insurance Expenses</b>						
Property Taxes	0.00	0.00	0.00	0.00	0.00	0.00
Payroll Taxes	213.41	318.00	(104.59)	2,005.36	2,228.00	(222.64)
Property & Liability Insurance	0.00	150.00	(150.00)	0.00	1,050.00	(1,050.00)
Worker's Compensation	193.37	221.00	(27.63)	1,199.60	1,545.00	(345.40)
Health/Dental Insurance	136.30	193.00	(56.70)	940.21	1,345.00	(404.79)
Other Insurance	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Taxes &amp; Insurance Expenses</b>	<b>543.08</b>	<b>882.00</b>	<b>(338.92)</b>	<b>4,145.17</b>	<b>6,168.00</b>	<b>(2,022.83)</b>
<b>TOTAL EXPENSES</b>	<b>8,818.88</b>	<b>13,031.00</b>	<b>(4,212.12)</b>	<b>64,670.07</b>	<b>94,683.00</b>	<b>(30,012.93)</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>7,625.22</b>	<b>2,192.00</b>	<b>5,433.22</b>	<b>47,064.75</b>	<b>11,875.00</b>	<b>35,189.75</b>
<b>Interest &amp; Finance Expense</b>						
Mortgage Interest	545.08	0.00	545.08	3,815.56	0.00	3,815.56
Bank Fees	20.00	0.00	20.00	140.00	0.00	140.00
<b>Total Interest &amp; Finance Expense</b>	<b>565.08</b>	<b>0.00</b>	<b>565.08</b>	<b>3,955.56</b>	<b>0.00</b>	<b>3,955.56</b>
<b>OPERATING PROFIT (LOSS)</b>	<b>7,060.14</b>	<b>2,192.00</b>	<b>4,868.14</b>	<b>43,109.19</b>	<b>11,875.00</b>	<b>31,234.19</b>
<b>Replacements</b>						
Roofing/Paving/Exterior Repair	0.00	0.00	0.00	1,585.00	0.00	1,585.00
Appliance Replacement	0.00	0.00	0.00	1,780.57	0.00	1,780.57
Carpet/Flooring Replacement	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Cost of Replacements</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3,365.57</b>	<b>0.00</b>	<b>3,365.57</b>
<b>NET CASH FLOW FROM OPERATIONS</b>	<b>7,060.14</b>	<b>2,192.00</b>	<b>4,868.14</b>	<b>39,743.62</b>	<b>11,875.00</b>	<b>27,868.62</b>

Date: 5/4/2020

MEMO

To: Board of Commissions

From: Bow Rice, Special Programs Coordinator

Subject: Family Self-Sufficiency (FSS) Program update for April 2020

<b>Program Statistics for Period Ending</b>	<b>4/1/2020</b>	<b>4/1/2019</b>
Number of participants as of last day of the month	43	38
Number of Orientation Briefings	5	2
Number of signed contracts	5	1
Number of Port-In's	0	0
Number of Port-Out's	0	0
Number of Graduates	0	1
Contract Expired	0	0
Number of Terminations	0	0
Number of Voluntary Exits	0	0
Number of Families on FSS Waiting List	0	0
Number of participants with annual income increases (YTD)	4	4
Number of participants with new employment (YTD)	3	2
Number of participants with escrow accounts	21	26
Number of participants currently escrowing	15	22
Amount disbursed from escrow account	\$0.00	\$3,337.86
Balance of Escrow Account	\$103,867.13	116, 733.55

**FSS FY 2019 HUD Grant Program Tracking Data**

<b>Program Management Questions:</b>	<b>YTD (2020)</b>
PHA mandatory program size (Initial 50)	N/A
PHA voluntary program size (50)	43
Number of FSS participants identified as a person with disabilities	12
Number of FSS participants employed	25
Number of FSS participants in training programs	9
Number of FSS participants enrolled in higher/adult education	0
Number of FSS participants enrolled in school and employed	0
Number of FSS families receiving cash assistance	2
Number of FSS families experiencing a reduction in cash assistance	0
Number of FSS families who have ceased receiving cash assistance	2
How many new FSS escrow accounts were established	0
Number of FSS families moved to non-subsidized housing	0
Number of FSS families moved to home-ownership	0



## HACB CoC Programs: A Report to the Board of Commissioners for the Month of May 2020

Grant	Funding Period	Amount Funded	Grantee	Sponsor	Units	Eligibility Criteria	Service Area	5/2020 Enrollment	5/2020 HAP Assistance	Grant Balance
S+C SEARCH South	10/1/19 - 9/30/20	\$42,720.00	HACB	BCBH	5	Unaccompanied adults, chronically homeless with SMI	Oroville, Chico	5	\$2,756.00	\$22,409.25
SEARCH Samaritan Bonus	7/1/19 - 6/30/20	\$37,680.00	BCBH	BCBH	4	Unaccompanied adults, chronically homeless with SMI	Chico	3	\$1,608.00	\$16,993.60
SEARCH III- SHP	7/1/19 - 6/30/20	\$28,260.00	BCBH	BCBH	3	Unaccompanied adults, homeless with SMI	South County	1	\$456.00	\$23,096.13
LINK PHB	7/1/19 - 6/30/20	\$28,260.00	BCBH	BCBH	3	Unaccompanied youth, ages 18-24, chronically homeless with SMI	Chico	1	\$867.00	\$23,234.06
SEARCH II - PHB	7/1/19 - 6/30/20	\$28,260.00	BCBH	BCBH	1	Unaccompanied adults, chronically homeless with SMI	Chico	1	\$425.00	\$23,579.00
City of Chico - LGP	7/1/19 - 6/30/20	\$9,000.00	City of Chico	SSA	8	Low-income, referred by supportive service agency	Chico	0	\$0.00	\$9,000.00
City of Chico - TBRA	7/1/19 - 6/30/20	\$100,000.00	City of Chico	SSA	30	Low-income, under case management with self-sufficiency plan	Chico	12	\$7,967.00	\$33,418.24
BHHAP/Security Deposit	7/1/19 - 6/30/20	\$2,225.00	City of Chico	SSA	5	Individuals with a mental illness with homelessness eligibility	Butte County	0	\$0.00	\$2,225.00
BHHAP/ASOC	7/1/19 - 6/30/20	\$11,170.00	BCBH	BCBH	10	Individuals with a mental illness with homelessness eligibility	Butte County	1	\$580.00	\$4,970.00
<b>Totals</b>		<b>\$287,575.00</b>			<b>69</b>			<b>24</b>	<b>\$14,659.00</b>	<b>\$158,925.28</b>

### Acronym Legend

\*BCBH: Butte County Department of Behavioral Health | \*BHHAP: Behavioral Health Housing Assistance Program | \*SHP: Supportive Housing Program | \*PHB: Permanent Housing Bonus Program  
 \*TBRA: Tenant Based Rental Assistance | \*LGP: Lease Guarantee Program | \*SSA: Supportive Service Agency | \*SMI: Serious Mental Health Disability

Last update: 5-4-2020

Path: Z:\Boutique Programs\Special Programs Budget and Reports

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**QUARTERLY CASH AND INVESTMENT REPORT**  
**March 31, 2020**

INVESTMENT	MATURITY		COST	MARKET VALUE	NON-FEDERAL FUNDS	HUD	HUD	CA HCD	USDA-RD
	DATE	YIELD				PUBLIC HSG	HCV SEC. 8	RHCP-GSII	FARM LABOR
Umpqua - Operating Account		0.00	884,999.37	884,999.37	884,999.37				
Umpqua - Savings Account		VAR.	1,138,289.34	1,138,289.34	567,572.17	412,038.81	158,678.36		
Umpqua - Section 8 FSS Escrow		VAR.	105,890.85	105,890.85			105,890.85		
Umpqua - Sec. 125 Cafeteria Plan		0.00	36,242.55	36,242.55	36,242.55				
FNC - Money Market Funds		VAR.	817,863.13	817,863.13	275,923.43	241,939.70	300,000.00		
Mechanics Bank (Security Deposit box location)		0.00	2,700.00	2,700.00	2,700.00				
Petty Cash Accounts		0.00	100.00	100.00	100.00				
Gridley Springs II @ Sackett		0.00	33,684.62	33,684.62				33,684.62	
#29 Evanswood @ RSC		0.00	55,583.39	55,583.39	55,583.39				
Locust St balances @ RSC		0.00	149,028.37	149,028.37	149,028.37				
Park Place Apts @ RSC		0.00	84,577.19	84,577.19	84,577.19				
Lincoln Apts balances @ RSC		0.00	20,621.95	20,621.95	20,621.95				
Kathy Court balances @ RSC		0.00	100,147.14	100,147.14	100,147.14				
Alamont Apts balances @ RSC		0.00	122,788.14	122,788.14	122,788.14				
Evanswood balances @ RSC		0.00	240,852.60	240,852.60	240,852.60				
<b>SUBTOTAL CASH ACCOUNTS</b>			<b>3,793,368.64</b>	<b>3,793,368.64</b>	<b>2,541,136.30</b>	<b>653,978.51</b>	<b>564,569.21</b>	<b>33,684.62</b>	<b>0.00</b>
Umpqua FLH Operating Account		0.00	116,860.55	116,860.55					116,860.55
Umpqua FLH Construction Account		VAR.	183,819.65	183,819.65					183,819.65
Umpqua FLH Tax & Insurance		VAR.	17,711.63	17,711.63					17,711.63
Umpqua FLH Reserves Security Deposits		VAR.	323,431.06	323,431.06					323,431.06
Umpqua FLH Security Deposits		VAR.	42,498.22	42,498.22					42,498.22
<b>TOTAL USDA-RD FARM LABOR</b>			<b>684,321.11</b>	<b>684,321.11</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>684,321.11</b>
Discover Bk Greenwood Del - MATURED	3/9/2020	2.40	0.00	0.00		0.00			
Royal Business Bk LA - MATURED	3/30/2020	1.80	0.00	0.00	0.00		0.00		
Merchant Bank - DTD 11/19/19	5/20/2020	1.65	240,000.00	240,000.00		240,000.00			
Meridian Bank - DTD 11/26/19	5/26/2020	1.55	240,000.00	240,000.00		240,000.00			
Bank of America Charlotte NC - DTD 10/02/19	7/2/2020	1.85	200,000.00	200,000.00			200,000.00		
University Iowa Cmnty - DTD 9/28/18	9/28/2020	2.90	100,000.00	100,000.00			100,000.00		
Wells Fargo Bk N A Sioux Falls- DTD 9/28/18	9/28/2020	2.90	100,000.00	100,000.00			100,000.00		
EnerBank USA - DTD 4/12/2019	10/13/2020	2.40	200,000.00	200,000.00			200,000.00		
First Choice Bank Cerritos CA - DTD 05/22/19	11/23/2020	2.40	200,000.00	200,000.00	180,000.00	20,000.00			
Comenity Capital Bank - DTD 4/15/2019	4/15/2021	2.50	200,000.00	200,000.00		200,000.00			
<b>TOTAL FNC CD'S</b>			<b>1,480,000.00</b>	<b>1,480,000.00</b>	<b>180,000.00</b>	<b>700,000.00</b>	<b>600,000.00</b>	<b>0.00</b>	<b>0.00</b>
<b>PARS SECTION 115 TRUST</b>		var	<b>2,000,000.00</b>	<b>1,913,740.67</b>	<b>957,163.55</b>	<b>0.00</b>	<b>956,577.12</b>		
<b>Self-Help Credit Union - CD DTD 2/10/20 (compounding)</b>	2/10/2021	2.10	<b>102,362.31</b>	<b>102,362.31</b>	<b>102,362.31</b>				
<b>TOTAL CD'S</b>			<b>1,582,362.31</b>	<b>1,582,362.31</b>	<b>282,362.31</b>	<b>700,000.00</b>	<b>600,000.00</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL HOUSING AUTHORITY CASH &amp; INVESTMENTS</b>			<b>8,060,052.06</b>	<b>7,973,792.73</b>	<b>3,780,662.16</b>	<b>1,353,978.51</b>	<b>2,121,146.33</b>	<b>33,684.62</b>	<b>684,321.11</b>

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**  
**QUARTERLY CASH AND INVESTMENT REPORT**  
**March 31, 2020**

INVESTMENT	MATURITY		COST	MARKET VALUE
	DATE	YIELD		
1200 Park Avenue, L.P.; 11/23/2004	11/23/2054	4.84	675,000.00	1,172,761.80
Chico Harvest Park, L.P.; 1/29/2013	1/28/2068	2.31	600,000.00	692,118.78
<b>TOTAL for HACB Mortgages &amp; Loans</b>			<b>1,275,000.00</b>	<b>1,864,880.58</b>

\* interest compounds to principal June 1st annually  
\* interest compounds to principal May 1st annually

<b>BCAHDC*</b>	
BCAHDC Umpqua Operating Account	269,957.34
BCAHDC Tri-Counties Bank - CD MATURED 2/1/2020 0.10	0.00
BCAHDC Cordillera Bank Balances @ RSC	48,910.97
BCAHDC Cordillera Umpqua Reserve & Sec.Dep. Account	293,371.78
<b>TOTAL for BCAHDC</b>	<b>612,240.09</b>

<b>BCAHDC - Note Receivable</b>			
Note Receivable HACB	9/19/2020	3.00	350,000.00

<b>BANYARD MANAGEMENT</b>	
Banyard - Umpqua General Savings	228,049.58
<b>TOTAL for BANYARD MGT</b>	<b>228,049.58</b>

\*Note: BCAHDC has an unrecorded, contingent obligation of \$100,000 via MOU with Gridley Sunrise Village

<b>TAX CREDIT PROJECTS</b>			
Walker Commons Oper Acct @ AWI	175,559.35	1200 Park Ave Operating Account @ AWI	178,513.52
Walker Commons Petty Cash @ AWI	350.00	1200 Park Ave Petty Cash @ AWI	250.00
Walker Commons Security Deposits @ AWI	22,390.00	1200 Park Ave Savings Account @ AWI	10,137.61
Walker Commons Savings Acct (Reserves) @ AWI	175,544.48	1201 Park Ave T&I Account @ AWI	20,441.92
Walker Commons Savings Acct @ AWI	38,300.53	1200 Park Ave Security Deposit Acct @ AWI	35,879.00
Walker Commons - Banner Bank CD: 8/25/2020 8/25/2020 0.45	100,893.00	1200 Park Ave Repl. Reserves @ AWI	312,180.14
<b>TOTAL for WALKER COMMONS</b>	<b>513,037.36</b>	<b>TOTAL for 1200 PARK AVENUE</b>	<b>557,402.19</b>
Chico Commons Checking @ AWI	105,183.77	Harvest Park Cash @ WINN	402,608.00
Chico Commons Oper Account @ AWI	92,077.26	<b>TOTAL for HARVEST PARK</b>	<b>402,608.00</b>
Chico Commons Petty Cash @ AWI	250.00	Gridley Springs I Cash @ Sackett	372,526.21
Chico Commons T&I Account @ AWI	12,773.86	Gridley Springs I Escrow Accounts @ Sackett	310,046.18
Chico Commons Security Deposits @ AWI	42,985.00	<b>TOTAL for GRIDLEY SPRINGS I</b>	<b>682,572.39</b>
Chico Commons Savings (Replacement Reserves)	19,125.14		
<b>TOTAL for CHICO COMMONS</b>	<b>272,395.03</b>		

HOUSING AUTHORITY OF THE COUNTY OF BUTTE  
RESTRICTED VS. UN-RESTRICTED FUNDS ANALYSIS  
March 31, 2020

	a	b	c	=a-b-c		
<b>HACB - Primary Government</b>						
	<b>Total Cash &amp; Current A/R</b>	<b>Restricted Cash</b>	<b>Current Liabilities</b>	<b>3/31/2020 Available Fund Balance</b>	<b>3/31/2019 Available Fund Balance</b>	<b>Notes / Change</b>
<b><u>Unrestricted HA Owned</u></b>						
Park Place Apts (Oro)	229,298	50,401	148,389	30,508	-392,027	PARS trust / post bond pay-off
Lincoln Apts	117,732	0	60,205	57,527	439,335	post bond pay-off
Kathy Ct Apts	20,622	0	0	20,622	-220,614	post bond pay-off
Alamont Apts	120,425	0	111,478	8,947	432,554	post bond pay-off
Evanswood Estates	151,386	0	115,731	35,655	149,508	post bond pay-off
General Fund	2,023,935	794,534	199,740	1,029,661	1,181,056	PARS trust
Continuum of Care	0	0	37,742	-37,742	-86,746	to be reimbursed
Demo Housing	604,608	83,027	8,626	512,955	521,617	PARS trust
Locust St Apts	277,223	29,201	7,023	240,999	203,092	
<b>Total Unrestricted HA Owned</b>	<b>2,905,766</b>	<b>906,762</b>	<b>253,131</b>	<b>1,745,873</b>	<b>2,227,775</b>	<i>-481,902</i>
<b><u>Restricted to Federal or State Program</u></b>						
HCD Gridley Springs II	240,854	148,681	14,890	77,283	88,989	Replacement & Op. Reserves
HUD Public Housing	1,402,804	0	233,455	1,169,349	1,016,008	
USDA Farm Labor Housing	725,637	524,962	181,908	18,767	2,854	Rep. Reserves/Construction
HUD Section 8 HCV	1,987,372	1,080,176	138,146	769,050	933,926	HAP; FSS Escrow; PARS
HUD FSS Program (S8)	133,775	0	0	133,775	131,744	Old carryover grant funds
<b>Total Federal/State Programs</b>	<b>4,490,442</b>	<b>1,753,819</b>	<b>568,399</b>	<b>2,168,224</b>	<b>2,173,521</b>	<i>-5,297</i>
<b>TOTAL HACB PRIMARY GOV'T</b>	<b>7,396,208</b>	<b>2,660,581</b>	<b>821,530</b>	<b>3,914,097</b>	<b>4,401,296</b>	<i>-487,199</i>

<b>HACB - Component Units</b>						
	<b>Total Cash &amp; Current A/R</b>	<b>Restricted Cash</b>	<b>Current Liabilities</b>	<b>3/31/2020 Available Fund Balance</b>	<b>3/31/2019 Available Fund Balance</b>	<b>Notes / Change</b>
<b><u>Restricted to Mission Stmt</u></b>						
<b>BCAHDC</b>						
BCAHDC General Fund	668,752	0	52,129	616,623	576,568	<i>40,055</i>
Cordillera Apartments	341,031	0	14,642	326,389	384,422	<i>-58,033</i>
<b>TOTAL BCAHDC</b>	<b>1,009,783</b>	<b>0</b>	<b>66,771</b>	<b>943,012</b>	<b>960,990</b>	
<b>Banyard Management</b>	<b>228,050</b>	<b>0</b>	<b>401</b>	<b>227,649</b>	<b>213,937</b>	<i>13,712</i>
<b>1200 Park Avenue, LLC</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	



HOUSING AUTHORITY OF THE COUNTY OF BUTTE

RESOLUTION NO. 4775

RECOGNITION OF COMMISSIONER PATRICIA BESSER

---

WHEREAS, on December 14, 2010 Patricia Besser was appointed by the Butte County Board of Supervisors to serve as Commissioner on the Board of Commissioners of the Housing Authority of the County of Butte, representing residents of Housing Authority-owned properties and participants of Housing Authority programs; and

WHEREAS, Patricia Besser served well and faithfully as a Commissioner until completion of her term, effective April 11, 2020; and

WHEREAS, the Board of Commissioners of the Housing Authority of the County of Butte wishes to recognize the service of Commissioner Besser;

NOW THEREFORE BE RESOLVED by unanimous vote of the Board of Commissioners of the Housing Authority of the County of Butte that Patricia Besser be recognized, appreciated, and honored for her service to the public-at-large in the County of Butte, in serving as Commissioner on the Board of Commissioners of the Housing Authority of the County of Butte, and further recognizes, appreciates and honors her service on behalf of the Housing Authority of the County of Butte's clients, and the provision of quality, affordable housing opportunity to the citizens of Butte County.

Dated: May 21, 2020.

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Laura Moravec, Board Chair

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Larry Hamman, Vice Chair

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Kate Anderson, Commissioner

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David Pittman, Commissioner

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Rich Ober, Commissioner

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Edward S. Mayer, Secretary

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

RESOLUTION NO. 4776

RECOGNITION OF COMMISSIONER ANNE JONES

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WHEREAS, on February 9, 2016 Anne Jones was appointed by the Butte County Board of Supervisors to serve as Commissioner on the Board of Commissioners of the Housing Authority of the County of Butte, representing residents of Housing Authority-owned properties and participants of Housing Authority programs; and

WHEREAS, Anne Jones served well and faithfully as a Commissioner until completion of her term, effective April 11, 2020; and

WHEREAS, the Board of Commissioners of the Housing Authority of the County of Butte wishes to recognize the service of Commissioner Jones;

NOW THEREFORE BE RESOLVED by unanimous vote of the Board of Commissioners of the Housing Authority of the County of Butte that Anne Jones be recognized, appreciated, and honored for her service to the public-at-large in the County of Butte, in serving as Commissioner on the Board of Commissioners of the Housing Authority of the County of Butte, and further recognizes, appreciates and honors her service on behalf of the Housing Authority of the County of Butte's clients, and the provision of quality, affordable housing opportunity to the citizens of Butte County.

Dated: May 21, 2020.

\_\_\_\_\_  
Laura Moravec, Board Chair

\_\_\_\_\_  
Larry Hamman, Vice Chair

\_\_\_\_\_  
Kate Anderson, Commissioner

\_\_\_\_\_  
David Pittman, Commissioner

\_\_\_\_\_  
Rich Ober, Commissioner

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Edward S. Mayer, Secretary

May 15, 2020

MEMO

To: HACB Board of Commissioners

From: Tamra C. Young, Administrative Operations Director

Subject: Resolution Number 4777  
Board Adoption of the Section 8 Administrative Plan (Admin Plan)

HACB recommended changes to its Section 8 Housing Choice Voucher (HCV) program admissions procedure, specifically recommended were changes to the Homeless preference procedures, and addition of a Moving Up preference. Plan changes are proposed to become effective June 1<sup>st</sup> in order to better assist and coordinate with the local community and its service providers. In this regard, HACB has already taken the following steps:

- March 10<sup>th</sup> - HACB conducted a Resident Advisory Board meeting, inviting Section 8 participants.
- March 19<sup>th</sup> – HACB Board of Commissions received and filed draft Admin Plan, initiating the required 45-day review Public Comment period.
- May 21<sup>st</sup> – HACB Board to hold public hearing, consider comment, and adopt Admin Plan.
- June 1<sup>st</sup> – Admin Plan effective date.

During the public comment period, no comments were received.

However, as stated at the March meeting, Staff recommends increasing the preference points for both the Homeless and Moving Up preferences. The recommendation is to change the preference points from five (5), as originally presented in the March draft, to eight (8) points, in order to assist these homeless households more timely, an important factor in serving the homeless. Homeless and Moving Up preference families are limited to seventy-five (75) total. In addition, HACB inadvertently left out inclusion of the Dos Rios Continuum of Care (CoC) organization (Glenn County only) when drafting the original Plan changes in March; Glenn County’s Dos Rios CoC has been added back into the Plan.

*Recommendation: Hold Public Hearing. Receive and file Section 8 Admin Plan in accordance with the recommendations above by means of adoption of Resolution No. 4777.*

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

RESOLUTION NO. 4777

ADOPTION OF  
SECTION 8 HOUSING CHOICE VOUCHER ADMINISTRATIVE PLAN (AP)

---

WHEREAS, on June 20, 2019 the Housing Authority of the County of Butte (HACB) last adopted its Section 8 Housing Choice Voucher Administrative Plan (AP) per the requirements of the Quality Housing and Work Responsibility Act of 1998; and

WHEREAS, to address the needs of the community and program participants after the Camp Fire Disaster, program staff recommends making changes to Chapter 4 of its Section 8 AP, regarding application and administration of the AP's Homeless preference, and

WHEREAS, said changes specifically relate to refinement of the Homeless admissions system, such that the system include both a Homeless preference and a Moving Up preference; and

WHEREAS, on March 19, 2020 the Board of Commissioners authorized a draft version of the AP to be presented to the public; and

WHEREAS, participants of the Section 8 Housing Choice Voucher program were notified in writing and given an opportunity to comment on the subject Plan; and

WHEREAS, comment received has been reviewed and considered by the HACB Board of Commissioners; and

WHEREAS, the changes to the AP have been determined to comply with the Quality Housing and Work Responsibility Act of 1998, and are in the best interest of the HACB, its clients, and the community;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Housing Authority of the County of Butte to revise its Section 8 Housing Choice Voucher program Administrative Plan (AP) in regards to its homeless admissions policy, such revisions attached to and made part of this resolution, and to further resolve to make such changes effective June 1, 2020.

Dated: May 21, 2020.

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Laura Moravec, Board Chair

ATTEST:

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Edward S. Mayer, Secretary



**HOUSING AUTHORITY  
of the County of Butte**

**20192020**

**ADMINISTRATIVE PLAN**

**FOR THE**

**SECTION 8 HOUSING CHOICE VOUCHER PROGRAM**

Draft: 03/19/2020

Board Approval: 05/21/2020

Effective Date: 07/01/201906/01/2020



SEARCHPORTALS



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## Chapter 4

### APPLICATIONS, WAITING LIST AND TENANT SELECTION

#### INTRODUCTION

When a family wishes to receive assistance under the HCV program, the family must submit an application that provides the PHA with the information needed to determine the family's eligibility. HUD requires the PHA to place all families that apply for assistance on a waiting list. When HCV assistance becomes available, the PHA must select families from the waiting list in accordance with HUD requirements and PHA policies as stated in the Administrative Plan and the Annual Plan.

The PHA is required to adopt clear policies and procedures for accepting applications, placing families on the waiting list, and selecting families from the waiting list and must these policies and procedures consistently. The actual order in which families are selected from the waiting list can be affected if a family has certain characteristics designated by HUD or the PHA that justify their selection. Examples of this are the selection of families for income targeting and the selection of families that qualify for targeted funding.

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

This chapter describes HUD and PHA policies for taking applications, managing the waiting list and selecting families for HCV assistance. The policies outlined in this chapter are organized into three sections, as follows:

Part I: The Application Process. This part provides an overview of the application process, and discusses how applicants can obtain and submit applications. It also specifies how the PHA will handle the applications it receives.

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

Part III: Selection for HCV Assistance. This part describes the policies that guide the PHA in selecting families for HCV assistance as such assistance becomes available. It also specifies how in-person interviews will be used to ensure that the PHA has the information needed to make a final eligibility determination.

#### PART I: THE APPLICATION PROCESS

##### 4-1.A. OVERVIEW

This part describes the PHA policies for making applications available, accepting applications making preliminary determinations of eligibility, and the placement of applicants on the waiting list. This part also describes the PHA's obligation to ensure the accessibility of the application

process to elderly persons, people with disabilities, and people with limited English proficiency (LEP).

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

Any family that wishes to receive HCV assistance must apply for admission to the program. HUD permits the PHA to determine the format and content of HCV applications, as well how such applications will be made available to interested families and how applications will be accepted by the PHA. The PHA must include Form HUD-92006, Supplement to Application for Federally Assisted Housing, as part of the PHA's application.

##### HACB Policy

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

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

A two-step process will be used when it is expected that a family will not be selected from the waiting list for at least sixty (60) days from the date of application. Under the two-step application process, the HACB initially will require families to provide only the information needed to make an initial assessment of the family's eligibility, and to determine the family's placement on the waiting list. The family will be required to provide all of the information necessary to establish family eligibility and level of assistance when the family is selected from the waiting list.

When HACB provides public notice that it is accepting applications for housing assistance, the application will be available on-line, at any time of day or night. The applicant may complete the application from any computer with internet access (e.g., home, public library, community-based organization, etc.). If the applicant requires assistance with completing the application, resources for assistance will be listed in waiting list opening announcements. Completed applications must be submitted to HACB in the method explained in waiting list opening announcements. Applications must be complete in order to be accepted by HACB for processing.

#### **4-I.C. ACCESSIBILITY OF THE APPLICATION PROCESS**

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

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



### **Limited English Proficiency**

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

### **4-I.D. PLACEMENT ON THE WAITING LIST**

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

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

### **Eligible for Placement on the Waiting List**

#### HACB Policy

Since placement on the waiting list does not require an interview and the information contained in the lottery entry form does not require verification, a set number of applications will be selected, ordered, and placed in the waiting list using a computer-generated random lottery system.

## **PART II: MANAGING THE WAITING LIST**

### **4-II.A. OVERVIEW**

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

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

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

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

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

- Applicant name;
- Family unit size;
- Date and time of application;
- Qualification for any local preference;

- Racial or ethnic designation of the head of household.

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

HACB Policy

The HACB will maintain a single waiting list for the HCV program combining Butte and Glenn County jurisdictions.

HACB Policy

The HACB allows the following Local Preferences for the HCV waiting list for Butte County jurisdiction:

**Residency Preference**

This local preference would continue to give a preference for applicants who live or work, or who is enrolled in school in the Butte or Glenn County. This is further defined to mean that an applicant must only meet one of the following criteria to be eligible for the Residency Preference:

- The family must live in Butte or Glenn County, or
- At least one member must have a job within the limits of Butte or Glenn County, or
- Applicants who have been notified that they are hired to work in Butte or Glenn County must be treated as a resident, or
- At least one family member of the applicant household is currently enrolled in a Butte or Glenn County institution of higher education.

HUD regulations state that a residency preference must not be based on how long an applicant has resided or worked in a residency preference area.

**Limited Homeless ~~Set-Aside~~ Preference (PIH 2013-15)**

The HACB limits the number of families that qualify for a homeless preference to ~~seventysixty-five (6575)~~ families. Families must be under case management of a Butte County Continuum of Care ~~or Dos Rios Continuum of Care (Glenn County)~~ organization. Homeless verification will be provided by the organization providing the case management. Once the HACB is serving ~~seventysixty-five (7565)~~ families under the preference, and one family leaves the program, the next family on the waiting list who meets the preference criteria will be served. If there is no one on the waiting list who meets the preference criteria, the waiting list will be reopened for applicants that qualify for that preference or if kept open, ~~the HACB will reach out to Butte County Continuum of Care organizations for referrals to be the waiting list for applicants that qualify for the preference~~

~~following the guidelines set forth in Section 4 II.C. as determined in accordance with prioritization established by the Coordinated Entry system. The family must be referred to the PHA by a homeless service provider through Coordinated Entry based on their VI-SPDAT score.~~

**Limited Moving Up Preference (PIH 2013-15)**

~~The HACB limits the number of families that qualify for the moving up preference to ten (10) families. Families must be transitioning from a Permanent Supportive Housing (PSH) unit and are under case management of a Butte County Continuum of Care or Dos Rios Continuum of Care (Glenn County) organization. These are persons that were previously homeless prior to entry into the PSH program and who no longer need that level of supportive services. Once the HACB is serving ten (10) families under the preference, and one family leaves the program, the next family on the waiting list who meets the preference criteria will be served. If there is no one on the waiting list who meets the preference criteria, the waiting list will be reopened only or if kept open, for those who qualify for the preference as determined by submitted verification by a Butte County Continuum of Care or Dos Rios Continuum of Care (Glenn County) partnering agency.~~

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**Veterans Preference**

A preference for veterans of the United States armed services. To receive a veteran’s preference, the household must include a veteran of the United States armed services. A veteran is a former member of the Armed Forces of the United States (Army, Navy, Air Force, Marine Corps, and Coast Guard) who served on active duty and was discharged under conditions, which were other than dishonorable. There is no minimum number of days an individual must have served on active duty to be considered a veteran. However, periods of active duty for training, pursuant to an enlistment in the National Guard or Reserves, do not qualify an individual as a veteran. Thus former or current members of the National Guard or Reserves are not considered to be veterans unless they had prior or subsequent service with an active component of the Armed Forces. The **DD Form 214, Certificate of Release or Discharge from Active Duty**, generally referred to as a “DD 214” must be presented to verify enlistment, discharge and character of service. If upon verification the HACB determines that the family does not qualify for the preference claimed, the family does not receive the preference. The applicant will be returned to the waiting list without benefit of the preference.

**Government Displacement**

This preference is subject to approval of the Executive Director. The HACB Board must be notified within a reasonable time that preference has been approved. Local individuals or families displaced by government action (i.e., required to move by any level of government: federal, state or local). These include, but are not limited, to:

- Persons displaced as the result of a government-declared natural disaster
- Persons displaced as the result of governmental action.

- o Victims under VAWA Reauthorization Act of 2013
- o Victims under witness protection programs

These preferences are available even when the wait list is closed to other applicants.

Applicants who have vacated housing as a result of:

- a. Natural disaster that has been so declared by a local, state, or federal government entity (fire, flood, earthquake, etc.).
- b. Federal, State or local government action related to code enforcement, public improvement or development.
- c. Victims of domestic violence, dating violence, sexual assault, or stalking who either:
  1. 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
  2. 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.
  3. As a result of an emergency transfer from another PHA or HUD covered housing program in accordance with VAWA policy.
- d. Victims under witness protection programs: Applicant, or member of applicant family, has been advised by a law enforcement agency to relocate to minimize risk of violence against family members as a result of providing information on criminal activities to a law enforcement agency. Proper safeguards will be provided by the PHA to conceal the identity of families requiring protection against such reprisal. Verification to be provided by Law Enforcement Agency.

**Family Unification Program**

A preference for admission to select families participating in the County Child Welfare Agency's Family Unification Program (FUP).

**Voucher Utilization/Lease In-Place**

In the event the HACB Section 8 HCV leasing rate falls below 97%, preference will be given to families on the waiting list who are willing and able to lease in place. HACB will continue to use the lease-in place preference until the calendar year lease-up rate is projected to be at 97% lease-up.

All applicants are required to provide verification of eligibility for the Local Government Displacement Preference claimed on their Initial Application and/or Application Updates. Preferences will not be given unless proper verification is submitted as required.

HUD directs that a family that applies for assistance from the HCV program must be offered the opportunity to be placed on the waiting list for any public housing, project-based voucher or

moderate rehabilitation program the PHA operates if 1) the other programs' waiting lists are open, and 2) the family is qualified for the other programs.

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

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

HACB Policy

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

**4-II.C. OPENING AND CLOSING THE WAITING LIST [24 CFR 982.206]**

**Closing the Waiting List**

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

HACB Policy

The open period shall be long enough to achieve a waiting list adequate to cover projected HCV turnover, limited preference turnover and any new allocations for the twelve (12) months. The waiting list or accepting of lottery applications may not be closed if it would have a discriminatory effect inconsistent with applicable civil rights law.

In the event there are enough lottery entries to fill anticipated openings for the twelve (12) months, the accepting of lottery entries and/or the waiting list may be closed. The waiting list may be kept open for applicants that qualify for a particular preference or funding criteria while closing it for all other applicants. The HACB will give at least five (5) business days' notice prior to closing the lottery application process. **Not all applicants will be placed on the waiting list.** Depending on projected voucher turnover for the calendar year, only a set number of applications will be selected for placement on the waiting list. Applicants may go online using confirmation number see if they have been placed on the list. Those without computer access can call HACB. Set number of applications will be selected and ordered using a computer-generated random lottery system.

**Reopening the Waiting List**

If the waiting list has been closed, it cannot be reopened until the PHA publishes a notice in local newspapers of general circulation, minority media, and other suitable media outlets. The notice must comply with HUD fair housing requirements and must specify who may apply, and where and when applications will be received. The PHA may elect to only reopen the waiting list to certain categories of families that meet particular preferences or funding criteria.

HACB Policy

The HACB will utilize the following procedures for opening the Waiting List. When the HACB opens the Waiting List, the HACB will advertise through public notice on the

Housing Authority's website, (www.butte-housing.com) newspapers (Chico Enterprise Record/Oroville Mercury Register/Paradise Post, Gridley Herald, Appeal Democrat – Glenn County) if applicable, minority publications and media entities. The HACB will also notify:

- ~~Independent Living Services of Northern California~~ Disability Action Center
- Legal Services of Northern California
- Butte County Department of Employment & Social Services
- Butte County Department of Behavioral Health
- Community Action Agency
- CDI Headstart
- ~~Community Housing & Credit Counseling Center~~
- Northern Valley Catholic Social Services
- ~~Chico Community Shelter Partnership~~ True North Housing (Torres Shelter)
- Catalyst Domestic Violence Services
- ~~Skyway House~~
- ~~Paradise Senior Center~~
- Sabbath House
- Healthy Mother's Program
- Youth for Change (Paradise Ridge and Oroville Family Resource Centers)

The notice will contain:

- The dates, times, and the locations where families may apply.
- The name of the program(s) for which applications will be taken.
- Limitations, if any on who may apply.

The notices will be made in an accessible format if requested. They will provide potential applicant with information that includes the HACB address and telephone application and the eligibility requirements.

During the application process a person(s) with a disability may submit an application by means of an alternate method upon request as an accommodation.

#### **4-II.D. FAMILY OUTREACH [HCV GB, pp. 4-2 to 4-4]**

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

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

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

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

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

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

HACB Policy

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

**4-II.E. REPORTING CHANGES IN FAMILY CIRCUMSTANCES**

HACB Policy

While the family is on the waiting list, the family must immediately inform the HACB of changes in contact information, including current residence, mailing address, and phone number as well and any changes in income and family composition. The changes must be submitted in writing within fourteen (14) calendar days of the change.

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

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

**Maintaining the Waiting List**

The decision to withdraw an applicant family that includes a person with disabilities from the waiting list is subject to reasonable accommodation. If the applicant did not respond to a PHA request for information or updates, and the PHA determines that the family did not respond because of the family member’s disability, the PHA must reinstate the applicant family to their former position on the waiting list [24 CFR 982.204(c)(2)].

HACB Policy

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

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

The family's response must be in writing and may be delivered in person, by mail, or by fax. Responses should be postmarked or received by the HACB not later than 14 calendar days from the date of the HACB letter.

If the family fails to respond within fourteen (14) calendar days, the family will be removed from the waiting list without further notice.

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

If the notice is returned by the post office with a forwarding address, the notice will be re-sent to the address indicated. The family will have fourteen (14) calendar days to respond from the date the letter was re-sent.

If an applicant is removed from the waiting list for failure to respond, they will not be entitled to reinstatement unless the HACB determines there were circumstances beyond the person's control. The following exceptions, if determined to exist, will be acceptable to warrant reinstatement:

1. Death in Family
2. Medical Emergency
3. Natural Disaster
4. Reasonable Accommodation
5. Verified error by US Post Office

#### **Removal from the Waiting List**

##### HACB Policy

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

If a family is removed from the waiting list because the HACB has determined the family is not eligible for assistance, a notice will be sent to the family's address of record as well as to any alternate address provided on the initial application. The notice will state the reasons the family was removed from the waiting list and will inform the family how to request an informal review regarding the HACB's decision (see Chapter 16) [24 CFR 982.201(f)].

### **PART III: SELECTION FOR HCV ASSISTANCE**

#### **4-III.A. OVERVIEW**

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

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



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

#### **4-III.B. SELECTION AND HCV FUNDING SOURCES**

##### **Special Admissions [24 CFR 982.203]**

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

##### **Targeted Funding [24 CFR 982.204(e)]**

HUD may award a PHA funding for a specified category of families on the waiting list. The PHA must use this funding only to assist the families within the specified category. In order to assist families within a targeted funding category, the PHA may skip families that do not qualify within the targeted funding category. Within this category of families, the order in which such families are assisted is determined according to the policies provided in Section 4-III.C.

###### HACB Policy

The HACB operates the HUD-Veterans Affairs Supportive Housing (HUD-VASH) program. The HACB does not maintain a Waiting List or apply local preferences for this program. The Department of Veteran Affairs refers eligible families to HACB for the issuance of a HUD-VASH Voucher.

##### **Set-Aside (PIH 2013-15)**

###### HACB Policy

~~The HACB limits the number of families that qualify for a homeless preference to seventy-five (75) families. Families must be under case management of a Butte County Continuum of Care organization. Homeless verification will be provided by the organization providing the case management. Once the HACB is serving seventy-five (75) families under the preference, and one family leaves the program, the next family on the waiting list who meets the preference criteria will be served. If there is no one on the waiting list who meets the performance criteria, the waiting list will be reopened for applicants that qualify for that preference or if kept open, the HACB will reach out to the Butte County Continuum of Care organizations for referrals to the waiting list for applicants that qualify for the preference following the guidelines set forth in Section 4-11.C.~~

##### **Regular HCV Funding**

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

#### 4-III.C. SELECTION METHOD

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

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

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

##### HACB Policy

The HACB will use the following preferences to rank applicants on the waiting list:

##### **Local Preference – Limited Homeless Set-Aside Preference (58 points)**

The HACB limits the number of families that qualify for a homeless preference to sixty-five (65) families. Families must be under case management of a Butte County Continuum of Care or Dos Rios Continuum of Care (Glenn County) organization. Homeless verification will be provided by the organization providing the case management. Once the HACB is serving sixty-five (65) families under the preference, and one family leaves the program, the next family on the waiting list who meets the preference criteria will be served. If there is no one on the waiting list who meets the preference criteria, the waiting list will be reopened for applicants that qualify for that preference or if kept open, as determined in accordance with prioritization established by the Coordinated Entry system. The family must be referred to the PHA by a homeless service provider through Coordinated Entry based on their VI-SPDAT score.

##### **Local Preference - Limited Moving Up Preference (8 points)**

The HACB limits the number of families that qualify for the moving up preference to ten (10) families. Families must be transitioning from a Permanent Supportive Housing (PHS) unit and are under case management of a Butte County Continuum of Care or Dos Rios Continuum of Care (Glenn County) organization. These are persons that were previously homeless prior to entry into the PSH program and who no longer need that level of supportive services. Once the HACB is serving ten (10) families under the preference, and one family leaves the program, the next family on the waiting list who meets the preference criteria will be served. If there is no one on the waiting list who meets the preference criteria, the waiting list will be reopened only or if kept open, for those who qualify for the

preference as determined by submitted verification by a Butte County Continuum of Care or Dos Rios Continuum of Care (Glenn County) partnering agency.

~~The HACB limits the number of families that qualify for a homeless preference to seventy-five (75) families. Families must be under case management of a Butte County Continuum of Care or Dos Rios Continuum of Care (Glenn County) organization. Homeless verification will be provided by the organization providing the case management. Once the HACB is serving seventy-five (75) families under the preference, and one family leaves the program, the next family on the waiting list who meets the preference criteria will be served. If there is no one on the waiting list who meets the preference criteria, the waiting list will be reopened for applicants that qualify for that preference or if kept open, the HACB will reach out to the Butte County Continuum of Care organizations for referrals to the waiting list for applicants that qualify for the preference following guidelines set forth in Section 4.H.C.~~

**Local Preference - Residency Preference (5 Points)**

This local preference would continue to give a preference for applicants who live or work, or who is enrolled in school in the Butte or Glenn County.

**Local Preference - Veterans (2 points)**

A preference for veterans of the United States armed services. To receive a veteran's preference, the household must include a veteran of the United States armed services. A veteran is a former member of the Armed Forces of the United States (Army, Navy, Air Force, Marine Corps, and Coast Guard) who served on active duty and was discharged under conditions, which were other than dishonorable. There is no minimum number of days an individual must have served on active duty to be considered a veteran. However, periods of active duty for training, pursuant to an enlistment in the National Guard or Reserves, do not qualify an individual as a veteran. Thus former or current members of the National Guard or Reserves are not considered to be veterans unless they had prior or subsequent service with an active component of the Armed Forces. The **DD Form 214, Certificate of Release or Discharge from Active Duty**, generally referred to as a "DD 214" must be presented to verify enlistment, discharge and character of service. If upon verification the HACB determines that the family does not qualify for the preference claimed, the family does not receive the preference. The applicant will be returned to the waiting list without benefit of the preference.

**Local Preference – Government Displacement (10 points)**

Local individuals or families displaced by government action (i.e., required to move by any level of government: federal, state or local). Priority shall be given to families of veterans and servicemen.

**Local Preference – Family Unification Program (1 point)**

A preference for admission to select families participating in the County Child Welfare Agency's Family Unification Program (FUP), the number of admissions limited to the program size set forth in the Memorandum of Understanding (MOU) between the Butte County Department of Employment and Social Services and the HACB, such admissions to be made on a first come, first serve basis. The Family Unification Program (FUP) is a

program under which vouchers are provided to families for whom the lack of adequate housing is a primary factor in the imminent placement of the family's child, or children, in out-of-home care; or the delay in the discharge of the child, or children, to the family from out-of-home care. Youths at least eighteen (18) years old and not more than twenty-one (21) years old (have not reached 22nd birthday) who left foster care at age sixteen (16) or older and who do not have adequate housing are also eligible to receive housing assistance under the FUP. A FUP voucher issued to such a youth may only be used to provide housing assistance for the youth for a maximum of eighteen (18) months. FUP admissions to be made without regard to the open or closed status of the waiting list. Priority shall be given to families of veterans and servicemen and to households displaced by public action. The number of households admitted under the FUP preference shall be determined by the Board of Commissioner's policy and identified in the MOU.

**Local Preference – Voucher Utilization/Lease In-Place (3 points)**

In the event the HACB Section 8 HCV leasing rate falls below 97%, preference will be given to families on the waiting list who are willing and able to lease in place. Families who are considered to be living in-place are those who reside in a unit where the landlord will accept the S8 HCV program. They must have resided in unit for the past three months and must remain in unit for a period of no less than one year after assistance starts. The unit must meet all other program requirements in order to qualify for the In-Place preference. Priority shall be given to families of veterans and servicemen.

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

HUD requires that extremely low-income (ELI) families make up at least seventy-five percent (75%) of the families admitted to the HCV program during the PHA's fiscal year. ELI families are those with annual incomes at or below the federal poverty level or thirty percent (30%) of the area median income, whichever number is higher. To ensure this requirement is met, a PHA may skip non-ELI families on the waiting list in order to select an ELI family.

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

HACB Policy

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

**Order of Selection**

The PHA system of preferences may select families based on local preferences according to the date and time of application, or by a random selection process (lottery) [24 CFR 982.207(c)]. If a PHA does not have enough funding to assist the family at the top of the waiting list, it is not permitted to skip down the waiting list to a family that it can afford to subsidize when there are not sufficient funds to subsidize the family at the top of the waiting list [24 CFR 982.204(d) and (e)].

#### HACB Policy

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

#### **4-III.D. NOTIFICATION OF SELECTION**

When a family has been selected from the waiting list, the PHA must notify the family [24 CFR 982.554(a)].

#### HACB Policy

The HACB will notify the family by first class mail when it is selected from the waiting list. The notice will inform the family of the following:

- Date, time, and location of the scheduled application interview, including any procedures for rescheduling the interview

- Who is required to attend the interview

- All documents that must be provided at the interview including information about what constitutes acceptable documentation

If a notification letter is returned to the HACB with no forwarding address, the family will be removed from the waiting list. A notice of denial will be issued in accordance with policies contained in Chapter 3 to the family's address of record, as well as to any known alternate address.

#### **4-III.E. THE APPLICATION INTERVIEW**

HUD recommends that the PHA obtain the information and documentation needed to make an eligibility determination through a face-to-face interview with a PHA representative [HCV GB, pg. 4-16]. Being invited to attend an interview does not constitute admission to the program.

Assistance cannot be provided to the family until all SSN documentation requirements are met. However, if the PHA determines that an applicant family is otherwise eligible to participate in the program, the family may retain its place on the waiting list for a period of time determined by the PHA [Notice PIH 2012-10].

Reasonable accommodation must be made for persons with disabilities who are unable to attend an interview due to their disability.

#### HACB Policy

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

The head of household must attend, and the spouse/co-head will be strongly encouraged to attend the interview together. Verification of information pertaining to adult members of the household not present at the interview will not begin until signed release forms are returned to the HACB.

Pending disclosure and documentation of social security numbers, the HACB will allow the family to retain its place on the waiting list for ninety (90) days. If all household members have not disclosed their SSNs by the next time of HACB next issuance of vouchers, the HACB will issue a voucher to the next eligible applicant family on the waiting list.

If a child under age 6 has been added to an applicant family within 6 months prior to voucher issuance, an otherwise eligible family may be admitted to the program and must disclose and document the child's SSN within 90 days of the effective date of the initial HAP contract. A 90-day extension will be provided for circumstances that could not reasonably have been foreseen and were outside of the control of the applicant. [PIH 2016-05]

The family must provide the information necessary to establish the family's eligibility and determine the appropriate level of assistance, as well as completing required forms, providing required signatures, and submitting required documentation. If any materials are missing, the HACB will provide the family with a written list of items that must be submitted.

Any required documents or information that the family is unable to provide at the interview must be provided within fourteen (14) calendar days of the interview (Chapter 7 provides details about longer submission deadlines for particular items, including documentation of and eligible noncitizen status). If the family is unable to obtain the information or materials within the required time frame, the family may request an extension. If the required documents and information are not provided within the required time frame (plus any extensions), the family will be sent a notice of denial (See Chapter 3).

An advocate, interpreter, or other assistant may assist the family with the application and the interview process.

Interviews will be conducted in English. For limited English proficient (LEP) applicants, the HACB will provide translation services in accordance with the HACB's LEP plan.

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

#### **4-III.F. COMPLETING THE APPLICATION PROCESS**

The PHA must verify all information provided by the family (see Chapter 7). Based on verified information, the PHA must make a final determination of eligibility (see Chapter 3) and must

confirm that the family qualified for any special admission, targeted funding admission, or selection preference that affected the order in which the family was selected from the waiting list.

HACB Policy

If the HACB determines that the family is ineligible, the HACB will send written notification of the ineligibility determination within fourteen (14) calendar days of the determination. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal review (Chapter 16).

If a family fails to qualify for any criteria that affected the order in which it was selected from the waiting list (e.g. targeted funding, extremely low-income), the family will be returned to its original position on the waiting list. The HACB will notify the family in writing that it has been returned to the waiting list, and will specify the reasons for it.

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

May 15, 2020

MEMORANDUM

To: HACB Board of Commissioners

From: Tamra C. Young, Administrative Operations Director

Subject: 2020 Draft Agency Documents

- Annual Plan
- Five Year Plan
- Annual and Five-Year (rolling) Capital Fund Plans
- Public Housing Admissions and Continued Occupancy Policy (ACOP)
- Section 8 Administrative Plan (AP)

As a public agency administering the HUD Public Housing and Section 8 Housing Choice Voucher (HCV) programs, HACB is required to submit to HUD applicable agency and administrative plan documents 75 days prior to the end of the HACB's fiscal year. Resident Advisory Board (RAB) meetings and solicitation of public comment are an integral part of the plan review process. This year, the plans, including any revisions, must be approved at the July Meeting of the Board in order to meet the HUD submission deadline. Below is a summary of the important dates:

DATE	REQUIRED ACTION
5/11/20	Resident Advisory Board meeting held
<b>5/21/20</b>	<b><i>Draft approval by HACB Board</i></b>
5/21/20– 7/16/20	Required 45-day Review Period - Documents available for public comment.
7/6/20	Comments, if any, due to HACB
7/6 – 7/10/20	Comments evaluated and recommendation(s) prepared for Board review
<b>7/16/20</b>	<b><i>Final approval by HACB Board</i></b>
Deadline 7/18/20	Submit documents to HUD with applicable attachments
10/1/20	Effective date of documents

As always, we have reviewed and incorporated applicable Nan McKay & Associates recommended updates.



Below are some of the revision highlights for each document as recommended by Staff:

Annual Plan / Five Year Plan

- Description of progress in meeting HACB's 5-Year goals.
- Update New Activities - Project Based Vouchers and Development Activity

Section 8 Administrative Plan

- Definition of principal residence (p3-7)
- Addition of Public Housing Transfer Preference policy (p4-6 and p4-12)
- Add ABLE account exclusion from annual income (p6-26)
- Document procedure for Zero HAP family when they move (p10-5)
- Additional documentation acceptable for lease violations (p12-17)
- List of approved PBV projects (pgs 17-50 thru 17-61)

Public Housing ACOP

- Addition of Section 8 Public Housing Transfer Preference policy (p-12-4)

*Recommendation: Receive draft documents (draft revised Agency Annual and Five-Year Plans, Capital Fund Plan, Public Housing ACOP, and Section 8 Admin Plan), authorize publication of Public Notice for public review and comment (minimum 45 days required) and schedule Public Hearing for receipt of comment and final adoption of documents of July 16, 2020.*

<b>Streamlined Annual PHA Plan</b> <i>(High Performer PHAs)</i>	<b>U.S. Department of Housing and Urban Development</b> <b>Office of Public and Indian Housing</b>	<b>OMB No. 2577-0226</b> <b>Expires: 02/29/2016</b>
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**Purpose.** The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA's mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families

**Applicability.** Form HUD-50075-HP is to be completed annually by **High Performing PHAs**. PHAs that meet the definition of a Standard PHA, Troubled PHA, HCV-Only PHA, Small PHA, or Qualified PHA do not need to submit this form.

**Definitions.**

- (1) **High-Performer PHA** – A PHA that owns or manages more than 550 combined public housing units and housing choice vouchers, and was designated as a high performer on both of the most recent Public Housing Assessment System (PHAS) and Section Eight Management Assessment Program (SEMAP) assessments.
- (2) **Small PHA** - A PHA that is not designated as PHAS or SEMAP troubled, or at risk of being designated as troubled, and that owns or manages less than 250 public housing units and any number of vouchers where the total combined units exceeds 550.
- (3) **Housing Choice Voucher (HCV) Only PHA** - A PHA that administers more than 550 HCVs, was not designated as troubled in its most recent SEMAP assessment, and does not own or manage public housing.
- (4) **Standard PHA** - A PHA that owns or manages 250 or more public housing units and any number of vouchers where the total combined units exceeds 550, and that was designated as a standard performer in the most recent PHAS or SEMAP assessments.
- (5) **Troubled PHA** - A PHA that achieves an overall PHAS or SEMAP score of less than 60 percent.
- (6) **Qualified PHA** - A PHA with 550 or fewer public housing dwelling units and/or housing choice vouchers combined, and is not PHAS or SEMAP troubled.

A.	PHA Information.																				
A.1	<p>PHA Name: <u>Housing Authority of the County of Butte</u>    PHA Code: <u>CA043</u>  PHA Type:   <input type="checkbox"/> Small   <input checked="" type="checkbox"/> High Performer  PHA Plan for Fiscal Year Beginning: (MM/YYYY): <u>10/2020</u>  PHA Inventory (Based on Annual Contributions Contract (ACC) units at time of FY beginning, above)  Number of Public Housing (PH) Units <u>345</u>    Number of Housing Choice Vouchers (HCVs) <u>2206</u>  Total Combined <u>2551</u>  PHA Plan Submission Type:   <input checked="" type="checkbox"/> Annual Submission                      <input type="checkbox"/> Revised Annual Submission</p> <p><b>Availability of Information.</b> In addition to the items listed in this form, PHAs must have the elements listed below readily available to the public. A PHA must identify the specific location(s) where the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public. Additionally, the PHA must provide information on how the public may reasonably obtain additional information of the PHA policies contained in the standard Annual Plan, but excluded from their streamlined submissions. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on their official website. PHAs are also encouraged to provide each resident council a copy of their PHA Plans.</p> <p>The proposed PHA plan, PHA Plan Elements and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public at the following locations:</p> <ul style="list-style-type: none"> <li>• Housing Authority of the County of Butte, 2039 Forest Ave, Chico CA 95928</li> <li>• Housing Authority of the County of Butte, 850 E. Gridley Rd, Gridley CA 95948</li> <li>• www.butte-housing.com</li> </ul> <p><input type="checkbox"/> <b>PHA Consortia:</b> (Check box if submitting a Joint PHA Plan and complete table below)</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th rowspan="2" style="width: 25%;">Participating PHAs</th> <th rowspan="2" style="width: 10%;">PHA Code</th> <th rowspan="2" style="width: 25%;">Program(s) in the Consortia</th> <th rowspan="2" style="width: 20%;">Program(s) not in the Consortia</th> <th colspan="2" style="width: 20%;">No. of Units in Each Program</th> </tr> <tr> <th style="width: 10%;">PH</th> <th style="width: 10%;">HCV</th> </tr> </thead> <tbody> <tr> <td>Lead PHA:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Participating PHAs	PHA Code	Program(s) in the Consortia	Program(s) not in the Consortia	No. of Units in Each Program		PH	HCV	Lead PHA:											
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		PH	HCV																		
Lead PHA:																					

<b>B.</b>	<b>Annual Plan Elements</b>
<b>B.1</b>	<p><b>Revision of PHA Plan Elements.</b></p> <p>(a) Have the following PHA Plan elements been revised by the PHA since its last <b>Annual PHA Plan</b> submission?</p> <p>Y N</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Statement of Housing Needs and Strategy for Addressing Housing Needs.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Financial Resources.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Rent Determination.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Homeownership Programs.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Safety and Crime Prevention.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Pet Policy.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Substantial Deviation.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Significant Amendment/Modification</p> <p>(b) The PHA must submit its Deconcentration Policy for Field Office Review.</p> <p>(c) If the PHA answered yes for any element, describe the revisions for each element below:</p> <p><b>SEE ATTACHED</b></p>
<b>B.2</b>	<p><b>New Activities.</b></p> <p>(a) Does the PHA intend to undertake any new activities related to the following in the PHA's current Fiscal Year?</p> <p>Y N</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Hope VI or Choice Neighborhoods.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Mixed Finance Modernization or Development.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Demolition and/or Disposition.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Conversion of Public Housing to Tenant Based Assistance.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Conversion of Public Housing to Project-Based Assistance under RAD.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Project Based Vouchers.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Units with Approved Vacancies for Modernization.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Other Capital Grant Programs (i.e., Capital Fund Community Facilities Grants or Emergency Safety and Security Grants).</p> <p>(b) If any of these activities are planned for the current Fiscal Year, describe the activities. For new demolition activities, describe any public housing development or portion thereof, owned by the PHA for which the PHA has applied or will apply for demolition and/or disposition approval under section 18 of the 1937 Act under the separate demolition/disposition approval process. If using Project-Based Vouchers (PBVs), provide the projected number of project based units and general locations, and describe how project basing would be consistent with the PHA Plan.</p> <p><b>SEE ATTACHED</b></p>

<p><b>B.3</b></p>	<p><b>Progress Report.</b></p> <p>Provide a description of the PHA's progress in meeting its Mission and Goals described in the PHA 5-Year Plan.</p> <p><b>SEE ATTACHED</b></p>
<p><b>B.4.</b></p>	<p><b>Most Recent Fiscal Year Audit.</b></p> <p>(a) Were there any findings in the most recent FY Audit?</p> <p>Y N  <input type="checkbox"/> <input checked="" type="checkbox"/></p> <p>(b) If yes, please describe:</p>
<p><b>Other Document and/or Certification Requirements.</b></p>	
<p><b>C.1</b></p>	<p><b>Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan</b></p> <p><i>Form 50077-ST-HCV-HP, Certification of Compliance with PHA Plans and Related Regulations</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p> <p>Exhibit A</p>

C.2	<p><b>Civil Rights Certification.</b></p> <p>Form 50077-ST-HCV-HP, <i>Certification of Compliance with PHA Plans and Related Regulations</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p> <p>Exhibit B</p>
C.3	<p><b>Resident Advisory Board (RAB) Comments.</b></p> <p>(a) Did the RAB(s) provide comments to the PHA Plan?</p> <p>Y   N  <input type="checkbox"/> <input type="checkbox"/></p> <p>If yes, comments must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations.</p> <p>Exhibit C</p>
C.4	<p><b>Certification by State or Local Officials.</b></p> <p>Form HUD 50077-SL, <i>Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p> <p>Exhibit D</p>
D	<p><b>Statement of Capital Improvements.</b> Required in all years for all PHAs completing this form that administer public housing and receive funding from the Capital Fund Program (CFP).</p>
D.1	<p><b>Capital Improvements.</b> Include a reference here to the most recent HUD-approved 5-Year Action Plan (HUD-50075.2) and the date that it was approved by HUD.</p> <p>See attached Exhibit E for HUD-50075.2 Capital Fund Program Five-Year Action Plan approved by HUD on</p>

## Instructions for Preparation of Form HUD-50075-HP Annual Plan for High Performing PHAs

### A. PHA Information. All PHAs must complete this section.

**A.1** Include the full **PHA Name**, **PHA Code**, **PHA Type**, **PHA Fiscal Year Beginning** (MM/YYYY), **PHA Inventory**, **Number of Public Housing Units and or Housing Choice Vouchers (HCVs)**, **PHA Plan Submission Type**, and the **Availability of Information**, specific location(s) of all information relevant to the public hearing and proposed PHA Plan. ([24 CFR §903.23\(4\)\(e\)](#))

**PHA Consortia:** Check box if submitting a Joint PHA Plan and complete the table. ([24 CFR §943.128\(a\)](#))

### B. Annual Plan.

**B.1 Revision of PHA Plan Elements.** PHAs must:

Identify specifically which plan elements listed below that have been revised by the PHA. To specify which elements have been revised, mark the “yes” box. If an element has not been revised, mark “no.”

**Statement of Housing Needs and Strategy for Addressing Housing Needs.** Provide a statement addressing the housing needs of low-income, very low-income and extremely low-income families and a brief description of the PHA’s strategy for addressing the housing needs of families who reside in the jurisdiction served by the PHA. The statement must identify the housing needs of (i) families with incomes below 30 percent of area median income (extremely low-income), (ii) elderly families and families with disabilities, and (iii) households of various races and ethnic groups residing in the jurisdiction or on the waiting list based on information provided by the applicable Consolidated Plan, information provided by HUD, and other generally available data. The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location. For years in which the PHA’s 5-Year PHA Plan is also due, this information must be included only to the extent it pertains to the housing needs of families that are on the PHA’s public housing and Section 8 tenant-based assistance waiting lists. ([24 CFR §903.7\(a\)\(1\)](#)) and 24 CFR §903.12(b). Provide a 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. For years in which the PHA’s 5-Year PHA Plan is also due, this information must be included only to the extent it pertains to the housing needs of families that are on the PHA’s public housing and Section 8 tenant-based assistance waiting lists. ([24 CFR §903.7\(a\)\(2\)\(ii\)](#)) and 24 CFR §903.12(b).

**Deconcentration and Other Policies that Govern Eligibility, Selection and Admissions.** Describe the PHA's admissions policy for deconcentration of poverty and income mixing of lower-income families in public housing. The Deconcentration Policy must describe the PHA's policy for bringing higher income tenants into lower income developments and lower income tenants into higher income developments. The deconcentration requirements apply to general occupancy and family public housing developments. Refer to 24 CFR §903.2(b)(2) for developments not subject to deconcentration of poverty and income mixing requirements. [24 CFR §903.7\(b\)](#) Describe the PHA's procedures for maintaining waiting lists for admission to public housing and address any site-based waiting lists. [24 CFR §903.7\(b\)](#) A statement of the PHA's policies that govern resident or tenant eligibility, selection and admission including admission preferences for both public housing and HCV. ([24 CFR §903.7\(b\)](#)) Describe the unit assignment policies for public housing. [24 CFR §903.7\(b\)](#)

**Financial Resources.** A statement of financial resources, including a listing by general categories, of the PHA's anticipated resources, such as PHA operating, capital and other anticipated Federal resources available to the PHA, as well as tenant rents and other income available to support public housing or tenant-based assistance. The statement also should include the non-Federal sources of funds supporting each Federal program, and state the planned use for the resources. ([24 CFR §903.7\(c\)](#))

**Rent Determination.** A statement of the policies of the PHA governing rents charged for public housing and HCV dwelling units, including applicable public housing flat rents, minimum rents, voucher family rent contributions, and payment standard policies. ([24 CFR §903.7\(d\)](#))

**Homeownership Programs.** A description of any homeownership programs (including project number and unit count) administered by the agency or for which the PHA has applied or will apply for approval. For years in which the PHA's 5-Year PHA Plan is also due, this information must be included only to the extent that the PHA participates in homeownership programs under section 8(y) of the 1937 Act. ([24 CFR §903.7\(k\)](#)) and 24 CFR §903.12(b).

**Safety and Crime Prevention (VAWA).** A description of: **1)** Any activities, services, or programs provided or offered by an agency, either directly or in partnership with other service providers, to child or adult victims of domestic violence, dating violence, sexual assault, or stalking; **2)** Any activities, services, or programs provided or offered by a PHA that helps child and adult victims of domestic violence, dating violence, sexual assault, or stalking, to obtain or maintain housing; and **3)** Any activities, services, or programs provided or offered by a public housing agency to prevent domestic violence, dating violence, sexual assault, and stalking, or to enhance victim safety in assisted families. ([24 CFR §903.7\(m\)\(5\)](#))

**Pet Policy.** Describe the PHA's policies and requirements pertaining to the ownership of pets in public housing. ([24 CFR §903.7\(n\)](#))

**Substantial Deviation.** PHA must provide its criteria for determining a "substantial deviation" to its 5-Year Plan. ([24 CFR §903.7\(r\)\(2\)\(i\)](#))

**Significant Amendment/Modification.** PHA must provide its criteria for determining a "Significant Amendment or Modification" to its 5-Year and Annual Plan. Should the PHA fail to define 'significant amendment/modification', HUD will consider the following to be 'significant amendments or modifications': a) changes to rent or admissions policies or organization of the waiting list; b) additions of non-emergency public housing CFP work items (items not included in the current CFP Annual Statement or CFP 5-Year Action Plan); or c) any change with regard to demolition or disposition, designation, homeownership programs or conversion activities. See guidance on HUD's website at: [Notice PIH 1999-51](#). ([24 CFR §903.7\(r\)\(2\)\(ii\)](#))

If any boxes are marked "yes", describe the revision(s) to those element(s) in the space provided.

PHAs must submit a Deconcentration Policy for Field Office review. For additional guidance on what a PHA must do to deconcentrate poverty in its development and comply with fair housing requirements, see [24 CFR 903.2](#). ([24 CFR §903.23\(b\)](#))

**B.2 New Activities.** If the PHA intends to undertake any new activities related to these elements or discretionary policies in the current Fiscal Year, mark "yes" for those elements, and describe the activities to be undertaken in the space provided. If the PHA does not plan to undertake these activities, mark "no."

**Hope VI.** 1) A description of any housing (including project name, number (if known) and unit count) for which the PHA will apply for HOPE VI; and 2) A timetable for the submission of applications or proposals. The application and approval process for Hope VI is a separate process. See guidance on HUD's website at: <http://www.hud.gov/offices/pih/programs/ph/hope6/index.cfm>. ([Notice PIH 2010-30](#))

**Mixed Finance Modernization or Development.** 1) A description of any housing (including name, project number (if known) and unit count) for which the PHA will apply for Mixed Finance Modernization or Development; and 2) A timetable for the submission of applications or proposals. The application and approval process for Mixed Finance Modernization or Development is a separate process. See guidance on HUD's website at: <http://www.hud.gov/offices/pih/programs/ph/hope6/index.cfm>. ([Notice PIH 2010-30](#))

**Demolition and/or Disposition.** Describe any public housing projects owned by the PHA and subject to ACCs (including name, project number and unit numbers [or addresses]), and the number of affected units along with their sizes and accessibility features) for which the PHA will apply or is currently pending for demolition or disposition; and (2) A timetable for the demolition or disposition. This statement must be submitted to the extent that approved and/or pending demolition and/or disposition has changed. The application and approval process for demolition and/or disposition is a separate process. See guidance on HUD's website at: [http://www.hud.gov/offices/pih/centers/sac/demo\\_dispo/index.cfm](http://www.hud.gov/offices/pih/centers/sac/demo_dispo/index.cfm). ([24 CFR §903.7\(h\)](#))

**Conversion of Public Housing.** Describe any public housing building(s) (including project number and unit count) owned by the PHA that the PHA is required to convert or plans to voluntarily convert to tenant-based assistance; 2) An analysis of the projects or buildings required to be converted; and 3) A statement of the amount of assistance received to be used for rental assistance or other housing assistance in connection with such conversion. See guidance on HUD's website at: <http://www.hud.gov/offices/pih/centers/sac/conversion.cfm>. ([24 CFR §903.7\(j\)](#))

**Project-Based Vouchers.** Describe any plans to use HCVs for new project-based vouchers. ([24 CFR §983.57\(b\)\(1\)](#)) If using project-based vouchers, provide the projected number of project-based units and general locations, and describe how project-basing would be consistent with the PHA Plan.

**Other Capital Grant Programs** (i.e., Capital Fund Community Facilities Grants or Emergency Safety and Security Grants).

**B.3 Progress Report.** For all Annual Plans following submission of the first Annual Plan, a PHA must include a brief statement of the PHA's progress in meeting the mission and goals described in the 5-Year PHA Plan. ([24 CFR §903.7\(r\)\(1\)](#))

**B.4 Most Recent Fiscal Year Audit.** If the results of the most recent fiscal year audit for the PHA included any findings, mark “yes” and describe those findings in the space provided. ([24 CFR §903.7\(p\)](#))

**C. Other Document and/or Certification Requirements**

- C.1 Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan.** Provide a certification that the following plan elements have been revised, provided to the RAB for comment before implementation, approved by the PHA board, and made available for review and inspection by the public. This requirement is satisfied by completing and submitting form HUD-50077 SM-HP.
- C.2 Civil Rights Certification.** Form HUD-50077 SM-HP, *PHA Certifications of Compliance with the PHA Plans and Related Regulation*, must be submitted by the PHA as an electronic attachment to the PHA Plan. This includes all certifications relating to Civil Rights and related regulations. A PHA will be considered in compliance with the AFFH Certification if: it can document that it examines its programs and proposed programs to identify any impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with the local jurisdiction to implement any of the jurisdiction’s initiatives to affirmatively further fair housing; and assures that the annual plan is consistent with any applicable Consolidated Plan for its jurisdiction. ([24 CFR §903.7\(o\)](#))
- C.3 Resident Advisory Board (RAB) comments.** If the RAB provided comments to the annual plan, mark “yes,” submit the comments as an attachment to the Plan and describe the analysis of the comments and the PHA’s decision made on these recommendations. ([24 CFR §903.13\(c\)](#), [24 CFR §903.19](#))
- C.4 Certification by State or Local Officials.** Form HUD-50077-SL, *Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan*, must be submitted by the PHA as an electronic attachment to the PHA Plan. ([24 CFR §903.15](#))

**D. Statement of Capital Improvements.** PHAs that receive funding from the Capital Fund Program (CFP) must complete this section. ([24 CFR 903.7 \(g\)](#))

- D.1 Capital Improvements.** In order to comply with this requirement, the PHA must reference the most recent HUD approved Capital Fund 5 Year Action Plan. PHAs can reference the form by including the following language in Section C. 8.0 of the PHA Plan Template: “See HUD Form 50075.2 approved by HUD on XX/XX/XXXX.”

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This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937, as amended, which introduced the 5-Year and Annual PHA Plan. The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA’s operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA’s mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families.

Public reporting burden for this information collection is estimated to average 16.64 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

**Privacy Act Notice.** The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality.

<b>5-Year PHA Plan</b> <b>(for All PHAs)</b>	<b>U.S. Department of Housing and Urban Development</b> <b>Office of Public and Indian Housing</b>	<b>OMB No. 2577-0226</b> <b>Expires: 02/29/2016</b>
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**Purpose.** The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA's mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families

**Applicability.** Form HUD-50075-5Y is to be completed once every 5 PHA fiscal years by all PHAs.

<b>A.</b>	<b>PHA Information.</b>																																
<b>A.1</b>	<p>PHA Name: <u>Housing Authority of the County of Butte</u> PHA Code: <u>CA043</u></p> <p>PHA Plan for Fiscal Year Beginning: (MM/YYYY): <u>10/2020</u>  PHA Plan Submission Type: <input type="checkbox"/> 5-Year Plan Submission <input checked="" type="checkbox"/> Revised 5-Year Plan Submission</p> <p><b>Availability of Information.</b> In addition to the items listed in this form, PHAs must have the elements listed below readily available to the public. A PHA must identify the specific location(s) where the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public. Additionally, the PHA must provide information on how the public may reasonably obtain additional information on the PHA policies contained in the standard Annual Plan, but excluded from their streamlined submissions. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on their official websites. PHAs are also encouraged to provide each resident council a copy of their PHA Plans.</p> <p>The proposed PHA Plan, PHA Plan Elements and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public at the following locations:</p> <ul style="list-style-type: none"> <li>• Housing Authority of the County of Butte, 2039 Forest Ave, Chico CA 95928</li> <li>• Housing Authority of the County of Butte, 850 E. Gridley Rd, Gridley CA 95948</li> <li>• <a href="http://www.butte-housing.com">www.butte-housing.com</a></li> </ul> <p><input type="checkbox"/> PHA Consortia: (Check box if submitting a Joint PHA Plan and complete table below)</p> <table border="1"> <thead> <tr> <th rowspan="2">Participating PHAs</th> <th rowspan="2">PHA Code</th> <th rowspan="2">Program(s) in the Consortia</th> <th rowspan="2">Program(s) not in the Consortia</th> <th colspan="2">No. of Units in Each Program</th> </tr> <tr> <th>PH</th> <th>HCV</th> </tr> </thead> <tbody> <tr> <td>Lead PHA:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Participating PHAs	PHA Code	Program(s) in the Consortia	Program(s) not in the Consortia	No. of Units in Each Program		PH	HCV	Lead PHA:																							
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Lead PHA:																																	



<b>B.</b>	<b>5-Year Plan.</b> Required for <u>all</u> PHAs completing this form.
<b>B.1</b>	<p><b>Mission.</b> State the PHA’s mission for serving the needs of low- income, very low- income, and extremely low- income families in the PHA’s jurisdiction for the next five years.</p> <p>The mission of the Housing Authority of the County of Butte (HACB) is to assist low and moderate-income residents to secure and maintain quality affordable housing.</p>
<b>B.2</b>	<p><b>Goals and Objectives.</b> Identify the PHA’s quantifiable goals and objectives that will enable the PHA to serve the needs of low- income, very low- income, and extremely low- income families for the next five years.</p> <p><b><u>Priority Objectives</u></b></p> <p><b>Priority Objective 1: Seek to expand the supply of assisted housing available to general and special needs populations.</b>  For many of our properties, the majority of applicants on our waiting lists are families with disabilities, families with children, and the elderly. These vulnerable populations have acute housing needs and the demand to serve them outpaces the available supply of housing. This objective is a direct link to our long-standing mission and is at the core of what we do.</p> <p><b>Priority Objective 2: Provide opportunities and pathways to transition into unsubsidized housing opportunities for those who are able to do so.</b>  By investing in safe, high-quality facilities that provide adequate services for residents, we can meet housing needs in a manner that will enable some residents to focus on other aspects of their lives, and as a result, advance economically. When residents are able to transition into unsubsidized housing, they not only make way for those in greater need to gain subsidized housing, but their story is inspirational for all of our community members. This objective supports our mission to provide housing by making more housing available to those in need, and aligns with our shared value of self-sufficiency.</p> <p><b>Priority Objective 3: Develop a Strategic Asset Plan to account and plan for tangible asset management.</b>  Our real estate holdings are among our greatest assets. Our ability to leverage their management to better serve our current and future residents is greater than we have realized. A Strategic Asset Plan will set us on a deliberate path toward the highest and best use of our properties. This supports our mission and vision for the future: to provide more affordable housing while becoming more financially self-sufficient.</p>

**Goals and Objectives:**

**Goal 1: Expand the supply of assisted housing.**

Our organization is challenged to provide enough housing to meet the existing and future needs of residents. Our waiting lists are long and show no signs of receding. Consistent with the mission of the Housing Authority of the County of Butte, this goal is an overarching statement under which fall actions that specifically seek to increase the amount of physical space that can house those in need.

Objective 1A: Seek to expand the supply of assisted housing available to general and special needs populations.

Objective 1B: Apply for additional rental vouchers.

Objective 1C: Advocate for and aggressively pursue all federal, state, and local funding sources available for HACB use in creation of affordable housing opportunities.

Objective 1D: Leverage HACB assets and/or private/public funds in creation of additional housing opportunities.

**Goal 2: Improve the quality of assisted housing.**

Providing our residents with a springboard to self-sufficiency is important. Quality housing environments will provide residents with the foundation they need to help make this next step. Ease of access to our services and positive resident experiences are critical to our success and the following objectives support this desired outcome.

Objective 2A: Assess and address administrative processes to achieve efficiency and effectiveness in program delivery, optimizing ease of use and understanding by applicants and participants.

Objective 2B: Improve the physical quality of public housing stock.

Objective 2C: Work constructively with landlords to improve housing conditions and amenities for housing available to, and used by, participants of rental assistance programs.

Objective 2D: Develop and maintain new and existing housing stock in accordance with sustainable building and design principles as financially feasible.

Objective 2E: Build supportive services capacity through partnerships with local service providers.

**Goal 3: Increase assisted housing choices.**

It is important to our organization that we diversify our available housing products, both through our work with our community of participating landlords, as well as through efforts to increase the number of properties that we own and operate. Diversification not only helps our organization’s long-term stability, but also provides our residents with choices to match their housing needs.

Objective 3A: Continue to work with potential and participating voucher landlords through outreach and relationship building.

Objective 3B: Develop relations with participating voucher landlords.

Objective 3C: Conduct outreach to area service providers and consumer groups to inform citizenry of assisted housing opportunities.

Objective 3D: Identify and communicate affordable housing occupancy and develop opportunity throughout the County.

Objective 3E: Work to increase the County’s transitional housing and “housing first” capacities, to more effectively bridge between homelessness and permanent housing.

Objective 3F: Seek to establish and maintain partnerships and working relationships with public, nonprofit, and for-profit entities in conception, development, and implementation of affordable housing units and programs.

**Goal 4: Optimize improved living environment to enhance the lives of residents.**

Our property maintenance and improvement efforts make a real difference in our residents’ quality of life. We want to continue to support our successful resident groups and assist in supporting new resident groups that help sustain our communities.

Objective 4A: Maintain safety of properties, considering site, neighborhood, and community factors.

Objective 4B: Promote and encourage conservation, recycling, and use of recycled materials with contractors, residents, and vendors.

Objective 4C: Seek to optimize participant stability and self-sufficiency through delivery of supportive service programs, including education, employment development, nursing, food distribution, nutrition, and tax preparation.

Objective 4D: Provide comment to local jurisdictions regarding affordable housing development proposals and community development and planning policies as they affect assisted housing interests.

Objective 4E: Develop resident groups.

**Goal 5: Promote and secure services for Housing Authority residents and participants.**

Our residents are our most vital asset. It is important to HACB that our lines of communication with our residents are open and strong. We are most effective when we can link residents with the services they need, provided by our valuable partners. We can also continue to improve our services by carefully listening to what residents need and understanding their experience with our organization.

Objective 5A: Actively research and access available federal, state, local, and private foundation resources for the delivery and enhancement of resident services, through both HACB and Butte County Affordable Housing Development Corporation (BCAHDC).

Objective 5B: Collaborate with partners who are able to expand our reach and effectiveness by providing services, education, and economic opportunities that help residents advance out of poverty.

Objective 5C: Assess and identify the quality of life concerns for senior, disabled, and special needs residents.

Objective 5D: Promote open and effective communication with HACB residents to encourage their input and involvement.

Objective 5E: Provide opportunities and pathways to success for youth.

Objective 5F: Partner with service organizations, volunteers, and students to provide low- or no-cost services to residents.

Objective 5G: Provide opportunities and pathways to transition into unsubsidized housing opportunities for those who are able to do so.

**Goal 6: Ensure equal opportunity and affirmatively further fair housing.**

Our work in support of our mission is always mindful of providing equitable and just opportunities for all current and future residents, in accordance with the law.

Objective 6A: Implement provisions of the FHEO Voluntary Compliance Agreement.

Objective 6B: Undertake affirmative measures to ensure access to assisted housing regardless of age, race, ethnicity, ancestry, color, religion, national origin, sex, familiar status, marital status, disability, medical condition, source of income, sexual orientation and veteran status.

Objective 6C: Undertake affirmative measures to ensure accessible housing to persons with all varieties of disabilities regardless of unit size required.

**Goal 7: Maintain and improve interagency cooperation.**

We recognize the need to help residents connect with services that our organization does not provide. Maintaining strong partnerships between HACB and our local and regional networks of service providers, funders, and other organizations that support our mission is important to the well-being of our residents. This enables us to focus on housing our residents, while our partners focus on meeting other needs.

Objective 7A: Remain a stakeholder in the local efforts to end homelessness.

Objective 7B: Seek to strengthen links between HACB, the County of Butte, and other jurisdictions.

Objective 7C: Seek participation by service agencies that support stabilization and self-sufficiency by participants of assisted housing programs.

Objective 7D: Connect residents to partner agencies through information exchange.

Objective 7E: Provide housing assistance and demographic data and program and policy comment to municipal, county and other agencies and entities.

**Goal 8: Maintain the Agency’s financial position and its ability to respond to shifting economic conditions through prudent management of limited resources.**

Without a solid financial foundation, we are unable to do the work needed to fulfill our mission and vision. Keeping our financial footing when the funding landscape suddenly shifts is of utmost importance.

Objective 8A: Control expenditures and seek other revenue sources to sustain and develop new housing opportunities and mitigate risk associated with program loss.

Objective 8B: Optimize internal operations for sustainability through development and implementation of green operations.

Objective 8C: Foster a culture of excellence and innovation in the work environment.

Objective 8D: In developing facilities, balance the needs of residents with the appropriate level of amenities while also maximizing the number of affordable dwelling units.

Objective 8E: Diversify funding sources.

Objective 8F: Develop a Strategic Asset Plan to account and plan for tangible asset management.

	<p><b>Goal 9: Maintain and enhance the Agency’s organizational strength and resiliency.</b>  Our dedicated staff makes this a great organization and a supportive and fulfilling place to work. HACB continues to honor their commitment by providing the tools and training needed to do their best job every day.</p> <p>Objective 9A: Develop and adopt technological solutions to improve efficiency.</p> <p>Objective 9B: Honor our staff as a key organization asset while respecting our fiscal limitations.</p> <p>Objective 9C: Continue to provide staff members with the tools and training to do their jobs effectively and efficiently.</p> <p>Objective 9D: Communicate progress toward goals and objectives with Board members and staff through annual reporting.</p>
<p><b>B.3</b></p>	<p><b>Progress Report.</b> Include a report on the progress the PHA has made in meeting the goals and objectives described in the previous 5-Year Plan.</p>
<p><b>B.4</b></p>	<p><b>Violence Against Women Act (VAWA) Goals.</b> Provide a statement of the PHA’s goals, activities objectives, policies, or programs that will enable the PHA to serve the needs of child and adult victims of domestic violence, dating violence, sexual assault, or stalking.</p> <p>Violence Against Women Act (VAWA) Protections  Descriptions of activities, services and/or programs, including prevention programs, offered by the HACB, either directly or in partnership with other service providers, that help child and adult victims of domestic violence, dating violence, sexual assault, or stalking obtain or maintain housing, prevent violence, and/or enhance victim safety, including HACB’s Emergency Transfer Plan are covered in the Section 8 Administrative Plan and the Public Housing Admissions and Continued Occupancy Policy (attached as Exhibits F and G). HACB procedures which are in place that assure that tenants are notified of their rights under VAWA are also included in attached documents.</p>
<p><b>B.5</b></p>	<p><b>Significant Amendment or Modification.</b> Provide a statement on the criteria used for determining a significant amendment or modification to the 5-Year Plan.</p> <p><b>Substantial Deviation from the 5-year Plan:</b>  A “Substantial Deviation” from the 5-Year Plan is an overall change in the direction of the Authority pertaining to the Authority’s Goals and Objectives. This includes changing the Authority’s Goals and Objectives.</p> <p><b>Significant Amendment or Modification to the Annual Plan:</b>  A “Significant Amendment or Modification” to the Annual Plan is a change in a policy or policies pertaining to the operation of the Authority. This includes the following: changes to rent or admissions policies or organization of the waiting list; additions of non-emergency work items in excess of 10% of total Capital Fund Program budget (items not included in the current Annual Statement or 5-Year Action Plan) or change in use of replacement reserve funds under the Capital Fund; and any change with regard to demolition or disposition, designation, homeownership programs or conversion activities.</p>

<p><b>B.6</b></p>	<p><b>Resident Advisory Board (RAB) Comments.</b></p> <p>(a) Did the RAB(s) provide comments to the 5-Year PHA Plan?</p> <p>Y   N  <input type="checkbox"/></p> <p>(b) If yes, comments must be submitted by the PHA as an attachment to the 5-Year PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations.</p>
<p><b>B.7</b></p>	<p><b>Certification by State or Local Officials.</b></p> <p><a href="#">Form HUD 50077-SL</a>, <i>Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>

# Instructions for Preparation of Form HUD-50075-5Y 5-Year PHA Plan for All PHAs

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## A. PHA Information [24 CFR §903.23\(4\)\(e\)](#)

**A.1** Include the full **PHA Name**, **PHA Code**, **PHA Fiscal Year Beginning** (MM/YYYY), **PHA Plan Submission Type**, and the **Availability of Information**, specific location(s) of all information relevant to the hearing and proposed PHA Plan.

**PHA Consortia:** Check box if submitting a Joint PHA Plan and complete the table.

## B. 5-Year Plan.

**B.1 Mission.** State the PHA's mission for serving the needs of low- income, very low- income, and extremely low- income families in the PHA's jurisdiction for the next five years. ([24 CFR §903.6\(a\)\(1\)](#))

**B.2 Goals and Objectives.** Identify the PHA's quantifiable goals and objectives that will enable the PHA to serve the needs of low- income, very low- income, and extremely low- income families for the next five years. ([24 CFR §903.6\(b\)\(1\)](#)) For Qualified PHAs only, if at any time a PHA proposes to take units offline for modernization, then that action requires a significant amendment to the PHA's 5-Year Plan.

**B.3 Progress Report.** Include a report on the progress the PHA has made in meeting the goals and objectives described in the previous 5- Year Plan. ([24 CFR §903.6\(b\)\(2\)](#))

**B.4 Violence Against Women Act (VAWA) Goals.** Provide a statement of the PHA's goals, activities objectives, policies, or programs that will enable the PHA to serve the needs of child and adult victims of domestic violence, dating violence, sexual assault, or stalking. ([24 CFR §903.6\(a\)\(3\)](#))

**B.5 Significant Amendment or Modification.** Provide a statement on the criteria used for determining a significant amendment or modification to the 5-Year Plan.

### B.6 Resident Advisory Board (RAB) comments.

(a) Did the public or RAB provide comments?

(b) If yes, submit comments as an attachment to the Plan and describe the analysis of the comments and the PHA's decision made on these recommendations. ([24 CFR §903.17\(a\)](#), [24 CFR §903.19](#))

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This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937, as amended, which introduced the 5-Year PHA Plan. The 5-Year PHA Plan provides the PHA's mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families and the progress made in meeting the goals and objectives described in the previous 5-Year Plan.

Public reporting burden for this information collection is estimated to average .76 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

**Privacy Act Notice.** The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality.

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Capital Fund Program - Five-Year Action Plan

Status: Draft

Approval Date:

Approved By:

Part I: Summary						
PHA Name : COUNTY OF BUTTE HSG AUTH		Locality (City/County & State)				
PHA Number: CA043		<input checked="" type="checkbox"/> Original 5-Year Plan		<input type="checkbox"/> Revised 5-Year Plan (Revision No: )		
A.	Development Number and Name	Work Statement for Year 1 2020	Work Statement for Year 2 2021	Work Statement for Year 3 2022	Work Statement for Year 4 2023	Work Statement for Year 5 2024
	BUTTE COUNTY (CA043000001)	\$869,023.00	\$869,023.00	\$869,023.00	\$868,023.00	\$869,023.00

Capital Fund Program - Five-Year Action Plan

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year 1 2020</b>				
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
	BUTTE COUNTY (CA043000001)			\$869,023.00
ID0096	Operations(Operations (1406))	Operations		\$27,875.00
ID0097	Administration(Administration (1410)-Other,Administration (1410)-Salaries,Administration (1410)-Sundry)	Administration		\$86,902.00
ID0098	Audit(Contract Administration (1480)-Audit)	Audit		\$2,000.00
ID0099	Fees and Costs(Contract Administration (1480)-Other Fees and Costs)	Fees and Costs associated with Architectural, Engineering, Permits, City and County Fees. Lead Paint Assessment and Inventory		\$50,000.00
ID0100	VCT Tile Replacement/ Asbestos Abatement Amp Wide(Dwelling Unit-Interior (1480)-Flooring (non routine))	Replace VCT Tile and remove and abate asbestos containing existing tile and mastic.		\$50,000.00
ID0102	43-1A,1B, 04, 2A, 2B 03, 10, 13, 14, 15 Replace Porch/Sidewalk/ADA Improvements(Dwelling Unit-Exterior (1480)-Balconies-Porches-Railings-etc,Dwelling Unit-Exterior (1480)-Columns and Porches,Dwelling Unit-Exterior (1480)-Decks and Patios,Dwelling Unit-Exterior (1480)-Exterior Doors,Dwelling Unit-Exterior (1480)-Exterior Lighting,Dwelling Unit-Exterior (1480)-Landings and Railings,Dwelling Unit-Exterior (1480)-Other,Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Soffits,Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Other,Dwelling Unit-Site Work (1480)-	Replace porch/Sidewalk and ADA improvements to unit entries.		\$11,487.00

Capital Fund Program - Five-Year Action Plan

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year 1 2020</b>				
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
	Pedestrian paving)			
ID0103	43-1A, 1B, 04, 2A, 2B, 03 Replace Water Heaters(Dwelling Unit-Exterior (1480)-Exterior Paint and Caulking,Dwelling Unit-Exterior (1480)-Other,Dwelling Unit-Exterior (1480)-Siding,Dwelling Unit-Interior (1480)-Appliances,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Mechanical,Dwelling Unit-Interior (1480)-Other,Dwelling Unit-Interior (1480)-Plumbing)	Replace Unit Water Heaters.		\$32,500.00
ID0104	43-1A,1B, 04, Unit Interior ADA Upgrades(Dwelling Unit-Interior (1480)-Appliances,Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Call-for-Aid Systems,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Other,Dwelling Unit-Interior (1480)-Tubs and Showers)	ADA accessibility improvements to units.		\$30,000.00
ID0107	43-1A,1B,04, 2A, 2B, 03 Door Replacement(Dwelling Unit-Exterior (1480)-Exterior Doors,Dwelling Unit-Exterior (1480)-Exterior Paint and Caulking,Dwelling Unit-Exterior (1480)-Landings and Railings,Dwelling Unit-Exterior (1480)-Other,Dwelling Unit-Exterior (1480)-Siding,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Other,Dwelling Unit-Exterior (1480)-Columns and Porches,Dwelling Unit-Exterior (1480)-Decks and Patios)	Replace Unit Interior, Exterior, Storage and Water Heater Vent Doors.		\$12,000.00
ID0110	43-10 Under Slab Water Line Re-pipe(Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Plumbing,Dwelling Unit-Interior (1480)-Tubs and Showers)	Re-pipe units with under slab water leaks.		\$4,000.00
ID0115	43-13, 14 Replace HVAC System(Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Mechanical)	Replace HVAC systems		\$11,000.00
ID0116	43-13 Unit Interior ADA Upgrades(Dwelling Unit-Interior (1480)-Appliances,Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Call-for-Aid Systems,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-	ADA accessibility improvements to units.		\$12,000.00

Capital Fund Program - Five-Year Action Plan

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year 1 2020</b>				
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
	Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Other,Dwelling Unit-Interior (1480)-Tubs and Showers)			
ID0117	43-10 Exterior Painting(Dwelling Unit-Exterior (1480)-Exterior Paint and Caulking,Dwelling Unit-Exterior (1480)-Other,Dwelling Unit-Exterior (1480)-Siding)	Paint ext. of buildings. Abate lead paint as necessary		\$13,000.00
ID0119	Appliance Upgrade - Amp Wide(Dwelling Unit-Interior (1480)-Appliances)	Replace Unit Appliances (20)		\$12,000.00
ID0132	43-01A, 1B, 2A, 2B, 04, 03 Exterior Painting(Dwelling Unit-Exterior (1480)-Exterior Paint and Caulking,Dwelling Unit-Exterior (1480)-Other,Dwelling Unit-Exterior (1480)-Siding)	Paint ext. of buildings. Abate Lead Paint as Necessary		\$43,259.00
ID0147	Relocation Costs(Contract Administration (1480)-Relocation)	Relocate Residents Due to Construction Activities		\$3,500.00
ID0151	CA 43-1A,1B, 04, 2A,2B, 03, 10, 13, 14, 15 Site Work/ Landscaping/ADA (Dwelling Unit-Site Work (1480)-Asphalt - Concrete - Paving,Dwelling Unit-Site Work (1480)-Curb and Gutter,Dwelling Unit-Site Work (1480)-Fencing,Dwelling Unit-Site Work (1480)-Landscape,Dwelling Unit-Site Work (1480)-Other,Dwelling Unit-Site Work (1480)-Parking,Dwelling Unit-Site Work (1480)-Pedestrian paving,Dwelling Unit-Site Work (1480)-Seal Coat,Dwelling Unit-Site Work (1480)-Signage,Dwelling Unit-Site Work (1480)-Striping)	Site landscaping, ADA, sidewalk replacements		\$15,000.00
ID0166	43-10 Stucco, Siding/Painting.(Dwelling Unit-Exterior (1480)-Balconies-Porches-Railings-etc.,Dwelling Unit-Exterior (1480)-Canopies,Dwelling Unit-Exterior (1480)-Columns and Porches,Dwelling Unit-Exterior (1480)-Decks and Patios,Dwelling Unit-Exterior (1480)-Exterior Doors,Dwelling Unit-Exterior (1480)-Exterior Paint and Caulking,Dwelling Unit-Exterior (1480)-Gutters - Downspouts,Dwelling Unit-Exterior (1480)-Landings and Railings,Dwelling Unit-Exterior (1480)-Other,Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Siding,Dwelling Unit-Exterior (1480)-Soffits,Dwelling Unit-Exterior (1480)-Windows,Dwelling Unit-Interior (1480)-	Roof, fascia, gutter, downspout, stucco, Siding and painting replacements.		\$15,500.00

Capital Fund Program - Five-Year Action Plan

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year</b>				
1	2020			
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
	Interior Painting (non routine), Dwelling Unit-Interior (1480)-Other			
ID0170	Managment Improvements(Management Improvement (1408)-Staff Training,Management Improvement (1408)-System Improvements,Management Improvement (1408)-Other)	Software and Training needed for capital fund management		\$2,000.00
ID0184	43-1A,1b,04, 2A,2B, 03 Install Replacement Windows(Dwelling Unit-Exterior (1480)-Siding,Dwelling Unit-Exterior (1480)-Windows)	Install replacement windows.		\$12,000.00
ID0190	43-13 Landscape Replacement(Dwelling Unit-Site Work (1480)-Electric Distribution,Dwelling Unit-Site Work (1480)-Fencing,Dwelling Unit-Site Work (1480)-Landscape,Dwelling Unit-Site Work (1480)-Lighting,Dwelling Unit-Site Work (1480)-Other,Dwelling Unit-Site Work (1480)-Pedestrian paving,Dwelling Unit-Site Work (1480)-Signage,Dwelling Unit-Site Work (1480)-Water Lines/Mains)	Replace front and back yard landscape at Shelton Oaks with drought tolerant plants and ground cover. Replace site signs at Shelton Oaks and Rhodes Terrace.		\$123,000.00
ID0198	43-01A, 01B, 04, 2A, 2B, 03 Bathroom Remodel(Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Plumbing,Dwelling Unit-Interior (1480)-Tubs and Showers)	Remodel Bathrooms		\$30,000.00
ID0208	Site Security -Amp Wide(Dwelling Unit-Exterior (1480)-Balconies-Porches-Railings-etc,Dwelling Unit-Exterior (1480)-Canopies,Dwelling Unit-Exterior (1480)-Carports - Surface Garage,Dwelling Unit-Exterior (1480)-Exterior Doors,Dwelling Unit-Exterior (1480)-Exterior Lighting,Dwelling Unit-Exterior (1480)-Exterior Stairwells - Fire Escape,Dwelling Unit-Exterior (1480)-Foundations,Dwelling Unit-Exterior (1480)-Landings and Railings,Dwelling Unit-Exterior (1480)-Mail Facilities,Dwelling Unit-Exterior (1480)-Other,Dwelling Unit-Exterior (1480)-Siding,Dwelling Unit-Exterior (1480)-Soffits,Dwelling Unit-Exterior (1480)-Stairwells - Fire Escapes,Dwelling Unit-Exterior (1480)-Windows,Dwelling Unit-Interior (1480)-Call-for-Aid Systems,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Other,Dwelling Unit-Site Work (1480)-Dumpsters and Enclosures,Dwelling Unit-Site Work (1480)-Fence Painting,Dwelling Unit-Site Work (1480)-Fencing,Dwelling Unit-Site Work (1480)-Landscape,Dwelling Unit-Site Work (1480)-Lighting,Dwelling Unit-Site Work (1480)-Other,Dwelling Unit-Site Work (1480)-Parking,Dwelling Unit-Site Work (1480)-	Investigate and Install Site Security Measures		\$20,000.00

Capital Fund Program - Five-Year Action Plan

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year</b>				
1	2020			
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
	Pedestrian paving,Dwelling Unit-Site Work (1480)-Playground Areas - Equipment,Dwelling Unit-Site Work (1480)-Signage,Non-Dwelling Exterior (1480)-Lighting,Non-Dwelling Interior (1480)-Security,Non-Dwelling Site Work (1480)-Signage)			
ID0212	43-10 Interior Painting(Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Other)	Paint Interior of buildings. Abate lead paint as necessary		\$20,000.00
ID0214	Security Upgrades - HACB Main Office(Non-Dwelling Exterior (1480)-Balconies and Railings,Non-Dwelling Exterior (1480)-Canopies,Non-Dwelling Exterior (1480)-Doors,Non-Dwelling Exterior (1480)-Landings and Railings,Non-Dwelling Exterior (1480)-Lighting,Non-Dwelling Exterior (1480)-Paint and Caulking,Non-Dwelling Exterior (1480)-Siding,Non-Dwelling Exterior (1480)-Soffits,Non-Dwelling Interior (1480)-Administrative Building,Non-Dwelling Interior (1480)-Common Area Finishes,Non-Dwelling Interior (1480)-Common Area Painting,Non-Dwelling Interior (1480)-Other,Non-Dwelling Interior (1480)-Security,Non-Dwelling Interior (1480)-Storage Area,Non-Dwelling Site Work (1480)-Asphalt - Concrete - Paving,Non-Dwelling Site Work (1480)-Fence Painting,Non-Dwelling Site Work (1480)-Fencing,Non-Dwelling Site Work (1480)-Signage)	Install security upgrades to Public Housing section of HACB main office building		\$50,000.00
ID0228	Energy Upgrades - Electric Amp Wide(Dwelling Unit-Exterior (1480)-Exterior Doors,Dwelling Unit-Exterior (1480)-Exterior Lighting,Dwelling Unit-Exterior (1480)-Exterior Paint and Caulking,Dwelling Unit-Exterior (1480)-Siding,Dwelling Unit-Interior (1480)-Appliances,Dwelling Unit-Interior (1480)-Call-for-Aid Systems,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Mechanical,Dwelling Unit-Interior (1480)-Other,Dwelling Unit-Interior (1480)-Plumbing)	Replace unit light fixtures, panels, wiring and appliances for energy upgardes		\$50,000.00
ID0233	CNA Fees and Costs(Contract Administration (1480)-Other Fees and Costs)	Fees and Costs associated with Architectural, Engineering, Permits, City and County Fees. Audit consultant fees. CNA		\$25,000.00
ID0237	Energy Upgrades - Building Amp Wide(Dwelling Unit-Exterior (1480)-Canopies,Dwelling Unit-Exterior (1480)-Columns and Porches,Dwelling Unit-Exterior (1480)-Decks and Patios,Dwelling Unit-Exterior (1480)-Exterior Doors,Dwelling Unit-Exterior (1480)-Exterior Lighting,Dwelling Unit-Exterior (1480)-Exterior Paint and Caulking,Dwelling Unit-Exterior (1480)-Gutters - Downspouts,Dwelling Unit-Exterior (1480)-Landings and Railings,Dwelling Unit-Exterior (1480)-Other,Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Siding,Dwelling Unit-Exterior (1480)-Soffits,Dwelling Unit-Exterior (1480)-Stairwells - Fire Escapes,Dwelling Unit-Exterior (1480)-Windows,Dwelling Unit-Interior (1480)-Appliances,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Call-for-Aid Systems,Dwelling Unit-	Replace building components for energy upgrade		\$50,000.00

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year 1 2020</b>				
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
	Commodities, Dwelling Unit-Interior (1480)-Electrical, Dwelling Unit-Interior (1480)-Flooring (non routine), Dwelling Unit-Interior (1480)-Interior Doors, Dwelling Unit-Interior (1480)-Interior Painting (non routine), Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets, Dwelling Unit-Interior (1480)-Mechanical, Dwelling Unit-Interior (1480)-Other, Dwelling Unit-Interior (1480)-Plumbing, Dwelling Unit-Interior (1480)-Tubs and Showers)			
ID0251	43-01A, 01B, 04 Landscape Replacement(Dwelling Unit-Site Work (1480)-Electric Distribution, Dwelling Unit-Site Work (1480)-Fencing, Dwelling Unit-Site Work (1480)-Landscape, Dwelling Unit-Site Work (1480)-Lighting, Dwelling Unit-Site Work (1480)-Other, Dwelling Unit-Site Work (1480)-Parking, Dwelling Unit-Site Work (1480)-Pedestrian paving, Dwelling Unit-Site Work (1480)-Signage, Dwelling Unit-Site Work (1480)-Water Lines/Mains)	Replace front and back yard landscape at Gridley Housing with drought tolerant plants and ground cover. Replace site signs and water meters		\$40,000.00
ID0264	Amp Wide Virus Outbreak: Preventing, Preparing, Responding(Preparing for Coronavirus (1509), Preventing Coronavirus (1509), Responding to Coronavirus (1509))	Activities for Prevention, Preparing, and Responding to virus outbreak.		\$15,000.00
	Subtotal of Estimated Cost			\$869,023.00

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year 2 2021</b>				
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
	BUTTE COUNTY (CA043000001)			\$869,023.00
ID0065	43-13, 14, 15 Replace Water Heaters(Dwelling Unit-Interior (1480)-Appliances,Dwelling Unit-Interior (1480)-Mechanical,Dwelling Unit-Interior (1480)-Other,Dwelling Unit-Interior (1480)-Plumbing)	Replace unit water heaters (10)		\$12,000.00
ID0121	Operations(Operations (1406))	Operations		\$27,875.00
ID0122	Administration(Administration (1410)-Other,Administration (1410)-Salaries,Administration (1410)-Sundry)	Administration		\$86,902.00
ID0123	Audit(Contract Administration (1480)-Audit)	Audit		\$2,000.00
ID0125	Fees and Costs(Contract Administration (1480)-Other Fees and Costs)	Fees and Costs associated with Architectural, Engineering, Permits, City and County Fees. Lead Paint Hazard Assessment and Inventory		\$75,000.00
ID0126	VCT Tile Replacement/ Asbestos Abatement Amp Wide(Dwelling Unit-Interior (1480)-Flooring (non routine))	Replace VCT Tile and remove and abate asbestos containing existing tile and mastic.		\$80,000.00



Capital Fund Program - Five-Year Action Plan

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year 2 2021</b>				
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
ID0128	43-1A, 1B, 04, 2A, 2B, 03 Roof, Fascia, Gutter, Downspout Rehab(Dwelling Unit-Exterior (1480)-Balconies-Porches-Railings-etc,Dwelling Unit-Exterior (1480)-Gutters - Downspouts,Dwelling Unit-Exterior (1480)-Landings and Railings,Dwelling Unit-Exterior (1480)-Other,Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Siding,Dwelling Unit-Exterior (1480)-Soffits)	Replace Roof, Fascia, Gutter and Downspouts		\$61,366.00
ID0131	43-01A,01B, 2A, 2B, 03, 10, 13, 14, 15 Replace Ext. Lighting(Dwelling Unit-Exterior (1480)-Exterior Lighting,Dwelling Unit-Exterior (1480)-Exterior Paint and Caulking,Dwelling Unit-Exterior (1480)-Other,Dwelling Unit-Exterior (1480)-Siding,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Site Work (1480)-Landscape,Dwelling Unit-Site Work (1480)-Lighting,Dwelling Unit-Site Work (1480)-Other,Dwelling Unit-Site Work (1480)-Signage)	Replace Ext. Lighting Fixtures		\$28,000.00
ID0134	43-03, 10, 15 Replace HVAC System(Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Mechanical)	Replace HVAC systems		\$15,000.00
ID0136	43-10 Unit Interior ADA Upgrades(Dwelling Unit-Exterior (1480)-Balconies-Porches-Railings-etc,Dwelling Unit-Interior (1480)-Appliances,Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Call-for-Aid Systems,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Other,Dwelling Unit-Interior (1480)-Tubs and Showers)	ADA accessibility improvements to units		\$30,000.00
ID0137	43-10 Water Line Re-pipe(Dwelling Unit-Exterior (1480)-Other,Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Plumbing,Dwelling Unit-Interior (1480)-Tubs and Showers,Dwelling Unit-Site Work (1480)-Landscape,Dwelling Unit-Site Work (1480)-Other)	Re-pipe water lines to units		\$4,000.00
ID0142	Appliance Upgrade - Amp Wide(Dwelling Unit-Interior (1480)-Appliances)	Replace Unit Appliances (20)		\$12,000.00

Capital Fund Program - Five-Year Action Plan

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year</b> 2		2021		
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
ID0148	Relocation Costs(Contract Administration (1480)-Relocation)	Relocate Residents Due to Construction Activities		\$3,500.00
ID0152	CA 43-1A,1B, 04, 2A,2B, 03, 10, 13, 14, 15 Site Work/ Landscaping/ADA ( Dwelling Unit-Site Work (1480)-Asphalt - Concrete - Paving,Dwelling Unit-Site Work (1480)-Curb and Gutter,Dwelling Unit-Site Work (1480)-Fencing,Dwelling Unit-Site Work (1480)-Landscape,Dwelling Unit-Site Work (1480)-Other,Dwelling Unit-Site Work (1480)-Parking,Dwelling Unit-Site Work (1480)-Pedestrian paving,Dwelling Unit-Site Work (1480)-Seal Coat,Dwelling Unit-Site Work (1480)-Signage,Dwelling Unit-Site Work (1480)-Striping)	Site landscaping, ADA, sidewalk replacements		\$29,995.00
ID0155	Management Improvements(Management Improvement (1408)-Other,Management Improvement (1408)-Staff Training,Management Improvement (1408)-System Improvements)	Software and Training needed for capital fund management		\$2,000.00
ID0199	43-01A, 01B, 04, 2A, 2B, 03 Bathroom Remodel(Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Plumbing,Dwelling Unit-Interior (1480)-Tubs and Showers)	Remodel Bathrooms		\$30,000.00
ID0205	43-1A,1B,04, 2A,2B, 03 Maintenance Blds. Roof, Gutter, Downspout, Fascia (Non-Dwelling Exterior (1480)-Gutters - Downspouts,Non-Dwelling Exterior (1480)-Canopies,Non-Dwelling Exterior (1480)-Landings and Railings,Non-Dwelling Exterior (1480)-Lighting,Non-Dwelling Exterior (1480)-Paint and Caulking,Non-Dwelling Exterior (1480)-Roofs,Non-Dwelling Exterior (1480)-Siding,Non-Dwelling Exterior (1480)-Soffits,Non-Dwelling Interior (1480)-Shop,Non-Dwelling Interior (1480)-Storage Area)	Replacement of roof, gutter, downspout, and fascia for maintenance buildings and shops. Abate as necessary.		\$19,885.00
ID0226	Landscaping Rehab - Tree Work, Amp Wide(Dwelling Unit-Site Work (1480)-Fencing,Dwelling Unit-Site Work (1480)-Landscape,Dwelling Unit-Site Work (1480)-Other)	Prune, remove and replace landscaping trees that are diseased or impacting site infrastructure. Amp Wide		\$117,000.00
ID0229	Energy Upgrades - Electric Amp Wide(Dwelling Unit-Exterior (1480)-Exterior Doors,Dwelling Unit-Exterior (1480)-Exterior Lighting,Dwelling Unit-Exterior (1480)-Exterior Paint and Caulking,Dwelling Unit-Exterior (1480)-Siding,Dwelling Unit-Interior (1480)-Appliances,Dwelling Unit-Interior (1480)-Call-for-Aid Systems,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Mechanical,Dwelling Unit-Interior (1480)-Other,Dwelling Unit-Interior (1480)-Plumbing)	Replace unit light fixtures, panels, wiring and appliances for energy upgardes		\$50,000.00

Capital Fund Program - Five-Year Action Plan

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year</b> 2		2021		
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
ID0235	43-01A,01B 02A, 02B, 04,10, 13, 14, 15 Resurface Roads(Dwelling Unit-Site Work (1480)-Asphalt - Concrete - Paving,Dwelling Unit-Site Work (1480)-Curb and Gutter,Dwelling Unit-Site Work (1480)-Parking,Dwelling Unit-Site Work (1480)-Pedestrian paving,Dwelling Unit-Site Work (1480)-Seal Coat,Dwelling Unit-Site Work (1480)-Signage,Dwelling Unit-Site Work (1480)-Storm Drainage,Dwelling Unit-Site Work (1480)-Striping)	Resurface roads, repave, seal coat, striping, curb gutter and sidewalk replacement.		\$50,000.00
ID0240	Energy Upgrades - Building Amp Wide(Dwelling Unit-Exterior (1480)-Balconies-Porches-Railings-etc,Dwelling Unit-Exterior (1480)-Columns and Porches,Dwelling Unit-Exterior (1480)-Decks and Patios,Dwelling Unit-Exterior (1480)-Exterior Doors,Dwelling Unit-Exterior (1480)-Exterior Lighting,Dwelling Unit-Exterior (1480)-Exterior Paint and Caulking,Dwelling Unit-Exterior (1480)-Gutters - Downspouts,Dwelling Unit-Exterior (1480)-Landings and Railings,Dwelling Unit-Exterior (1480)-Other,Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Siding,Dwelling Unit-Exterior (1480)-Soffits,Dwelling Unit-Exterior (1480)-Windows,Dwelling Unit-Interior (1480)-Appliances,Dwelling Unit-Interior (1480)-Call-for-Aid Systems,Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Mechanical,Dwelling Unit-Interior (1480)-Other,Dwelling Unit-Interior (1480)-Plumbing,Dwelling Unit-Interior (1480)-Tubs and Showers)	Replace building components for energy upgrade		\$50,000.00
ID0250	43-13, 14, 15 Door Replacement(Dwelling Unit-Exterior (1480)-Columns and Porches,Dwelling Unit-Exterior (1480)-Decks and Patios,Dwelling Unit-Exterior (1480)-Exterior Doors,Dwelling Unit-Exterior (1480)-Exterior Paint and Caulking,Dwelling Unit-Exterior (1480)-Landings and Railings,Dwelling Unit-Exterior (1480)-Other,Dwelling Unit-Exterior (1480)-Siding,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Other)	Replace Unit Interior, Exterior, Storage and Water Heater Vent Doors.		\$12,000.00
ID0255	43-13 Stucco, Siding/Painting.(Dwelling Unit-Exterior (1480)-Balconies-Porches-Railings-etc,Dwelling Unit-Exterior (1480)-Canopies,Dwelling Unit-Exterior (1480)-Columns and Porches,Dwelling Unit-Exterior (1480)-Decks and Patios,Dwelling Unit-Exterior (1480)-Exterior Doors,Dwelling Unit-Exterior (1480)-Exterior Paint and Caulking,Dwelling Unit-Exterior (1480)-Gutters - Downspouts,Dwelling Unit-Exterior (1480)-Landings and Railings,Dwelling Unit-Exterior (1480)-Other,Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Siding,Dwelling Unit-Exterior (1480)-Soffits,Dwelling Unit-Exterior (1480)-Windows,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Other)	Roof, fascia, gutter, downspout, stucco, Siding and painting replacements.		\$15,500.00
ID0260	43-01A,01B,02A,02B,04,03,10,13,14,15, Maintenance Electric and Low Voltage Data Improvements(Dwelling Unit-Exterior (1480)-Exterior Lighting,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Mechanical,Dwelling Unit-Interior (1480)-Other,Dwelling Unit-Site Work (1480)-Electric Distribution,Dwelling Unit-Site Work (1480)-Lighting,Dwelling Unit-Site Work (1480)-Other)	Upgrade electrical and low voltage data improvements to site and individual units.		\$20,000.00



Capital Fund Program - Five-Year Action Plan

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year 3 2022</b>				
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
	BUTTE COUNTY (CA043000001)			\$869,023.00
ID0001	Operations(Operations (1406))	Operations		\$27,875.00
ID0002	Administration(Administration (1410)-Other,Administration (1410)-Salaries,Administration (1410)-Sundry)	Administration		\$86,902.00
ID0003	Audit(Contract Administration (1480)-Audit)	Audit		\$2,000.00
ID0004	Fees and Costs(Contract Administration (1480)-Other Fees and Costs)	Fees and Costs associated with Architectural, Engineering, Permits, City and County Fees.		\$35,818.00
ID0005	VCT Tile Replacement/ Asbestos Abatement AMP Wide(Dwelling Unit-Interior (1480)-Flooring (non routine))	Replace VCT Tile and remove and abate asbestos containing existing tile and mastic.		\$70,000.00
ID0006	CA 43-1A,1B, 04, 2A,2B, 03, 10, 13, 14, 15 Site Work/ Landscaping/ADA (Dwelling Unit-Site Work (1480)-Asphalt - Concrete - Paving,Dwelling Unit-Site Work (1480)-Curb and Gutter,Dwelling Unit-Site Work (1480)-Fencing,Dwelling Unit-Site Work (1480)-Landscape,Dwelling Unit-Site Work (1480)-Other,Dwelling Unit-Site Work (1480)-Parking,Dwelling Unit-Site Work (1480)-Pedestrian paving,Dwelling Unit-Site Work (1480)-Seal Coat,Dwelling Unit-Site Work (1480)-Signage,Dwelling Unit-Site Work (1480)-Striping)	Site landscaping, ADA, sidewalk replacements		\$15,000.00

## Capital Fund Program - Five-Year Action Plan

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year</b> 3 2022				
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
ID0012	Appliance Upgrade Amp Wide(Dwelling Unit-Interior (1480)-Appliances)	Replace Unit Appliances (70)		\$39,000.00
ID0014	43-1A, 1B, 04, 2A, 2B, 03 Replace HVAC System(Dwelling Unit-Interior (1480)-Mechanical,Dwelling Unit-Interior (1480)-Electrical)	Replace HVAC systems		\$20,000.00
ID0016	43-1A, 1B, 04, 2A,2B, 03 Unit Interior ADA Upgrades(Dwelling Unit-Interior (1480)-Appliances,Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Call-for-Aid Systems,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Other,Dwelling Unit-Interior (1480)-Tubs and	ADA accessibility improvements to units		\$18,500.00
ID0017	43-03 Sewer Replacement(Dwelling Unit-Site Work (1480)-Pedestrian paving,Dwelling Unit-Site Work (1480)-Seal Coat,Dwelling Unit-Site Work (1480)-Sewer Lines - Mains,Dwelling Unit-Site Work (1480)-Storm Drainage,Dwelling Unit-Site Work (1480)-Striping,Dwelling Unit-Site Work (1480)-Parking,Dwelling Unit-Interior (1480)-Plumbing,Dwelling Unit-Site Work (1480)-Asphalt - Concrete - Paving,Dwelling Unit-Site Work (1480)-Curb and Gutter,Dwelling Unit-Site Work (1480)-Fencing,Dwelling Unit-Site Work (1480)-Landscape)	Investigate damaged, blocked, crushed sewer laterals and mainlines and replace as required.		\$43,787.00
ID0054	43-01A, 1B, 2A, 2B, 03 Exterior Painting(Dwelling Unit-Exterior (1480)-Other,Dwelling Unit-Exterior (1480)-Exterior Paint and Caulking)	Paint ext. of buildings. Abate lead paint as necessary		\$30,000.00
ID0058	43-14, 15 Kitchen Remodel(Dwelling Unit-Interior (1480)-Appliances,Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Other,Dwelling Unit-Interior (1480)-Plumbing)	Remodel kitchen and replace unit cabinets and counter top systems		\$39,000.00
ID0081	43-01A, 1B, 2A, 2B, 03 Kitchen Remodel(Dwelling Unit-Interior (1480)-Appliances,Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen	Remodel Kitchen and Replace Unit Cabinets and Counter Top Systems		\$35,626.00

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year</b>				
3	2022			
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
	Sinks and Faucets,Dwelling Unit-Interior (1480)-Other,Dwelling Unit-Interior (1480)-Plumbing)			
ID0090	43-13, 14 Install Replacement Windows(Dwelling Unit-Exterior (1480)-Siding,Dwelling Unit-Exterior (1480)-Windows)	Install replacement windows.		\$10,000.00
ID0105	43-14, 15 Pre Fab Storage Sheds(Dwelling Unit-Exterior (1480)-Foundations,Dwelling Unit-Exterior (1480)-Other,Dwelling Unit-Exterior (1480)-Carports -Surface Garage)	Install Pre Fab Skid Type Storage Sheds at Units		\$20,000.00
ID0130	43-1A,1b,04, 2A, 2B, 03 Install Replacement Windows(Dwelling Unit-Exterior (1480)-Siding,Dwelling Unit-Exterior (1480)-Windows)	Install replacement windows.		\$12,000.00
ID0149	Relocation Costs(Contract Administration (1480)-Relocation)	Relocate Residents Due to Construction Activities		\$3,500.00
ID0160	43-01A,1B, 04, 2A, 2B, 03, 10, 13, 14, 15 Replace Site and Unit Fencing (Dwelling Unit-Site Work (1480)-Fence Painting,Dwelling Unit-Site Work (1480)-Dumpsters and Enclosures,Dwelling Unit-Site Work (1480)-Fencing,Dwelling Unit-Site Work (1480)-Landscape,Dwelling Unit-Site Work (1480)-Other,Dwelling Unit-Site Work (1480)-Signage,Non-Dwelling Site Work (1480)-Fencing,Non-Dwelling Site Work (1480)-Landscape)	Replace site fencing and in front and back yards as needed.		\$20,000.00
ID0161	43-01A,1B, 2A, 2B, 03 Water Line Repipe(Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Plumbing,Dwelling Unit-Interior (1480)-Tubs and Showers,Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks)	Re-pipe Water Lines		\$6,000.00

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<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year 3 2022</b>				
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
ID0162	43-10 Replace Water Heaters(Dwelling Unit-Interior (1480)-Appliances,Dwelling Unit-Interior (1480)-Mechanical,Dwelling Unit-Interior (1480)-Other,Dwelling Unit-Interior (1480)-Plumbing)	Replace unit water heaters (10)		\$12,000.00
ID0164	43-1A,1B,04, 2A,2B Sewer Lateral Replacement(Dwelling Unit-Interior (1480)-Plumbing,Dwelling Unit-Site Work (1480)-Asphalt - Concrete - Paving,Dwelling Unit-Site Work (1480)-Curb and Gutter,Dwelling Unit-Site Work (1480)-Fencing,Dwelling Unit-Site Work (1480)-Landscape,Dwelling Unit-Site Work (1480)-Parking,Dwelling Unit-Site Work (1480)-Pedestrian paving,Dwelling Unit-Site Work (1480)-Seal Coat,Dwelling Unit-Site Work (1480)-Sewer Lines - Mains,Dwelling Unit-Site Work (1480)-Storm Drainage,Dwelling Unit-Site Work (1480)-Striping)	Investigate damaged, blocked, crushed sewer laterals and mainlines and replace as required.		\$10,000.00
ID0167	43-13 Roof, Fascia, Gutter, Downspout Rehab(Dwelling Unit-Exterior (1480)-Gutters - Downspouts,Dwelling Unit-Exterior (1480)-Landings and Railings,Dwelling Unit-Exterior (1480)-Other,Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Siding,Dwelling Unit-Exterior (1480)-Soffits,Dwelling Unit-Exterior (1480)-Balconies-Porches-Railings-etc)	Replace Roof Fascia, Gutter and Downspouts		\$19,000.00
ID0171	Managment Improvements(Management Improvement (1408)-Staff Training,Management Improvement (1408)-System Improvements,Management Improvement (1408)-Other)	Software and Training needed for capital fund management		\$2,000.00
ID0182	43-13 Sewer Inestigatation and Replacement(Dwelling Unit-Interior (1480)-Plumbing,Dwelling Unit-Site Work (1480)-Asphalt - Concrete - Paving,Dwelling Unit-Site Work (1480)-Curb and Gutter,Dwelling Unit-Site Work (1480)-Fencing,Dwelling Unit-Site Work (1480)-Landscape,Dwelling Unit-Site Work (1480)-Parking,Dwelling Unit-Site Work (1480)-Pedestrian paving,Dwelling Unit-Site Work (1480)-Seal Coat,Dwelling Unit-Site Work (1480)-Sewer Lines - Mains,Dwelling Unit-Site Work (1480)-Storm Drainage,Dwelling Unit-Site Work (1480)-Striping)	Investigate damaged, blocked, crushed sewer laterals and mainlines and replace as required.		\$10,000.00
ID0185	43-15 Install Replacement Windows(Dwelling Unit-Exterior (1480)-Siding,Dwelling Unit-Exterior (1480)-Windows)	Install replacement windows.		\$6,000.00
ID0192	43-01A, 01B, 02A, 02B, 04, 10, 13, 14, 15 Resurface Roads(Dwelling Unit-Site Work (1480)-Asphalt - Concrete - Paving,Dwelling Unit-Site Work (1480)-Curb and Gutter,Dwelling Unit-Site Work (1480)-Parking,Dwelling Unit-Site Work (1480)-Pedestrian paving,Dwelling Unit-Site Work (1480)-Seal Coat,Dwelling Unit-Site Work (1480)-Signage,Dwelling Unit-Site Work (1480)-Storm Drainage,Dwelling Unit-Site Work (1480)-Striping)	Resurface roads, repave, seal coat, striping, curb gutter and sidewalk replacement.		\$40,000.00



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<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year 3 2022</b>				
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
ID0200	43-01A, 01B, 04, 2A, 2B, 03 Bathroom Remodel(Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Plumbing,Dwelling Unit-Interior (1480)-Tubs and Showers)	Remodel Bathrooms		\$30,000.00
ID0211	43-01A, 1B, 2A, 2B, 03, 10, 13, 14, 15 Interior Painting(Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Other)	Paint Interior of buildings. Abate lead paint as necessary		\$30,000.00
ID0227	Landscaping Rehab - Tree Work, Amp Wide(Dwelling Unit-Site Work (1480)-Fencing,Dwelling Unit-Site Work (1480)-Landscape,Dwelling Unit-Site Work (1480)-Other)	Prune, remove and replace landscaping trees that are diseased or impacting site infrastructure. Amp Wide		\$47,515.00
ID0230	Energy Upgrades - Electric Amp Wide(Dwelling Unit-Exterior (1480)-Exterior Doors,Dwelling Unit-Exterior (1480)-Exterior Lighting,Dwelling Unit-Exterior (1480)-Exterior Paint and Caulking,Dwelling Unit-Exterior (1480)-Siding,Dwelling Unit-Interior (1480)-Appliances,Dwelling Unit-Interior (1480)-Call-for-Aid Systems,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Mechanical,Dwelling Unit-Interior (1480)-Other,Dwelling Unit-Interior (1480)-Plumbing)	Replace unit light fixtures, panels, wiring and appliances for energy upgardes		\$50,000.00
ID0241	Energy Upgrades - Building Amp Wide(Dwelling Unit-Exterior (1480)-Balconies-Porches-Railings-etc,Dwelling Unit-Exterior (1480)-Columns and Porches,Dwelling Unit-Exterior (1480)-Decks and Patios,Dwelling Unit-Exterior (1480)-Exterior Doors,Dwelling Unit-Exterior (1480)-Exterior Lighting,Dwelling Unit-Exterior (1480)-Exterior Paint and Caulking,Dwelling Unit-Exterior (1480)-Gutters - Downspouts,Dwelling Unit-Exterior (1480)-Landings and Railings,Dwelling Unit-Exterior (1480)-Other,Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Siding,Dwelling Unit-Exterior (1480)-Soffits,Dwelling Unit-Exterior (1480)-Windows,Dwelling Unit-Interior (1480)-Appliances,Dwelling Unit-Interior (1480)-Call-for-Aid Systems,Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Mechanical,Dwelling Unit-Interior (1480)-Other,Dwelling Unit-Interior (1480)-Plumbing,Dwelling Unit-Interior (1480)-Tubs and Showers)	Replace building components for energy upgrade		\$50,000.00

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<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year</b> 3    2022				
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
ID0249	43-10 Door Replacement(Dwelling Unit-Exterior (1480)-Columns and Porches,Dwelling Unit-Exterior (1480)-Decks and Patios,Dwelling Unit-Exterior (1480)-Exterior Doors,Dwelling Unit-Exterior (1480)-Exterior Paint and Caulking,Dwelling Unit-Exterior (1480)-Landings and Railings,Dwelling Unit-Exterior (1480)-Other,Dwelling Unit-Exterior (1480)-Siding,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Other)	Replace Unit Interior, Exterior, Storage and Water Heater Vent Doors.		\$12,000.00
ID0256	43-14 Stucco, Siding/Painting.(Dwelling Unit-Exterior (1480)-Balconies-Porches-Railings-etc.,Dwelling Unit-Exterior (1480)-Canopies,Dwelling Unit-Exterior (1480)-Columns and Porches,Dwelling Unit-Exterior (1480)-Decks and Patios,Dwelling Unit-Exterior (1480)-Exterior Doors,Dwelling Unit-Exterior (1480)-Exterior Paint and Caulking,Dwelling Unit-Exterior (1480)-Gutters - Downspouts,Dwelling Unit-Exterior (1480)-Landings and Railings,Dwelling Unit-Exterior (1480)-Other,Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Siding,Dwelling Unit-Exterior (1480)-Soffits,Dwelling Unit-Exterior (1480)-Windows,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Other)	Roof, fascia, gutter, downspout, stucco, Siding and painting replacements.		\$15,500.00
	Subtotal of Estimated Cost			\$869,023.00

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<b>Work Statement for Year</b>				
4	2023			
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
	BUTTE COUNTY (CA043000001)			\$868,023.00
ID0084	43-10, 13, 14, 15 Exterior Painting(Dwelling Unit-Exterior (1480)-Other,Dwelling Unit-Exterior (1480)-Siding,Dwelling Unit-Exterior (1480)-Exterior Paint and Caulking)	Paint ext. of buildings. Abate lead paint as necessary.		\$26,000.00
ID0085	43-13 Kitchen Remodel(Dwelling Unit-Interior (1480)-Appliances,Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Call-for-Aid Systems,Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Mechanical,Dwelling Unit-Interior (1480)-Other,Dwelling Unit-Interior (1480)-Plumbing,Dwelling Unit-Interior (1480)-Tubs and Showers)	Remodel Kitchen		\$20,000.00
ID0087	43-14, 15 Pre Fab Storage Sheds(Dwelling Unit-Exterior (1480)-Carports -Surface Garage,Dwelling Unit-Exterior (1480)-Foundations,Dwelling Unit-Exterior (1480)-Other)	Install Pre Fab Skid Type Storage Sheds at Units		\$10,000.00
ID0088	43-14 Unit Interior ADA Upgrades(Dwelling Unit-Interior (1480)-Appliances,Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Call-for-Aid Systems,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Other,Dwelling Unit-Interior (1480)-Tubs and Showers)	ADA accessibility improvements to units		\$12,000.00
ID0089	43-14, 15 Roof, Fascia, Gutter, Downspout Rehab(Dwelling Unit-Exterior (1480)-Balconies-Porches-Railings-etc,Dwelling Unit-Exterior (1480)-Gutters - Downspouts,Dwelling Unit-Exterior (1480)-Landings and Railings,Dwelling Unit-Exterior (1480)-Other,Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Siding,Dwelling Unit-Exterior (1480)-Soffits)	Replace Roof Fascia, Gutter and Downspouts		\$19,000.00

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year 4 2023</b>				
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
ID0091	43-14,15 Replace Porch/Sidewalk/ADA Improvements(Dwelling Unit-Exterior (1480)-Balconies-Porches-Railings-etc,Dwelling Unit-Exterior (1480)-Columns and Porches,Dwelling Unit-Exterior (1480)-Decks and Patios,Dwelling Unit-Exterior (1480)-Exterior Doors,Dwelling Unit-Exterior (1480)-Exterior Lighting,Dwelling Unit-Exterior (1480)-Landings and Railings,Dwelling Unit-Exterior (1480)-Other,Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Soffits,Dwelling Unit-Site Work (1480)-Pedestrian paving)	Replace porch/Sidewalk and ADA improvements to unit entries		\$16,000.00
ID0120	43-10 Install Replacement Windows(Dwelling Unit-Exterior (1480)-Siding,Dwelling Unit-Exterior (1480)-Windows)	Install replacement windows.		\$6,000.00
ID0139	43-13 Screen Doors(Dwelling Unit-Exterior (1480)-Exterior Doors,Dwelling Unit-Exterior (1480)-Exterior Paint and Caulking,Dwelling Unit-Exterior (1480)-Other,Dwelling Unit-Exterior (1480)-Siding,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Other)	Install screen doors at units		\$9,000.00
ID0172	Operations(Operations (1406))	Operations		\$27,875.00
ID0173	Relocation Costs(Contract Administration (1480)-Relocation)	Relocate Residents Due to Construction Activities		\$3,500.00
ID0174	Managment Improvements(Management Improvement (1408)-Other,Management Improvement (1408)-Staff Training,Management Improvement (1408)-System Improvements)	Software and Training needed for capital fund management		\$2,000.00
ID0175	Administration(Administration (1410)-Other,Administration (1410)-Salaries,Administration (1410)-Sundry)	Administration		\$86,902.00

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<b>Work Statement for Year</b> 4		2023		
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
ID0176	Audit(Contract Administration (1480)-Audit)	Audit		\$2,000.00
ID0177	Fees and Costs(Contract Administration (1480)-Other Fees and Costs)	Fees and Costs associated with Architectural, Engineering, Permits, City and County Fees. 5 Year Environmental Review and Energy Audit consultant fees.		\$35,818.00
ID0178	VCT Tile Replacement/ Asbestos Abatement AMP Wide(Dwelling Unit-Interior (1480)-Flooring (non routine))	Replace VCT Tile and remove and abate asbestos containing existing tile and mastic.		\$50,000.00
ID0179	CA 43-1A,1B, 04, 2A,2B, 03, 10, 13, 14, 15 Site Work/ Landscaping/ADA (Dwelling Unit-Site Work (1480)-Asphalt - Concrete - Paving,Dwelling Unit-Site Work (1480)-Curb and Gutter,Dwelling Unit-Site Work (1480)-Fencing,Dwelling Unit-Site Work (1480)-Landscape,Dwelling Unit-Site Work (1480)-Other,Dwelling Unit-Site Work (1480)-Parking,Dwelling Unit-Site Work (1480)-Pedestrian paving,Dwelling Unit-Site Work (1480)-Seal Coat,Dwelling Unit-Site Work (1480)-Signage,Dwelling Unit-Site Work (1480)-Striping)	Site landscaping, ADA, sidewalk replacements		\$15,000.00
ID0180	Landscaping Rehab - Tree Work, Amp Wide(Dwelling Unit-Site Work (1480)-Fencing,Dwelling Unit-Site Work (1480)-Landscape,Dwelling Unit-Site Work (1480)-Other)	Prune, remove and replace landscaping trees that are diseased or impacting site infrastructure. Amp Wide		\$86,615.00
ID0181	Appliance Upgrade- Amp Wide(Dwelling Unit-Interior (1480)-Appliances)	Replace Unit Appliances (60)		\$36,000.00
ID0183	43-10, 14, 15 Sewer Investigation and Replacement(Dwelling Unit-Interior (1480)-Plumbing,Dwelling Unit-Site Work (1480)-Asphalt - Concrete - Paving,Dwelling Unit-Site Work (1480)-Curb and Gutter,Dwelling Unit-Site Work (1480)-Fencing,Dwelling Unit-Site Work (1480)-Landscape,Dwelling Unit-Site Work (1480)-Parking,Dwelling Unit-Site Work (1480)-Pedestrian paving,Dwelling Unit-Site Work (1480)-Seal Coat,Dwelling Unit-Site Work (1480)-Sewer Lines - Mains,Dwelling Unit-Site Work (1480)-Storm Drainage,Dwelling Unit-Site Work (1480)-Striping)	Investigate damaged, blocked, crushed sewer laterals and mainlines and replace as required.		\$10,000.00

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<b>Work Statement for Year</b> 4		2023		
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
ID0187	43-03, 10, 15 Replace HVAC System(Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Mechanical)	Replace HVAC systems		\$15,000.00
ID0189	43-10, 14, 15 Screen Doors(Dwelling Unit-Exterior (1480)-Exterior Doors,Dwelling Unit-Exterior (1480)-Exterior Paint and Caulking,Dwelling Unit-Exterior (1480)-Other,Dwelling Unit-Exterior (1480)-Siding,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Other)	Install screen doors at units		\$9,000.00
ID0201	43-01A, 01B, 04, 2A, 2B, 03 Bathroom Remodel(Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Plumbing,Dwelling Unit-Interior (1480)-Tubs and Showers,Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks)	Remodel Bathrooms		\$30,000.00
ID0202	43-13 Bathroom Remodel(Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Other,Dwelling Unit-Interior (1480)-Plumbing,Dwelling Unit-Interior (1480)-Tubs and Showers)	Remodel Bathrooms		\$30,000.00
ID0203	43-14, 15 Bathroom Remodel(Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Plumbing,Dwelling Unit-Interior (1480)-Tubs and	Remodel Bathrooms		\$30,000.00
ID0206	43-10 Community Bldg. Interior and Exterior Remodel(Non-Dwelling Exterior (1480)-Balconies and Railings,Non-Dwelling Exterior (1480)-Canopies,Non-Dwelling Exterior (1480)-Doors,Non-Dwelling Exterior (1480)-Foundation,Non-Dwelling Exterior (1480)-Gutters - Downspouts,Non-Dwelling Exterior (1480)-Landings and Railings,Non-Dwelling Exterior (1480)-Lighting,Non-Dwelling Exterior (1480)-Mail Facilities,Non-Dwelling Exterior (1480)-Paint and Caulking,Non-Dwelling Exterior (1480)-Roofs,Non-Dwelling Exterior (1480)-Siding,Non-Dwelling Exterior (1480)-Soffits,Non-Dwelling Exterior (1480)-Stairwells and Fire Escapes,Non-Dwelling Exterior (1480)-Tuck Pointing,Non-Dwelling Exterior (1480)-Windows,Non-Dwelling Interior (1480)-Appliances,Non-Dwelling Interior (1480)-Common Area Bathrooms,Non-Dwelling Interior (1480)-Common Area Finishes,Non-Dwelling Interior (1480)-Common Area Flooring,Non-Dwelling Interior (1480)-Common Area Kitchens,Non-Dwelling Interior (1480)-Common Area Painting,Non-Dwelling Interior (1480)-Common Area Washers,Non-Dwelling Interior (1480)-Community Building,Non-	Perform Interior and Exterior Remodel at Community Bldg.		\$64,813.00

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	Interior (1480)-Doors,Non-Dwelling Interior (1480)-Electrical,Non-Dwelling Interior (1480)-Mechanical,Non-Dwelling Interior (1480)-Other,Non-Dwelling Interior (1480)-Plumbing,Non-Dwelling Interior (1480)-Security)			
ID0209	Site Signage- Amp Wide(Dwelling Unit-Site Work (1480)-Lighting,Dwelling Unit-Site Work (1480)-Other,Dwelling Unit-Site Work (1480)-Signage,Non-Dwelling Site Work (1480)-Lighting,Non-Dwelling Site Work (1480)-Signage)	Replace and Upgrade Existing Property Site Signage		\$25,000.00
ID0213	43-13,14,15 Interior Painting(Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Other,Dwelling Unit-Interior (1480)-Interior Doors)	Paint Interior of buildings. Abate lead paint as necessary		\$30,000.00
ID0232	43-10 Bathroom Remodel(Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Plumbing,Dwelling Unit-Interior (1480)-Tubs and	Remodel Bathrooms		\$30,000.00
ID0242	Energy Upgrades - Building Amp Wide(Dwelling Unit-Exterior (1480)-Balconies-Porches-Railings-etc,Dwelling Unit-Exterior (1480)-Columns and Porches,Dwelling Unit-Exterior (1480)-Decks and Patios,Dwelling Unit-Exterior (1480)-Exterior Doors,Dwelling Unit-Exterior (1480)-Exterior Lighting,Dwelling Unit-Exterior (1480)-Exterior Paint and Caulking,Dwelling Unit-Exterior (1480)-Gutters - Downspouts,Dwelling Unit-Exterior (1480)-Landings and Railings,Dwelling Unit-Exterior (1480)-Other,Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Siding,Dwelling Unit-Exterior (1480)-Soffits,Dwelling Unit-Exterior (1480)-Windows,Dwelling Unit-Interior (1480)-Appliances,Dwelling Unit-Interior (1480)-Call-for-Aid Systems,Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Mechanical,Dwelling Unit-Interior (1480)-Other,Dwelling Unit-Interior (1480)-Plumbing,Dwelling Unit-Interior (1480)-Tubs and Showers)	Replace building components for energy upgrade		\$30,000.00
ID0245	Smoke Detectors and CO Detectors - Amp Wide(Dwelling Unit-Interior (1480)-Call-for-Aid Systems,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Mechanical,Dwelling Unit-Interior (1480)-Other)	Replace Smoke Detectors and CO Detectors Amp Wide		\$25,000.00

Capital Fund Program - Five-Year Action Plan

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year</b>				
4	2023			
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
ID0254	43-10 Kitchen Remodel(Dwelling Unit-Interior (1480)-Appliances,Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Call-for-Aid Systems,Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Mechanical,Dwelling Unit-Interior (1480)-Other,Dwelling Unit-Interior (1480)-Plumbing,Dwelling Unit-Interior (1480)-Tubs and Showers)	Remodel Kitchen		\$20,000.00
ID0257	43-15 Stucco, Siding/Painting,(Dwelling Unit-Exterior (1480)-Balconies-Porches-Railings-etc,Dwelling Unit-Exterior (1480)-Canopies,Dwelling Unit-Exterior (1480)-Columns and Porches,Dwelling Unit-Exterior (1480)-Decks and Patios,Dwelling Unit-Exterior (1480)-Exterior Doors,Dwelling Unit-Exterior (1480)-Exterior Paint and Caulking,Dwelling Unit-Exterior (1480)-Gutters - Downspouts,Dwelling Unit-Exterior (1480)-Landings and Railings,Dwelling Unit-Exterior (1480)-Other,Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Siding,Dwelling Unit-Exterior (1480)-Soffits,Dwelling Unit-Exterior (1480)-Windows,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Other)	Roof, fascia, gutter, downspout, stucco, Siding and painting replacements.		\$15,500.00
ID0267	43-10 Landscape Replacement(Dwelling Unit-Site Work (1480)-Fencing,Dwelling Unit-Site Work (1480)-Landscape,Dwelling Unit-Site Work (1480)-Lighting,Dwelling Unit-Site Work (1480)-Other,Dwelling Unit-Site Work (1480)-Parking,Dwelling Unit-Site Work (1480)-Pedestrian paving,Dwelling Unit-Site Work (1480)-Signage,Dwelling Unit-Site Work (1480)-Water Lines/Mains,Dwelling Unit-Site Work (1480)-Electric Distribution)	Replace common area landscape and lighting		\$40,000.00
	Subtotal of Estimated Cost			\$868,023.00



Capital Fund Program - Five-Year Action Plan

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year</b> 5		2024		
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
	BUTTE COUNTY (CA043000001)			\$869,023.00
ID0095	43-15 Install Retaining Wall(Dwelling Unit-Site Work (1480)-Fence Painting,Dwelling Unit-Site Work (1480)-Fencing,Dwelling Unit-Site Work (1480)-Landscape,Dwelling Unit-Site Work (1480)-Other,Dwelling Unit-Site Work (1480)-Storm Drainage)	Install retaining wall along the back of the east side units to stop hillside erosion.		\$75,000.00
ID0135	43-1A, 1B, 04, 2A, 2B, 03, 10, 13, 14, 15 Install Roof Mount P.V. Solar Panels(Dwelling Unit-Exterior (1480)-Carports -Surface Garage,Dwelling Unit-Exterior (1480)-Exterior Lighting,Dwelling Unit-Exterior (1480)-Exterior Paint and Caulking,Dwelling Unit-Exterior (1480)-Other,Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Siding,Dwelling Unit-Exterior (1480)-Soffits,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Site Work (1480)-Electric Distribution,Dwelling Unit-Site Work (1480)-Landscape,Non-Dwelling Exterior (1480)-Canopies,Non-Dwelling Exterior (1480)-Lighting,Non-Dwelling Exterior (1480)-Roofs,Non-Dwelling Exterior (1480)-Siding,Non-Dwelling Interior (1480)-Community Building,Non-Dwelling Interior (1480)-Electrical,Non-Dwelling Interior (1480)-Other,Non-Dwelling Interior (1480)-Shop,Non-Dwelling Interior (1480)-Storage Area,Non-Dwelling Site Work (1480)-Fencing,Non-Dwelling Site Work (1480)-Lighting,Non-Dwelling Site Work (1480)-Site Utilities)	Install P.V. solar panels for common area electrical system.		\$75,000.00
ID0168	43-15 Unit Interior ADA Upgrades(Dwelling Unit-Interior (1480)-Appliances,Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Call-for-Aid Systems,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Other,Dwelling Unit-Interior (1480)-Tubs and Showers,Dwelling Unit-Exterior (1480)-Balconies-Porches-Railings-etc)	ADA accessibility improvements to units		\$30,000.00
ID0215	VCT Tile Replacement/ Asbestos Abatement Amp WIde(Dwelling Unit-Interior (1480)-Flooring (non routine))	Replace VCT Tile and remove and abate asbestos containing existing tile and mastic.		\$50,000.00
ID0216	CA 43-1A,1B, 04, 2A,2B, 03, 10, 13, 14, 15 Site Work/ Landscaping/ADA (Dwelling Unit-Site Work (1480)-Curb and Gutter,Dwelling Unit-Site Work (1480)-Fencing,Dwelling Unit-Site Work (1480)-Landscape,Dwelling Unit-Site Work (1480)-Other,Dwelling Unit-Site Work (1480)-Parking,Dwelling Unit-Site Work (1480)-Pedestrian paving,Dwelling Unit-Site Work (1480)-Seal Coat,Dwelling Unit-Site Work (1480)-Signage,Dwelling Unit-Site Work (1480)-Striping,Dwelling Unit-Site Work (1480)-	Site landscaping, ADA, sidewalk replacements		\$15,000.00

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year</b>				
5	2024			
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
	Asphalt - Concrete - Paving)			
ID0217	Operations(Operations (1406))	Operations		\$27,875.00
ID0218	Relocation Costs(Contract Administration (1480)-Relocation)	Relocate Residents Due to Construction Activities		\$3,500.00
ID0219	Managment Improvements(Management Improvement (1408)-Staff Training,Management Improvement (1408)-Other,Management Improvement (1408)-System Improvements)	Software and Training needed for capital fund managment		\$2,000.00
ID0220	Administration(Administration (1410)-Other,Administration (1410)-Salaries,Administration (1410)-Sundry)	Administration		\$86,902.00
ID0221	Audit(Contract Administration (1480)-Audit)	Audit		\$2,000.00
ID0222	Fees and Costs(Contract Administration (1480)-Other Fees and Costs)	Fees and Costs associated with Architectural, Engineering, Permits, City and County Fees.		\$35,818.00

Capital Fund Program - Five-Year Action Plan

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year 5 2024</b>				
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
ID0223	43-13,14,15 Sub Floor Replacement(Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Mechanical,Dwelling Unit-Interior (1480)-Other,Dwelling Unit-Interior (1480)-Plumbing,Dwelling Unit-Interior (1480)-Tubs and Showers)	Replace Subfloor and flooring.		\$45,000.00
ID0224	43-14 Landscape Replacement(Dwelling Unit-Site Work (1480)-Electric Distribution,Dwelling Unit-Site Work (1480)-Fencing,Dwelling Unit-Site Work (1480)-Landscape,Dwelling Unit-Site Work (1480)-Lighting,Dwelling Unit-Site Work (1480)-Other,Dwelling Unit-Site Work (1480)-Pedestrian paving,Dwelling Unit-Site Work (1480)-Signage,Dwelling Unit-Site Work (1480)-Water Lines/Mains)	Replace front and back yard landscape at Shelton Oaks with drought tolerant plants and ground cover. Replace site signs at Shelton Oaks and Rhodes Terrace.		\$70,000.00
ID0225	5 Year Environmental Review Fees and Costs(Contract Administration (1480)-Other Fees and Costs)	Perform HUD required environmental review of Capital Fund activities		\$76,000.00
ID0231	43-01A, 01B, 04, 2A, 2B, 03 Bathroom Remodel(Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Plumbing,Dwelling Unit-Interior (1480)-Tubs and Showers)	Remodel Bathrooms		\$30,000.00
ID0234	CNA Fees and Costs(Contract Administration (1480)-Other Fees and Costs)	Fees and Costs associated with Architectural, Engineering, Permits, City and County Fees. Audit consultant fees. CNA		\$20,000.00
ID0236	43-13, 14, 15 Water Line Repipe(Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Plumbing,Dwelling Unit-Interior (1480)-Tubs and Showers)	Re-pipe units		\$15,000.00
ID0243	Energy Upgrades - Building Amp Wide(Dwelling Unit-Exterior (1480)-Balconies-Porches-Railings-etc,Dwelling Unit-Exterior (1480)-Columns and Porches,Dwelling Unit-Exterior (1480)-Decks and Patios,Dwelling Unit-Exterior (1480)-Exterior Doors,Dwelling Unit-Exterior (1480)-Exterior Lighting,Dwelling Unit-Exterior (1480)-Exterior Paint and Caulking,Dwelling Unit-Exterior (1480)-Gutters - Downspouts,Dwelling Unit-Exterior (1480)-Landings and Railings,Dwelling Unit-Exterior (1480)-Other,Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Siding,Dwelling	Replace building components for energy upgrade		\$30,000.00

Capital Fund Program - Five-Year Action Plan

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year 5 2024</b>				
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
	Unit-Exterior (1480)-Soffits,Dwelling Unit-Exterior (1480)-Windows,Dwelling Unit-Interior (1480)-Appliances,Dwelling Unit-Interior (1480)-Call-for-Aid Systems,Dwelling Unit-Interior (1480)-Commodes,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Mechanical,Dwelling Unit-Interior (1480)-Other,Dwelling Unit-Interior (1480)-Plumbing,Dwelling Unit-Interior (1480)-Tubs and Showers)			
ID0244	Smoke Detectors and CO Detectors - Amp Wide(Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Mechanical,Dwelling Unit-Interior (1480)-Other,Dwelling Unit-Interior (1480)-Call-for-Aid Systems)	Replace Smoke Detectors and CO Detectors Amp Wide		\$25,000.00
ID0247	43-01,A, 1B, 04, 2A, 2B, 03, 10, 13, 14, 15 Replace Site and Unit Fencing (Dwelling Unit-Site Work (1480)-Dumpsters and Enclosures,Dwelling Unit-Site Work (1480)-Fence Painting,Dwelling Unit-Site Work (1480)-Fencing,Dwelling Unit-Site Work (1480)-Landscape,Dwelling Unit-Site Work (1480)-Other,Dwelling Unit-Site Work (1480)-Signage,Non-Dwelling Site Work (1480)-Fencing,Non-Dwelling Site Work (1480)-Landscape)	Replace site fencing and in front and back yards as needed.		\$20,000.00
ID0248	43-15 Community Bldg. Interior and Exterior Remodel(Non-Dwelling Exterior (1480)-Balconies and Railings,Non-Dwelling Exterior (1480)-Canopies,Non-Dwelling Exterior (1480)-Doors,Non-Dwelling Exterior (1480)-Foundation,Non-Dwelling Exterior (1480)-Gutters - Downspouts,Non-Dwelling Exterior (1480)-Landings and Railings,Non-Dwelling Exterior (1480)-Lighting,Non-Dwelling Exterior (1480)-Mail Facilities,Non-Dwelling Exterior (1480)-Other,Non-Dwelling Exterior (1480)-Paint and Caulking,Non-Dwelling Exterior (1480)-Roofs,Non-Dwelling Exterior (1480)-Siding,Non-Dwelling Exterior (1480)-Soffits,Non-Dwelling Exterior (1480)-Stairwells and Fire Escapes,Non-Dwelling Exterior (1480)-Tuck Pointing,Non-Dwelling Exterior (1480)-Windows,Non-Dwelling Interior (1480)-Appliances,Non-Dwelling Interior (1480)-Common Area Bathrooms,Non-Dwelling Interior (1480)-Common Area Finishes,Non-Dwelling Interior (1480)-Common Area Flooring,Non-Dwelling Interior (1480)-Common Area Kitchens,Non-Dwelling Interior (1480)-Common Area Painting,Non-Dwelling Interior (1480)-Common Area Washers,Non-Dwelling Interior (1480)-Community Building,Non-Dwelling Interior (1480)-Doors,Non-Dwelling Interior (1480)-Electrical,Non-Dwelling Interior (1480)-Mechanical,Non-Dwelling Interior (1480)-Other,Non-Dwelling Interior (1480)-Plumbing,Non-Dwelling Interior (1480)-Security,Non-Dwelling Interior (1480)-Shop,Non-Dwelling Interior (1480)-Storage Area)	Perform Interior and Exterior Remodel at Community Bldg.		\$47,928.00
ID0253	43-10, 13, 14 Replace HVAC System(Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Mechanical)	Replace HVAC systems		\$11,000.00

Capital Fund Program - Five-Year Action Plan

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year</b> 5		2024		
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
ID0258	43-10 Roof, Fascia, Gutter, Downspout Rehab(Dwelling Unit-Exterior (1480)-Balconies-Porches-Railings-etc,Dwelling Unit-Exterior (1480)-Gutters - Downspouts,Dwelling Unit-Exterior (1480)-Landings and Railings,Dwelling Unit-Exterior (1480)-Other,Dwelling Unit-Exterior (1480)-Roofs,Dwelling Unit-Exterior (1480)-Siding,Dwelling Unit-Exterior (1480)-Soffits)	Replace Roof, Fascia, Gutter and Downspouts		\$16,000.00
ID0263	Site Security -Amp Wide(Dwelling Unit-Site Work (1480)-Lighting,Dwelling Unit-Site Work (1480)-Other,Dwelling Unit-Site Work (1480)-Parking,Dwelling Unit-Site Work (1480)-Pedestrian paving,Dwelling Unit-Site Work (1480)-Playground Areas - Equipment,Dwelling Unit-Site Work (1480)-Signage,Non-Dwelling Exterior (1480)-Lighting,Non-Dwelling Interior (1480)-Security,Non-Dwelling Site Work (1480)-Signage,Dwelling Unit-Exterior (1480)-Canopies,Dwelling Unit-Exterior (1480)-Carports -Surface Garage,Dwelling Unit-Exterior (1480)-Exterior Doors,Dwelling Unit-Exterior (1480)-Exterior Lighting,Dwelling Unit-Exterior (1480)-Balconies-Porches-Railings-etc,Dwelling Unit-Exterior (1480)-Exterior Stairwells - Fire Escape,Dwelling Unit-Exterior (1480)-Foundations,Dwelling Unit-Exterior (1480)-Landings and Railings,Dwelling Unit-Exterior (1480)-Mail Facilities,Dwelling Unit-Exterior (1480)-Other,Dwelling Unit-Exterior (1480)-Siding,Dwelling Unit-Exterior (1480)-Soffits,Dwelling Unit-Exterior (1480)-Stairwells - Fire Escapes,Dwelling Unit-Exterior (1480)-Windows,Dwelling Unit-Interior (1480)-Call-for-Aid Systems,Dwelling Unit-Interior (1480)-Electrical,Dwelling Unit-Interior (1480)-Other,Dwelling Unit-Site Work (1480)-Dumpsters and Enclosures,Dwelling Unit-Site Work (1480)-Fence Painting,Dwelling Unit-Site Work (1480)-Fencing,Dwelling Unit-Site Work (1480)-Landscape)	Investigate and Install Site Security Measures		\$20,000.00
ID0266	43-15 Landscape Replacement(Dwelling Unit-Site Work (1480)-Electric Distribution,Dwelling Unit-Site Work (1480)-Fencing,Dwelling Unit-Site Work (1480)-Landscape,Dwelling Unit-Site Work (1480)-Lighting,Dwelling Unit-Site Work (1480)-Other,Dwelling Unit-Site Work (1480)-Parking,Dwelling Unit-Site Work (1480)-Pedestrian paving,Dwelling Unit-Site Work (1480)-Signage,Dwelling Unit-Site Work (1480)-Water Lines/Mains)	Replace front and back yard landscape		\$40,000.00
	Subtotal of Estimated Cost			\$869,023.00

Annual Statement/Performance and Evaluation Report  
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0157  
 Expires 3/31/2020

<b>Part I: Summary</b>		
<b>PHA Name:</b> Housing Authority of the County of Butte	<b>Grant Type and Number</b> Capital Fund Program Grant No: CA01P04350118 Replacement Housing Factor Grant No: Date of CFFP:	<b>FFY of Grant: 2018</b> <b>FFY of Grant Approval: 2018</b>

**Type of Grant**  
 Original Annual Statement       Reserve for Disasters/Emergencies       Revised Annual Statement (revision no: 1)  
 Performance and Evaluation Report for Period Ending: March 2020       Final Performance and Evaluation Report

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost <sup>1</sup>	
		Original	Revised <sup>2</sup>	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>	27,875.00	27,875.00	0.00	0.00
3	1408 Management Improvements	2,000.00	2,000.00	0.00	0.00
4	1410 Administration (may not exceed 10% of line 21)	80,855.00	81,778.00	81,778.00	81,778.00
5	1480 General Capital Activity	697,827.00	706,130.00	707,067.58	497,090.55
6	1492 Moving to Work Demonstration				
7	1501 Collateralization Expense / Debt Service Paid by PHA				
8	1503 RAD-CFP				
9	1504 RAD Investment Activity				
10	1505 RAD-CPT				
11	9000 Debt Reserves				
12	9001 Bond Debt Obligation paid Via System of Direct Payment				
13	9002 Loan Debt Obligation paid Via System of Direct Payment				
14	Post Audit Adjustment				

<sup>1</sup> To be completed for the Performance and Evaluation Report.  
<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.  
<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.



Annual Statement/Performance and Evaluation Report  
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0157  
**Expires 3/31/2020**

<b>Part I: Summary</b>					
<b>PHA Name:</b> Housing Authority of the County of Butte		<b>Grant Type and Number</b> Capital Fund Program Grant No: CA01P04350118 Replacement Housing Factor Grant No: Date of CFFP:		<b>FFY of Grant: 2018</b> <b>FFY of Grant Approval: 2018</b>	
<b>Type of Grant</b>					
<input type="checkbox"/> Original Annual Statement		<input type="checkbox"/> Reserve for Disasters/Emergencies		<input type="checkbox"/> Revised Annual Statement (revision no 1)	
<input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: March 2020		<input type="checkbox"/> Final Performance and Evaluation Report			
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost <sup>1</sup>	
		Original	Revised <sup>2</sup>	Obligated	Expended
18ba	1501 Collateralization or Debt Service paid by the PHA				
19	9000 Collateralization or Debt Service paid Via System of Direct Payment				
20	1502 Contingency (may not exceed 8% of line 20)				
21	Amount of Annual Grant:: (sum of lines 2 - 19)	808,557.00	817,783.00	788,845.58	578,868.55
22	Amount of line 20 Related to LBP Activities				
23	Amount of line 20 Related to Section 504 Activities				
24	Amount of line 20 Related to Security - Soft Costs				
25	Amount of line 20 Related to Security - Hard Costs				
26	Amount of line 20 Related to Energy Conservation Measures	180,323.00	188,626.00	0.00	0.00
<b>Signature of Executive Director</b>			<b>Signature of Public Housing Director</b>		
<b>Date</b>			<b>Date</b>		

<sup>1</sup> To be completed for the Performance and Evaluation Report.

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.



<b>Part II: Supporting Pages</b>								
PHA Name: Housing Authority of the County of Butte		Grant Type and Number Capital Fund Program Grant No: CA01P04350118 CFFP (Yes/ No): NO Replacement Housing Factor Grant No:			Federal FFY of Grant: 2018			
Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised <sup>1</sup>	Funds Obligated <sup>2</sup>	Funds Expended <sup>2</sup>	
PHA-AMP Wide	VCT Tile Replacement/ Asbestos Abatement AMP Wide. Replace VCT Tile and remove and abate asbestos containing exiting tile and mastic.	1480		58,484.00	58,484.00	8,623.89	8,623.89	Ongoing
PHA-AMP Wide	Energy Efficiency Upgrades. Install energy efficient electrical and lighting fixtures to site, exterior and interior of units.	1480		180,323.00	188,626.00	0.00	0.00	Design
PHA-AMP Wide	Landscape Rehab-Tree Work	1480		60,000.00	60,000.00	0.00	0.00	Not Started
43-1A, 1B, 04, 2A, 2B, 03	Replace HVAC Systems.	1480		15,000.00	15,000.00	22,591.00	22,591.00	Complete
43-01A, 1B, 04	Appliance Upgrade. Replace Appliances	1480		12,000.00	12,000.00	85,153.78	0.00	UC
43-03	Sewer Lateral Replacement.	1480		10,000.00	10,000.00	0.00	0.00	Not Started
43-13	Resurface Roads. Resurface Roads and Driveways, ADA.	1480		60,400.00	60,400.00	120,823.06	120,823.06	Complete
43-10	Under Slab Water Leak Repair	1480		4,000.00	4,000.00	0.00	0.00	Not Started
43-10	Roof, Fascia, Gutter, Downspout, Stucco, Painting and Repairs.	1480		40,000.00	40,000.00	0.00	0.00	Not Started
43-10, 14, 15	Resurface Roads	1480		27,100.00	27,100.00	179,254.77	179,254.77	Complete

<sup>1</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>2</sup> To be completed for the Performance and Evaluation Report.

<b>Part II: Supporting Pages</b>								
PHA Name: Housing Authority of the County of Butte			Grant Type and Number Capital Fund Program Grant No: CA01P04350118 CFFP (Yes/ No): NO Replacement Housing Factor Grant No:			Federal FFY of Grant: 2018		
Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised <sup>1</sup>	Funds Obligated <sup>2</sup>	Funds Expended <sup>2</sup>	
43-1A, 1B, 04, 2A, 2B	Sewer Lateral Replacement, Investigation, CO Installation	1480		127,400.00	127,400.00	188,668.00	111,731.20	UC
43-1A, 1B, 04, 2A, 2B, 03, 10, 13, 14, 15	Site Work, Landscaping, ADA Improvements	1480		12,500.00	12,500.00	1,003.86	1,003.86	Ongoing
43-01A, 1B, 2A, 2B, 03	Bathroom Remodel	1480		30,000.00	30,000.00	0.00	0.00	Not Started

<sup>1</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.  
<sup>2</sup> To be completed for the Performance and Evaluation Report.

<b>Part II: Supporting Pages</b>								
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Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised <sup>1</sup>	Funds Obligated <sup>2</sup>	Funds Expended <sup>2</sup>	
CA43 Authority Wide	A: Operations	1406		27,875.00	27,875.00	0.00	0.00	Not Started
	B: Management Improvements	1408		2,000.00	2,000.00	0.00	0.00	Not Started
	C: Administration	1410		80,855.00	81,778.00	81,778.00	81,778.00	Ongoing
	D: Audit	1480		2,000.00	2,000.00	0.00	0.00	Not Started
	E: Fees and Costs	1480		55,120.00	55,120.00	100,949.22	53,062.77	Ongoing
	D: Relocation Costs	1480		3,500.00	3,500.00	0.00	0.00	Not Started

<sup>1</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>2</sup> To be completed for the Performance and Evaluation Report.

<b>Part III: Implementation Schedule for Capital Fund Financing Program</b>					
PHA Name:			Federal FFY of Grant:		
Development Number Name/PHA-Wide Activities	All Fund Obligated (Quarter Ending Date)		All Funds Expended (Quarter Ending Date)		Reasons for Revised Target Dates <sup>1</sup>
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	

<sup>1</sup> Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.



<b>Part III: Implementation Schedule for Capital Fund Financing Program</b>					
PHA Name:				Federal FFY of Grant:	
Development Number Name/PHA-Wide Activities	All Fund Obligated (Quarter Ending Date)		All Funds Expended (Quarter Ending Date)		Reasons for Revised Target Dates <sup>1</sup>
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<sup>1</sup> Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

Annual Statement/Performance and Evaluation Report  
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0157  
 Expires 3/31/2020

<b>Part I: Summary</b>		
<b>PHA Name:</b> Housing Authority of the County of Butte	<b>Grant Type and Number</b> Capital Fund Program Grant No: CA01P04350119 Replacement Housing Factor Grant No: Date of CFFP:	<b>FFY of Grant: 2019</b> <b>FFY of Grant Approval: 2019</b>

**Type of Grant**  
 Original Annual Statement       Reserve for Disasters/Emergencies       Revised Annual Statement (revision no: )  
 Performance and Evaluation Report for Period Ending: March 2020       Final Performance and Evaluation Report

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost <sup>1</sup>	
		Original	Revised <sup>2</sup>	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>	28,811.00		0.00	0.00
3	1408 Management Improvements	2,000.00		0.00	0.00
4	1410 Administration (may not exceed 10% of line 21)	80,842.00		80,842.00	4,059.78
5	1480 General Capital Activity	696,773.00		36,267.17	6,767.17
6	1492 Moving to Work Demonstration				
7	1501 Collateralization Expense / Debt Service Paid by PHA				
8	1503 RAD-CFP				
9	1504 RAD Investment Activity				
10	1505 RAD-CPT				
11	9000 Debt Reserves				
12	9001 Bond Debt Obligation paid Via System of Direct Payment				
13	9002 Loan Debt Obligation paid Via System of Direct Payment				
14	Post Audit Adjustment				

<sup>1</sup> To be completed for the Performance and Evaluation Report.  
<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.  
<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.





Annual Statement/Performance and Evaluation Report  
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
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<b>Part I: Summary</b>					
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<b>Type of Grant</b>					
<input type="checkbox"/> Original Annual Statement		<input type="checkbox"/> Reserve for Disasters/Emergencies		<input type="checkbox"/> Revised Annual Statement (revision no )	
<input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: March 2020		<input type="checkbox"/> Final Performance and Evaluation Report			
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost <sup>1</sup>	
		Original	Revised <sup>2</sup>	Obligated	Expended
18ba	1501 Collateralization or Debt Service paid by the PHA				
19	9000 Collateralization or Debt Service paid Via System of Direct Payment				
20	1502 Contingency (may not exceed 8% of line 20)				
21	Amount of Annual Grant:: (sum of lines 2 - 19)	808,426.00		117,109.17	10,826.95
22	Amount of line 20 Related to LBP Activities				
23	Amount of line 20 Related to Section 504 Activities				
24	Amount of line 20 Related to Security - Soft Costs				
25	Amount of line 20 Related to Security - Hard Costs				
26	Amount of line 20 Related to Energy Conservation Measures	59,000.00		0.00	0.00
<b>Signature of Executive Director</b>			<b>Signature of Public Housing Director</b>		
<b>Date</b>			<b>Date</b>		

<sup>1</sup> To be completed for the Performance and Evaluation Report.

<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.

<b>Part II: Supporting Pages</b>								
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Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised <sup>1</sup>	Funds Obligated <sup>2</sup>	Funds Expended <sup>2</sup>	
PHA-AMP Wide	VCT Tile Replacement/ Asbestos Abatement AMP Wide. Replace VCT Tile and remove and abate asbestos containing exiting tile and mastic.	1480		44,484.00		5,289.20	5,289.20	Ongoing
43-01A, 01B, 04, 2A,2B, 03, 10, 13, 14, 15	Energy Efficiency Upgrades. Install energy efficient electrical and lighting fixtures to site, exterior and interior of units.	1480		39,000.00		0.00	0.00	Not Started
43-10	Energy Efficiency Upgrades Interior and Exterior at Community Bldg. Install energy efficient electrical and lighting fixtures to site, exterior and interior of units	1480		10,000.00		0.00	0.00	Not Started
43-15	Energy Efficiency Upgrades at 115 Nelson. Install energy efficient electrical and lighting fixtures to site, exterior and interior of units	1480		10,000.00		0.00	0.00	Not Started
43-1A, 1B, 04, 2A, 2B, 03	Replace HVAC Systems.	1480		20,000.00		0.00	0.00	Not Started

<sup>1</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>2</sup> To be completed for the Performance and Evaluation Report.

<b>Part II: Supporting Pages</b>								
PHA Name: Housing Authority of the County of Butte		Grant Type and Number Capital Fund Program Grant No: CA01P04350119 CFFP (Yes/ No): NO Replacement Housing Factor Grant No:			Federal FFY of Grant: 2019			
Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised <sup>1</sup>	Funds Obligated <sup>2</sup>	Funds Expended <sup>2</sup>	
43-03	Replace HVAC Systems	1480		5,000.00		0.00	0.00	Not Started
43-01A, 01B, 04, 2A, 2B, 03, 10, 13, 14 ,15	Appliance Upgrade. Replace Appliances	1480		36,000.00		0.00	0.00	Not Started
43-1A, 1B, 04, 03	Roof, Fascia, Gutter, Downspout, Stucco, Painting and Repairs.	1480		10,000.00		0.00	0.00	Not Started
43-15	Resurface Roads and Driveways, Upgrade ADA Accessibility at 115 Nelson Avenue Site.	1480		24,367.00		0.00	0.00	Not Started
43-15	Site Security Upgrade at 115 Nelson Avenue Site	1480		40,000.00		30,977.97	1,477.97	UC
43-10	Unit Interior ADA Upgrades	1480		94,400.00		0.00	0.00	Not Started
43-10	Under Slab Water Leak Repair	1480		4,000.00		0.00	0.00	Not Started
43-10	Roof, Fascia, Gutter, Downspout, Stucco, Painting and Repairs.	1480		7,500.00		0.00	0.00	Not Started
43-01A, 01B, 04	Landscape Replacement-Full Site	1480		126,902.00		0.00	0.00	Not Started

<sup>1</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

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<b>Part II: Supporting Pages</b>								
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Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised <sup>1</sup>	Funds Obligated <sup>2</sup>	Funds Expended <sup>2</sup>	
43-1A, 1B, 04, 2A, 2B	Sewer Lateral Replacement	1480		10,000.00		0.00	0.00	Not Started
43-03	Sewer Lateral Replacement	1480		10,000.00		0.00	0.00	Not Started
43-1A, 1B, 04, 2A, 2B, 03, 10, 13, 14, 15	Site Work, Landscaping, ADA Improvements	1480		12,500.00		0.00	0.00	Not Started
43-1A,1B, 04, 03	Replace Porch/Sidewalk/ADA Imp	1480		12,000.00		0.00	0.00	Not Started
43-01A, 1B, 2A, 2B, 03	Bathroom Remodel, Select Units	1480		30,000.00		0.00	0.00	Not Started
43-01A, 1B, 2A, 2B, 03	Kitchen Remodel, Select Units	1480		70,000.00		0.00	0.00	Not Started
CA43 Authority Wide	A: Operations	1406		28,811.00		0.00	0.00	Not Started
	B: Management Improvements	1408		2,000.00		0.00	0.00	Not Started
	C: Administration	1410		80,842.00		80,842.00	4,059.78	Ongoing
	D: Audit	1480		2,000.00		0.00	0.00	Not Started
	E: Fees and Costs	1480		75,120.00		0.00	0.00	Not Started
	D: Relocation Costs	1480		3,500.00		0.00	0.00	Not Started

<sup>1</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>2</sup> To be completed for the Performance and Evaluation Report.

<b>Part III: Implementation Schedule for Capital Fund Financing Program</b>					
PHA Name:					<b>Federal FFY of Grant:</b>
Development Number Name/PHA-Wide Activities	All Fund Obligated (Quarter Ending Date)		All Funds Expended (Quarter Ending Date)		Reasons for Revised Target Dates <sup>1</sup>
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	

<sup>1</sup> Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.



<b>Part III: Implementation Schedule for Capital Fund Financing Program</b>					
PHA Name:				Federal FFY of Grant:	
Development Number Name/PHA-Wide Activities	All Fund Obligated (Quarter Ending Date)		All Funds Expended (Quarter Ending Date)		Reasons for Revised Target Dates <sup>1</sup>
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	

<sup>1</sup> Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.



**HOUSING AUTHORITY  
of the County of Butte**

**20192020**

**ADMISSIONS AND CONTINUED OCCUPANCY POLICY  
FOR THE  
PUBLIC HOUSING PROGRAM**

Draft: 05/21/2020

Effective Date: 07/01/201910/01/2020





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## Chapter 1

### OVERVIEW OF THE PROGRAM AND PLAN

#### INTRODUCTION

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

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

There are three parts to this chapter:

Part I: The Public Housing Agency (PHA). This part includes a description of the PHA, its jurisdiction, its programs, and its mission and intent.

Part II: The Public Housing Program. This part contains information about public housing operation, roles and responsibilities, and partnerships.

Part III: The Admissions and Continued Occupancy (ACOP). This part discusses the purpose and organization of the plan and its revision requirements.

#### PART I: THE PHA

##### 1-1.A. OVERVIEW

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

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

Public housing is funded by the federal government and administered by the PHA.

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

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

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

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

### **1-I.C. PHA MISSION**

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

#### HACB Policy

The mission of the Housing Authority of the County of Butte is to provide safe, decent, sanitary, affordable housing to as many people as possible with excellence and respect.

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

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

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

- Administer an efficient, high-performing agency through continuous improvement of the PHA’s support systems and commitment to our employees and their development.

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

## **PART II: THE PUBLIC HOUSING PROGRAM**

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

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

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

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

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

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

### **1-II.B. PUBLIC HOUSING PROGRAM BASICS**

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

The job of the PHA pursuant to HUD regulations is to provide decent, safe, and sanitary housing, in good repair, to low-income families at an affordable rent. The PHA screens applicants for public housing and, if they are determined to be eligible for the program, the PHA makes an offer of a housing unit. If the applicant accepts the offer, the PHA and the applicant will enter into a written lease agreement. At this point, the applicant becomes a tenant in the public housing program.

In the context of the public housing program, a tenant is defined as the adult person(s) (other than a live-in aide who (1) executed the lease with the PHA as lessee of the dwelling unit, or, if no such

person now resides in the unit, (2) who resides in the unit, and who is the remaining head of household of the tenant family residing in the dwelling unit. [24 CFR 966.53]. The Public Housing Occupancy Guidebook refers to tenants as “residents.” The terms “tenant” and “resident” are used interchangeably in this policy. Additionally, this policy uses the term “family” or “families” for residents or applicants, depending on context.

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

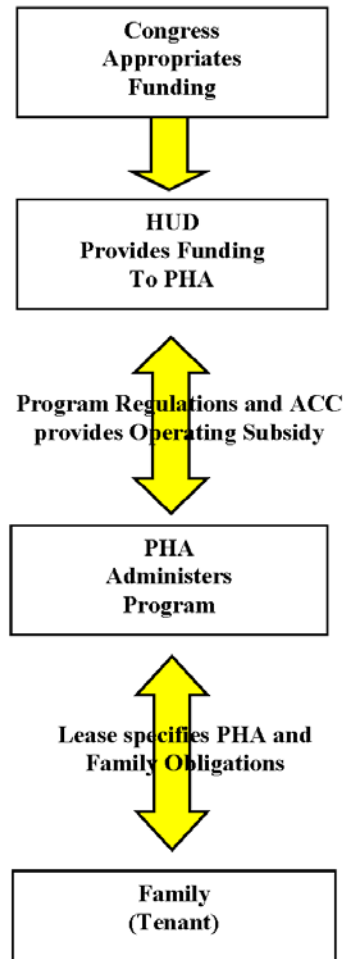
### **1-II.C. PUBLIC HOUSING PARTNERSHIPS**

To administer the public housing program, the PHA must enter into an Annual Contributions Contract (ACC) with HUD. The PHA also enters into a contractual relationship with the tenant through the public housing lease. These contracts define and describe the roles and responsibilities of each party.

In addition to the ACC, the PHA and family must also comply with federal regulations and other HUD publications and directives. For the program to work and be successful, all parties involved – HUD, the PHA, and the tenant – play an important role.

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

## The Public Housing Relationships



### **What does HUD do?**

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

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

### **What does the PHA do?**

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

- Ensure compliance with all non-discrimination, equal opportunity, and fair housing laws, and ensure that the program is accessible to persons with disabilities
- Establish local policies and procedures for operating the program
- Accept applications from interested applicant families to and determine whether they are income eligible for the program
- Maintain waiting list and select families for admission
- Screen applicant families for suitability as renters
- Maintain housing units by making any necessary repairs in a timely manner
- Make unit offers to families (minimize vacancies without overcrowding)
- Maintain properties to the standard of decent, safe, sanitary, and in good repair (including assuring compliance with uniform physical conditions standards)
- Make sure the PHA has adequate financial resources to maintain its housing stock
- Perform regular reexaminations of family income and composition in accordance with HUD requirements
- Collect rent due from the assisted family and comply with and enforce provisions of the lease
- Ensure that families comply with program rules
- Provide families with prompt and professional service
- Comply with HUD regulations and requirements, the Annual Contributions Contract, HUD-approved applications for funding, the PHA's ACOP, and other applicable federal, state and local laws.

### **What does the tenant do?**

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

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

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

#### **1-II.D. APPLICABLE REGULATIONS**

Applicable regulations include:

- 24 CFR Part 5: General Program Requirements
- 24 CFR Part 8: Nondiscrimination
- 24 CFR Part 35: Lead-Based Paint
- 24 CFR Part 902: Public Housing Assessment System
- 24 CFR Part 903: Public Housing Agency Plans
- 24 CFR Part 945: Designated Housing
- 24 CFR Part 960: Admission and Occupancy Policies
- 24 CFR Part 965: PHA-Owned or Leased Projects – General Provisions
- 24 CFR Part 966: Lease and Grievance Procedures

### **PART III: THE ADMISSIONS AND CONTINUED OCCUPANCY POLICIES**



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

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

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

### **1-III.B. CONTENTS OF THE POLICY**

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

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

### **New Approach to Policy Development**

HUD has developed an approach to monitoring PHAs that emphasizes the importance of consistency. The ACOP supports that goal by clearly setting forth the PHA's operating policies.

A primary focus of HUD's Rental Integrity Monitoring (RIM) program has been consistent in how PHAs conduct their business and in how HUD monitors PHA activities. Referring to and following the ACOP is essential to maintaining consistency in applying PHA Policy.

HUD makes a distinction between mandatory policies and non-mandatory policies:

- Mandatory policies: those driven by legislation, regulations, current handbooks, current PIH notices, and legal opinions from the Office of General Counsel, and
- Optional, non-binding guidance: includes guidebooks, FAQs PIH notices that have expired, and recommendations from individual HUD staff.

HUD expects PHAs to develop policies and procedures that are consistent with mandatory policies and to make clear the optional policies the PHA has adopted. The ACOP is comprised of mandatory policies and optional PHA policy. HUD's new direction emphasizes the need for a clearly written and comprehensive ACOP to guide staff in the clear and consistent application of policy.

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

### **1-III.C. UPDATING AND REVISING THE POLICY**

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

#### HACB Policy

The HACB will review and update the ACOP as needed to reflect changes in regulations, HACB operations, or when needed to ensure staff consistency in operation.

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## Chapter 2

### FAIR HOUSING AND EQUAL OPPORTUNITY

#### INTRODUCTION

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

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

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

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

Part III: Prohibition of Discrimination Against Limited English Proficiency Persons. This part details the obligations of the PHA to ensure meaningful access to the public housing program and its activities by persons with limited English proficiency (LEP). This part incorporates the Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition against National Origin Discrimination Affecting Limited English Proficient Persons published January 22, 2007, in the *Federal Register*.

#### PART I: NONDISCRIMINATION

##### 2-I.A. OVERVIEW

Federal laws require PHAs to treat all applicants and tenant families equally, providing the same quality of service, regardless of family characteristics and background. Federal law prohibits discrimination in housing on the basis of race, color, religion, sex, national origin, age, familial status, and disability. In addition, HUD regulations provide for additional protections regarding sexual orientation, gender identity, and marital status. The PHA will not discriminate on the basis of citizenship, primary language or immigration status per California state law. The PHA will comply fully with all federal, state, and local nondiscrimination laws, and with rules and regulations governing fair housing and equal opportunity in housing and employment, including:

- Title VI of the Civil Rights Act of 1964
- Title VIII of the Civil Rights Act of 1968 (as amended by the Community Development Act of 1974 and the Fair Housing Amendments Act of 1988)
- Executive Order 11063
- Section 504 of the Rehabilitation Act of 1973
- The Age Discrimination Act of 1975

- Title II of the Americans with Disabilities Act (to the extent that it applies, otherwise Section 504 and the Fair Housing Amendments govern)
- The Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity Final Rule, published in the *Federal Register* February 3, 2012 and further clarified in Notice PIH 2014-20
- The Violence Against Women Act of 2013 (VAWA)
- Any applicable state laws or local ordinances and any legislation protecting individual rights of tenants, applicants, or staff that may subsequently be enacted

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

#### HACB Policy

The HACB will not discriminate based upon marital status, medical condition, source of income, sexual orientation or veteran status in the leasing, rental or other disposition of housing or related facilities, including land, that is part of any project or projects under the HACB's jurisdiction covered by a contract for annual contributions under the United States Housing Act of 1937, as amended, or in the use or occupancy thereof.

## **2-I.B. NONDISCRIMINATION**

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

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

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

The PHA will not discriminate on the basis of marital status, gender identity, or sexual orientation [FR Notice 02/03/12].

The PHA will not discriminate on the basis of citizenship, primary language or immigration status per California state law.

#### HACB Policy

The HACB does not identify any additional protected classes.

The PHA will not use any of these factors to:

- Deny to any family the opportunity to apply for housing, nor deny to any qualified applicant the opportunity to participate in the public housing program
- Provide housing that is different from that provided to others
- Subject anyone to segregation or disparate treatment
- [Subject anyone to sexual harassment](#)
- Restrict anyone's access to any benefit enjoyed by others in connection with the housing program
- Treat a person differently in determining eligibility or other requirements for admission
- Steer an applicant or tenant toward or away from a particular area based on any of these factors

- Deny anyone access to the same level of services
- Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program
- Discriminate in the provision of residential real estate transactions
- Discriminate against someone because they are related to or associated with a member of a protected class
- Publish or cause to be published an advertisement or notice indicating the availability of housing that prefers or excludes persons who are members of a protected class

### **Providing Information to Families**

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

### **Discrimination Complaints**

If an applicant or tenant family believes that any family member has been discriminated against by the PHA, the family should advise the PHA. ~~HUD requires t~~The PHA ~~to should~~ make every reasonable attempt to determine whether the applicant or tenant family's assertions have merit and take any warranted corrective action.

In all cases, the PHA may advise the family to file a fair housing complaint if the family feels they have been discriminated against under the Fair Housing Act.

Upon receipt of a housing discrimination complaint, the PHA is required to:

- Provide written notice of the complaint to those alleged and inform the complainant that such notice was made
- Investigate the allegations and provide the complainant and those alleged with findings and either a proposed corrective action or an explanation of why corrective action is not warranted
- Keep records of all complaints, investigations, notices, and corrective actions [Notice PIH 2014-20]

#### HACB Policy

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

Within 10 business days of receiving the complaint, the HACB will provide a written notice to those alleged to have violated the rule. The HACB will also send a written notice to the complainant informing them that notice was sent to those alleged to have violated the rule, as well as information on how to complete and submit a housing discrimination complaint form to HUD's Office of Fair Housing and Equal Opportunity (FHEO), or State of California Department of Fair Employment & Housing (DFEH).

The HACB will attempt to remedy discrimination complaints made against the HACB and will conduct an investigation into all allegations of discrimination.

Within 10 business days following the conclusion of the HACB's investigation, the HACB will provide the complainant and those alleged to have violated the rule with findings and either a proposed corrective action plan or an explanation of why corrective action is not warranted.

The HACB will keep a record of all complaints, investigations, notices and corrective actions (See Chapter 16).

Applicants or tenant families who believe that they have been subject to unlawful discrimination may also notify HUD by telephone (800) 669-9777; mail at the San Francisco Regional Office of FHEO, U.S. Department of Housing and Urban Development, 600 Harrison Street, 3<sup>rd</sup> Floor, San Francisco, CA 95107-1387; or via the Internet.

The Fair Housing Act prohibits discrimination based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, people securing custody under the age of 18), and disability.

Applicants or tenant families who believe that they have been subject to unlawful discrimination may also notify the State of California Department of Fair Employment & Housing (“DFEH”). The DFEH can be reached at their Communication Center (800) 884-1684 or TTY (800) 700-2320 for hearing impaired or by email at [contact.center@dfeh.ca.gov](mailto:contact.center@dfeh.ca.gov).

California law protects individuals from illegal discrimination by housing providers based on the following: race, color; ancestry, national origin; religion; disability - mental or physical; sex, gender; sexual orientation; gender identity, gender expression; genetic information; marital status; familial status; and source of income.

## **PART II: POLICIES RELATED TO PERSONS WITH DISABILITIES**

### **2-II.A. OVERVIEW**

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

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

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

#### **HACB Policy**

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

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

To request a reasonable accommodation, you may contact the Section 504 Coordinator Larry

Guanzon, in writing at the Housing Authority of the County of Butte office located at 2039 Forest Avenue, Chico CA 95928 or by telephone at (530) 895-4474 Ext. 226 or email at [larryg@butte-housing.com](mailto:larryg@butte-housing.com).

## **2-II.B. DEFINITION OF REASONABLE ACCOMMODATION**

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

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

### **Types of Reasonable Accommodations**

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

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

## **2-II.C. REQUEST FOR AN ACCOMMODATION**

If an applicant or participant indicates that an exception, change, or adjustment to a rule, policy, practice, or service is needed because of a disability, HUD requires that the PHA treat the information as a request for a reasonable accommodation, even if no formal request is made [Joint



Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act].

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

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

#### HACB Policy

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

### **2-II.D. VERIFICATION OF DISABILITY**

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

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

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

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

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

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

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

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

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

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

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

HACB Policy

After a request for an accommodation is presented, the HACB will respond, in writing, within 14 calendar days.

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

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

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

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

HUD regulations require the PHA to take reasonable steps to ensure that persons with disabilities

related to hearing and vision have reasonable access to the PHA's programs and services [24 CFR 8.6].

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

#### HACB Policy

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

To meet the needs of persons with vision impairments, large-print and audio versions of key program documents will be made available upon request. When visual aids are used in public meetings or presentations, or in meetings with HACB staff, one-on-one assistance will be provided upon request.

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

### **2-II.G. PHYSICAL ACCESSIBILITY**

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

- Notice PIH 2006-13
- Section 504 of the Rehabilitation Act of 1973
- The Americans with Disabilities Act of 1990
- The Architectural Barriers Act of 1968
- The Fair Housing Act of 1988

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

- This policy, the Admissions and Continued Occupancy Policy, describes the key policies that govern the PHA's responsibilities with regard to physical accessibility.
- Notice PIH 2006-13 summarizes information about pertinent laws and implementing regulations related to non-discrimination and accessibility in federally-funded housing programs.
- The PHA Plan provides information about self-evaluation, needs assessment, and transition plans.

The design, construction, or alteration of PHA facilities must conform to the Uniform Federal Accessibility Standards (UFAS). Notice PIH 2010-26 contains specific information on calculating the percentages of units for meeting UFAS requirements.

Newly-constructed facilities must be designed to be readily accessible to and usable by persons with disabilities. Alterations to existing facilities must be accessible to the maximum extent feasible, defined as not imposing an undue financial and administrative burden on the operations of the public housing program.

### **2-II.H. DENIAL OR TERMINATION OF ASSISTANCE**

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

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

When a family's lease is terminated, the notice of termination must inform the family of their right to request a hearing in accordance with the PHA's grievance process [24 CFR 966.4(1)(3)(ii)].

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

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

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

#### **2-III.A. OVERVIEW**

Language for Limited English Proficiency Persons (LEP) can be a barrier to accessing important benefits or services, understanding and exercising important rights, complying with applicable responsibilities, or understanding other information provided by the public housing program. In certain circumstances, failure to ensure that LEP persons can effectively participate in or benefit from federally-assisted programs and activities may violate the prohibition under Title VI against discrimination on the basis of national origin. This part incorporates the Final Guidance to Federal Assistance Recipients Regarding Title VI Prohibition against National Origin Discrimination Affecting Limited English Proficient Persons, published January 22, 2007, in the *Federal Register*.

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

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

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

#### **2-III.B. ORAL INTERPRETATION**

The PHA will offer, competent interpretation services free of charge, upon request, to the LEP person.

### HACB Policy

The HACB will utilize a language line for telephone interpreter services

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

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

Where feasible and possible, according to its language assistance plan (LAP), the HACB will train and hire bilingual staff to be available to act as interpreters and translators, will pool resources with other PHAs, and will standardize documents.

### **2-III.C. WRITTEN TRANSLATION**

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

#### HACB Policy

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

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

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

### **2-III.D. IMPLEMENTATION PLAN**

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

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

#### HACB Policy

The HACB has developed a written LEP plan, the following five steps were taken: (1) Identifying LEP individuals who need language assistance; (2) identifying language assistance measures; (3) training staff; (4) providing notice to LEP persons; and (5) monitoring and updating the LEP plan.

The HACB has bi-lingual staff to assist non-English speaking families in the following languages: Spanish and Hmong.

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

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

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

The phrase “physical or mental impairment” includes:

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

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

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

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

The definition of a person with disabilities does not include:

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

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

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

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



**EXHIBIT 2-2: HOUSING AUTHORITY OF THE  
COUNTIES OF BUTTE AND GLENN'S  
LANGUAGE ASSISTANCE PLAN**

**I. Introduction**

The Housing Authority of the County of Butte (HACB) is committed to providing equal opportunity housing in a non-discriminatory manner, and in complying fully with all Federal, State and local nondiscrimination laws and with the rules and regulations governing Fair Housing and Equal Opportunity in housing and employment. This includes complying with Title VI of the Civil Rights Act of 1964 to ensure meaningful access to programs and activities by Limited English Proficient (LEP) persons.

The purpose of this Language Assistance Plan (LAP) is to identify how the HACB will ensure its methods of administration will not have the effect of subjecting LEP persons to discrimination because of their national origin, and to ensure LEP persons have full access to HACB programs and services.

**II. Who is LEP?**

For purposes of this LAP, anyone whose primary language is not English, and has a limited ability to read, write, speak or understand English may be LEP.

The HACB will not identify anyone as LEP; the beneficiaries of the services and activities must identify themselves as LEP (Federal Register Vol. 72, No. 13, January 22, 2007).

**III. Identification of Language Needs Within the Jurisdiction**

It was determined through review of the U.S. Census Bureau's American Fact Finder for the Counties of Butte and Glenn, as recommended by the U.S. Department of Housing and Urban Development (HUD), that Spanish and Hmong speaking were the only languages to meet the 4 factor analysis criteria (1 – Number or proportion of LEP persons served or encountered in the eligible service area; 2 – Frequency of contact with the program; 3 – Importance of service, information, program or activity; 4 – Costs versus resource and benefits) requiring translation of vital documents. Guidance provided by HUD states that written translations of vital documents should be provided for each eligible LEP language group that constitutes 5% or 1,000 whichever is less, of the population of persons eligible to be served or likely to be effected or encountered. **See attached Language Assessment Four-Factor Analysis.** The HACB has determined that the HACB will translate vital documents into Spanish and Hmong.

Other language groups in Butte and Glenn Counties had few LEP persons and therefore did not meet the threshold to require written translation of vital documents into those languages. The HACB will provide oral interpretation as needed to LEP persons requesting such services.

#### **IV. Written Translation**

As stated above in Section III, the HACB has determined that because there are more than 17,628 Spanish-speakers and 6,656 Hmong speakers in Butte and Glenn Counties who speak English less than very well, the HACB will translate vital documents into Spanish and Hmong. As of the date of the creation of this LAP, Spanish and Hmong are the only languages into which vital documents will be translated. This is subject to change upon review of the LAP as discussed below.

##### **A. *Vital Documents***

HUD has defined “vital documents” to be those documents that are critical for ensuring meaningful access or awareness of rights or services, by beneficiaries or potential beneficiaries generally and LEP persons specifically. In general, the HACB will attempt to translate all letters sent to program applicants and participants to Spanish and Hmong. However, the following is a list of documents the HACB has determined to be vital and has committed to translating into or providing HUD-approved versions in Spanish and Hmong:

##### Already Translated or Have Translations Provided by HUD

- Housing Choice Voucher, including Family Obligations
- Letter of Informal Hearing
- Informal Hearing Procedures
- Informal Hearing Results
- Instructions on Moving After Receiving/Giving Notice to Move
- Notification of Pro-ration of Assistance Based on Non-Eligible Household Members
- Repayment Agreement
- Denial of Unit
- Notification of Social Security Number Discrepancy
- Proposal of Termination of Program Participation
- Letter Confirming Voluntary Termination
- Brochure Explaining Rights under the Americans with Disability Act
- Brochure Explaining Family Self-Sufficiency Program
- Brochure Explaining Housing Choice Voucher Home Ownership Program
- Family Obligation Checklist
- Authorization to Release Information with Privacy Act Statement
- Brochure Regarding Housing Discrimination
- Family Self-Sufficiency Contract
- Request for Tenancy Approval

#### **V. Oral Interpretation**

The HACB will make every effort to provide oral interpretation for all its clients who have identified themselves as LEP and request services. These services will be provided to all clients “free of charge”.

##### **A. *Bilingual Staff***

The HACB employs bilingual, Spanish and Hmong speaking staff in several positions, including program management, to ensure there are sufficient personnel available to assist Spanish and Hmong speaking LEP persons when needed. Currently the HACB has nine full-time Spanish-speaking and four full-time Hmong-speaking staff.

**B. Interpreter Services**

When there is not a HACB staff person who speaks the LEP person’s primary language, the HACB will use the Language Line interpreter service.

In the event that the LEP person’s primary language is not widely spoken and the HACB is unable to locate a suitable interpreter through a professional interpreter service, the HACB may resort to other methods such as seeking community volunteers. As a last resort in cases where the HACB is unable to find an acceptable interpreter within a time frame to effectively assist the client, the HACB may use telephone line translation, such as Language Line Services, in order to communicate via an in-office conference call.

**C. Informal Interpreters**

The HACB will generally discourage the use of family members or other informal interpreters, but will allow the use of an interpreter of the LEP person’s choosing (including family members or a professional interpreter at the LEP person’s own expense) when the LEP person rejects the HACB’s free language assistance services. The HACB will document the offer and the LEP person’s subsequent rejection.

**VI. Outreach**

The HACB will conduct outreach in a method that is inclusive of LEP persons identified through its bi-annual analysis. All Public Notices and marketing advertisements, such as notification of the availability of waiting list applications, shall be published in Spanish and Hmong as well as English, and the HACB will publish these in local Spanish media. The HACB may also participate in community-sponsored events, and make presentations through community organizations to target LEP persons and ensure they are aware of the availability of LEP assistance.

For clients, reception services are provided in Spanish and Hmong, flyers and other communications posted in the lobby are translated into Spanish and Hmong.

**VII. Staff Training**

The HACB will provide a copy of this LAP to all existing staff, and will also provide training as to its contents and what is required of them under its policies. This training shall include the types of services available to clients and how to access them. New employees will receive this LEP and the same training as part of their orientation.

**VIII. Monitoring and Updating of This LAP**

The HACB will review/revise this LAP on an as needed basis, but no less than every two years to ensure the populations of the various language groups within the jurisdiction and their needs are reflected in the provision of primary-language services. At that point the Plan will be reviewed to determine if the existing LEP services are sufficient to meet the needs of LEP clients.

Events that will be considered indicators of the need for a review of the LAP and will also be utilized to identify the need for LEP assistance in other languages include but are not limited to LEP populations within the jurisdiction encountered or affected; frequency of encounters with LEP populations; and continued availability of existing resources and the addition of new resources.

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE  
LANGUAGE ASSESSMENT  
FOUR-FACTOR ANALYSIS**

In order to determine the estimated needs of Limited English Proficient (LEP) persons in the jurisdiction of the Housing Authority of the County of Butte (HACB), the HACB conducted the following analysis:

**Factor 1 – Number or proportion of LEP persons served or encountered in the eligible service area.**

The HACB obtained information from the U.S. Census bureau’s American Fact Finder website as recommended by HUD in order to gather data about the jurisdiction’s overall population, as well as the population of LEP persons within the jurisdiction and the primary language spoken. This data indicated the following:

Total population 5 years and over	
210,409	
Total LEP population 5 years and over	
28,747	
Spanish speaking LEP population 5 years and over	
17,595	
Asian and Pacific Islander language speaking LEP population 5 years and over	
7,068	
Other Indo-European language speaking LEP population 5 years and over	3,366
Other language speaking LEP population 5 years and over	
698	

The above data demonstrates that 61% of the jurisdiction’s LEP population is Spanish speaking, and 25% is Asian and Pacific Island languages speaking and that no other language meets the 5% or 1,000 person threshold for requiring written translation of vital documents.

The HACB also completed an informal, in-office survey to determine how many LEP persons visited or called the office, and what was their primary language, over a one-month period. This informal survey revealed that there are a significant number of Spanish-speaking and Hmong speaking LEP persons contacting the HACB on a regular basis.

**Factor 2 – Frequency of contact with the program**

Through past experience, the HACB determined that on average, there are 3-4 Spanish and Hmong speaking LEP persons contacting the HACB on a daily basis for information or assistance. Because of this, the HACB is committed to maintaining bilingual staff serving in both reception and case management in order to resolve concerns of Spanish and Hmong speaking LEP persons.

Contacts with LEP persons who speak other languages are infrequent.

**Factor 3 – Importance of service, information, program or activity**

The services provided by the HACB are important as they relate to a client’s need for, or continued provision of, affordable housing.

**Factor 4 – Costs versus resources and benefits**

Because the HACB has Spanish and Hmong speaking staff, it is cost effective for the HACB to provide Spanish and Hmong language translation of all vital documents and many others that while not vital, may be beneficial to a client.

The HACB will utilize any documents provided by HUD in languages other than English.

The HACB does use the Language Line interpreter service to provide oral interpretation in languages other than Spanish and Hmong as needed.

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## Chapter 3

### ELIGIBILITY

#### INTRODUCTION

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

To be eligible for the public housing program:

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

This chapter contains three parts:

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

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

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

#### PART I: DEFINITIONS OF FAMILY AND HOUSEHOLD MEMBERS

##### 3-I.A. OVERVIEW

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



**3-I.B. FAMILY AND HOUSEHOLD [24 CFR 5.105(a)(2), 24 CFR 5.403, FR Notice 02/13/12 and Notice PIH 2014-20]**

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

**Family**

To be eligible for admission, an applicant must qualify as a family. *Family* as defined by HUD includes but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status, a single person, who may be an elderly person, disabled person, near-elderly person, or any other single person; or a group of persons residing together. Such group includes, but is not limited to a family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family), an elderly family, a near-elderly family, a disabled family, a displaced family, or the remaining member of a tenant family. The PHA has the discretion to determine if any other group of persons qualifies as a family.

*Gender Identity* means actual or perceived gender characteristics.

*Sexual orientation* means homosexuality, heterosexuality, or bisexuality.

HACB Policy

The applicant must qualify as a Family. A Family may be a single person or a group of persons.

A “family” includes a family with a child or children. A group of persons consisting of two (2) or more elderly persons, near-elderly persons or disabled persons living together, or one (1) or more elderly, near-elderly or disabled persons living with one (1) or more live-in aides is a family. The HACB determines if any other group of persons qualifies as a “family”.

A single person family may be:

- an elderly person;
- a near-elderly person;
- a displaced person;
- a disabled person;
- any other single person

**Household**

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

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

**Family Break-up**

Except under the following conditions, the PHA has discretion to determine which members of an assisted family continue to receive assistance if the family breaks up:

- If the family breakup results from an occurrence of domestic violence, dating violence, sexual assault, or stalking, the PHA must ensure that the victim retains assistance, (For documentation requirements and policies related to domestic violence, dating violence, sexual assault, and stalking, see section 16-VII.D of this plan).
- If a court determines the disposition of property between members of assisted family, the PHA is bound by the court’s determination of which family members continue to receive assistance.

HACB Policy

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

If a family breaks up into two otherwise eligible families while living in public housing, only one of the new families will retain occupancy of the unit.

If a court determines the disposition of property between members of an applicant or resident family, the HACB will abide by the court's determination.

In the absence of a judicial decision or an agreement among the original family members, the HACB will determine which family retains their placement on the waiting list, or will continue in occupancy taking into consideration the following factors: (1) the interest of any minor children, including custody arrangements, (2) the interest of any ill, elderly, or disabled family members, (3) the interest of any family member who is or has been the victim of domestic violence, dating violence, sexual assault, or stalking, including a family member who was forced to leave a public housing unit as a result of such actual or threatened abuse, and provides documentation in accordance with section 16-VII.D of this ACOP; (4) any possible risks to family members as a result of domestic violence or criminal activity, and (5) the recommendations of social service professionals.

**Remaining Member of a Tenant Family [24 CFR 5.403]**

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

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

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

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

HACB Policy

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

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

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

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

*Spouse* means the marriage partner of the head of household.

#### HACB Policy

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

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

#### HACB Policy

Minors who are emancipated under state law may be designated as a co-head.

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

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

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

#### **Joint Custody of Dependents**

#### HACB Policy

Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or resident family 51 percent or more of the time.

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

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

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

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

### **3-I.H. ELDERLY AND NEAR-ELDERLY PERSONS, AND ELDERLY FAMILY [24 CFR 5.100, 5.403, 945.105, and FR NOTICE 02/03/12]**

#### **Elderly Persons**

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

#### **Near-Elderly Persons**

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

#### **Elderly Family**

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

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

#### **Persons with Disabilities**

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

As discussed in Chapter 2, the HACB must make all aspects of the public housing program accessible to persons with disabilities and consider requests for reasonable accommodations when a person's disability limits their full access to the unit, the program, or the PHA's services.

#### **Disabled Family**

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

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

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

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

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

#### HACB Policy

A resident family must notify the HACB when overnight guests will be staying in the unit for more than 3 days. A guest can remain in the unit no longer than 14 consecutive days or a total of 30 cumulative calendar days during any 12 month period.

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

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

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

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

### **3-I.K. FOSTER CHILDREN AND FOSTER ADULTS**

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

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

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

#### HACB Policy

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

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

### **3-I.L. ABSENT FAMILY MEMBERS**

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

#### **Definitions of Temporarily and Permanently Absent**

##### HACB Policy

Generally an individual who is or is expected to be absent from the public housing unit for 90 consecutive days or less is considered temporarily absent and continues to be considered a family member. Generally an individual who is or is expected to be absent from the public housing unit for more than 90 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

#### **Absent Students**

##### HACB Policy

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

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

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

##### HACB Policy

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

#### **Absent Head, Spouse, or Co-head**

##### HACB Policy

An employed head, spouse, or co-head absent from the unit more than 90 consecutive days due to employment will continue to be considered a family member.

#### **Individuals Confined for Medical Reasons**

##### HACB Policy

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

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

is confined on a permanent basis and request that the person not be considered a family member.

If the person who is determined to be permanently absent is the sole member of the household it is HACB Policy that the sole member may be out of the assisted unit for up to 180 days with proper documentation for entering a facility such as hospital, nursing home, or rehabilitation center provided a discharge date can be determined. HACB will require monthly documentation during the time the sole member is absent from the unit verifying the timing of their return. If documentation is not received or sole member does not return to the assisted unit within 180 days, HACB will terminate assistance.

### **Return of Permanently Absent Family Members**

#### HACB Policy

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

### **3-I.M. LIVE-IN AIDE**

*Live-in aide* means a person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who: (1) is determined to be essential to the care and well-being of the person(s), (2) is not obligated for the support of the person(s), and (3) would not be living in the unit except to provide the necessary supportive services [24 CFR 5.403].

The PHA must approve a live-in aide if needed as a reasonable accommodation for a person with disabilities in accordance with 24 CFR 8.

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

#### HACB Policy

A family's request for a live-in aide must be made in writing. The HACB will verify the need for a live-in aide, if necessary, with a reliable, knowledgeable professional as provided by the family, such as a doctor, social worker, or case worker. For continued approval, the family may be required to submit a new, written request—subject to HACB verification—at each annual reexamination.

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

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

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

The person has a history of drug-related criminal activity or violent criminal activity within the past three (3) years; or

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

Within 14 calendar days of receiving a request for a live-in aide, including all required documentation related to the request, the HACB will notify the family of its decision in writing.

## **PART II: BASIC ELIGIBILITY CRITERIA**

### **3-II.A. INCOME ELIGIBILITY AND TARGETING**

#### **Income Limits**

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

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

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

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

*Extremely low-income family.* A very low-income family whose annual income does not exceed the federal poverty level or 30 percent of the median income for the area, whichever number is higher.

Area median income is determined by HUD, with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than 30, 50, or 80 percent of the median income for an area if HUD finds that such variations are necessary because of unusually high or low family incomes.

HUD also publishes over-income limits annually, but these are not used at admission. Over-income limits will be discussed in Chapter 13.

#### **Using Income Limits for Eligibility [24 CFR 960.201]**

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

#### **HACB Policy**

HACB manages certain properties in Oroville, Ca. that are funded under the HOME program. (Oro Dam, Hammon Park, Seventh Avenue and Pomona). The very low income limit is used to determine eligibility for admission at these properties.

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



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

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

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

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

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

### **3-ILB. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5, Subpart E]**

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

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

#### **Declaration [24 CFR 5.508]**

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

#### ***U.S. Citizens and Nationals***

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

### HACB Policy

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

#### ***Eligible Noncitizens***

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

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

#### ***Ineligible Noncitizens***

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

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

#### **Mixed Families**

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

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

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

### HACB Policy

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

When a HACB determines that an applicant family does not include any citizens, nationals, or eligible noncitizens, following the verification process, the family will be sent a written notice within 14 calendar days of the determination.

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

Grievance hearing procedures are contained in Chapter 14.

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

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

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

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

#### HACB Policy

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

#### **3-II.C. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and 5.218, Notice PIH [2012-102-18-24](#)]**

The applicant and all members of the applicant's household must disclose the complete and accurate social security number (SSN) assigned to each household member, and the documentation necessary to verify each SSN. If a child under age [6-six](#) has been added to an applicant family within the [6-six](#) months prior to program admission, an otherwise eligible family may be admitted to the program and must disclose and document the child's SSN within 90 days of admission. A detailed discussion of acceptable documentation is provided in Chapter 7.

**Note:** These requirements do not apply to noncitizens who do not contend eligible immigration status.

- In addition, each participant who has not previously disclosed an SSN, has previously disclosed an SSN that HUD or the SSA determined was invalid, or has been issued a new SSN must submit their complete and accurate SSN and the documentation required to verify the SSN at the time of the next interim or annual reexamination or recertification. Participants age 62 or older as of January 31, 2010, whose determination of eligibility was begun before January 31, 2010, are exempt from this requirement and remain exempt even if they move to a new assisted unit.

The PHA must deny assistance to an applicant family if they do not meet the SSN disclosure and documentation requirements contained in 24 CFR 5.216.

### **3-III.D. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 5.230]**

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

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

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

## **PART III: DENIAL OF ADMISSION**

### **3-III.A. OVERVIEW**

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

In addition, HUD requires or permits the PHA to deny admission based on certain types of current or past behaviors of family members as discussed in this part. The PHA's authority in this area is limited by the Violence against Women Act of 2013 (VAWA), which expressly prohibits the denial of admission to an otherwise qualified applicant on the basis or as a direct result of the fact that the applicant is or has been the victim of domestic violence, dating violence, sexual assault, or stalking [24 CFR 5.2005].

This part covers the following topics:

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

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

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

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

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

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

#### HACB Policy

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

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

#### HACB Policy

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

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

#### HACB Policy

In determining reasonable cause, the HACB will consider all credible evidence, including but not limited to, any record of convictions, or evictions of household members related to the use of illegal drugs or the abuse of alcohol. The HACB will also consider evidence from treatment providers or community-based organizations providing services to household members.

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

#### HACB Policy

HACB will deny families if any household member has ever been convicted of drug-related criminal activity for the production, manufacture, and/or sales of methamphetamine on the premises of federally assisted housing or any other property. HACB will deny families if any

household member has ever been convicted of drug-related activity for the cultivation and/or sale of marijuana.

- Any household member is subject to a lifetime registration requirement under a state [lifetime](#) sex offender registration program.

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#### HACB Policy

HACB will perform criminal background checks during the application stage to determine if any member of an applicant household is subject to a lifetime registration requirement under any state sex offender registration program. To fulfill this obligation, HACB has access to national database(s) covering sex offender registries in all states.

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

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

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

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

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

#### HACB Policy

If any household member is currently engaged in, or has engaged in any of the following criminal activities, within the past three (3) years, the family will be denied admission.

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

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

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

Criminal activity that may threaten the health or safety of HACB staff, contractors, subcontractors, or agents.

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

Evidence of such criminal activity includes, but is not limited to any record of convictions, or evictions for suspected drug-related or violent criminal activity of household members

within the past three (3) years. A conviction for such activity will be given more weight than an eviction.

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

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

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

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

HACB Policy

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

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

Has a pattern of disturbance of neighbors, destruction of property, or living or housekeeping habits at prior residences within the past three (3) years which may adversely affect the health, safety, or welfare of other tenants

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

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

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

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

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

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

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

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

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

### **3-III.D. SCREENING**

#### **Screening for Eligibility**

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

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

#### HACB Policy

The HACB will perform a criminal background check through local law enforcement and other sources for every adult household member.

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

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

#### HACB Policy

The HACB will use the Dru Sjodin National Sex Offender database to screen applicants for admission.

Additionally, PHAs must ask whether the applicant, or any member of the applicant's household, is subject to a lifetime registered sex offender registration requirement in any state [Notice PHI 2012-28].

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

#### ***Obtaining Information from Drug Treatment Facilities [24 CFR 960.205]***

HUD authorizes PHAs to request and obtain information from drug abuse treatment facilities concerning applicants. Specifically, the PHA may require each applicant to submit for all household members who are at least 18 years of age, and for each family head, spouse, or co-head



regardless of age, one or more consent forms signed by such household members that requests any drug abuse treatment facility to inform the PHA whether the drug abuse treatment facility has reasonable cause to believe that the household member is currently engaging in illegal drug use.

*Drug Abuse Treatment Facility* means an entity that holds itself out as providing, and provides, diagnosis, treatment, or referral for treatment with respect to the illegal drug use, and is either an identified unit within a general care facility, or an entity other than a general medical care facility.

*Currently engaging in illegal use of a drug* means illegal use of a drug that occurred recently enough to justify a reasonable belief that there is continuing illegal drug use by a household member.

Any consent form used for the purpose of obtaining information from a drug abuse treatment facility to determine whether a household member is currently engaging in illegal drug use must expire automatically after the PHA has made a final decision to either approve or deny the admission of such person.

Any charges incurred by the PHA for information provided from a drug abuse treatment facility may not be passed on to the applicant or tenant.

If the PHA chooses to obtain such information from drug abuse treatment facilities, it must adopt and implement one of the two following policies:

Policy A: The PHA must submit a request for information to a drug abuse treatment facility for all families before they are admitted. The request must be submitted for each proposed household member who is at least 18 years of age, and for each family head, spouse, or co-head regardless of age.

Policy B: The PHA must submit a request for information only for certain household members, whose criminal record indicates prior conviction for any criminal activity that may be a basis for denial of admission or whose prior tenancy records indicate that the proposed household member engaged in destruction of property or violent activity against another person, or they interfered with the right of peaceful enjoyment of the premises of other residents.

If the PHA chooses to obtain such information, it must abide by the HUD requirements for records management and confidentiality as described in 24 CFR 960.205(f).

#### HACB Policy

The HACB will obtain information from drug abuse treatment facilities to determine whether any applicant family's household members are currently engaging in illegal drug activity only when the HACB has determined that the family will be denied admission based on a family member's drug-related criminal activity, and the family claims that the culpable family member has successfully completed a supervised drug or alcohol rehabilitation program.

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

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

#### HACB Policy

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

- Payment of rent and utilities
- Caring for a unit and premises
- Respecting the rights of other residents to the peaceful enjoyment of their housing
- Criminal activity that is a threat to the health, safety, or property of others
- Behavior of all household members as related to the grounds for denial as detailed in Sections 3-III. B and C
- Compliance with any other essential conditions of tenancy

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

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

HACB Policy

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

*Past Performance in Meeting Financial Obligations, Especially Rent*

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

Utility company references covering the monthly amount of utilities, late payment, disconnection, return of a utility deposit and whether the applicant can get utilities turned on in his/her name. (Use of this inquiry will be reserved for applicants applying for units where there are tenant-paid utilities.)

If an applicant has no rental payment history the HACB will check court records of eviction actions and other financial judgments, and credit reports. A lack of credit history will not disqualify someone from becoming a public housing resident, but a poor credit rating may.

Applicants with no rental payment history will also be asked to provide the HACB with personal references. The references will be requested to complete a verification of the applicant's ability to pay rent if no other documentation of ability to meet financial obligations is available. The applicant will also be required to complete a checklist documenting their ability to meet financial obligations.

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

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

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

Police and court records within the past three (3) years will be used to check for any evidence of disturbance of neighbors or destruction of property that might have resulted in conviction.

A personal reference will be requested to complete a verification of the applicant's ability to care for the unit and avoid disturbing neighbors if no other documentation is available. In these cases, the applicant will also be required to complete a checklist documenting their ability to care for the unit and to avoid disturbing neighbors.

Home visits may be used to determine the applicant's ability to care for the unit.

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

#### **Evidence**

##### HACB Policy

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

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

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

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

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

##### HACB Policy

The HACB will consider the following facts and circumstances prior to making its decision:

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

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

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

The length of time since the violation occurred, including the age of the individual at the time of conduct, as well as the family's recent history and the likelihood of favorable conduct in the future

Evidence of the applicant family's participation in or willingness to participate in social service or other appropriate counseling service programs

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

The HACB will require the applicant to submit evidence of the household member's current participation in or successful completion of a supervised drug or alcohol rehabilitation program, or evidence of otherwise having been rehabilitated successfully.

#### **Removal of a Family Member's Name from the Application**

Should the PHA's screening process reveal that an applicant's household includes an individual subject to state lifetime registered sex offender registration, the PHA must offer the family the opportunity to remove the ineligible family member from the household. If the family is unwilling to remove that individual from the household, the PHA must deny admission to the family [Notice PIH 2012-28].

For other criminal activity, the PHA may permit the family to exclude the culpable family members as a condition of eligibility [24 CFR 960.203(c)(3)(i)].

#### HACB Policy

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

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

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

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

### HACB Policy

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

### **3-III.F. PROHIBITION AGAINST DENIAL OF ASSISTANCE TO VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, AND STALKING [24 CFR Part 5, Subpart L; 42 U.S.C. § 14043e-11(b)(1)]**

The Violence against Women Act of 2013 (VAWA) prohibits denial of admission to an otherwise qualified applicant on the basis or as a direct result of the fact that the applicant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking.

Definitions of key terms used in VAWA are provided in section 16-VII of this ACOP, where general VAWA requirements and policies pertaining to notification, documentation, and confidentiality are located.

#### **Notification**

VAWA 2013 expanded notification requirements to include the obligation for PHAs to provide applicants who are denied assistance with a VAWA Notice of Occupancy Rights (form HUD-5380) and a domestic violence certification form (HUD-5382) at the time the applicant is denied.

### HACB Policy

The HACB acknowledges that a victim of domestic violence, dating violence, sexual assault, or stalking may have an unfavorable history (e.g., a poor credit history, poor rental history, a record of previous damage to an apartment, a prior arrest record) due to adverse factors that would warrant denial under the HACB's policies.

While the HACB is not required to identify whether adverse factors that resulted in the applicant's denial are a result of domestic violence, dating violence, sexual assault, or stalking, the applicant may inform the HACB that their status as a victim is directly related to the grounds for the denial. The HACB will request that the applicant provide enough information to the HACB to allow the HACB to make an objectively reasonable determination, based on all circumstances, whether the adverse factor is a direct result of their status as a victim.

The HACB will include in its notice of denial information about protection against denial provided by VAWA in accordance with section 16-VII.C of this ACOP, a notice of VAWA rights, and a copy of the form HUD-5382. The HACB will request in writing that an applicant wishing to claim this protection notify the HACB within 14 business days (i.e., Saturdays, Sundays, and holidays do not count).

#### **Documentation**

##### ***Victim Documentation***

### HACB Policy

If an applicant claims the protection against denial of admission that VAWA provides to victims of domestic violence, dating violence, sexual assault, or stalking, the HACB will request in writing that the applicant provide documentation supporting the claim in accordance with section 16-VII.D of this ACOP.

### ***Perpetrator Documentation***

#### HACB Policy

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

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

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

### **3-III.G. NOTICE OF ELIGIBILITY OR DENIAL**

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

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

#### HACB Policy

If, based on a criminal record or sex offender registration information an applicant family appears to be ineligible, the HACB will notify the family in writing of the proposed denial and provide a copy of the record to the applicant and to the subject of the record. The family will be given 14 calendar days to dispute the accuracy and relevance of the information. If the family does not contact the HACB to dispute the information within that 14 day period, the HACB will proceed with issuing the notice of denial of admission. A family that does not exercise their right to dispute the accuracy of the information prior to issuance of the official denial letter will still be given the opportunity to do so as part of the informal hearing process.

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

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

**EXHIBIT 3-1: DETAILED DEFINITIONS RELATED TO DISABILITIES**

**Person with Disabilities [24 CFR 5.403]**

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

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

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

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

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

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

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

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

(iii) is likely to continue indefinitely;

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

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

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

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



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

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

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

**Individual with Handicaps [24 CFR 8.3]**

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

- (1) Physical or mental impairment includes:
  - (a) Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic and lymphatic; skin; and endocrine
  - (b) Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term physical or mental impairment includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism.
- (2) Major life activities means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.
- (3) Has a record of such an impairment means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities.
- (4) Is regarded as having an impairment means:
  - (a) Has a physical or mental impairment that does not substantially limit one or more major life activities but that is treated by a recipient as constituting such a limitation
  - (b) Has a physical or mental impairment that substantially limits one or more major life activities only as a result of the attitudes of others toward such impairment
  - (c) Has none of the impairments defined in paragraph (a) of this section but is treated by a recipient as having such an impairment

## Chapter 4

### APPLICATIONS, WAITING LIST AND TENANT SELECTION

#### INTRODUCTION

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

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

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

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

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

**Part I: The Application Process.** This part provides an overview of the application process, and discusses how applicants can obtain and submit applications. It also specifies how the PHA will handle the applications it receives.

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

**Part III: Tenant Selection.** This part describes the policies that guide the PHA in selecting families from the waiting list as units become available. It also specifies how in-person interviews will be used to ensure that the PHA has the information needed to make a final eligibility determination.

## PART I: THE APPLICATION PROCESS

### 4-I.A. OVERVIEW

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

### 4-I.B. APPLYING FOR ASSISTANCE

Any family that wishes to reside in public housing must apply for admission to the program [24 CFR 1.4(b)(2)(ii), 24 CFR 960.202(a)(2)(iv), and PH Occ GB, p. 68]. HUD permits the PHA to determine the format and content of its applications, as well how such applications will be made available to interested families and how applications will be accepted by the PHA. However, the PHA must include Form HUD-92006, Supplement to Application for Federally Assisted Housing, as part of the PHA's application [Notice PIH 2009-36].

#### HACB Policy

Depending upon the length of time between the date of application and the availability of housing, the HACB may use a one- or two-step application process.

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

A two-step process will be used when it is expected that a family will not be selected from the waiting list for at least 60 days from the date of application. Under the two-step application process, the HACB initially will require families to provide only the information needed to make an initial assessment of the family's eligibility, and to determine the family's placement on the waiting list. The family will be required to provide all of the information necessary to establish family eligibility and the amount of rent the family will pay when selected from the waiting list.

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

Completed applications must be returned to the HACB by mail, electronically, or submitted in person during normal business hours. Applications must be filled out completely in order to be accepted by the HACB for processing. If an application is incomplete, the HACB will notify the family of the additional information required. The family must return the completed application within 14 calendar days in order to keep the original date and time of the original application.

#### **4-I.C. ACCESSIBILITY OF THE APPLICATION PROCESS**

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

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

The PHA must provide reasonable accommodation as needed for persons with disabilities to make the application process fully accessible. The facility where applications are accepted and the application process must be fully accessible, or the PHA must provide an alternate approach that provides equal access to the program. Chapter 2 provides a full discussion of the PHA's policies related to providing reasonable accommodations for people with disabilities.

##### **Limited English Proficiency**

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

#### **4-I.D. PLACEMENT ON THE WAITING LIST**

The PHA must review each completed application received and make a preliminary assessment of the family's eligibility. Applicants for whom the waiting list is open must be placed on the waiting list unless the PHA determines the family to be ineligible. Where the family is determined to be ineligible, the PHA must notify the family in writing [24 CFR 960.208(a); PH Occ GB, p. 41].

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

##### **Ineligible for Placement on the Waiting List**

###### HACB Policy

If the HACB determines from the information provided that a family is ineligible, the family will not be placed on the waiting list. When a family is determined to be ineligible, the HACB will send written notification of the ineligibility determination within 30 calendar days of receipt of the completed application. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal hearing and explain the process for doing so (see Chapter 14).

##### **Eligible for Placement on the Waiting List**

###### HACB Policy

The HACB will send written notification of the preliminary eligibility determination within 30 calendar days of receiving a completed application. If applicable, the notice will also indicate the waiting list preference(s) for which the family appears to qualify.

Applicants will be placed on the waiting list according to the date and time their complete application is received by the HACB.

The HACB will assign families on the waiting list according to the bedroom size for which a family qualifies as established in its occupancy standards (see Chapter 5). Families may request to be placed on the waiting list for a unit size smaller than designated by the

occupancy guidelines (as long as the unit is not overcrowded according to HACB standards and local codes). However, in these cases, the family must agree not to request a transfer for two years after admission, unless they have a change in family size or composition.

Placement on the waiting list does not indicate that the family is, in fact, eligible for admission. When the family is selected from the waiting list, the PHA will determine eligibility and suitability for admission to the program.

## **PART II: MANAGING THE WAITING LIST**

### **4-II.A. OVERVIEW**

The PHA must have policies regarding the type of waiting list it will utilize as well as how the waiting list will be organized and managed. This includes policies on notifying the public on the opening and closing of the waiting list to new applicants, updating family information, purging the list of families that are no longer interested in or eligible for public housing, and conducting outreach to ensure a sufficient number of applicants.

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

### **4-II.B. ORGANIZATION OF THE WAITING LIST**

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

#### HACB Policy

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

- Name and social security number of head of household
- Unit size required (number of family members)
- Amount and source of annual income
- Accessibility requirement, if any
- Date and time of receipt of application or application number
- Household type (family, elderly, disabled)
- Admission preference, if any
- Race and ethnicity of the head of household
- The specific site(s) selected (only if HACB offers site-based waiting lists)

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

### HACB Policy

The HACB will maintain a site-based waiting list system, with separate waiting lists for each of the following sites within the HACB's public housing stock:

City of Chico

City of Oroville

There is a single waiting list for the cities of Gridley and Biggs. Families on this list have the option to select one property over the other upon the first unit offer.

The HACB's site-based waiting list policies are as follows:

Families may apply and be placed on all three (3) waiting lists. The offer system described in this policy applies to all sites.

The HACB has units designed for persons with mobility, sight and hearing impairments, referred to as accessible units.

No non-mobility impaired families will be offered these units until all eligible mobility-impaired applicants have been considered.

Before offering a vacant accessible unit to a non-disabled applicant, the HACB will offer such units:

First, to a current occupant of another unit of the same development, or other public housing developments under the HACB's control, who has a disability that requires the special features of the vacant unit.

Second, to an eligible qualified applicant on the waiting list having a disability that requires the special features of the vacant unit.

When offering an accessible/adaptable unit to a non-disabled applicant, the HACB will require the applicant to agree to move to an available non-accessible unit within thirty (30) days when either a current resident or an applicant needs the features of the unit and there is another unit available for the applicant. This requirement will be a provision of the lease agreement.

### Designated Housing for Elderly and Disabled Families:

The Winston Gardens property located at 700 Mitchell Ave, Oroville, CA 95965 has been approved by HUD as being designated as a "mixed population project" for occupancy by elderly households age 62 and older and persons with disabilities without age restriction. In filling vacancies in this development, only elderly and disabled families will be selected from the waiting list.

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

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

HACB Policy

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

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

**Closing the Waiting List**

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

HACB Policy

The HACB, at its discretion, may restrict application intake, suspend application intake, and close waiting lists in whole or in part.

The decision to close the waiting list will be based on the number of applications available for a particular size and type of unit and the ability of the HACB to house an applicant in an appropriate unit within a reasonable period of time.

When the HACB re-opens a waiting list, the HACB will use an online pre-application system for the first 30 days. Applicants will be placed on the waiting list using a computer-generated random lottery system. After the first 30 days, the application process will revert to the date-and-time paper application process.

When the HACB opens the waiting list, the HACB will advertise which program(s) applications are being accepted through public notice and in the following newspapers, minority publications and organizations:

1. Chico Enterprise-Record
2. Oroville Mercury-Register
3. Paradise Post
4. Gridley Herald
5. Butte County Department of Employment & Social Services
6. Community Action Agency
7. Catalyst Domestic Violence Services
8. Paradise Senior Center
9. The Jesus Center
10. Chico Community Shelter Partnership
11. Library

The notice will contain:

- The dates, times, and the locations where families may apply

- The name of the program(s) for which applications will be taken
- Limitations, if any, on who may apply

The notices will be made in an accessible format if requested. They will provide potential applicants with information that includes the HACB address and telephone number, and referral to resources to obtain information concerning how to submit an application, information on eligibility requirements and the availability of local preferences.

Upon request from a person with a disability, additional time will be given as an accommodation for submission of an application after the closing deadline. This accommodation is to allow persons with disabilities the opportunity to submit an application in cases when a social service organization provides inaccurate or untimely information about the closing date.

**When Application Taking is Suspended/Closed**

The HACB may suspend the acceptance of applications if there are enough local preference holders to fill anticipated openings for the next twelve- (12) months.

The waiting list may not be closed if it would have a discriminatory effect inconsistent with applicable civil rights laws.

During the period when the waiting list is closed, the HACB will not maintain a list of individuals who wish to be notified when the waiting list is open.

The HACB will formally announce suspension of application taking through public notice and in the following newspapers, minority publications and other organizations:

1. Chico Enterprise-Record/Oroville Mercury-Register/Paradise Post4. Gridley Herald

The HACB will give at least five (5) business days’ notice prior to closing the list. When the period for accepting applications is over, the HACB will add the new applicants to the list where they will be separated into groups by date and time; areas and unit size. The HACB will update the waiting list at least annually by removing the names of those families who are no longer interested, no longer qualify for housing, or cannot be reached by mail or telephone. At the time of initial intake, the HACB will advise families of their responsibility to notify the HACB when mailing address or telephone numbers change.

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

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



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

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

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

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

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

#### HACB Policy

The HACB will publicize and disseminate information to make known the availability of housing units and housing-related services for low and very low-income families on a regular basis.

The HACB will communicate the status of housing availability to other service providers in the community. The HACB will advise them of housing eligibility factors and guidelines in order that they can make proper referrals for those who seek housing.

When the HACB waiting list is open, the HACB will periodically publicize the availability and nature of housing assistance for low and very low-income families on its web site and in a newspaper of general circulation, including local minority publications and other suitable means.

#### **4-II.E. REPORTING CHANGES IN FAMILY CIRCUMSTANCES**

##### HACB Policy

While the family is on the waiting list, the family must inform the HACB, within 14 calendar days, of changes in contact information, including current residence, mailing address, and phone number. The changes must be submitted in writing.

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

#### **4-II.F. UPDATING THE WAITING LIST**

HUD requires the PHA to establish policies that describe the circumstances under which applicants will be removed from the waiting list [24 CFR 960.202(a)(2)(iv)].

### **Purging the Waiting List**

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

#### HACB Policy

The waiting list will be purged at least once a year by a mailing to all applicants to ensure that the waiting list is current and accurate. The mailing will ask for current information and confirmation of continued interest.

If an applicant fails to respond within 14 calendar days s/he will be removed from the waiting list. If a letter is returned by the Post Office without a forwarding address, the applicant will be removed without further notice and the envelope and letter will be maintained in the file. If a letter is returned with a forwarding address, it will be re-mailed to the address indicated.

If an applicant is removed from the waiting list for failure to respond, they must request reinstatement in writing. HACB will reinstate applicants who have been removed from the waiting list if they can demonstrate good cause. Good cause may include but is not limited to: the failure to respond due to a medical emergency, death in the family, a natural disaster, a verified error by the post office or the request for a reasonable accommodation for a person with a disability.

Notices will be made available in accessible format upon the request of a person with a disability. An extension to reply to the purge notification will be considered as an accommodation if requested by a person with a disability.

### **Removal from the Waiting List**

#### HACB Policy

The HACB will remove an applicant from the waiting list upon request by the applicant family. In such cases no informal hearing is required.

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

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

## PART III: TENANT SELECTION

### 4-III.A. OVERVIEW

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

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

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

#### HACB Policy

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

### 4-III.B. SELECTION METHOD

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

#### **Local Preferences [24 CFR 960.206]**

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

#### HACB Policy

The HACB preference is the date and time of receipt of application.

#### **Income Targeting Requirement [24 CFR 960.202(b)]**

HUD requires that extremely low-income (ELI) families make up at least 40 percent of the families admitted to public housing during the PHA's fiscal year. ELI families are those with annual incomes at or below the federal poverty level or 30 percent of the area median income, whichever number is higher [Federal Register notice 6/25/14]. To ensure this requirement is met, the PHA may skip non-ELI families on the waiting list in order to select an ELI family.

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

#### HACB Policy

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

#### **Mixed Population Developments [24 CFR 960.407]**

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

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

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

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

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

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

This protection does apply to an elderly family or disabled family that declines to accept occupancy, respectively, in a designated project for elderly families or for disabled families, and requests occupancy in a general occupancy project or in a mixed population project [24 CFR 945.303(d)(3)].

#### HACB Policy

The HACB does have designated elderly or designated disabled housing units.

#### **Deconcentration of Poverty and Income-Mixing [24 CFR 903.1 and 903.2]**

The PHA's admission policy must be designed to provide for deconcentration of poverty and income-mixing by bringing higher income tenants into lower income projects and lower income tenants into higher income projects. A statement of the HACB's deconcentration policies must be included in its annual plan [24 CFR 903.7(b)].

The PHA's deconcentration policy must comply with its obligation to meet the income targeting requirement [24 CFR 903.2(c)(5)].

Developments subject to the deconcentration requirement are referred to as 'covered developments' and include general occupancy (family) public housing developments. The following developments are not subject to deconcentration and income mixing requirements: developments operated by a PHA with fewer than 100 public housing units; mixed population or developments designated specifically for elderly or disabled families; developments operated by a PHA with only one general occupancy development; developments approved for demolition or for conversion to tenant-based public housing; and developments approved for a mixed-finance plan using HOPE VI or public housing funds [24 CFR 903.2(b)].

#### ***Steps for Implementation [24 CFR 903.2(c)(1)]***

To implement the statutory requirement to de-concentrate poverty and provide for income mixing in covered developments, the PHA must comply with the following steps:

Step 1. The PHA must determine the average income of all families residing in all the PHA's covered developments. The PHA may use the median income, instead of average income, provided that the PHA includes a written explanation in its annual plan justifying the use of median income.

#### HACB Policy

The HACB will determine the average income of all families in all covered developments on an annual basis.

Step 2. The PHA must determine the average income (or median income, if median income was used in Step 1) of all families residing in each covered development. In determining average

income for each development, the PHA has the option of adjusting its income analysis for unit size in accordance with procedures prescribed by HUD.

#### HACB Policy

The HACB will determine the average income of all families residing in each covered development (not adjusting for unit size) on an annual basis.

Step 3. The PHA must then determine whether each of its covered developments falls above, within, or below the established income range (EIR), which is from 85% to 115% of the average family income determined in Step 1. However, the upper limit must never be less than the income at which a family would be defined as an extremely low-income family (low income family at federal poverty level or 30 percent of median income, whichever number is higher).

Step 4. The PHA with covered developments having average incomes outside the EIR must then determine whether or not these developments are consistent with its local goals and annual plan.

Step 5. Where the income profile for a covered development is not explained or justified in the annual plan submission, the PHA must include in its admission policy its specific policy to provide for deconcentration of poverty and income mixing.

Depending on local circumstances the PHA's deconcentration policy may include, but is not limited to the following:

- Providing incentives to encourage families to accept units in developments where their income level is needed, including rent incentives, affirmative marketing plans, or added amenities
- Targeting investment and capital improvements toward developments with an average income below the EIR to encourage families with incomes above the EIR to accept units in those developments
- Establishing a preference for admission of working families in developments below the EIR
- Skipping a family on the waiting list to reach another family in an effort to further the goals of deconcentration
- Providing other strategies permitted by statute and determined by the HACB in consultation with the residents and the community through the annual plan process to be responsive to local needs and PHA strategic objectives

A family has the sole discretion whether to accept an offer of a unit made under the PHA's deconcentration policy. The PHA must not take any adverse action toward any eligible family for choosing not to accept an offer of a unit under the PHA's deconcentration policy [24 CFR 903.2(c)(4)].

If, at annual review, the average incomes at all general occupancy developments are within the EIR, the PHA will be considered to be in compliance with the deconcentration requirement and no further action is required.

#### HACB Policy

For covered developments outside the EIR the HACB will take the appropriate action as outlined in Step 5 above to provide for deconcentration of poverty and income mixing.

#### **Order of Selection [24 CFR 960.206(e)]**

The PHA system of preferences may select families either according to the date and time of application or by a random selection process.

#### HACB Policy

Families will be selected from the waiting list based on date and time of receipt of application.

#### **4-III.C. NOTIFICATION OF SELECTION**

When the family has been selected from the waiting list, the PHA must notify the family [24 CFR 960.208].

#### HACB Policy

The HACB will notify the family by first class mail when it is selected from the waiting list.

The notice will request that the family contact the HACB to schedule an eligibility interview. HACB will communicate the following information to the applicant:

- Date, time, and location of the scheduled application interview, including any procedures for rescheduling the interview

- The family members who are required to attend the interview

- Documents that must be provided at the interview to document the legal identity of household members, including information about what constitutes acceptable documentation

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

If a notification letter is returned to the HACB with no forwarding address, the HACB will mail notification to the family that they have been removed from the waiting list. Such failure to act on the part of the applicant prevents the HACB from making an eligibility determination; therefore no informal hearing will be offered. If the family contacts the HACB in response to the notification letter, HACB will schedule an eligibility interview with the family.

#### **4-III.D. THE APPLICATION INTERVIEW**

HUD recommends that the PHA obtain the information and documentation needed to make an eligibility determination through a private interview. Being invited to attend an interview does not constitute admission to the program.

Assistance cannot be provided to the family until all SSN documentation requirements are met. However, if the PHA determines that an applicant family is otherwise eligible to participate in the program, the family may retain its place on the waiting list for a period of time determined by the PHA [Notice PIH ~~2012-10~~2018-24].

Reasonable accommodation must be made for persons with disabilities who are unable to attend an interview due to their disability [24 CFR 8.4(a) and 24 CFR 100.204(a)].

#### HACB Policy

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

The head of household must attend the initial interview and the spouse/co-head will be strongly encouraged to attend. However, if the head of household is not able to attend the

initial interview and the spouse/co-head represents the family, the head will be required to attend a meeting with the HACB to certify that all information is complete and accurate prior to the offer of a housing unit. Verification of information pertaining to adult members of the household not present at the interview will not begin until signed release forms are returned to the HACB.

The head of household or spouse/co-head are required to provide an acceptable form of legal identification at the eligibility interview. (Chapter 7 provides a discussion of proper documentation of legal identity). If the family representative does not provide the required documentation, they will be required to provide it within 14 calendar days.

Pending disclosure and documentation of social security numbers, the HACB will allow the family to retain its place on the waiting list for 90 days. If not all household members have not disclosed their SSNs by the next time a unit becomes available, the HACB will offer a unit to the next eligible applicant family on the waiting list.

The family must provide the information necessary to establish the family's eligibility, including suitability, and to determine the appropriate amount of rent the family will pay. The family must also complete required forms, provide required signatures, and submit required documentation. If any materials are missing, the HACB will provide the family with a written list of items that must be submitted.

Any required documents or information that the family is unable to provide at the interview must be provided within 14 calendar days of the interview (Chapter 7 provides details about longer submission deadlines for particular items, including documentation of Social Security numbers and eligible noncitizen status). If the family is unable to obtain the information or materials within the required time frame, the family may request an extension. If the required documents and information are not provided within the required time frame (plus any extensions), the family will be sent a notice of denial (see Chapter 3).

An advocate, interpreter, or other assistant may assist the family with the application and the interview process.

Interviews will be conducted in English. For limited English proficient (LEP) applicants, the HACB will provide translation services in accordance with the HACB's LEP plan.

If the family is unable to attend a scheduled interview, the family should contact the HACB in advance of the interview to schedule a new appointment. In all circumstances, if a family does not attend a scheduled interview, the HACB will send another notification letter with a new interview appointment time. Applicants who fail to attend two scheduled interviews without HACB approval will have their applications made inactive based on the family's failure to supply information needed to determine eligibility. The second appointment letter will state that failure to appear for the appointment without a request to reschedule will be interpreted to mean that the family is no longer interested and their application will be made inactive. Such failure to act on the part of the applicant prevents the HACB from making an eligibility determination; therefore the HACB will not offer an informal hearing.

#### **4-III.E. FINAL ELIGIBILITY DETERMINATION [24 CFR 960.208]**



The PHA must verify all information provided by the family (see Chapter 7). Based on verified information related to the eligibility requirements, including PHA suitability standards, the PHA must make a final determination of eligibility (see Chapter 3).

When a determination is made that a family is eligible and satisfies all requirements for admission, including tenant selection criteria, the applicant must be notified of the approximate date of occupancy insofar as that date can be reasonably determined [24 CFR 960.208(b)].

HACB Policy

The HACB will notify a family in writing of their eligibility within 14 calendar days of the determination and will provide the approximate date of occupancy insofar as that date can be reasonably determined.

The HACB will expedite the administrative process for determining eligibility to the extent possible for applicants who are admitted to the public housing program as a result of an emergency transfer from another PHA program.

The PHA must promptly notify any family determined to be ineligible for admission of the basis for such determination, and must provide the applicant upon request, within a reasonable time after the determination is made, with an opportunity for an informal hearing on such determination [24 CFR 960.208(a)].

HACB Policy

If the HACB determines that the family is ineligible, the HACB will send written notification of the ineligibility determination within 14 calendar days of the determination. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal hearing (see Chapter 14).

If the PHA uses a criminal record or sex offender registration information obtained under 24 CFR 5, Subpart J, as the basis of a denial, a copy of the record must precede the notice to deny, with an opportunity for the applicant to dispute the accuracy and relevance of the information before the PHA can move to deny the application. See Section 3-III.G for the PHA's policy regarding such circumstances.

The PHA must provide the family a notice of VAWA rights (form HUD-5380) as well as the HUD VAWA self-certification form (HUD Form 5382) in accordance with the Violence Against Women Reauthorization Act of 2013, and as outlined in 16-VII.C at the time the applicant is provided assistance or at the time the applicant is denied assistance. This notice must be provided in both of the following instances: (1) when a family actually begins receiving assistance (lease execution) or (2) when a family is notified of its ineligibility.

## Chapter 5

### OCCUPANCY STANDARDS AND UNIT OFFERS

#### INTRODUCTION

The PHA must establish policies governing occupancy of dwelling units and offering dwelling units to qualified families.

This chapter contains policies for assigning unit size and making unit offers. The PHA's waiting list and selection policies are contained in Chapter 4. Together, Chapters 4 and 5 of the ACOP comprise the PHA's Tenant Selection and Assignment Plan (TSAP).

Policies in this chapter are organized in two parts.

Part I: Occupancy Standards. This part contains the PHA's standards for determining the appropriate unit size for families of different sizes, compositions, and types.

Part II: Unit Offers. This part contains the PHA's policies for making unit offers, and describes actions to be taken when unit offers are refused.

#### PART I: OCCUPANCY STANDARDS

##### 5-1.A. OVERVIEW

Occupancy standards are established by the PHA to ensure that units are occupied by families of the appropriate size. This policy maintains the maximum usefulness of the units, while preserving them from underutilization or from excessive wear and tear due to overcrowding. Part I of this chapter explains the occupancy standards. These standards describe the methodology and factors the PHA will use to determine the size unit for which a family qualifies, and includes the identification of the minimum and maximum number of household members for each unit size. This part also identifies circumstances under which an exception to the occupancy standards may be approved.

##### 5-1.B. DETERMINING UNIT SIZE

In selecting a family to occupy a particular unit, the PHA may match characteristics of the family with the type of unit available, for example, number of bedrooms [24 CFR 960.206(c)].

HUD does not specify the number of persons who may live in public housing units of various sizes. PHAs are permitted to develop appropriate occupancy standards as long as the standards do not have the effect of discriminating against families with children [PH Occ GB, p. 62].

Although the PHA does determine the size of unit the family qualifies for under the occupancy standards, the PHA does not determine who shares a bedroom/sleeping room.

The PHA's occupancy standards for determining unit size must be applied in a manner consistent with fair housing requirements.

##### HACB Policy

The HACB does not determine who shares a bedroom/sleeping room, but there must be at least one person per bedroom. The PHA's Occupancy Guidelines standards for determining unit size shall be applied in a manner consistent with Fair Housing guidelines.

For occupancy standards, an adult is a person 18 years or older or a minor that meets the Courts' definition of "Necessities".

The HACB will use the same occupancy standards for each of its developments.

The HACB's occupancy standards are as follows:

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

- Persons of the opposite sex (other than spouses or significant others, and children under age 8) will not be required to share a bedroom.
- Persons of different generations will not be required to share a bedroom (eight (8) years difference will be considered different generations), and children up to the age of three years can share a bedroom with their parents.
- Live-in aides will be allocated a separate bedroom. No additional bedrooms will be provided for the live-in aide's family.
- A single pregnant woman (with no other persons) will be treated as a two (2) person family.
- Single persons will be allocated a one bedroom unit.
- Children related to a household member by birth, adoption, or court awarded custody will be considered when determining unit size.
- Foster children will be considered when determining unit size. The family may add foster children to the household as long as it does not overcrowd the unit based on the HACB's occupancy standards.
- Children away at school, but for whom the unit is considered the primary residence, and children temporarily placed outside the home, will be considered when determining unit size.
- Children in the process of being adopted will be considered when determining unit size.
- Children who will live in the unit less than 50 percent of the time will not be considered when determining unit size.

The HACB will reference the following standards in determining the appropriate unit bedroom size for a family:

<b>Bedroom Size</b>	<b>Persons in Household: (Minimum #)</b>	<b>Persons in Household: (Maximum #)</b>
1 Bedroom	1	3
2 Bedrooms	2	5
3 Bedrooms	3	7
4 Bedrooms	6	9
5 Bedrooms	8	11

### **5-I.C. EXCEPTIONS TO OCCUPANCY STANDARDS**

#### **Types of Exceptions**

##### HACB Policy

The HACB will consider granting exceptions to the occupancy standards at the family’s request if the HACB determines the exception is justified by the relationship, age, sex, health or disability of family members, or other personal circumstances.

For example, an exception may be granted if a larger bedroom size is needed for medical equipment due to its size and/or function, or as a reasonable accommodation for a person with disabilities. An exception may also be granted for a smaller bedroom size in cases where the number of household members exceeds the maximum number of persons allowed for the unit size in which the family resides (according to the chart in Section 5-I.B) and the family does not want to transfer to a larger size unit.

When evaluating exception requests the HACB will consider the size and configuration of the unit. In no case will the HACB grant an exception that is in violation of local housing or occupancy codes, regulations or laws.

Requests from applicants to be placed on the waiting list for a unit size smaller than designated by the occupancy standards will be approved as long as the unit is not overcrowded according to local code, and the family agrees not to request a transfer for a period of two years from the date of admission, unless they have a subsequent change in family size or composition.

To prevent vacancies, the HACB may provide an applicant family with a larger unit than the occupancy standards permit. However, in these cases the family must agree to move to a suitable, smaller unit when another family qualifies for the larger unit and there is an appropriate size unit available for the family to transfer to.

#### **Processing of Exceptions**

##### HACB Policy

All requests for exceptions to the occupancy standards must be submitted in writing.

In the case of a request for exception as a reasonable accommodation, the HACB will encourage the resident to make the request in writing using a reasonable accommodation request form. However, the HACB will consider the exception request any time the resident

indicates that an accommodation is needed whether or not a formal written request is submitted.

Requests for a larger size unit must explain the need or justification for the larger size unit, and must include appropriate documentation. Requests based on health-related reasons must be verified by a knowledgeable professional source, unless the disability and the disability-related request for accommodation is readily apparent or otherwise known.

The HACB will notify the family of its decision within 14 calendar days of receiving the family's request.

## **PART II: UNIT OFFERS**

[24 CFR 1.4(b)(2)(ii); 24 CFR 960.208]

### **5-II.A. OVERVIEW**

The PHA must assign eligible applicants to dwelling units in accordance with a plan that is consistent with civil rights and nondiscrimination laws.

In filling an actual or expected vacancy, the PHA must offer the dwelling unit to an applicant in the appropriate offer sequence. The PHA will offer the unit until it is accepted. This section describes the PHA's policies with regard to the number of unit offers that will be made to applicants selected from the waiting list. This section also describes the PHA's policies for offering units with accessibility features.

#### HACB Policy

The HACB will maintain a record of units offered, including location, date and circumstances of each offer, each acceptance or rejection, including the reason for the rejection.

### **5-II.B. NUMBER OF OFFERS**

#### HACB Policy

The HACB has adopted a "one offer plan" for offering units to applicants. Under this plan the first qualified applicant in sequence on the waiting list will be made one offer of a unit of the appropriate size, at a site in which the applicant has applied to reside.

### **5-II.C. TIME LIMIT FOR UNIT OFFER ACCEPTANCE OR REFUSAL**

#### HACB Policy

Applicants must accept or refuse a unit offer within 3 business days of the date of the unit offer.

Offers made by telephone will be confirmed by letter.

### **5-II.D. REFUSALS OF UNIT OFFERS**

### **Good Cause for Unit Refusal**

An elderly or disabled family may decline an offer for designated housing. Such a refusal must not adversely affect the family's position on or placement on the public housing waiting list [24 CFR 945.303(d)].

#### HACB Policy

Applicants may refuse to accept a unit offer for "good cause." *Good cause* includes situations in which an applicant is willing to move but is unable to do so at the time of the unit offer, or the applicant demonstrates that acceptance of the offer would cause undue hardship not related to considerations of the applicant's race, color, national origin, etc. [PH Occ GB, p. 104]. Examples of good cause for refusal of a unit offer include, but are not limited to, the following:

The family demonstrates to the HACB's satisfaction that accepting the unit offer will require the adult household member to quit a job, drop out of an educational institution or job training program, or take a child out of day care or an educational program for children with disabilities

The family demonstrates to the HACB's satisfaction that accepting the offer will place a family member's life, health or safety in jeopardy. The family should offer specific and compelling documentation such as restraining orders; other court orders; or risk assessments related to witness protection from a law enforcement agency; or documentation of domestic violence, dating violence, sexual assault, or stalking in accordance with section 16-VII.D of this ACOP. Reasons offered must be specific to the family. Refusals due to location alone do not qualify for this good cause exemption

A health professional verifies temporary hospitalization or recovery from illness of the principal household member, other household members (as listed on final application) or live-in aide necessary to the care of the principal household member

The unit is inappropriate for the applicant's disabilities, or the family does not need the accessible features in the unit offered and does not want to be subject to a 30-day notice to move

The unit has lead-based paint and the family includes children under the age of six

In the case of a unit refusal for good cause the applicant will not be removed from the waiting list as described later in this section. The applicant will remain at the top of the waiting list until the family receives an offer for which they do not have good cause to refuse.

The HACB will require documentation of good cause for unit refusals.

### **Unit Refusal Without Good Cause**

#### HACB Policy

When an applicant rejects the final unit offer without good cause, the HACB will remove the applicant's name from the waiting list and send notice to the family of such removal. The notice will inform the family of their right to request an informal hearing and the process for doing so (see Chapter 14).

The applicant may reapply for assistance if the waiting list is open. If the waiting list is not open, the applicant must wait to reapply until the HACB opens the waiting list.

#### **5-II.E. ACCESSIBLE UNITS [24 CFR 8.27]**

PHAs must adopt suitable means to assure that information regarding the availability of accessible units reaches eligible individuals with disabilities, and take reasonable nondiscriminatory steps to maximize the utilization of such units by eligible individuals whose disability requires the accessibility features of a particular unit.

When an accessible unit becomes vacant, before offering such units to a non-disabled applicant the PHA must offer such units:

- First, to a current resident of another unit of the same development, or other public housing development under the PHA's control, who has a disability that requires the special features of the vacant unit and is occupying a unit not having such features, or if no such occupant exists, then
- Second, to an eligible qualified applicant on the waiting list having a disability that requires the special features of the vacant unit.

When offering an accessible unit to an applicant not having a disability requiring the accessibility features of the unit, the PHA may require the applicant to agree (and may incorporate this agreement in the lease) to move to a non-accessible unit when available.

#### **HACB Policy**

Families requiring an accessible unit may be over-housed in such a unit if there are no resident or applicant families of the appropriate size who also require the accessible features of the unit.

When there are no resident or applicant families requiring the accessible features of the unit, including families who would be over-housed, the HACB will offer the unit to a non-disabled applicant.

When offering an accessible unit to a non-disabled applicant, the HACB will require the applicant to agree to move to an available non-accessible unit within 30 days when either a current resident or an applicant needs the features of the unit and there is another unit available for the non-disabled family. This requirement will be a provision of the lease agreement.

#### **5-II.F. DESIGNATED HOUSING**

When applicable, the PHA's policies for offering units designated for elderly families only or for disabled families only are described in the PHA's Designated Housing Plan.

## Chapter 6

### INCOME AND RENT DETERMINATIONS

[24 CFR Part 5, Subparts E and F; 24 CFR 960, Subpart C]

#### INTRODUCTION

A family's annual income is used to determine their income eligibility for the public housing program and is also used to calculate the amount of the family's rent payment. The PHA will use the policies and methods described in this chapter to ensure that only income-eligible families receive assistance and that no family pays more or less rent than is required under the regulations. This chapter describes HUD regulations and PHA policies related to these topics in three parts as follows:

**Part I: Annual Income.** HUD regulations specify the sources of income to include and exclude to arrive at a family's annual income. These requirements and PHA policies for calculating annual income are found in Part I.

**Part II: Adjusted Income.** Once annual income has been established HUD regulations require the PHA to subtract from annual income any of five mandatory deductions for which a family qualifies. These requirements and PHA policies for calculating adjusted income are found in Part II.

**Part III: Calculating Rent.** This part describes the statutory formula for calculating total tenant payment (TTP), the use of utility allowances, and the methodology for determining family rent payment. Also included here are flat rents and the family's choice in rents.

#### PART I: ANNUAL INCOME

##### 6-I.A. OVERVIEW

The general regulatory definition of *annual income* shown below is from 24 CFR 5.609.

5.609 Annual income.

(a) Annual income means all amounts, monetary or not, which:

(1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or

(2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and

(3) Which are not specifically excluded in paragraph [5.609(c)].

(4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

In addition to this general definition, HUD regulations establish policies for treating specific types of income and assets. The full texts of those portions of the regulations are provided in exhibits at the end of this chapter as follows:

- Annual Income Inclusions (Exhibit 6-1)



- Annual Income Exclusions (Exhibit 6-2)
- Treatment of Family Assets (Exhibit 6-3)
- Earned Income Disallowance (Exhibit 6-4)
- The Effect of Welfare Benefit Reduction (Exhibit 6-5)

Sections 6-I.B and 6-I.C discuss general requirements and methods for calculating annual income. The rest of this section describes how each source of income is treated for the purposes of determining annual income. HUD regulations present income inclusions and exclusions separately [24 CFR 5.609(b) and 24 CFR 5.609(c)]. In this ACOP, however, the discussions of income inclusions and exclusions are integrated by topic (e.g., all policies affecting earned income are discussed together in section 6-I.D). Verification requirements for annual income are discussed in Chapter 7.

### 6-I.B. HOUSEHOLD COMPOSITION AND INCOME

Income received by all family members must be counted unless specifically excluded by the regulations. It is the responsibility of the head of household to report changes in family composition. The rules on which sources of income are counted vary somewhat by family member. The chart below summarizes how family composition affects income determinations.

<b>Summary of Income Included and Excluded by Person</b>	
Live-in aides	Income from all sources is excluded [24 CFR 5.609(c)(5)].
Foster child or foster adult	Income from all sources is excluded [24 CFR 5.609(a)(1)].
Head, spouse, or co-head Other adult family members	All sources of income not specifically excluded by the regulations are included.
Children under 18 years of age	Employment income is excluded [24 CFR 5.609(c)(1)]. All other sources of income, except those specifically excluded by the regulations, are included.
Full-time students 18 years of age or older (not head, spouse, or co-head)	Employment income above \$480/year is excluded [24 CFR 5.609(c)(11)]. All other sources of income, except those specifically excluded by the regulations, are included.

### Temporarily Absent Family Members

The income of family members approved to live in the unit will be counted, even if the family member is temporarily absent from the unit [HCV GB, p. 5-18].

#### HACB Policy

Generally an individual who is or is expected to be absent from the assisted unit for 90 consecutive days or less is considered temporarily absent and continues to be considered a family member. Generally an individual who is or is expected to be absent from the assisted unit for more than 90 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

**Absent Students**

HACB Policy

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

**Absences Due to Placement in Foster Care**

Children temporarily absent from the home as a result of placement in foster care are considered members of the family [24 CFR 5.403].

HACB Policy

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

**Absent Head, Spouse, or Co-head**

HACB Policy

An employed head, spouse, or co-head absent from the unit more than 90 consecutive days due to employment will continue to be considered a family member.

**Individuals Confined for Medical Reasons**

HACB Policy

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

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

**Joint Custody of Children**

HACB Policy

Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or resident family 51 percent or more of the time.

When more than one applicant or assisted family (regardless of program) are claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, the HACB will make the determination based on available documents such as school attendance records, court orders, an IRS

income tax return showing which family has claimed the child for income tax purposes, school records, or other credible documentation.

### **Caretakers for a Child**

#### HACB Policy

The approval of a caretaker is at the HACB's discretion and subject to the HACB's screening criteria. If neither a parent nor a designated guardian remains in a household, the HACB will take the following actions.

If a responsible agency has determined that another adult is to be brought into the unit to care for a child for an indefinite period, the designated caretaker will not be considered a family member until a determination of custody or legal guardianship is made.

If a caretaker has assumed responsibility for a child without the involvement of a responsible agency or formal assignment of custody or legal guardianship, the caretaker will be treated as a visitor for 90 days. After the 90 days has elapsed, the caretaker will be considered a family member unless information is provided that would confirm that the caretaker's role is temporary. In such cases the HACB will extend the caretaker's status as an eligible visitor.

At any time that custody or guardianship legally has been awarded to a caretaker, the lease will be transferred to the caretaker, as head of household.

During any period that a caretaker is considered a visitor, the income of the caretaker is not counted in annual income and the caretaker does not qualify the family for any deductions from income.

A person who is designated as a caretaker, or who has later been appointed as a legal guardian, must meet all HACB screening and eligibility requirements before HACB will enter into a lease with the person.

### **6-I.C. ANTICIPATING ANNUAL INCOME**

The PHA is required to count all income "anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date" [24 CFR 5.609(a)(2)]. Policies related to anticipating annual income are provided below.

#### **Basis of Annual Income Projection**

The PHA generally will use current circumstances to determine anticipated income for the coming 12-month period. HUD authorizes the PHA to use other than current circumstances to anticipate income when:

- An imminent change in circumstances is expected [HCV GB, p. 5-17]
- It is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income) [24 CFR 5.609(d)]
- The PHA believes that past income is the best available indicator of expected future income [24 CFR 5.609(d)]

PHAs are required to use HUD's Enterprise Income Verification (EIV) system in its entirety as a third party source to verify employment and income information, and to reduce administrative subsidy payment errors in accordance with HUD administrative guidance [24 CFR 5.233(a)(2)].

HUD allows PHAs to use tenant-provided documents to project income once EIV data has been received in such cases where the family does not dispute the EIV employer data and where the PHA does not determine it is necessary to obtain additional third-party data.

#### HACB Policy

When EIV is obtained and the family does not dispute the EIV employer data, the HACB will use current tenant-provided documents to project annual income. When the tenant-provided documents are pay stubs, the HACB will make every effort to obtain current and consecutive pay stubs dated within the last 60 days.

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

- If EIV or other UIV data is not available,
- If the family disputes the accuracy of the EIV employer data, and/or
- If the HACB determines additional information is needed.

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

When the HACB cannot readily anticipate income based upon current circumstances (e.g., in the case of seasonal employment, unstable working hours, or suspected fraud), the HACB will review and analyze historical data for patterns of employment, paid benefits, and receipt of other income and use the results of this analysis to establish annual income.

Any time current circumstances are not used to project annual income, a clear rationale for the decision will be documented in the file. In all such cases the family may present information and documentation to the HACB to show why the historic pattern does not represent the family's anticipated income.

#### ***Known Changes in Income***

If the HACB verifies an upcoming increase or decrease in income, annual income will be calculated by applying each income amount to the appropriate part of the 12-month period.

**Example:** An employer reports that a full-time employee who has been receiving \$8/hour will begin to receive \$8.25/hour in the eighth week after the effective date of the reexamination. In such a case the HACB would calculate annual income as follows:  $(\$8/\text{hour} \times 40 \text{ hours} \times 7 \text{ weeks}) + (\$8.25 \times 40 \text{ hours} \times 45 \text{ weeks})$ .

The family may present information that demonstrates that implementing a change before its effective date would create a hardship for the family. In such cases the HACB will calculate annual income using current circumstances and then require an interim reexamination when the change actually occurs. This requirement will be imposed even if

the HACB policy on reexaminations does not require interim reexaminations for other types of changes.

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

### **Projecting Income**

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

## **6-I.D. EARNED INCOME**

### **Types of Earned Income Included in Annual Income**

#### ***Wages and Related Compensation [24 CFR 5.609(b)(1)]***

The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services is included in annual income.

#### HACB Policy

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

#### ***Some Types of Military Pay***

All regular pay, special pay and allowances of a member of the Armed Forces are counted [24 CFR 5.609(b)(8)] except for the special pay to a family member serving in the Armed Forces who is exposed to hostile fire [24 CFR 5.609(c)(7)].

### **Types of Earned Income Not Counted in Annual Income**

#### ***Temporary, Nonrecurring, or Sporadic Income [24 CFR 5.609(c)(9)]***

This type of income (including gifts) is not included in annual income.

#### HACB Policy

Sporadic income is income that is not received periodically and cannot be reliably predicted. For example, the income of an individual who works occasionally as a handyman would be considered sporadic if future work could not be anticipated and no historic, stable pattern of income existed.

#### ***Children's Earnings [24 CFR 5.609(c)(1)]***

Employment income earned by children (including foster children) under the age of 18 years is not included in annual income. (See Eligibility chapter for a definition of *foster children*.)

### ***Certain Earned Income of Full-Time Students***

Earnings in excess of \$480 for each full-time student 18 years old or older (except for the head, spouse, or co-head) are not counted [24 CFR 5.609(c)(11)]. To be considered “full-time,” a student must be considered “full-time” by an educational institution with a degree or certificate program [HCV GB, p. 5-29].

***Income of a Live-in Aide***

Income earned by a live-in aide, as defined in [24 CFR 5.403], is not included in annual income [24 CFR 5.609(c)(5)]. (See Eligibility chapter for a full discussion of live-in aides.)

***Income Earned under Certain Federal Programs [24 CFR 5.609(c)(17)]***

Income from some federal programs is specifically excluded from consideration as income, including:

- Payments to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)
- Awards under the federal work-study program (20 U.S.C. 1087 uu)
- Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))
- Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))
- Allowances, earnings, and payments to participants in programs funded under the Workforce Investment Act of 1998 (29 U.S.C. 2931)

***Resident Service Stipend [24 CFR 5.600(c)(8)(iv)]***

Amounts received under a resident service stipend are not included in annual income. A resident service stipend is a modest amount (not to exceed \$200 per individual per month) received by a resident for performing a service for the PHA, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the PHA’s governing board. No resident may receive more than one such stipend during the same period of time.

***State and Local Employment Training Programs***

Incremental earnings and benefits to any family member resulting from participation in qualifying state or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff are excluded from annual income. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the training program [24 CFR 5.609(c)(8)(v)].

**HACB Policy**

The HACB defines *training program* as “a learning process with goals and objectives, generally having a variety of components, and taking place in a series of sessions over a period of time. It is designed to lead to a higher level of proficiency, and it enhances the individual’s ability to obtain employment. It may have performance standards to measure proficiency. Training may include, but is not limited to: (1) classroom training in a specific

occupational skill, (2) on-the-job training with wages subsidized by the program, or (3) basic education” [expired Notice PIH 98-2, p. 3].

The HACB defines *incremental earnings and benefits* as the difference between (1) the total amount of welfare assistance and earnings of a family member prior to enrollment in a training program and (2) the total amount of welfare assistance and earnings of the family member after enrollment in the program [expired Notice PIH 98-2, pp. 3-4].

In calculating the incremental difference, the HACB will use as the pre-enrollment income the total annualized amount of the family member’s welfare assistance and earnings reported on the family’s most recently completed HUD-50058.

End of participation in a training program must be reported in accordance with the PHA's interim reporting requirements (see chapter on reexaminations).

### **HUD-Funded Training Programs**

Amounts received under training programs funded in whole or in part by HUD [24 CFR 5.609(c)(8)(i)] are excluded from annual income. Eligible sources of funding for the training include operating subsidy, Section 8 administrative fees, and modernization, Community Development Block Grant (CDBG), HOME program, and other grant funds received from HUD.

#### HACB Policy

To qualify as a training program, the program must meet the definition of *training program* provided above for state and local employment training programs.

**Earned Income Tax Credit.** Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j)), are excluded from annual income [24 CFR 5.609(c)(17)]. Although many families receive the EITC annually when they file taxes, an EITC can also be received throughout the year. The prorated share of the annual EITC is included in the employee’s payroll check.

**Earned Income Disallowance.** The earned income disallowance is discussed in section 6-IE below.

### **6-IE. EARNED INCOME DISALLOWANCE [24 CFR 960.255; Streamlining Final Rule (SFR Federal Register 3/8/16)]**

The earned income disallowance (EID) encourages people to enter the work force by not including the full value of increases in earned income for a period of time. The full text of 24 CFR 960.255 is included as Exhibit 6-4 at the end of this chapter. Eligibility criteria and limitations on the disallowance are summarized below.

#### **Eligibility**

This disallowance applies only to individuals in families already participating in the public housing program (not at initial examination). To qualify, the family must experience an increase in annual income that is the result of one of the following events:

- Employment of a family member who was previously unemployed for one or more years prior to employment. *Previously unemployed* includes a person who annually has earned not more than the minimum wage applicable to the community multiplied by 500 hours. The applicable

minimum wage is the federal minimum wage unless there is a higher state or local minimum wage.

- Increased earnings by a family member whose earnings increase during participation in an economic self-sufficiency or job-training program. A self-sufficiency program includes a program designed to encourage, assist, train, or facilitate the economic independence of HUD-assisted families or to provide work to such families [24 CFR 5.603(b)].
- New employment or increased earnings by a family member who has received benefits or services under Temporary Assistance for Needy Families (TANF) or any other state program funded under Part A of Title IV of the Social Security Act within the past six months. If the benefits are received in the form of monthly maintenance, there is no minimum amount. If the benefits or services are received in a form other than monthly maintenance, such as one-time payments, wage subsidies, or transportation assistance, the total amount received over the six-month period must be at least \$500.

### **Calculation of the Disallowance**

Calculation of the earned income disallowance for an eligible member of a qualified family begins with a comparison of the member's current income with his or her "prior income." The family member's baseline income is his or her income immediately prior to qualifying for the EID. The family member's baseline income remains constant throughout the period that he or she is participating in the EID.

While qualification for the disallowance is the same for all families, calculation of the disallowance will differ depending on when the family member qualified for the EID. Residents qualifying prior to May 9, 2016 will have the disallowance calculated under the "Original Calculation Method" described below, which requires a maximum lifetime disallowance period of up to 48 consecutive months. Residents qualifying on or after May 9, 2016 will be subject to the "Revised Calculation Method", which shortens the lifetime disallowance period to 24 consecutive months.

Under both the original and new methods, the EID eligibility criteria, the benefit amount, the single lifetime eligibility requirement and the ability of the applicable family member to stop and restart employment during the eligibility period are the same.

### **Original Calculation Method**

#### ***Initial 12-Month Exclusion***

During the initial 12-month exclusion period, the full amount (100 percent) of any increase in income attributable to new employment or increased earnings is excluded. The 12 months are cumulative and need not be consecutive.

#### HACB Policy

The initial EID exclusion period will begin on the first of the month following the date an eligible member of a qualified family is first employed or first experiences an increase in earnings.

#### ***Second 12-Month Exclusion and Phase-In***

During the second 12-month exclusion period, the exclusion is reduced to half (50 percent) of any increase in income attributable to employment or increased earnings. The 12 months are cumulative and need not be consecutive.



### ***Lifetime Limitation***

The EID has a four-year (48-month) lifetime maximum. The four-year eligibility period begins at the same time that the initial exclusion period begins and ends 48 months later. The one-time eligibility for the EID applies even if the eligible individual begins to receive assistance from another housing agency, if the individual moves between public housing and Section 8 assistance, or if there are breaks in assistance.

#### **HACB Policy**

During the 48-month eligibility period, the HACB will conduct an interim reexamination each time there is a change in the family member's annual income that affects or is affected by the EID (e.g., when the family member's income falls to a level at or below his/her prequalifying income, when one of the exclusion periods ends, and at the end of the lifetime maximum eligibility period).

### **Revised Calculation Method**

#### ***Initial 12-Month Exclusion***

During the initial exclusion period of 12 consecutive months, the full amount (100 percent) of any increase in income attributable to new employment or increased earnings is excluded.

#### **HACB Policy**

The initial EID exclusion period will begin on the first of the month following the date an eligible member of a qualified family is first employed or first experiences an increase in earnings.

#### ***Second 12-Month Exclusion***

During the second exclusion period of 12 consecutive months, the HACB must exclude at least 50 percent of any increase in income attributable to employment or increased earnings.

#### **HACB Policy**

During the second 12-month exclusion period, the HACB will exclude 50 percent of any increase in income attributable to new employment or increased earnings.

### ***Lifetime Limitation***

The EID has a two-year (24-month) lifetime maximum. The two-year eligibility period begins at the same time that the initial exclusion period begins and ends 24 months later. During the 24-month period, an individual remains eligible for EID even if they receive assistance from a different housing agency, move between public housing and Section 8 assistance, or have breaks in assistance.

### **Individual Savings Accounts [24 CFR 960.255(d)]**

#### **HACB Policy**

The HACB chooses not to establish a system of individual savings accounts (ISAs) for families who qualify for the EID.

The following rules pertaining to ISAs do not apply to this public housing program.

A qualified family paying income-based rent may choose an ISA instead of being given the EID. The HACB must advise the family that the ISA option is available.

Families who choose the ISA will pay the higher rent and the HACB will deposit the difference between the higher rent and the EID rent in the savings account.

Amounts deposited to ISAs may only be withdrawn for the following reasons:

- Because the family is purchasing a home
- To pay education costs of family members
- Because the family is moving out of public or assisted housing
- To pay any other expenses the HACB authorizes to promote economic self-sufficiency

The HACB is required to maintain ISAs in interest bearing accounts, for which the family is credited with interest earned. The HACB may not charge the family a fee for maintaining the account.

At least once each year the HACB must provide the family with a statement of the balance in their account, including any interest earned, if required by state law.

If the family moves out of public housing, the HACB must return the balance in the family's ISA, less any amounts the family owes the HACB.

#### **6-I.F. BUSINESS INCOME [24 CFR 5.609(b)(2)]**

Annual income includes "the net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family" [24 CFR 5.609(b)(2)].

#### **Business Expenses**

Net income is "gross income less business expense" [HCV GB, p. 5-19].

##### HACB Policy

To determine business expenses that may be deducted from gross income, the HACB will use current applicable Internal Revenue Service (IRS) rules for determining allowable business expenses [see IRS Publication 535], unless a topic is addressed by HUD regulations or guidance as described below.

#### **Business Expansion**

HUD regulations do not permit the PHA to deduct from gross income expenses for business expansion.

##### HACB Policy

*Business expansion* is defined as any capital expenditures made to add new business activities, to expand current facilities, or to operate the business in additional locations. For

example, purchase of a street sweeper by a construction business for the purpose of adding street cleaning to the services offered by the business would be considered a business expansion. Similarly, the purchase of a property by a hair care business to open at a second location would be considered a business expansion.

### **Capital Indebtedness**

HUD regulations do not permit the PHA to deduct from gross income the amortization of capital indebtedness.

#### HACB Policy

*Capital indebtedness* is defined as the principal portion of the payment on a capital asset such as land, buildings, and machinery. This means the HACB will allow as a business expense interest, but not principal, paid on capital indebtedness.

### **Negative Business Income**

If the net income from a business is negative, no business income will be included in annual income; a negative amount will not be used to offset other family income.

### **Withdrawal of Cash or Assets from a Business**

HUD regulations require the PHA to include in annual income the withdrawal of cash or assets from the operation of a business or profession unless the withdrawal reimburses a family member for cash or assets invested in the business by the family.

#### HACB Policy

Acceptable investments in a business include cash loans and contributions of assets or equipment. For example, if a member of a tenant family provided an up-front loan of \$2,000 to help a business get started, the HACB will not count as income any withdrawals from the business up to the amount of this loan until the loan has been repaid. Investments do not include the value of labor contributed to the business without compensation.

### **Co-owned Businesses**

#### HACB Policy

If a business is co-owned with someone outside the family, the family must document the share of the business it owns. If the family's share of the income is lower than its share of ownership, the family must document the reasons for the difference.

## **6-I.G. ASSETS [24 CFR 5.609(b)(3) and 24 CFR 5.603(b)]**

### **Overview**

There is no asset limitation for participation in the public housing program. However, HUD requires that the PHA include in annual income the anticipated "interest, dividends, and other net income of any kind from real or personal property" [24 CFR 5.609(b)(3)]. This section discusses how the income from various types of assets is determined. For most types of assets, the PHA must

determine the value of the asset in order to compute income from the asset. Therefore, for each asset type, this section discusses:

- How the value of the asset will be determined
- How income from the asset will be calculated

Exhibit 6-1 provides the regulatory requirements for calculating income from assets [24 CFR 5.609(b)(3)], and Exhibit 6-3 provides the regulatory definition of *net family assets*. This section begins with a discussion of general policies related to assets and then provides HUD rules and PHA policies related to each type of asset.

Optional policies for family self-certification of assets are found in Chapter 7.

## **General Policies**

### ***Income from Assets***

The PHA generally will use current circumstances to determine both the value of an asset and the anticipated income from the asset. As is true for all sources of income, HUD authorizes the PHA to use other than current circumstances to anticipate income when (1) an imminent change in circumstances is expected (2) it is not feasible to anticipate a level of income over 12 months or (3) the PHA believes that past income is the best indicator of anticipated income. For example, if a family member owns real property that typically receives rental income but the property is currently vacant, the PHA can take into consideration past rental income along with the prospects of obtaining a new tenant.

#### HACB Policy

Any time current circumstances are not used to determine asset income, a clear rationale for the decision will be documented in the file. In such cases the family may present information and documentation to the HACB to show why the asset income determination does not represent the family's anticipated asset income.

### ***Valuing Assets***

The calculation of asset income sometimes requires the PHA to make a distinction between an asset's market value and its cash value.

- The market value of an asset is its worth in the market (e.g., the amount a buyer would pay for real estate or the total value of an investment account).
- The cash value of an asset is its market value less all reasonable amounts that would be incurred when converting the asset to cash.

#### HACB Policy

Reasonable costs that would be incurred when disposing of an asset include, but are not limited to, penalties for premature withdrawal, broker and legal fees, and settlement costs incurred in real estate transactions [HCV GB, p. 5-28 and PH Occ GB, p. 121].

### ***Lump-Sum Receipts***

Payments that are received in a single lump sum, such as inheritances, capital gains, lottery winnings, insurance settlements, and proceeds from the sale of property, are generally considered assets, not income. However, such lump-sum receipts are counted as assets only if they are retained by a family in a form recognizable as an asset (e.g., deposited in a savings or checking account) [RHIP FAQs]. (For a discussion of lump-sum payments that represent the delayed start of a periodic payment, most of which are counted as income, see sections 6-I.H and 6-I.I.)

### ***Imputing Income from Assets [24 CFR 5.609(b)(3), Notice PIH 2012-29]***

When net family assets are \$5,000 or less, the PHA will include in annual income the actual income anticipated to be derived from the assets. When the family has net family assets in excess of \$5,000, the PHA will include in annual income the greater of (1) the actual income derived from the assets or (2) the imputed income. Imputed income from assets is calculated by multiplying the total cash value of all family assets by the average passbook savings rate as determined by the PHA.

- Note: The HUD field office no longer provides an interest rate for imputed asset income. The “safe harbor” is now for the PHA to establish a passbook rate within 0.75 percent of a national average.
- The PHA must review its passbook rate annually to ensure that it remains within –0.75 percent of the national average.

#### **PHA Policy**

The PHA will initially set the imputed asset passbook rate at the national rate established by the Federal Deposit Insurance Corporation (FDIC).

The PHA will review the passbook rate annually, in December of each year. The rate will not be adjusted unless the current PHA rate is no longer within 0.75 percent of the national rate. If it is no longer within 0.75 percent of the national rate, the passbook rate will be set at the current national rate.

Changes to the passbook rate will take effect on February 1 following the December review.

### ***Determining Actual Anticipated Income from Assets***

It may or may not be necessary for the PHA to use the value of an asset to compute the actual anticipated income from the asset. When the value is required to compute the anticipated income from an asset, the market value of the asset is used. For example, if the asset is a property for which a family receives rental income, the anticipated income is determined by annualizing the actual monthly rental amount received for the property; it is not based on the property’s market value. However, if the asset is a savings account, the anticipated income is determined by multiplying the market value of the account by the interest rate on the account.

### ***Withdrawal of Cash or Liquidation of Investments***

Any withdrawal of cash or assets from an investment will be included in income except to the extent that the withdrawal reimburses amounts invested by the family. For example, when a family member retires, the amount received by the family from a retirement investment plan is not counted

as income until the family has received payments equal to the amount the family member deposited into the retirement investment plan.

#### ***Jointly Owned Assets***

The regulation at 24 CFR 5.609(a)(4) specifies that annual income includes “amounts derived (during the 12-month period) from assets to which any member of the family has access.”

##### HACB Policy

If an asset is owned by more than one person and any family member has unrestricted access to the asset, the HACB will count the full value of the asset. A family member has unrestricted access to an asset when he or she can legally dispose of the asset without the consent of any of the other owners.

If an asset is owned by more than one person, including a family member, but the family member does not have unrestricted access to the asset, the HACB will prorate the asset according to the percentage of ownership. If no percentage is specified or provided for by state or local law, the HACB will prorate the asset evenly among all owners.

#### ***Assets Disposed Of for Less than Fair Market Value [24 CFR 5.603(b)]***

HUD regulations require the PHA to count as a current asset any business or family asset that was disposed of for less than fair market value during the two years prior to the effective date of the examination/reexamination, except as noted below.

##### ***Minimum Threshold***

The PHA may set a threshold below which assets disposed of for less than fair market value will not be counted [HCV GB, p. 5-27].

##### HACB Policy

The HACB will not include the value of assets disposed of for less than fair market value unless the cumulative fair market value of all assets disposed of during the past two years exceeds the gross amount received for the assets by more than \$5,000.

When the two-year period expires, the income assigned to the disposed asset(s) also expires. If the two-year period ends between annual recertifications, the family may request an interim recertification to eliminate consideration of the asset(s).

Assets placed by the family in non-revocable trusts are considered assets disposed of for less than fair market value except when the assets placed in trust were received through settlements or judgments.

#### ***Separation or Divorce***

The regulation also specifies that assets are not considered disposed of for less than fair market value if they are disposed of as part of a separation or divorce settlement and the applicant or tenant receives important consideration not measurable in dollar terms.

##### HACB Policy

All assets disposed of as part of a separation or divorce settlement will be considered assets for which important consideration not measurable in monetary terms has been received. In

order to qualify for this exemption, a family member must be subject to a formal separation or divorce settlement agreement established through arbitration, mediation, or court order.

### ***Foreclosure or Bankruptcy***

Assets are not considered disposed of for less than fair market value when the disposition is the result of a foreclosure or bankruptcy sale.

### ***Family Declaration***

#### HACB Policy

Families must sign a declaration form at initial certification and each annual recertification identifying all assets that have been disposed of for less than fair market value or declaring that no assets have been disposed of for less than fair market value. The HACB may verify the value of the assets disposed of if other information available to the HACB does not appear to agree with the information reported by the family.

### **Types of Assets**

#### ***Checking and Savings Accounts [PIH 2016-05]***

For regular checking accounts and savings accounts, *cash value* has the same meaning as *market value*. If a checking account does not bear interest, the anticipated income from the account is zero.

#### HACB Policy

In determining the value of a checking account, the HACB will use the current monthly balance for accounts over \$5,000. In determining the value of a savings account, the HACB will use the current balance for accounts over \$5,000. In determining the anticipated income from an interest-bearing checking or savings account, the HACB will multiply the value of the account by the current rate of interest paid on the account.

#### ***Investment Accounts Such as Stocks, Bonds, Saving Certificates, and Money Market Funds***

Interest or dividends earned by investment accounts are counted as actual income from assets even when the earnings are reinvested. The cash value of such an asset is determined by deducting from the market value any broker fees, penalties for early withdrawal, or other costs of converting the asset to cash.

#### HACB Policy

In determining the market value of an investment account, the HACB will use the value of the account on the most recent investment report for accounts over \$5,000. How anticipated income from an investment account will be calculated depends on whether the rate of return is known. For assets that are held in an investment account with a known rate of return (e.g., savings certificates), asset income will be calculated based on that known rate (market value multiplied by rate of earnings). When the anticipated rate of return is not known (e.g., stocks), the HACB will calculate asset income based on the earnings for the most recent reporting period.

#### ***Equity in Real Property or Other Capital Investments***

Equity (cash value) in a property or other capital asset is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset [HCV GB, p. 5-25 and PH, p. 121].

### HACB Policy

In determining the equity, the HACB will determine market value by examining recent sales of at least three properties in the surrounding or similar neighborhood that possess comparable factors that affect market value.

The HACB will first use the payoff amount for the loan (mortgage) as the unpaid balance to calculate equity. If the payoff amount is not available, the HACB will use the basic loan balance information to deduct from the market value in the equity calculation.

Equity in real property and other capital investments is considered in the calculation of asset income except for the following types of assets:

- Equity accounts in HUD homeownership programs [24 CFR 5.603(b)]
- Equity in real property when a family member's main occupation is real estate [HCV GB, p. 5-25]. This real estate is considered a business asset, and income related to this asset will be calculated as described in section 6-I.F.
- Interests in Indian Trust lands [24 CFR 5.603(b)]
- Real property and capital assets that are part of an active business or farming operation [HCV GB, p. 5-25]

The PHA must also deduct from the equity the reasonable costs for converting the asset to cash. Using the formula for calculating equity specified above, the net cash value of the real property is the market value of the loan (mortgage) minus the expenses to convert to cash.

### HACB Policy

For the purposes of calculating expenses to convert to cash for real property, the HACB will use ten percent of the market value of the home.

A family may have real property as an asset in two ways: (1) owning the property itself and (2) holding a mortgage or deed of trust on the property. In the case of a property owned by a family member, the anticipated asset income generally will be in the form of rent or other payment for the use of the property. If the property generates no income, actual anticipated income from the asset will be zero.

In the case of a mortgage or deed of trust held by a family member, the outstanding balance (unpaid principal) is the cash value of the asset. The interest portion only of payments made to the family in accordance with the terms of the mortgage or deed of trust is counted as anticipated asset income.

### HACB Policy

In the case of capital investments owned jointly with others not living in a family's unit, a prorated share of the property's cash value will be counted as an asset unless the HACB determines that the family receives no income from the property and is unable to sell or otherwise convert the asset to cash.

### **Trusts**



A *trust* is a legal arrangement generally regulated by state law in which one party (the creator or grantor) transfers property to a second party (the trustee) who holds the property for the benefit of one or more third parties (the beneficiaries).

#### *Revocable Trusts*

If any member of a family has the right to withdraw the funds in a trust, the value of the trust is considered an asset [HCV GB, p. 5-25]. Any income earned as a result of investment of trust funds is counted as actual asset income, whether the income is paid to the family or deposited in the trust.

#### *Non-revocable Trusts*

In cases where a trust is not revocable by, or under the control of, any member of a family, the value of the trust fund is not considered an asset. However, any income distributed to the family from such a trust is counted as a periodic payment or a lump-sum receipt, as appropriate [24 CFR 5.603(b)]. (Periodic payments are covered in section 6-I.H. Lump-sum receipts are discussed earlier in this section.)

#### **Retirement Accounts**

##### *Company Retirement/Pension Accounts*

In order to correctly include or exclude as an asset any amount held in a company retirement or pension account by an employed person, the PHA must know whether the money is accessible before retirement [HCV GB, p. 5-26].

While a family member is employed, only the amount the family member can withdraw without retiring or terminating employment is counted as an asset [HCV GB, p. 5-26].

After a family member retires or terminates employment, any amount distributed to the family member is counted as a periodic payment or a lump-sum receipt, as appropriate [HCV GB, p. 5-26], except to the extent that it represents funds invested in the account by the family member. (For more on periodic payments, see section 6-I.H.) The balance in the account is counted as an asset only if it remains accessible to the family member.

##### *IRA, Keogh, and Similar Retirement Savings Accounts*

IRA, Keogh, and similar retirement savings accounts are counted as assets even though early withdrawal would result in a penalty [HCV GB, p. 5-25].

#### **Personal Property**

*Personal property* held as an investment, such as gems, jewelry, coin collections, antique cars, etc., is considered an asset [HCV GB, p. 5-25].

#### HACB Policy

In determining the value of personal property held as an investment, the HACB will use the family's estimate of the value. The HACB may obtain an appraisal if there is reason to believe that the family's estimated value is off by \$50 or more. The family must cooperate with the appraiser but cannot be charged any costs related to the appraisal.

Generally, personal property held as an investment generates no income until it is disposed of. If regular income is generated (e.g., income from renting the personal property), the

amount that is expected to be earned in the coming year is counted as actual income from the asset.

Necessary items of personal property are not considered assets [24 CFR 5.603(b)].

#### HACB Policy

Necessary personal property consists of only those items not held as an investment. It may include clothing, furniture, household furnishings, jewelry, and vehicles, including those specially equipped for persons with disabilities.

#### ***Life Insurance***

The cash value of a life insurance policy available to a family member before death, such as a whole life or universal life policy, is included in the calculation of the value of the family's assets [HCV GB 5-25]. The cash value is the surrender value. If such a policy earns dividends or interest that the family could elect to receive, the anticipated amount of dividends or interest is counted as income from the asset whether or not the family actually receives it.

### **6-I.H. PERIODIC PAYMENTS**

Periodic payments are forms of income received on a regular basis. HUD regulations specify periodic payments that are and are not included in annual income.

#### **Periodic Payments Included in Annual Income**

Periodic payments from sources such as social security, unemployment and welfare assistance, annuities, insurance policies, retirement funds, and pensions. However, periodic payments from retirement accounts, annuities, and similar forms of investments are counted only after they exceed the amount contributed by the family [24 CFR 5.609(b)(4) and (b)(3)].

Disability or death benefits and lottery receipts paid periodically, rather than in a single lump sum [24 CFR 5.609(b)(4) and HCV, p. 5-14]

#### **Lump-Sum Payments for the Delayed Start of a Periodic Payment**

Most lump sums received as a result of delays in processing periodic payments, such as unemployment or welfare assistance, are counted as income. However, lump-sum receipts for the delayed start of periodic social security or supplemental security income (SSI) payments are not counted as income. Additionally, any deferred disability benefits that are received in a lump sum or in prospective monthly amounts from the Department of Veterans Affairs are to be excluded from annual income [24 CFR 5.609(c)(14)].

#### HACB Policy

When a delayed-start payment is received and reported during the period in which the HACB is processing an annual reexamination, the HACB will adjust the tenant rent retroactively for the period the payment was intended to cover. The family may pay in full any amount due or request to enter into a repayment agreement with the HACB.

See the chapter on reexaminations for information about a family's obligation to report lump-sum receipts between annual reexaminations.

### **Treatment of Overpayment Deductions from Social Security Benefits**

The PHA must make a special calculation of annual income when the Social Security Administration (SSA) overpays an individual, resulting in a withholding or deduction from his or her benefit amount until the overpayment is paid in full. The amount and duration of the withholding will vary depending on the amount of the overpayment and the percent of the benefit rate withheld. Regardless of the amount withheld or the length of the withholding period, the PHA must use the reduced benefit amount after deducting only the amount of the overpayment withholding from the gross benefit amount [Notice PIH ~~2012-10~~2018-24].

### **Periodic Payments Excluded from Annual Income**

Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone) [24 CFR 5.609(c)(2)]. Kinship care payments are considered equivalent to foster care payments and are also excluded from annual income [Notice PIH 2012-11].

#### HACB Policy

The HACB will exclude payments for the care of foster children and foster adults only if the care is provided through an official arrangement with a local welfare agency [HCV GB, p. 5-18].

Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)]

Amounts received under the Low-Income Home Energy Assistance Program (42 U.S.C. 1626(c)) [24 CFR 5.609(c)(17)]

Amounts received under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q) [24 CFR 5.609(c)(17)]

Earned Income Tax Credit (EITC) refund payments (26 U.S.C. 32(j)) [24 CFR 5.609(c)(17)].

*Note:* EITC may be paid periodically if the family elects to receive the amount due as part of payroll payments from an employer.

Lump sums received as a result of delays in processing Social Security and SSI payments (see section 6-I.H.) [24 CFR 5.609(c)(14)].

Lump sums or prospective monthly amounts received as deferred disability benefits from the Department of Veterans Affairs (VA) [24 CFR 5.609(c)(14)].

### **6-I.I. PAYMENTS IN LIEU OF EARNINGS**

Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay, are counted as income [24 CFR 5.609(b)(5)] if they are received either in the form of periodic payments or in the form of a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment. If they are received in a one-time lump sum (as a settlement, for instance), they are treated as lump-sum receipts [24 CFR 5.609(c)(3)]. (See also the discussion of periodic payments in section 6-I.H and the discussion of lump-sum receipts in section 6-I.G.)

## **6-I.J. WELFARE ASSISTANCE**

### **Overview**

Welfare assistance is counted in annual income. Welfare assistance includes Temporary Assistance for Needy Families (TANF) and any payments to individuals or families based on need that are made under programs funded separately or jointly by federal, state, or local governments [24 CFR 5.603(b)].

### **Sanctions Resulting in the Reduction of Welfare Benefits [24 CFR 5.615]**

The PHA must make a special calculation of annual income when the welfare agency imposes certain sanctions on certain families. The full text of the regulation at 24 CFR 5.615 is provided as Exhibit 6-5. The requirements are summarized below. This rule applies only if a family was a public housing resident at the time the sanction was imposed.

#### ***Covered Families***

The families covered by 24 CFR 5.615 are those “who receive welfare assistance or other public assistance benefits (‘welfare benefits’) from a State or other public agency (‘welfare agency’) under a program for which Federal, State or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance” [24 CFR 5.615(b)]

#### ***Imputed Income***

When a welfare agency imposes a sanction that reduces a family’s welfare income because the family commits fraud or fails to comply with the agency’s economic self-sufficiency program or work activities requirement, the PHA must include in annual income “imputed” welfare income. The PHA must request that the welfare agency provided the reason for the reduction of benefits and the amount of the reduction of benefits. The imputed welfare income is the amount that the benefits were reduced as a result of the sanction.

This requirement does not apply to reductions in welfare benefits: (1) at the expiration of the lifetime or other time limit on the payment of welfare benefits, (2) if a family member is unable to find employment even though the family member has complied with the welfare agency economic self-sufficiency or work activities requirements, or (3) because a family member has not complied with other welfare agency requirements [24 CFR 5.615(b)(2)].

For special procedures related to grievance hearings based upon the PHA’s denial of a family’s request to lower rent when the family experiences a welfare benefit reduction, see Chapter 14, Grievances and Appeals.

#### ***Offsets***

The amount of the imputed welfare income is offset by the amount of additional income the family begins to receive after the sanction is imposed. When the additional income equals or exceeds the imputed welfare income, the imputed income is reduced to zero [24 CFR 5.615(c)(4)].

## **6-I.K. PERIODIC AND DETERMINABLE ALLOWANCES [24 CFR 5.609(b)(7)]**

Annual income includes periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing with a tenant family.

## **Alimony and Child Support**

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

### HACB Policy

The HACB will count court-awarded amounts for alimony and child support unless the HACB verifies that (1) the payments are not being made and (2) the family has made reasonable efforts to collect amounts due, including filing with courts or agencies responsible for enforcing payments [HCV GB, pp. 5-23 and 5-47].

Families who do not have court-awarded alimony and child support awards are not required to seek a court award and are not required to take independent legal action to obtain collection.

## **Regular Contributions or Gifts**

The PHA must count as income regular monetary and non-monetary contributions or gifts from persons not residing with a tenant family [24 CFR 5.609(b)(7)]. Temporary, nonrecurring, or sporadic income and gifts are not counted [24 CFR 5.609(c)(9)].

### HACB Policy

Examples of regular contributions include: (1) regular payment of a family's bills (e.g., utilities, telephone, rent, credit cards, and car payments), (2) cash or other liquid assets provided to any family member on a regular basis, and (3) "in-kind" contributions such as groceries and clothing provided to a family on a regular basis.

Non-monetary contributions will be valued at the cost of purchasing the items, as determined by the HACB. For contributions that may vary from month to month (e.g., utility payments), the HACB will include an average amount based upon past history.

## **6-I.L. ADDITIONAL EXCLUSIONS FROM ANNUAL INCOME**

Other exclusions contained in 24 CFR 5.609(c) and updated by FR Notice 5/20/14 that have not been discussed earlier in this chapter include the following:

Reimbursement of medical expenses [24 CFR 5.609(c)(4)]

The full amount of student financial assistance paid directly to the student or to the educational institution [24 CFR 5.609(c)(6)].

### HACB Policy

Regular financial support from parents or guardians to students for food, clothing personal items, and entertainment is not considered student financial assistance and is included in annual income.

Amounts received by participants in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred and which are made solely to allow participation in a specific program [24 CFR 5.609(c)(8)(iii)]

Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS) [(24 CFR 5.609(c)(8)(ii)]

Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era [24 CFR 5.609(c)(10)]

Adoption assistance payments in excess of \$480 per adopted child [24 CFR 5.609(c)(12)]

Refunds or rebates on property taxes paid on the dwelling unit [24 CFR 5.609(c)(15)]

Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)]

Amounts specifically excluded by any other federal statute [24 CFR 5.609(c)(17), FR Notice 5/20/14]. HUD publishes an updated list of these exclusions periodically. It includes:

- (a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b))
- (b) Benefits under Section 1780 of the School Lunch Act and Child Nutrition Act of 1966, including WIC
- (c) Payments to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)
- (d) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c))
- (e) Income derived from certain sub marginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e)
- (f) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f))
- (g) Payments received under programs funded in whole or in part under the Workforce Investment Act of 1998 (29 U.S.C. 2931)
- (h) Deferred disability benefits from the Department of Veterans Affairs, whether received as a lump sum or in monthly prospective amounts
- (i) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-04)
- (j) Payments, funds, or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (25 U.S.C. 1774f(b))
- (k) A lump sum or periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the United States District Court case entitled *Elouise Cobell et al. v. Ken Salazar et al.*, for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010
- (l) The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408)
- (m) Benefits under the Indian Veterans Housing Opportunity Act of 2010 (only applies to Native American housing programs)

- (n) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))
  - (o) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in *In Re Agent Orange*-product liability litigation, M.D.L. No. 381 (E.D.N.Y.)
  - (p) Payments received under 38 U.S.C. 1833(c) to children of Vietnam veterans born with spinal bifida, children of women Vietnam veterans born with certain birth defects, and children of certain Korean service veterans born with spinal bifida
  - (q) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721)
  - (r) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q)
  - (s) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j))
  - (t) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433)
  - (u) Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under federal work-study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu).
  - (v) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))
  - (w) Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602)
  - (x) Any amounts in an “individual development account” as provided by the Assets for Independence Act, as amended in 2002
  - (y) Payments made from the proceeds of Indian tribal trust cases as described in Notice PIH 2013-30, “Exclusion from Income of Payments under Recent Tribal Trust Settlements” (25 U.S.C. 117b(a))
  - (z) Major disaster and emergency assistance received under the Robert T. Stafford Disaster Relief and Emergency Assistance Act and comparable disaster assistance provided by states, local governments, and disaster assistance organizations.
- [\(aa\) Distributions from an ABLE account, and actual or imputed interest on the ABLE account balance.](#)

## PART II: ADJUSTED INCOME

### 6-II.A. INTRODUCTION

## Overview

HUD regulations require PHAs to deduct from annual income any of five mandatory deductions for which a family qualifies. The resulting amount is the family's adjusted income. Mandatory deductions are found in 24 CFR 5.611.

5.611(a) Mandatory deductions. In determining adjusted income, the responsible entity (PHA) must deduct the following amounts from annual income:

- (1) \$480 for each dependent;
- (2) \$400 for any elderly family or disabled family;
- (3) The sum of the following, to the extent the sum exceeds three percent of annual income:
  - (i) Unreimbursed medical expenses of any elderly family or disabled family;
  - (ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed. This deduction may not exceed the earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus; and
- (4) Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education.

This part covers policies related to these mandatory deductions. Verification requirements related to these deductions are found in Chapter 7, Verifications.

## Anticipating Expenses

### HACB Policy

Generally, the HACB will use current circumstances to anticipate expenses. When possible, for costs that are expected to fluctuate during the year (e.g., child care during school and non-school periods and cyclical medical expenses), the HACB will estimate costs based on historic data and known future costs.

If a family has an accumulated debt for medical or disability assistance expenses, the HACB will include as an eligible expense the portion of the debt that the family expects to pay during the period for which the income determination is being made. However, amounts previously deducted will not be allowed even if the amounts were not paid as expected in a preceding period. The HACB may require the family to provide documentation of payments made in the preceding year.

## 6-II.B. DEPENDENT DEDUCTION

An allowance of \$480 is deducted from annual income for each dependent [24 CFR 5.611(a)(1)]. *Dependent* is defined as any family member other than the head, spouse, or co-head who is under the age of 18 or who is 18 or older and is a person with disabilities or a full-time student. Foster children, foster adults, and live-in aides are never considered dependents [24 CFR 5.603(b)].



**6-II.C. ELDERLY OR DISABLED FAMILY DEDUCTION**

A single deduction of \$400 is taken for any elderly or disabled family [24 CFR 5.611(a)(2)]. An *elderly family* is a family whose head, spouse, co-head, or sole member is 62 years of age or older, and a *disabled family* is a family whose head, spouse, co-head, or sole member is a person with disabilities [24 CFR 5.403].

**6-II.D. MEDICAL EXPENSES DEDUCTION [24 CFR 5.611(a)(3)(i)]**

Unreimbursed medical expenses may be deducted to the extent that, in combination with any disability assistance expenses, they exceed three percent of annual income.

The medical expense deduction is permitted only for families in which the head, spouse, or co-head is at least 62 or is a person with disabilities. If a family is eligible for a medical expense deduction, the medical expenses of all family members are counted [VG, p. 28].

**Definition of Medical Expenses**

HUD regulations define *medical expenses* at 24 CFR 5.603(b) to mean “medical expenses, including medical insurance premiums, that are anticipated during the period for which annual income is computed, and that are not covered by insurance.”

HACB Policy

The most current IRS Publication 502, *Medical and Dental Expenses*, will be used as a reference to determine the costs that qualify as medical expenses.

<b>Summary of Allowable Medical Expenses from IRS Publication 502</b>	
Services of medical professionals	Substance abuse treatment programs
Surgery and medical procedures that are necessary, legal, non-cosmetic	Psychiatric treatment
Services of medical facilities	Ambulance services and some costs of transportation related to medical expenses

Hospitalization, long-term care, and in-home nursing services Prescription medicines and insulin, but <u>not</u> nonprescription medicines even if recommended by a doctor	The cost and care of necessary equipment related to a medical condition (e.g., eyeglasses/lenses, hearing aids, crutches, and artificial teeth)
Improvements to housing directly related to medical needs (e.g., ramps for a wheel chair, handrails)	Cost and continuing care of necessary service animals Medical insurance premiums or the cost of a health maintenance organization (HMO)
<b>Note:</b> This chart provides a summary of eligible medical expenses only. Detailed information is provided in IRS Publication 502. Medical expenses are considered only to the extent they are not reimbursed by insurance or some other source.	

**Families That Qualify for Both Medical and Disability Assistance Expenses**

HACB Policy

This policy applies only to families in which the head, spouse, or co-head is 62 or older or is a person with disabilities.

When expenses anticipated by a family could be defined as either medical or disability assistance expenses, the HACB will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

**6-II.E. DISABILITY ASSISTANCE EXPENSES DEDUCTION [24 CFR 5.603(b) and 24 CFR 5.611(a)(3)(ii)]**

Reasonable expenses for attendant care and auxiliary apparatus for a disabled family member may be deducted if they: (1) are necessary to enable a family member 18 years or older to work, (2) are not paid to a family member or reimbursed by an outside source, (3) in combination with any medical expenses, exceed three percent of annual income, and (4) do not exceed the earned income received by the family member who is enabled to work.

**Earned Income Limit on the Disability Assistance Expense Deduction**

A family can qualify for the disability assistance expense deduction only if at least one family member (who may be the person with disabilities) is enabled to work [24 CFR 5.603(b)].

The disability expense deduction is capped by the amount of “earned income received by family members who are 18 years of age or older and who are able to work” because of the expense [24 CFR 5.611(a)(3)(ii)]. The earned income used for this purpose is the amount verified before any earned income disallowances or income exclusions are applied.

HACB Policy

The family must identify the family members enabled to work as a result of the disability assistance expenses. In evaluating the family’s request, the HACB will consider factors such as how the work schedule of the relevant family members relates to the hours of care

provided, the time required for transportation, the relationship of the family members to the person with disabilities, and any special needs of the person with disabilities that might determine which family members are enabled to work.

When the HACB determines that the disability assistance expenses enable more than one family member to work, the disability assistance expenses will be capped by the sum of the family members' incomes [PH Occ GB, p. 124].

### **Eligible Disability Expenses**

Examples of auxiliary apparatus are provided in the *PH Occupancy Guidebook* as follows: "Auxiliary apparatus: Including wheelchairs, walkers, scooters, reading devices for persons with visual disabilities, equipment added to cars and vans to permit their use by the family member with a disability, or service animals" [PH Occ GB, p. 124], but only if these items are directly related to permitting the disabled person or other family member to work [HCV GB, p. 5-30].

HUD advises PHAs to further define and describe auxiliary apparatus [VG, p. 30].

### ***Eligible Auxiliary Apparatus***

#### HACB Policy

Expenses incurred for maintaining or repairing an auxiliary apparatus are eligible expenses. In the case of an apparatus that is specially adapted to accommodate a person with disabilities (e.g., a vehicle or computer), the cost to maintain the special adaptations (but not maintenance of the apparatus itself) is an eligible expense. The cost of service animals trained to give assistance to persons with disabilities, including the cost of acquiring the animal, veterinary care, food, grooming, and other continuing costs of care, will be included.

### ***Eligible Attendant Care***

The family determines the type of attendant care that is appropriate for the person with disabilities.

#### HACB Policy

Attendant care includes, but is not limited to, reasonable costs for home medical care, nursing services, in-home or center-based care services, interpreters for persons with hearing impairments, and readers for persons with visual disabilities.

Attendant care expenses will be included for the period that the person enabled to work is employed plus reasonable transportation time. The cost of general housekeeping and personal services is not an eligible attendant care expense. However, if the person enabled to work is the person with disabilities, personal services necessary to enable the person with disabilities to work are eligible.

If the care attendant also provides other services to the family, the HACB will prorate the cost and allow only that portion of the expenses attributable to attendant care that enables a family member to work. For example, if the care provider also cares for a child who is not the person with disabilities, the cost of care must be prorated. Unless otherwise specified by the care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

### ***Payments to Family Members***

No disability expenses may be deducted for payments to a member of a tenant family [23 CFR 5.603(b)]. However, expenses paid to a relative who is not a member of the tenant family may be deducted if they are reimbursed by an outside source.

### **Necessary and Reasonable Expenses**

The family determines the type of care or auxiliary apparatus to be provided and must describe how the expenses enable a family member to work. The family must certify that the disability assistance expenses are necessary and are not paid or reimbursed by any other source.

#### HACB Policy

The HACB determines the reasonableness of the expenses based on typical costs of care or apparatus in the locality. To establish typical costs, the HACB will collect information from organizations that provide services and support to persons with disabilities. A family may present, and the HACB will consider, the family's justification for costs that exceed typical costs in the area.

### **Families That Qualify for Both Medical and Disability Assistance Expenses**

#### HACB Policy

This policy applies only to families in which the head, spouse, or co-head is 62 or older or is a person with disabilities.

When expenses anticipated by a family could be defined as either medical or disability assistance expenses, the HACB will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

### **6-II.F. CHILD CARE EXPENSE DEDUCTION**

HUD defines *child care expenses* at 24 CFR 5.603(b) as "amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income."

Child care expenses do not include child support payments made to another on behalf of a minor who is not living in an assisted family's household [VG, p. 26]. However, child care expenses for foster children that are living in the assisted family's household, are included when determining the family's child care expenses.

### **Qualifying for the Deduction**

#### ***Determining Who Is Enabled to Pursue an Eligible Activity***

#### HACB Policy

The family must identify the family member(s) enabled to pursue an eligible activity. The term *eligible activity* in this section means any of the activities that may make the family

eligible for a child care deduction (seeking work, pursuing an education, or being gainfully employed).

In evaluating the family's request, the HACB will consider factors such as how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

### ***Seeking Work***

#### HACB Policy

If the child care expense being claimed is to enable a family member to seek employment, the family must provide evidence of the family member's efforts to obtain employment at each reexamination. The deduction may be reduced or denied if the family member's job search efforts are not commensurate with the child care expense being allowed by the HACB.

### ***Furthering Education***

#### HACB Policy

If the child care expense being claimed is to enable a family member to further his or her education, the member must be enrolled in school (academic or vocational) or participating in a formal training program. The family member is not required to be a full-time student, but the time spent in educational activities must be commensurate with the child care claimed.

### ***Being Gainfully Employed***

#### HACB Policy

If the child care expense being claimed is to enable a family member to be gainfully employed, the family must provide evidence of the family member's employment during the time that child care is being provided. Gainful employment is any legal work activity (full- or part-time) for which a family member is compensated.

### **Earned Income Limit on Child Care Expense Deduction**

When a family member looks for work or furthers his or her education, there is no cap on the amount that may be deducted for child care – although the care must still be necessary and reasonable. However, when child care enables a family member to work, the deduction is capped by “the amount of employment income that is included in annual income” [24 CFR 5.603(b)].

The earned income used for this purpose is the amount of earned income verified after any earned income disallowances or income exclusions are applied.

When the person who is enabled to work is a person who receives the earned income disallowance (EID) or a full-time student whose earned income above \$480 is excluded, child care costs related to enabling a family member to work may not exceed the portion of the person's earned income that actually is included in annual income. For example, if a family member who qualifies for the EID makes \$15,000 but because of the EID only \$5,000 is included in annual income, child care expenses are limited to \$5,000.

The PHA must not limit the deduction to the least expensive type of child care. If the care allows the family to pursue more than one eligible activity, including work, the cap is calculated in proportion to the amount of time spent working [HCV GB, p. 5-30].

#### HACB Policy

When the child care expense being claimed is to enable a family member to work, only one family member's income will be considered for a given period of time. When more than one family member works during a given period, the HACB generally will limit allowable child care expenses to the earned income of the lowest-paid member. The family may provide information that supports a request to designate another family member as the person enabled to work.

#### **Eligible Child Care Expenses**

The type of care to be provided is determined by the tenant family. The PHA may not refuse to give a family the child care expense deduction because there is an adult family member in the household that may be available to provide child care [VG, p. 26].

#### ***Allowable Child Care Activities***

##### HACB Policy

For school-age children, costs attributable to public or private school activities during standard school hours are not considered. Expenses incurred for supervised activities after school or during school holidays (e.g., summer day camp, after-school sports league) are allowable forms of child care.

The costs of general housekeeping and personal services are not eligible. Likewise, child care expenses paid to a family member who lives in the family's unit are not eligible; however, payments for child care to relatives who do not live in the unit are eligible.

If a child care provider also renders other services to a family or child care is used to enable a family member to conduct activities that are not eligible for consideration, the HACB will prorate the costs and allow only that portion of the expenses that is attributable to child care for eligible activities. For example, if the care provider also cares for a child with disabilities who is 13 or older, the cost of care will be prorated. Unless otherwise specified by the child care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

#### ***Necessary and Reasonable Costs***

Child care expenses will be considered necessary if: (1) a family adequately explains how the care enables a family member to work, actively seek employment, or further his or her education, and (2) the family certifies, and the child care provider verifies, that the expenses are not paid or reimbursed by any other source.

##### HACB Policy

Child care expenses will be considered for the time required for the eligible activity plus reasonable transportation time. For child care that enables a family member to go to school, the time allowed may include not more than one study hour for each hour spent in class.

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

#### **6-II.G. PERMISSIVE DEDUCTIONS [24 CFR 5.611(b)(1)]**

Permissive deductions are additional, optional deductions that may be applied to annual income. As with mandatory deductions, permissive deductions must be based on need or family circumstance and deductions must be designed to encourage self-sufficiency or other economic purpose. If the PHA offers permissive deductions, they must be granted to all families that qualify for them and should complement existing income exclusions and deductions [PH Occ GB, p. 128].

The *Form HUD-50058 Instruction Booklet* states that the maximum allowable amount for total permissive deductions is less than \$90,000 per year.

##### HACB Policy

The HACB has opted not to use permissive deductions.

### **PART III: CALCULATING RENT**

#### **6-III.A. OVERVIEW OF INCOME-BASED RENT CALCULATIONS**

The first step in calculating income-based rent is to determine each family's total tenant payment (TTP). Then, if the family is occupying a unit that has tenant-paid utilities, the utility allowance is subtracted from the TTP. The result of this calculation, if a positive number, is the tenant rent. If the TTP is less than the utility allowance, the result of this calculation is a negative number, and is called the utility reimbursement, which may be paid to the family or directly to the utility company by the PHA.

##### **TTP Formula [24 CFR 5.628]**

HUD regulations specify the formula for calculating the total tenant payment (TTP) for a tenant family. TTP is the highest of the following amounts, rounded to the nearest dollar:

30 percent of the family's monthly adjusted income (adjusted income is defined in Part II)

10 percent of the family's monthly gross income (annual income, as defined in Part I, divided by 12)

The welfare rent (in as-paid states only)

A minimum rent between \$0 and \$50 that is established by the PHA

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

##### **Welfare Rent [24 CFR 5.628]**

##### HACB Policy

Welfare rent does not apply in this locality.

##### **Minimum Rent [24 CFR 5.630]**

##### HACB Policy

The minimum rent for this locality is \$50.

**Optional Changes to Income-Based Rents [24 CFR 960.253(c)(2) and PH Occ GB, pp. 131-134]**

PHAs have been given very broad flexibility to establish their own, unique rent calculation systems as long as the rent produced is not higher than that calculated using the TTP and mandatory deductions. At the discretion of the PHA, rent policies may structure a system that uses combinations of permissive deductions, escrow accounts, income-based rents, and the required flat and minimum rents.

The PHA's minimum rent and rent choice policies still apply to affected families. Utility allowances are applied to PHA designed income-based rents in the same manner as they are applied to the regulatory income-based rents.

The choices are limited only by the requirement that the method used not produce a TTP or tenant rent greater than the TTP or tenant rent produced under the regulatory formula.

HACB Policy

The HACB chooses not to adopt optional changes to income-based rents.

**Ceiling Rents [24 CFR 960.253 (c)(2) and (d)]**

Ceiling rents are used to cap income-based rents. They are part of the income-based formula. If the calculated TTP exceeds the ceiling rent for the unit, the ceiling rent is used to calculate tenant rent (ceiling rent/TTP minus utility allowance). Increases in income do not affect the family since the rent is capped. The use of ceiling rents fosters upward mobility and income mixing.

Because of the mandatory use of flat rents, the primary function of ceiling rents now is to assist families who cannot switch back to flat rent between annual reexaminations and would otherwise be paying an income-based tenant rent that is higher than the flat rent.

Ceiling rents must be set to the level required for flat rents (which will require the addition of the utility allowance to the flat rent for properties with tenant-paid utilities) [PH Occ GB, p. 135].

HACB Policy

The HACB chooses not to use ceiling rents.

**Utility Reimbursement [24 CFR 960.253(c)(4)]**

Utility reimbursement occurs when any applicable utility allowance for tenant-paid utilities exceeds the TTP. HUD permits the PHA to pay the reimbursement to the family or directly to the utility provider.

HACB Policy

The HACB will make utility reimbursements directly to the utility provider.

The PHA may make all utility reimbursement payments to qualifying families on a monthly basis or may make quarterly payments when the monthly reimbursement amount is \$15.00 or less. Reimbursements must be made once per calendar-year quarter, either prospectively or



retroactively, and must be prorated if the family leaves the program in advance of its next quarterly reimbursement. The PHA must also adopt hardship policies for families for whom receiving quarterly reimbursement would create a financial hardship. The PHA must issue reimbursements that exceed \$15.00 per month on a monthly basis.

#### HACB Policy

The HACB will issue all utility reimbursements directly to the utility provider monthly.

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

#### HACB Policy

The financial hardship rules described below do apply in this jurisdiction because the HACB has established a minimum rent of \$50.

#### **Overview**

The PHA must grant an exemption from the minimum rent if a family is unable to pay the minimum rent because of financial hardship.

The financial hardship exemption applies only to families required to pay the minimum rent. If a family's TTP is higher than the minimum rent, the family is not eligible for a hardship exemption. If the PHA determines that a hardship exists, the TTP is the highest of the remaining components of the family's calculated TTP.

#### **HUD-Defined Financial Hardship**

Financial hardship includes the following situations:

- (1) The family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program. This includes a family member who is a noncitizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996.

#### HACB Policy

A hardship will be considered to exist only if the loss of eligibility has an impact on the family's ability to pay the minimum rent.

For a family waiting for a determination of eligibility, the hardship period will end as of the first of the month following (1) implementation of assistance, if approved, or (2) the decision to deny assistance. A family whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances.

- (2) The family would be evicted because it is unable to pay the minimum rent.

#### HACB Policy

For a family to qualify under this provision, the cause of the potential eviction must be the family's failure to pay rent or tenant-paid utilities.

- (3) Family income has decreased because of changed family circumstances, including the loss of employment.
- (4) A death has occurred in the family.

HACB Policy

In order to qualify under this provision, a family must describe how the death has created a financial hardship (e.g., because of funeral-related expenses or the loss of the family member’s income).

(5) The family has experienced other circumstances determined by the PHA.

HACB Policy

The HACB has not established any additional hardship criteria.

**Implementation of Hardship Exemption**

*Determination of Hardship*

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

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

HACB Policy

The HACB defines temporary hardship as a hardship expected to last 90 days or less. Long term hardship is defined as a hardship expected to last more than 90 days.

The PHA may not evict the family for nonpayment of minimum rent during the 90-day period beginning the month following the family’s request for a hardship exemption.

When the minimum rent is suspended, the TTP reverts to the highest of the remaining components of the calculated TTP. The example below demonstrates the effect of the minimum rent exemption.

<b>Example: Impact of Minimum Rent Exemption</b>			
Assume the PHA has established a minimum rent of \$35.			
<b>TTP – No Hardship</b>		<b>TTP – With Hardship</b>	
\$0	30% of monthly adjusted income	\$0	30% of monthly adjusted income
\$15	10% of monthly gross income	\$15	10% of monthly gross income
N/A	Welfare rent	N/A	Welfare rent
\$35	Minimum rent	\$35	Minimum rent
Minimum rent applies. TTP = \$35		Hardship exemption granted. TTP = \$15	

HACB Policy

To qualify for a hardship exemption, a family must submit a request for a hardship exemption in writing. The request must explain the nature of the hardship and how the hardship has affected the family's ability to pay the minimum rent.

The HACB will make the determination of hardship within 30 calendar days.

### ***No Financial Hardship***

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

For procedures pertaining to grievance hearing requests based upon the PHA denial of a hardship exemption, see Chapter 14, Grievances and Appeals.

#### HACB Policy

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

### ***Temporary Hardship***

If the PHA determines that a qualifying financial hardship is temporary, the PHA must reinstate the minimum rent from the beginning of the first of the month following the date of the family's request for a hardship exemption.

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

For procedures pertaining to grievance hearing requests based upon the PHA denial of a hardship exemption, see Chapter 14, Grievances and Appeals.

#### HACB Policy

The HACB will enter into a repayment agreement in accordance with the repayment agreement policy as stated in Chapter 16.

### ***Long-Term Hardship***

If the PHA determines that the financial hardship is long-term, the PHA must exempt the family from the minimum rent requirement for so long as the hardship continues. The exemption will apply from the first of the month following the family's request until the end of the qualifying hardship. When the financial hardship has been determined to be long-term, the family is not required to repay the minimum rent.

#### HACB Policy

The hardship period ends when any of the following circumstances apply:

- (1) At an interim or annual reexamination, the family's calculated TTP is greater than the minimum rent.
- (2) For hardship conditions based on loss of income, the hardship condition will continue to be recognized until new sources of income are received that are at least equal to the amount lost. For example, if a hardship is approved because a family no longer receives a \$60/month child support payment, the hardship will continue to exist until the family

receives at least \$60/month in income from another source or once again begins to receive the child support.

- (3) For hardship conditions based upon hardship-related expenses, the minimum rent exemption will continue to be recognized until the cumulative amount exempted is equal to the expense incurred.

### **6-III.C. UTILITY ALLOWANCES [24 CFR 965, Subpart E]**

#### **Overview**

Utility allowances are provided to families paying income-based rents when the cost of utilities is not included in the rent. When determining a family's income-based rent, the PHA must use the utility allowance applicable to the type of dwelling unit leased by the family.

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

#### **Reasonable Accommodation [24 CFR 8]**

On request from a family, PHAs must approve a utility allowance that is higher than the applicable amount for the dwelling unit if a higher utility allowance is needed as a reasonable accommodation to make the program accessible to and usable by the family with a disability [PH Occ GB, p. 172].

Residents with disabilities may not be charged for the use of certain resident-supplied appliances if there is a verified need for special equipment because of the disability [PH Occ GB, p. 172].

See Chapter 2 for policies related to reasonable accommodations.

#### **Utility Allowance Revisions [24 CFR 965.507]**

The PHA must review its schedule of utility allowances each year. Between annual reviews, the PHA must revise the utility allowance schedule if there is a rate change that by itself or together with prior rate changes not adjusted for, results in a change of 10 percent or more from the rate on which such allowances were based. Adjustments to resident payments as a result of such changes must be retroactive to the first day of the month following the month in which the last rate change taken into account in such revision became effective [PH Occ GB, p. 171].

The tenant rent calculations must reflect any changes in the PHA utility allowance schedule [24 CFR 960.253(c)(3)].

#### HACB Policy

Unless the HACB is required to revise utility allowances retroactively, revised utility allowances will be applied to a family's rent calculations at the first annual reexamination after the allowance is adopted.

### **6-III.D. PRORATED RENT FOR MIXED FAMILIES [24 CFR 5.520]**

HUD regulations prohibit assistance to ineligible family members. A *mixed family* is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible family members. The PHA must prorate the assistance provided to a mixed family. The PHA will first determine TTP as if all family members were eligible and then prorate the rent based upon the number of family members that actually are eligible. To do this, the PHA must:

- (1) Subtract the TTP from the flat rent applicable to the unit. The result is the maximum subsidy for which the family could qualify if all members were eligible.
- (2) Divide the family maximum subsidy by the number of persons in the family to determine the maximum subsidy per each family member who is eligible (member maximum subsidy).
- (3) Multiply the member maximum subsidy by the number of eligible family members.
- (4) Subtract the subsidy calculated in the last step from the flat rent. This is the prorated TTP.
- (5) Subtract the utility allowance for the unit from the prorated TTP. This is the prorated rent for the mixed family.

HACB Policy

Revised public housing flat rents will be applied to a mixed family's rent calculation at the first annual reexamination after the revision is adopted.

- (6) When the mixed family's TTP is greater than the applicable flat rent, use the TTP as the prorated TTP. The prorated TTP minus the utility allowance is the prorated rent for the mixed family.

**6-III.E. FLAT RENTS AND FAMILY CHOICE IN RENTS [24 CFR 960.253]**

**Flat Rents [24 CFR 960.253(b)]**

The flat rent is designed to encourage self-sufficiency and to avoid creating disincentives for continued residency by families who are attempting to become economically self-sufficient.

Changes in family income, expenses, or composition will not affect the flat rent amount because it is outside the income-based formula.

Policies related to the reexamination of families paying flat rent are contained in Chapter 9, and policies related to the establishment and review of flat rents are contained in Chapter 16.

**Family Choice in Rents [24 CFR 960.253(a) and (e)]**

Once each year, the PHA must offer families the choice between a flat rent and an income-based rent. The family may not be offered this choice more than once a year. The PHA must document that flat rents were offered to families under the methods used to determine flat rents for the PHA.

HACB Policy

The annual HACB offer to a family of the choice between flat and income-based rent will be conducted upon admission and upon each subsequent annual reexamination.

The HACB will require families to submit their choice of flat or income-based rent in writing and will maintain such requests in the tenant file as part of the admission or annual reexamination process.

The PHA must provide sufficient information for families to make an informed choice. This information must include the PHA policy on switching from flat rent to income-based rent due to financial hardship and the dollar amount of the rent under each option. However, if the family chose the flat rent for the previous year the PHA is required to provide an income-based rent amount only in the year that a reexamination of income is conducted or if the family specifically requests it and submits updated income information.

#### **Switching from Flat Rent to Income-Based Rent Due to Hardship [24 CFR 960.253(f)]**

A family can opt to switch from flat rent to income-based rent at any time if they are unable to pay the flat rent due to financial hardship. If the PHA determines that a financial hardship exists, the PHA must immediately allow the family to switch from flat rent to the income-based rent.

##### HACB Policy

Upon determination by the HACB that a financial hardship exists, the HACB will allow a family to switch from flat rent to income-based rent effective the first of the month following the family's request.

Reasons for financial hardship include:

- The family has experienced a decrease in income because of changed circumstances, including loss or reduction of employment, death in the family, or reduction in or loss of earnings or other assistance
- The family has experienced an increase in expenses, because of changed circumstances, for medical costs, child care, transportation, education, or similar items
- Such other situations determined by the PHA to be appropriate

##### HACB Policy

The HACB considers payment of flat rent to be a financial hardship whenever the switch to income-based rent would be lower than the flat rent [PH Occ GB, p. 137].

#### **Phasing In Flat Rents [Notice PIH 2017-23; 24 CFR 960.253(b)]**

When new flat rents requirements were implemented in 2014, HUD limited the increase for existing residents paying flat rent at that time to no more than 35 percent of the current tenant rent per year. In some cases, this meant that some residents had or will have their flat rents phased-in at the time of their annual recertification. To do this, PHAs conduct a flat rent impact analysis to determine whether a phase-in is or was necessary. For families whose flat rent is being phased-in, the PHA must multiply the family's current rent amount by 1.35 and compare the result to the flat rent under the PHA's policies. Families who have subsequently been admitted to the program or have subsequently selected flat rent will not experience a phase-in.

Notice PIH 2017-23 requires that flat rents must be phased in at the full 35 percent per year. PHAs do not have the option of phasing in flat rent increases at less than 35 percent per year.

**Example:** A family was paying a flat rent of \$500 per month. At their annual recertification, the PHA has increased the flat rent for their unit size to comply with the new requirements to \$700. The PHA conducted a flat rent impact analysis as follows:

$$\$500 \times 1.35 = \$675$$

Since the PHA's increased flat rent of \$700 resulted in a rent increase of more than 35 percent, the PHA offered the family the choice to pay either \$675 per month or an income-based rent. The flat rent increase was phased-in. At their next annual recertification in November 2015, the PHA will again multiply the family's current flat rent by 1.25 and compare the results to the PHA's current flat rent.

**Flat Rents and Earned Income Disallowance [A&O FAQs]**

Because the EID is a function of income-based rents, a family paying flat rent cannot qualify for the EID even if a family member experiences an event that would qualify the family for the EID. If the family later chooses to pay income-based rent, they would only qualify for the EID if a new qualifying event occurred.

Under the EID original calculation method, a family currently paying flat rent that previously qualified for the EID while paying income-based rent and is currently within their exclusion period would have the exclusion period continue while paying flat rent as long as the employment that is the subject of the exclusion continues. A family paying flat rent could therefore see a family member's exclusion period expire while the family is paying flat rent.

Under the EID revised calculation method, a family currently paying flat rent that previously qualified for the EID while paying income-based rent and is currently within their exclusion period would have the exclusion period continue while paying flat rent regardless whether the employment that is the subject of the exclusion continues. A family paying flat rent could therefore see a family member's exclusion period expire while the family is paying flat rent.

**EXHIBIT 6-1: ANNUAL INCOME INCLUSIONS**

**24 CFR 5.609**

*(a) Annual income means all amounts, monetary or not, which:*

- (1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or
- (2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
- (3) Which are not specifically excluded in paragraph (c) of this section.
- (4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

*(b) Annual income includes, but is not limited to:*

- (1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
- (2) The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;

- (3) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (b)(2) of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;
- (4) The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in paragraph (c)(14) of this section);
- (5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in paragraph (c)(3) of this section);
- (6) Welfare assistance payments.
  - (i) Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income only to the extent such payments:
    - (A) Qualify as assistance under the TANF program definition at 45 CFR 260.31<sup>1</sup>; and
    - (B) Are not otherwise excluded under paragraph (c) of this section.

<sup>1</sup> Text of 45 CFR 260.31 follows (next page).



(ii) If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:

(A) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus

(B) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.

(7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling;

(8) All regular pay, special pay and allowances of a member of the Armed Forces (except as provided in paragraph (c)(7) of this section)

(9) For section 8 programs only and as provided in 24 CFR 5.612, any financial assistance, in excess of amounts received for tuition plus any other required fees and charges, that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 *et seq.*), from private sources, or from an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except that financial assistance described in this paragraph is not considered annual income for persons over the age of 23 with dependent children. For purposes of this paragraph, "financial assistance" does not include loan proceeds for the purpose of determining income.

**HHS DEFINITION OF "ASSISTANCE"**  
**45 CFR: GENERAL TEMPORARY ASSISTANCE FOR NEEDY FAMILIES**

**260.31 What does the term "assistance" mean?**

(a)(1) The term "assistance" includes cash, payments, vouchers, and other forms of benefits designed to meet a family's ongoing basic needs (i.e., for food, clothing, shelter, utilities, household goods, personal care items, and general incidental expenses).

(2) It includes such benefits even when they are:

(i) Provided in the form of payments by a TANF agency, or other agency on its behalf, to individual recipients; and

(ii) Conditioned on participation in work experience or community service (or any other work activity under 261.30 of this chapter).

(3) Except where excluded under paragraph (b) of this section, it also includes supportive services such as transportation and child care provided to families who are not employed.

(b) [The definition of "assistance"] excludes: (1) Nonrecurring, short-term benefits that:

(i) Are designed to deal with a specific crisis situation or episode of need;

(ii) Are not intended to meet recurrent or ongoing needs; and

(iii) Will not extend beyond four months.

(2) Work subsidies (i.e., payments to employers or third parties to help cover the costs of employee wages, benefits, supervision, and training);

(3) Supportive services such as child care and transportation provided to families who are employed;

(4) Refundable earned income tax credits;

(5) Contributions to, and distributions from, Individual Development Accounts;

(6) Services such as counseling, case management, peer support, child care information and referral, transitional services, job retention, job advancement, and other employment-related services that do not provide basic income support; and

(7) Transportation benefits provided under a Job Access or Reverse Commute project, pursuant to section 404(k) of [the Social Security] Act, to an individual who is not otherwise receiving assistance

**EXHIBIT 6-2: ANNUAL INCOME EXCLUSIONS**

**24 CFR 5.609**

(c) Annual income does not include the following:

- (1) Income from employment of children (including foster children) under the age of 18 years;
- (2) Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);
- (3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in paragraph (b)(5) of this section);
- (4) Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- (5) Income of a live-in aide, as defined in Sec. 5.403;
- (6) Subject to paragraph (b)(9) of this section, the full amount of student financial assistance paid directly to the student or to the educational institution;
- (7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- (8) (i) Amounts received under training programs funded by HUD;
- (ii) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
- (iii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;

- (iv) Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time;
- (v) Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program;
- (9) Temporary, nonrecurring or sporadic income (including gifts);
- (10) Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;
- (11) Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);
- (12) Adoption assistance payments in excess of \$480 per adopted child;
- (13) [Reserved]
- (14) Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum or prospective monthly amounts.
- (15) Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit;

(16) Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or

(17) Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the Federal Register and distributed to PHAs and housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary. [See the following chart for a list of benefits that qualify for this exclusion.]

Sources of Income Excluded by Federal Statute from Consideration as Income for Purposes of Determining Eligibility or Benefits

- (i) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b));
- (ii) Payments to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(f)(1), 5058);
- (iii) Certain payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c));
- (iv) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e);
- (v) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f));
- (vi) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, section 6);
- (vii) The first \$2000 of per capita shares received from judgment funds awarded by the National Indian Gaming

Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first \$2000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408). This exclusion does not include proceeds of gaming operations regulated by the Commission;

(viii) Amounts of scholarships funded under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070), including awards under federal work-study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu). For Section 8 programs only (42 U.S.C. 1437f), any financial assistance in excess of the amounts received by an individual for tuition and any other required fees and charges under the Higher Education Act of 1965 (20 U.S.C. 1001 *et seq.*) from private sources, or an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall not be considered income to that individual if the individual is over the age of 23 with dependent children (Pub. L. 109-115, section 327) (as amended);

(ix) Payments received from programs funded under title V of the Older Americans Act of 1985 (42 U.S.C. 3056g);

(x) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund (Pub. L. 101-201) or any other fund established pursuant to the settlement in *In Re Agent Orange Liability Litigation*, M.D.L. No. 381 (E.D.N.Y.);

(xi) Payments received under the Maine Indian Claims Settlement Act of 1980 (Pub. L. 96-420, 25 U.S.C. 1728);

(xii) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q);

(xiii) Earned income tax credit (EITC) refund payments received on or after January 1, 1991, for programs administered under the United States Housing Act of 1937, title V of the Housing Act of 1949, section 101 of the Housing and Urban Development Act of 1965, and sections 221(d)(3), 235, and 236 of the National Housing Act (26 U.S.C. 32(l));

(xiv) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433);

(xv) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d));

(xvi) Any amount paid under the provisions of 38 U.S.C. 1833(c) to children of Vietnam veterans born with spina bifida (38 U.S.C. 1802-05), children of women Vietnam veterans born with certain birth defects (38 U.S.C. 1811-16), and children of certain Korean service veterans born with spina bifida (38 U.S.C. 1821).

(xvii) Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602(c)); and

(xviii) Allowances, earnings and payments to individuals participating in

programs under the Workforce Investment Act of 1998 (29 U.S.C. 2931(a)(2)).

(xix) Any amount received under the Richard B. Russell School Lunch Act (42 U.S.C. 1760(e)) and the Child Nutrition Act of 1966 (42 U.S.C. 1780(b)), including reduced-price lunches and food under the Special Supplemental Food Program for Women, Infants, and Children (WIC);

(xx) Payments, funds or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (25 U.S.C. 1774f(b)).

(xxi) Payments from any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts (42 U.S.C. 1437a(b)(4));

(xxii) Compensation received by or on behalf of a veteran for service-connected disability, death, dependency, or indemnity compensation as provided by an amendment by the Indian Veterans Housing Opportunity Act of 2010 (Pub. L. 111-269; 25 U.S.C. 4103(9)) to the definition of income applicable to programs authorized under the Native American Housing Assistance and Self-Determination Act (NAHASDA) (25 U.S.C. 4101 *et seq.*) and administered by the Office of Native American Programs;

(xxiii) A lump sum or a periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the case entitled *Elouise Cobell et al. v. Ken Salazar et al* 816 F. Supp. 2d 10 (Oct 5, 2011 D.D.C.) for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010 (Pub. L. 111-291);

(xxiv) An amounts in an “individual development account” as provided for by the Assets for Independence Act, as

amended in 2002 (Pub. L. 107-110, 42 U.S.C. 604(b)(4);

(xxv) Per capital payments made from the proceeds of Indian Tribal Trust Cases as described in PIH Notice 2013-30 “Exclusion from Income Payments under Recent Tribal Trust Settlements” (25 U.S.C. 117b(1)); and

(xxvi) Major disaster and emergency assistance received by individuals and

families under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Pub. L. 93-288, as amended) and comparable disaster assistance provided by States, local governments, and disaster assistance organizations (42 U.S.C. 5155(d)).

**EXHIBIT 6-3: TREATMENT OF FAMILY ASSETS**

**24 CFR 5.603(b) Net Family Assets**

(1) Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.

(2) In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income under Sec. 5.609.

(3) In determining net family assets, PHAs or owners, as applicable, shall include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefor. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

(4) For purposes of determining annual income under Sec. 5.609, the term "net family assets" does not include the value of a home currently being purchased with assistance under part 982, subpart M of this title. This exclusion is limited to the first 10 years after the purchase date of the home.

**EXHIBIT 6-4: EARNED INCOME DISALLOWANCE**

**24 CFR 960.255 Self-sufficiency incentive–Disallowance of increase in annual income.**

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

*Baseline income.* The annual income immediately prior to implementation of the disallowance described in paragraph (c)(1) of this section of a person who is a member of a qualified family.

*Disallowance.* Exclusion from annual income.

*Previously unemployed* includes a person who has earned, in the twelve months previous to employment, no more than would be received for 10 hours of work per week for 50 weeks at the established minimum wage.

*Qualified family.* A family residing in public housing:

(i) Whose annual income increases as a result of employment of a family member who was unemployed for one or more years previous to employment;

(ii) Whose annual income increases as a result of increased earnings by a family member during participation in any economic self-sufficiency or other job training program; or

(iii) Whose annual income increases, as a result of new employment or increased earnings of a family member, during or within six months after receiving assistance, benefits or services under any state program for temporary assistance for needy families funded under Part A of Title IV of the Social Security Act, as determined by the PHA in consultation with the local agencies administering temporary assistance for needy families (TANF) and Welfare-to-Work (WTW) programs. The TANF program is not limited to monthly income maintenance, but also includes such benefits and services as one-time payments, wage subsidies and transportation assistance—provided that the total amount over a six-month period is at least \$500.

(b) *Disallowance of increase in annual income.*

(1) *Initial twelve month exclusion.* During the 12-month period beginning on the date on which a member of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, the PHA must exclude from the annual income (as defined in § 5.609 of this title) of a qualified family any increase in the income of the family member as a result of employment over the baseline income of that family member.

(2) *Phase-in of rent increase.* Upon the expiration of the 12-month period defined in paragraph (b)(1) of this section and for the subsequent 12-month period, the PHA must exclude from the annual income of a qualified family at least 50 percent of any increase in income of such family member as a result of employment over the family member's baseline income.(3) *Maximum 2-year disallowance.* The disallowance of increased income of an individual family member as provided in paragraph (b)(1) or (b)(2) of this section is limited to a lifetime 24-month period. It applies for a maximum of 12 months for disallowance under paragraph (b)(1) of this section and a maximum of 12 months for disallowance under paragraph (b)(2) of this section, during the 24-month period starting from the initial exclusion under paragraph (b)(1) of this section.(4) *Effect of changes on currently participating families.* Families eligible for and participating in the disallowance of earned income under this section prior to May 9, 2016 will continue to be governed by this section in effect as it existed immediately prior to that date.

(c) *Inapplicability to admission.* The disallowance of increases in income as a result of employment under this section does not apply for purposes of admission to the program (including the determination of income eligibility and income targeting).

(d) *Individual Savings Accounts*. As an alternative to the disallowance of increases in income as a result of employment described in paragraph (b) of this section, a PHA may choose to provide for individual savings accounts for public housing residents who pay an income-based rent, in accordance with a written policy, which must include the following provisions:

- (1) The PHA must advise the family that the savings account option is available;
- (2) At the option of the family, the PHA must deposit in the savings account the total amount that would have been included in tenant rent payable to the PHA as a result of increased income that is disallowed in accordance with paragraph (b) of this section;
- (3) Amounts deposited in a savings account may be withdrawn only for the purpose of:

- (i) Purchasing a home;
  - (ii) Paying education costs of family members;
  - (iii) Moving out of public or assisted housing; or
  - (iv) Paying any other expense authorized by the PHA for the purpose of promoting the economic self-sufficiency of residents of public housing;
- (4) The PHA must maintain the account in an interest bearing investment and must credit the family with the net interest income, and the PHA may not charge a fee for maintaining the account;
  - (5) At least annually the PHA must provide the family with a report on the status of the account; and
  - (6) If the family moves out of public housing, the PHA shall pay the tenant any balance in the account, minus any amounts owed to the PHA



**EXHIBIT 6-5: THE EFFECT OF WELFARE BENEFIT REDUCTION**

**24 CFR 5.615**

**Public housing program and Section 8 tenant-based assistance program: How welfare benefit reduction affects family income.**

*(a) Applicability.* This section applies to covered families who reside in public housing (part 960 of this title) or receive Section 8 tenant-based assistance (part 982 of this title).

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

*Covered families.* Families who receive welfare assistance or other public assistance benefits ("welfare benefits") from a State or other public agency ("welfare agency") under a program for which Federal, State, or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance.

*Economic self-sufficiency program.* See definition at Sec. 5.603.

*Imputed welfare income.* The amount of annual income not actually received by a family, as a result of a specified welfare benefit reduction, that is nonetheless included in the family's annual income for purposes of determining rent.

*Specified welfare benefit reduction.*

(1) A reduction of welfare benefits by the welfare agency, in whole or in part, for a family member, as determined by the welfare agency, because of fraud by a family member in connection with the welfare program; or because of welfare agency sanction against a family member for noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

(2) "Specified welfare benefit reduction" does not include a reduction or termination of welfare benefits by the welfare agency:

- (i) at expiration of a lifetime or other time limit on the payment of welfare benefits;
- (ii) because a family member is not able to obtain employment, even though the family member has complied with welfare agency economic self-sufficiency or work activities requirements; or
- (iii) because a family member has not complied with other welfare agency requirements.

*(c) Imputed welfare income.*

(1) A family's annual income includes the amount of imputed welfare income (because of a specified welfare benefits reduction, as specified in notice to the PHA by the welfare agency), plus the total amount of other annual income as determined in accordance with Sec. 5.609.

(2) At the request of the PHA, the welfare agency will inform the PHA in writing of the amount and term of any specified welfare benefit reduction for a family member, and the reason for such reduction, and will also inform the PHA of any subsequent changes in the term or amount of such specified welfare benefit reduction. The PHA will use this information to determine the amount of imputed welfare income for a family.

(3) A family's annual income includes imputed welfare income in family annual income, as determined at the PHA's interim or regular reexamination of family income and composition, during the term of the welfare benefits reduction (as specified in information provided to the PHA by the welfare agency).

(4) The amount of the imputed welfare income is offset by the amount of additional income a family receives that commences after the time the sanction was imposed. When such additional income from other sources is at least equal to the imputed

(5) The PHA may not include imputed welfare income in annual income if the family was not an assisted resident at the time of sanction.

*(d) Review of PHA decision.*

(1) Public housing. If a public housing tenant claims that the PHA has not correctly calculated the amount of imputed welfare income in accordance with HUD requirements, and if the PHA denies the family's request to modify such amount, the PHA shall give the tenant written notice of such denial, with a brief explanation of the basis for the PHA determination of the amount of imputed welfare income. The PHA notice shall also state that if the tenant does not agree with the PHA determination, the tenant may request a grievance hearing in accordance with part 966, subpart B of this title to review the PHA determination. The tenant is not required to pay an escrow deposit pursuant to Sec. 966.55(e) for the portion of tenant rent attributable to the imputed welfare income in order to obtain a grievance hearing on the PHA determination.

(2) Section 8 participant. A participant in the Section 8 tenant-based assistance program may request an informal hearing, in accordance with Sec. 982.555 of this title, to review the PHA determination of the amount of imputed welfare income that must be included in the family's annual income in accordance with this section. If the family claims that such amount is not correctly calculated in accordance with HUD requirements, and if the PHA denies the family's request to modify such amount, the PHA shall give the family written notice of such denial, with a brief explanation of the basis for the PHA determination of the amount of imputed welfare income. Such notice shall also state that if the family does not agree with the PHA determination, the family may request an informal hearing on the determination under the PHA hearing procedure.

*(e) PHA relation with welfare agency.*

(1) The PHA must ask welfare agencies to inform the PHA of any specified welfare benefits reduction for a family member, the reason for such reduction, the term of any such reduction, and any subsequent

welfare agency determination affecting the amount or term of a specified welfare benefits reduction. If the welfare agency determines a specified welfare benefits reduction for a family member, and gives the PHA written notice of such reduction, the family's annual incomes shall include the imputed welfare income because of the specified welfare benefits reduction.

(2) The PHA is responsible for determining the amount of imputed welfare income that is included in the family's annual income as a result of a specified welfare benefits reduction as determined by the welfare agency, and specified in the notice by the welfare agency to the PHA. However, the PHA is not responsible for determining whether a reduction of welfare benefits by the welfare agency was correctly determined by the welfare agency in accordance with welfare program requirements and procedures, nor for providing the opportunity for review or hearing on such welfare agency determinations.

(3) Such welfare agency determinations are the responsibility of the welfare agency, and the family may seek appeal of such determinations through the welfare agency's normal due process procedures. The PHA shall be entitled to rely on the welfare agency notice to the PHA of the welfare agency's determination of a specified welfare benefits reduction.

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## Chapter 7

### VERIFICATION

[24 CFR 960.259, 24 CFR 5.230, Notice PIH [2017-122018-18](#)]

#### INTRODUCTION

The PHA must verify all information that is used to establish the family's eligibility and level of assistance and is required to obtain written authorization from the family in order to collect the information. Applicants and program participants must cooperate with the verification process as a condition of receiving assistance. The PHA must not pass on the cost of verification to the family.

The PHA will follow the verification guidance provided by HUD in Notice PIH [2017-122018-18](#) and any subsequent guidance issued by HUD. This chapter summarizes those requirements and provides supplementary PHA policies.

Part I describes the general verification process. Part II provides more detailed requirements related to family information, Part III provides information on income and assets, and Part IV covers mandatory deductions.

Verification policies, rules and procedures will be modified as needed to accommodate persons with disabilities. All information obtained through the verification process will be handled in accordance with the records management policies established by the PHA, including Violence Against Women Reauthorization Act of 2013 confidentiality requirements outlined in 16-VII.E.

#### PART I: GENERAL VERIFICATION REQUIREMENTS

##### 7-I.A. FAMILY CONSENT TO RELEASE OF INFORMATION

[24 CFR 960.259, 24 CFR 5.230]

The family must supply any information that the PHA or HUD determines is necessary to the administration of the program and must consent to PHA verification of that information [24 CFR 960.259(a)(1)].

##### Consent Forms

It is required that all adult applicants and tenants sign form HUD-9886, Authorization for Release of Information. The purpose of form HUD-9886 is to facilitate automated data collection and computer matching from specific sources and provides the family's consent only for the specific purposes listed on the form. HUD and the PHA may collect information from State Wage Information Collection Agencies (SWICAs) and current and former employers of adult family members. Only HUD is authorized to collect information directly from the Internal Revenue Service (IRS) and the Social Security Administration (SSA). Adult family members must sign other consent forms as needed to collect information relevant to the family's eligibility and level of assistance.

### **Penalties for Failing to Consent [24 CFR 5.232]**

If any family member who is required to sign a consent form fails to do so, the PHA will deny admission to applicants and terminate the lease of tenants. The family may request a hearing in accordance with the PHA's grievance procedures.

## **7-I.B. OVERVIEW OF VERIFICATION REQUIREMENTS**

### **HUD's Verification Hierarchy [Notice PIH [2017-122018-18](#)]**

HUD mandates the use of the EIV system and offers administrative guidance on the use of other methods to verify family information and specifies the circumstances in which each method will be used. In general HUD requires the PHA to use the most reliable form of verification that is available and to document the reasons when the PHA uses a lesser form of verification.

In order of priority, the forms of verification that the HACB will use are:

- Up-front Income Verification (UIV) using HUD's Enterprise Income Verification (EIV) system
- Up-front Income Verification (UIV) using a non-HUD system
- Written Third Party Verification (may be provided by applicant or resident)
- Written Third-party Verification Form
- Oral Third-party Verification
- Self-Certification

Each of the verification methods is discussed in subsequent sections below.

### **Requirements for Acceptable Documents**

#### HACB Policy

Any documents used for verification must be the original (not photocopies) and generally must be dated within sixty (60) days of the HACB request. The documents must not be damaged, altered or in any way illegible.

Print-outs from web pages are considered original documents.

The HACB staff member who views the original document must make a photocopy, annotate the copy with the name of the person who provided the document and the date the original was viewed, and sign the copy.

Any family self-certifications must be made in a format acceptable to the HACB and must be signed in the presence of a HACB representative or HACB notary public.

### **File Documentation**

The PHA must document in the file how the figures used in income and rent calculations were determined. All verification attempts, information obtained, and decisions reached during the verification process will be recorded in the family's file in sufficient detail to demonstrate that the PHA has followed all of the verification policies set forth in this ACOP. The record should be sufficient to enable a staff member or HUD reviewer to understand the process followed and conclusions reached.

#### HACB Policy

The HACB will document, in the family file, the following:

- Reported family annual income
- Value of assets
- Expenses related to deductions from annual income
- Other factors influencing the adjusted income or income-based rent determination

When the PHA is unable to obtain third-party verification, the PHA will document in the family file the reason that third-party verification was not available [24 CFR 960.259(c)(1); Notice PIH 2017-12].

#### **7-I.C. UP-FRONT INCOME VERIFICATION (UIV)**

Up-front income verification (UIV) refers to the PHA's use of the verification tools available from independent sources that maintain computerized information about earnings and benefits. UIV will be used to the extent that these systems are available to the PHA.

There may be legitimate differences between the information provided by the family and UIV-generated information. If the family disputes the accuracy of UIV data, no adverse action can be taken until the PHA has independently verified the UIV information and the family has been granted the opportunity to contest any adverse findings through the PHA's informal review/hearing processes. (For more on UIV and income projection, see section 6-I.C.)

#### **Upfront Income Verification Using HUD's Enterprise Income Verification (EIV) System (Mandatory)**

PHAs must use HUD's EIV system in its entirety as a third-party source to verify tenant employment and income information during mandatory reexaminations or recertifications of family composition and income in accordance with 24 CFR 5.236 and administrative guidance issued by HUD. HUD's EIV system contains data showing earned income, unemployment benefits, social security benefits, and SSI benefits for participant families. The following policies apply to the use of HUD's EIV system.

##### ***EIV Income [and IVT](#) Reports***

The data shown on income [and income validation tool \(IVT\)](#) reports is updated quarterly. Data may be between three and six months old at the time reports are generated.

##### **HACB Policy**

The HACB will obtain income [and IVT](#) reports for annual reexaminations on a monthly basis. Reports will be generated as part of the regular reexamination process.

Income [and IVT](#) reports will be compared to family-provided information as part of the annual reexamination process. Income reports may be used in the calculation of annual income, as described in Chapter 6.I.C. Income reports may also be used to meet the regulatory requirement for third party verification, as described above. Policies for resolving discrepancies between income [and IVT](#) reports and family-provided information will be resolved as described in Chapter 6.I.C. and in this chapter.

Income [and IVT](#) reports will be used in interim reexaminations to identify any discrepancies between reported income and income shown in the EIV system, and as

necessary to verify earned income, and to verify and calculate unemployment benefits, Social Security and/or SSI benefits. EIV will also be used to verify that families claiming zero income are not receiving income from any of these sources.

Income [and IVT](#) reports will be retained in resident files with the applicable annual or interim reexamination documents.

When the HACB determines through [income-EIV](#) reports and third-party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 15, Program Integrity.

### ***EIV Discrepancy Reports***

The EIV discrepancy report is a tool for identifying families that may have concealed or underreported income. Data in the discrepancy report represents income for past reporting periods and may be between six (6) and thirty (30) months old at the time reports are generated.

Families that have not concealed or underreported income may appear on the discrepancy report in some circumstances, such as loss of a job or addition of new family members.

Income discrepancies may be identified through use of the EIV “Income Discrepancy Report” or by review of the discrepancy tab for the individual family.

#### **HACB Policy**

The HACB will generate the Income Discrepancy Report at least once every 6 months.

When the HACB determines that a resident appearing on the Income Discrepancy Report has not concealed or underreported income, the resident’s name will be placed on a list of “false positive” reviews. To avoid multiple reviews in this situation, residents appearing on this list will be eliminated from discrepancy processing until a subsequent interim or annual reexamination has been completed.

The HACB will review the EIV discrepancy tab during processing of annual and interim reexaminations.

When it appears that a family may have concealed or underreported income, the HACB will request independent written third-party verification of the income in question.

When the HACB determines through file review and independent third-party verification that a family has concealed or underreported income, corrective action will be taken pursuant to the policies in Chapter 15, Program Integrity.

### ***EIV Identity Verification***

The EIV system verifies resident identities against Social Security Administration (SSA) records. These records are compared to Public and Indian Housing Information Center (PIC) data for a match on social security number, name, and date of birth.

PHAs are required to use EIV’s *Identity Verification Report* on a monthly basis to improve the availability of income information in EIV [Notice PIH [2017-122018-18](#)].

When identity verification for a resident fails, a message will be displayed within the EIV system and no income information will be displayed.

#### **HACB Policy**

The HACB will identify residents whose identity verification has failed by reviewing EIV's *Identity Verification Report* on a monthly basis. The HACB will attempt to resolve PIC/SSA discrepancies by obtaining appropriate documentation from the tenant. When the HACB determines that discrepancies exist as a result of HACB errors, such as spelling errors or incorrect birth dates, it will correct the errors promptly.

#### **Upfront Income Verification Using Non-HUD Systems (Optional)**

In addition to mandatory use of the EIV system, HUD encourages PHAs to utilize other upfront verification sources.

##### HACB Policy

The HACB will inform all applicants and residents of its use of the following UIV resources during the admission and reexamination process:

HUD's EIV system

#### **7-I.D. THIRD-PARTY WRITTEN AND ORAL VERIFICATION**

HUD's current verification hierarchy defines two types of written third-party verification. The more preferable form, "written third-party verification," consists of an original document generated by a third-party source, which may be received directly from a third-party source or provided to the PHA by the family. If written third-party verification is not available, the PHA must attempt to obtain a "written third-party verification form." This is a standardized form used to collect information from a third party.

##### **Written Third-Party Verification [Notice PIH [2017-122018-18](#)]**

Written third-party verification documents must be original and authentic and may be supplied by the family or received from a third-party source.

- Examples of acceptable tenant-provided documents include, but are not limited to: pay stubs, payroll summary reports, employer notice or letters of hire and termination, SSA benefit verification letters, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notices.
- The PHA is required to obtain, at minimum, two current and consecutive pay stubs for determining annual income from wages.
- The PHA may reject documentation provided by the family if the document is not an original, if the document appears to be forged, or if the document is altered, mutilated, or illegible.

##### HACB Policy

Third-party documents provided by the family must be dated within sixty (60) days of the HACB request date.

If the HACB determines that third-party documents provided by the family are not acceptable, the HACB will explain the reason to the family and request additional documentation.

As verification of earned income, the HACB will require the family to provide the two most current consecutive pay stubs.

### Written Third-Party Verification Form

When upfront verification is not available and the family is unable to provide written third-party documents, the PHA must request a written third-party verification form. HUD's position is that this traditional third-party verification method presents administrative burdens and risks which may be reduced through the use of family-provided third-party documents.

- PHAs may mail, fax, or e-mail third-party written verification form requests to third-party sources.

#### HACB Policy

The HACB will send third-party verification forms directly to the third party.

Third-party verification forms will be sent when third-party verification documents are unavailable or are rejected by the HACB.

### Oral Third-Party Verification [Notice PIH ~~2017-12~~2018-18]

- For third-party oral verification, PHAs contact sources, identified by UIV techniques or by the family, by telephone or in person.
- Oral third-party verification is mandatory if neither form of written third-party verification is available.
- Third-party oral verification may be used when requests for written third-party verification forms have not been returned within a reasonable time—e.g., 14 calendar days.
- PHAs should document in the file the date and time of the telephone call or visit, the name of the person contacted, the telephone number, as well as the information confirmed.

#### HACB Policy

In collecting third-party oral verification, HACB staff will record in the family's file the name and title of the person contacted, the date and time of the conversation (or attempt), the telephone number used, and the facts provided.

When any source responds verbally to the initial written request for verification the HACB will accept the verbal response as oral verification but will also request that the source complete and return any verification forms that were provided.

### When Third-Party Verification is Not Required [Notice PIH ~~2017-12~~2018-18]

Third-party verification may not be available in all situations. HUD has acknowledged that it may not be cost-effective or reasonable to obtain third-party verification of income, assets, or expenses when these items would have a minimal impact on the family's total tenant payment.

#### HACB Policy

If the family cannot provide original documents, the HACB will pay the service charge required to obtain third-party verification, unless it is not cost effective in which case a self-certification will be acceptable as the only means of verification. The cost of verification will not be passed on to the family.

The cost of postage and envelopes to obtain third-party verification of income, assets, and expenses is not an unreasonable cost [VG, p. 18].



### ***Primary Documents***

Third-party verification is not required when legal documents are the primary source, such as a birth certificate or other legal documentation of birth.

### ***Imputed Assets***

The PHA may accept a self-certification from the family as verification of assets disposed of for less than fair market value [HCV GB, p. 5-28].

#### HACB Policy

The HACB will accept a self-certification from a family as verification of assets disposed of for less than fair market value [HCV GB, p. 5-28].

### ***Value of Assets and Asset Income [24 CFR 960.259]***

For families with net assets totaling \$5,000 or less, the PHA will accept the family's declaration of asset value and anticipated asset income. However, the PHA is required to obtain third-party verification of all assets regardless of the amount during the intake process, whenever a family member is added, and at least every three years thereafter.

#### HACB Policy

For families with net assets totaling \$5,000 or less, the HACB will accept the family's self-certification of the value of family assets and anticipated asset income when applicable. The family's declaration must show each asset and the amount of income expected from that asset. All family members 18 years of age and older must sign the family's declaration.

The HACB will use third-party documentation for assets as part of the intake process, whenever a family member is added to verify the individual's assets, and every three years thereafter.

## **7-I.E. SELF-CERTIFICATION**

When HUD requires third-party verification, self-certification, or "tenant declaration," is used as a last resort when the PHA is unable to obtain third-party verification.

Self-certification, however, is an acceptable form of verification when:

- A source of income is fully excluded
- Net family assets total \$5,000 or less and the PHA has adopted a policy to accept self-certification at annual recertification, when applicable
- The PHA has adopted a policy to implement streamlined annual recertifications for fixed sources of income (See Chapter 9)

When the PHA was required to obtain third-party verification but instead relies on a tenant declaration for verification of income, assets, or expenses, the family's file must be documented to explain why third-party verification was not available.

#### HACB Policy

When information cannot be verified by a third party or by review of documents, family members will be required to submit self-certifications attesting to the accuracy of the information they have provided to the HACB.

The HACB may require a family to certify that a family member does not receive a particular type of income or benefit.

The self-certification must be made in a format acceptable to the HACB and must be signed by the family member whose information or status is being verified. All self-certifications must be signed in the presence of a HACB representative or HACB notary public.

**PART II: VERIFYING FAMILY INFORMATION**

**7-II.A. VERIFICATION OF LEGAL IDENTITY**

HACB Policy

The HACB will require families to furnish verification of legal identity for each household member.

<b>Verification of Legal Identity for Adults</b>	<b>Verification of Legal Identity for Children</b>
Certificate of birth, naturalization papers	Certificate of birth
Church issued baptismal certificate	Adoption papers
Current, valid driver's license or Department of Motor Vehicle identification card	Custody agreement
U.S. military discharge (DD 214)	Health and Human Services ID
Current U.S. passport	Certified school records
Current employer identification card	

If a document submitted by a family is illegible for any reason or otherwise questionable, more than one of these documents may be required.

If none of these documents can be provided and at the HACB's discretion, a third party who knows the person may attest to the person's identity. The certification must be provided in a format acceptable to the HACB and be signed in the presence of a HACB representative or HACB notary public.

Legal identity will be verified for all applicants at the time of eligibility determination and in cases where the PHA has reason to doubt the identity of a person representing him or herself to be a tenant or a member of a tenant family.

**7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and Notice PIH [2012-102018-24](#)]**

The family must provide documentation of a valid social security number (SSN) for each member of the household, with the exception of individuals who do not contend eligible immigration status. Exemptions also include, existing residents who were at least 62 years of age as of January 31, 2010, and had not previously disclosed an SSN.

The PHA must accept the following documentation as acceptable evidence of the social security number:

- An original SSN card issued by the Social Security Administration (SSA)
- An original SSA-issued document, which contains the name and SSN of the individual
- An original document issued by a federal, state, or local government agency, which contains the name and SSN of the individual

The PHA may only reject documentation of an SSN provided by an applicant or resident if the document is not an original document, if the original document has been altered, mutilated, is illegible, or if the document appears to be forged.

HACB Policy

The HACB will explain to the applicant or resident the reasons the document is not acceptable and request that the individual obtain and submit acceptable documentation of the SSN to the HACB within 90 days.

If an applicant family includes a child under 6 years of age who joined the household within the 6 months prior to the date of program admission, an otherwise eligible family may be admitted and must provide documentation of the child's SSN within 90 days. A 90-day extension will be granted if the PHA determines that the resident's failure to comply was due to unforeseen circumstances and was outside of the resident's control.

HACB Policy

The HACB will grant one additional 90-day extension if needed for reasons beyond the applicant's control, such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency.

- When a resident requests to add a new household member, the resident must provide the complete and accurate SSN assigned to each new member at the time of reexamination or recertification, in addition to the documentation required to verify it. The PHA may not add the new household member until such documentation is provided.
- When a resident requests to add a new household member, the resident must provide the SSN assigned to each new child and the required documentation within 90 calendar days of the child being added to the household. A 90-day extension will be granted if the PHA determines that the resident's failure to comply was due to unforeseen circumstances and was outside of the resident's control. During the period the PHA is awaiting documentation of the SSN, the child will be counted as part of the assisted household.

HACB Policy

The HACB will grant one additional 90-day extension if needed for reasons beyond the resident's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency.

Social security numbers must be verified only once during continuously-assisted occupancy.

HACB Policy

The HACB will verify each disclosed SSN by:

Obtaining documentation from applicants and residents that is acceptable as evidence of social security numbers

Making a copy of the original documentation submitted, returning it to the individual, and retaining a copy in the file folder

Once the individual's verification status is classified as "verified," the PHA may, at its discretion remove and destroy copies of documentation accepted as evidence of social security numbers. The retention of the EIV Summary Report or Income Report is adequate documentation of an individual's SSN.

HACB Policy

Once an individual's status is classified as "verified" in HUD's EIV system, the HACB will remove and destroy copies of documentation accepted as evidence of social security numbers.

**7-II.C. DOCUMENTATION OF AGE**

A birth certificate or other official record of birth is the preferred form of age verification for all family members. For elderly family members an original document that provides evidence of the receipt of social security retirement benefits is acceptable.

HACB Policy

If an official record of birth or evidence of social security retirement benefits cannot be provided, the HACB will require the family to submit other documents that support the reported age of the family member (e.g., school records, driver's license if birth year is recorded) and to provide a self-certification.

Age must be verified only once during continuously-assisted occupancy.

**7-II.D. FAMILY RELATIONSHIPS**

Applicants and tenants are required to identify the relationship of each household member to the head of household. Definitions of the primary household relationships are provided in the Eligibility chapter.

HACB Policy

Family relationships are verified only to the extent necessary to determine a family's eligibility and level of assistance. Certification by the head of household normally is sufficient verification of family relationships.

**Marriage**

HACB Policy

Certification by the head of household is normally sufficient verification. If the HACB has reasonable doubts about a marital relationship, the HACB will require the family to document the marriage with a marriage certificate or other documentation to verify that the couple is married.

In the case of a common law marriage, the couple must demonstrate that they hold themselves to be married (e.g., by telling the community they are married, calling each other husband and wife, using the same last name, filing joint income tax returns).

### **Separation or Divorce**

#### HACB Policy

Certification by the head of household is normally sufficient verification. If the HACB has reasonable doubts about a divorce or separation, the HACB will require the family to provide documentation of the divorce, or separation with a certified copy of a divorce decree, signed by a court officer; a copy of a court-ordered maintenance or other court record; or other documentation that shows a couple is divorced or separated.

If no court document is available, documentation from a community-based agency will be accepted.

### **Absence of Adult Member**

#### HACB Policy

If an adult member who was formerly a member of the household is reported to be permanently absent, the family must provide evidence to support that the person is no longer a member of the family (e.g., documentation of another address at which the person resides such as a lease or utility bill).

### **Foster Children and Foster Adults**

#### HACB Policy

Third-party verification from the state or local government agency responsible for the placement of the individual with the family is required.

## **7-II.E. VERIFICATION OF STUDENT STATUS**

#### HACB Policy

The HACB requires families to provide information about the student status of all students who are 18 years of age or older. This information will be verified only if:

The family claims full-time student status for an adult other than the head, spouse, or co-head, or

The family claims a child care deduction to enable a family member to further his or her education.

## **7-II.F. DOCUMENTATION OF DISABILITY**

The PHA must verify the existence of a disability in order to allow certain income disallowances and deductions from income. The PHA is not permitted to inquire about the nature or extent of a person's disability [24 CFR 100.202(c)]. The PHA may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the PHA receives a verification document that provides such information, the PHA will not place this information in the tenant file. Under no circumstances will the PHA request a resident's medical record(s). For more

information on health care privacy laws, see the Department of Health and Human Services' Web site at [www.os.dhhs.gov](http://www.os.dhhs.gov).

The PHA may make the following inquiries, provided it makes them of all applicants, whether or not they are persons with disabilities [VG, p. 24]:

- Inquiry into an applicant's ability to meet the requirements of ownership or tenancy
- Inquiry to determine whether an applicant is qualified for a dwelling available only to persons with disabilities or to persons with a particular type of disability
- Inquiry to determine whether an applicant for a dwelling is qualified for a priority available to persons with disabilities or to persons with a particular type of disability
- Inquiry about whether an applicant for a dwelling is a current illegal abuser or addict of a controlled substance
- Inquiry about whether an applicant has been convicted of the illegal manufacture or distribution of a controlled substance

#### **Family Members Receiving SSA Disability Benefits**

Verification of receipt of disability benefits from the Social Security Administration (SSA) is sufficient for verification of disability for the purpose of qualification for waiting list preferences or certain income disallowances and deductions [VG, p. 23].

##### HACB Policy

For family members claiming disability who receive disability payments from the SSA, the HACB will attempt to obtain information about disability benefits through HUD's Enterprise Income Verification (EIV) system. If documentation is not available through HUD's EIV system, the HACB will request a current (dated within the last 60 days) SSA benefit verification letter from each family member claiming disability status. If a family member is unable to provide the document, the HACB will ask the family to obtain a benefit verification letter either by calling SSA at 1-800-772-1213 or by requesting one from [www.ssa.gov](http://www.ssa.gov). Once the family receives the benefit verification letter, it will be required to provide the letter to the HACB.

#### **Family Members Not Receiving SSA Disability Benefits**

Receipt of veteran's disability benefits, worker's compensation, or other non-SSA benefits based on the individual's claimed disability are not sufficient verification that the individual meets HUD's definition of disability in 24 CFR 5.403, necessary to qualify for waiting list preferences or certain income disallowances and deductions.

##### HACB Policy

For family members claiming disability who do not receive SSI or other disability payments from the SSA, a knowledgeable professional must provide third-party verification that the family member meets the HUD definition of disability. See the Eligibility chapter for the HUD definition of disability. The knowledgeable professional will verify whether the family member does or does not meet the HUD definition.

## **7-II.G. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5.508]**

### **Overview**

Housing assistance is not available to persons who are not citizens, nationals, or eligible immigrants. Prorated assistance is provided for "mixed families" containing both eligible and ineligible persons. See the Eligibility chapter for detailed discussion of eligibility requirements. This chapter (7) discusses HUD and PHA verification requirements related to citizenship status.

The family must provide a certification that identifies each family member as a U.S. citizen, a U.S. national, an eligible noncitizen or an ineligible noncitizen and submit the documents discussed below for each family member. Once eligibility to receive assistance has been verified for an individual it need not be collected or verified again during continuously-assisted occupancy [24 CFR 5.508(g)(5)]

### **U.S. Citizens and Nationals**

HUD requires a declaration for each family member who claims to be a U.S. citizen or national. The declaration must be signed personally by any family member 18 or older and by a guardian for minors.

The PHA may request verification of the declaration by requiring presentation of a birth certificate, United States passport or other appropriate documentation.

#### HACB Policy

Family members who claim U.S. citizenship or national status will not be required to provide additional documentation unless the HACB receives information indicating that an individual's declaration may not be accurate.

### **Eligible Immigrants**

#### ***Documents Required***

All family members claiming eligible immigration status must declare their status in the same manner as U.S. citizens and nationals.

The documentation required for eligible noncitizens varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, age, and the date on which the family began receiving HUD-funded assistance. Exhibit 7-1 at the end of this chapter summarizes documents family members must provide.

#### ***PHA Verification*** [HCV GB, pp 5-3 and 5-7]

For family members age 62 or older who claim to be eligible immigrants, proof of age is required in the manner described in Chapter 7-II.C. No further verification of eligible immigration status is required.

For family members under the age of 62 who claim to be eligible immigrants, the HACB must verify immigration status with the U.S. Citizenship and Immigration Services (USCIS).

The PHA will follow all USCIS protocols for verification of eligible immigration status.

## **7-II.H. VERIFICATION OF PREFERENCE STATUS**

The PHA must verify any preferences claimed by an applicant that determined his or her placement on the waiting list.

HACB Policy

The HACB preference is the date and time of receipt of the application.

**PART III: VERIFYING INCOME AND ASSETS**

Chapter 6, Part I of this ACOP describes in detail the types of income that are included and excluded and how assets and income from assets are handled. Any assets and income reported by the family must be verified. This part provides PHA policies that supplement the general verification procedures specified in Part I of this chapter.

**7-III.A. EARNED INCOME**

**Tips**

HACB Policy

Unless tip income is included in a family member's W-2 by the employer, persons who work in industries where tips are standard will be required to sign a certified estimate of tips received for the prior year and tips anticipated to be received in the coming year.

**Wages**

HACB Policy

For wages other than tips, the family must provide originals of the two most current consecutive pay stubs.

**7-III.B. BUSINESS AND SELF EMPLOYMENT INCOME**

HACB Policy

Business owners and self-employed persons will be required to provide:

An audited financial statement for the previous fiscal year if an audit was conducted. If an audit was not conducted, a statement of income and expenses must be submitted and the business owner or self-employed person must certify to its accuracy.

All schedules completed for filing federal and local taxes in the preceding year.

If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense, computed using straight-line depreciation rules.

The HACB will provide a format for any person who is unable to provide such a statement to record income and expenses for the coming year. The business owner/self-employed person will be required to submit the information requested and to certify to its accuracy at all future reexaminations.

At any reexamination the HACB may request documents that support submitted financial statements such as manifests, appointment books, cash books, or bank statements.



If a family member has been self-employed less than three (3) months, the HACB will accept the family member's certified estimate of income and schedule an interim reexamination in three (3) months. If the family member has been self-employed for three (3) to twelve (12) months the HACB will require the family to provide documentation of income and expenses for this period and use that information to project income.

### **7-III.C. PERIODIC PAYMENTS AND PAYMENTS IN LIEU OF EARNINGS**

For policies governing streamlined income determinations for fixed sources of income, please see Chapter 9.

#### **Social Security/SSI Benefits**

##### HACB Policy

To verify the SS/SSI benefits of applicants, the HACB will request a current (dated within the last 120 days) SSA benefit verification letter from each family member who receives social security benefits. If a family member is unable to provide the document, the HACB will help the applicant request a benefit verification letter from SSA's Web site at [www.socialsecurity.gov](http://www.socialsecurity.gov) or ask the family to request one by calling SSA at 1-800-772-1213. Once the family has received the original benefit verification letter, it will be required to provide the letter to the PHA.

To verify the SS/SSI benefits of residents, the HACB will obtain information about social security/SSI benefits through HUD's EIV system, and confirm with the resident(s) that the current listed benefit amount is correct. If the resident disputes the EIV-reported benefit amount, or if benefit information is not available in HUD systems, the HACB will request a current SSA benefit verification letter from each family member that receives social security benefits. If a family member is unable to provide the document, the HACB will help the resident request a benefit verification letter from SSA's Web site at [www.socialsecurity.gov](http://www.socialsecurity.gov) or ask the family to request one by calling SSA at 1-800-772-1213. Once the family has received the benefit verification letter, it will be required to provide the letter to the PHA.

### **7-III.D. ALIMONY OR CHILD SUPPORT**

##### HACB Policy

The methods the HACB will use to verify alimony and child support payments differ depending on whether the family declares that it receives regular payments.

If the family declares that it **receives regular payments**, verification will be obtained in the following order of priority.

- Copies of the receipts and/or payment stubs for the 60 days prior to HACB request
- Third-party verification form from the state or local child support enforcement agency
- Third-party verification form from the person paying the support
- Family's self-certification of amount received

If the family declares that it *receives irregular or no payments*, in addition to the verification process listed above, the family must provide evidence that it has taken all reasonable efforts to collect amounts due. This may include:

A statement from any agency responsible for enforcing payment that shows the family has requested enforcement and is cooperating with all enforcement efforts

If the family has made independent efforts at collection, a written statement from the attorney or other collection entity that has assisted the family in these efforts

*Note:* Families are not required to undertake independent enforcement action.

### 7-III.E. ASSETS AND INCOME FROM ASSETS

#### Assets Disposed of for Less than Fair Market Value

The family must certify whether any assets have been disposed of for less than fair market value in the preceding two years. The PHA needs to verify only those certifications that warrant documentation [HCV GB, p. 5-28].

#### HACB Policy

The HACB will verify the value of assets disposed of only if:

The HACB does not already have a reasonable estimation of its value from previously collected information, or

The amount reported by the family in the certification appears obviously in error.

Example 1: An elderly resident reported a \$10,000 certificate of deposit at the last annual reexamination and the HACB verified this amount. Now the person reports that she has given this \$10,000 to her son. The HACB has a reasonable estimate of the value of the asset; therefore, re-verification of the value of the asset is not necessary.

Example 2: A family member has disposed of its 1/4 share of real property located in a desirable area and has valued her share at approximately 5,000. Based upon market conditions, this declaration does not seem realistic. Therefore, the HACB will verify the value of this asset.

### 7-III.F. NET INCOME FROM RENTAL PROPERTY

#### HACB Policy

The family must provide:

A current executed lease for the property that shows the rental amount or certification from the current tenant

A self-certification from the family members engaged in the rental of property providing an estimate of expenses for the coming year and the most recent IRS Form 1040 with Schedule E (Rental Income). If schedule E was not prepared, the HACB will require the family members involved in the rental of property to provide a self-certification of income and expenses for the previous year and may request

documentation to support the statement including: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.

### **7-III.G. RETIREMENT ACCOUNTS**

#### HACB Policy

The HACB will accept written third-party documents supplied by the family as evidence of the status of retirement accounts.

The type of original document that will be accepted depends upon the family member's retirement status.

*Before* retirement, the HACB will accept an original document from the entity holding the account with a date that shows it is the most recently scheduled statement for the account but in no case earlier than 6 months from the effective date of the examination.

*Upon* retirement, the HACB will accept an original document from the entity holding the account that reflects any distributions of the account balance, any lump sums taken and any regular payments.

*After* retirement, the HACB will accept an original document from the entity holding the account dated no earlier than 12 months before that reflects any distributions of the account balance, any lump sums taken and any regular payments.

### **7-III.H. INCOME FROM EXCLUDED SOURCES**

A detailed discussion of excluded income is provided in Chapter 6, Part I.

HUD guidance on verification of excluded income draws a distinction between income which is fully excluded and income which is only partially excluded.

For fully excluded income, the PHA is **not** required to follow the verification hierarchy, document why third-party verification is not available, or report the income on the 50058. Fully excluded income is defined as income that is entirely excluded from the annual income determination (for example, food stamps, earned income of a minor, or foster care funds) [Notice PIH 2013-04].

PHAs may accept a family's signed application or reexamination form as self-certification of fully excluded income. They do not have to require additional documentation. However, if there is any doubt that a source of income qualifies for full exclusion, PHAs have the option of requiring additional verification.

For partially excluded income, the PHA **is** required to follow the verification hierarchy and all applicable regulations, and to report the income on the 50058. Partially excluded income is defined as income where only a certain portion of what is reported by the family qualifies to be excluded and the remainder is included in annual income (for example, the income of an adult full-time student, or income excluded under the earned income disallowance).

#### HACB Policy

The HACB will accept the family's self-certification as verification of fully excluded income. The HACB may request additional documentation if necessary to document the income source.

The HACB will verify the source and amount of partially excluded income as described in Part 1 of this chapter.

### **7-III.I. ZERO ANNUAL INCOME STATUS**

#### HACB Policy

The HACB will check UIV sources and/or request information from third-party sources to verify that certain forms of income such as unemployment benefits, TANF, SS, SSI, earned income, etc. are not being received by families claiming to have zero annual income.

HACB may request credit checks for all adult members of families that report zero income. Such families will be required to sign a current authorization prior to requesting the credit report. Where credit reports show expenditures that are incompatible with the claim of zero income, the family will be required to disclose the income source in question. If a credit report indicates an income source, such as an employer, the HACB will verify the amount and type of income directly with the employer. If the family has misrepresented their income, the HACB will take corrective action in accordance with the termination policies contained in this Plan.

## **PART IV: VERIFYING MANDATORY DEDUCTIONS**

### **7-IV.A. DEPENDENT AND ELDERLY/DISABLED HOUSEHOLD DEDUCTIONS**

The dependent and elderly/disabled family deductions require only that the PHA verify that the family members identified as dependents or elderly/disabled persons meet the statutory definitions. No further verifications are required.

#### **Dependent Deduction**

See Chapter 6 (6-II.B.) for a full discussion of this deduction. The PHA will verify that:

- Any person under the age of 18 for whom the dependent deduction is claimed is not the head, spouse or co-head of the family and is not a foster child
- Any person age 18 or older for whom the dependent deduction is claimed is not a foster adult or live-in aide, and is a person with a disability or a full time student

#### **Elderly/Disabled Family Deduction**

See the Eligibility chapter for a definition of elderly and disabled families and Chapter 6 (6-II.C.) for a discussion of the deduction. The PHA will verify that the head, spouse, or co-head is 62 years of age or older or a person with disabilities.

### **7-IV.B. MEDICAL EXPENSE DEDUCTION**

Policies related to medical expenses are found in 6-II.D. The amount of the deduction will be verified following the standard verification procedures described in Part I.

#### **Amount of Expense**

### HACB Policy

Medical expenses will be verified through:

Written third-party documents provided by the family, such as pharmacy printouts or receipts.

The HACB will make a best effort to determine what expenses from the past are likely to continue to occur in the future. The HACB will also accept evidence of monthly payments or total payments that will be due for medical expenses during the upcoming 12 months.

Written third-party verification forms, if the family is unable to provide acceptable documentation.

If third-party or document review is not possible, written family certification as to costs anticipated to be incurred during the upcoming 12 months.

In addition, the PHA must verify that:

- The household is eligible for the deduction.
- The costs to be deducted are qualified medical expenses.
- The expenses are not paid for or reimbursed by any other source.
- Costs incurred in past years are counted only once.

### **Eligible Household**

The medical expense deduction is permitted only for households in which the head, spouse, or co-head is at least 62 or a person with disabilities. The PHA will verify that the family meets the definition of an elderly or disabled family provided in the Eligibility chapter, and as described in Chapter 7 (7-IV.A) of this plan.

### **Qualified Expenses**

To be eligible for the medical expenses deduction, the costs must qualify as medical expenses. See Chapter 6 (6-III.D.) for the PHA's policy on what counts as a medical expense.

### **Unreimbursed Expenses**

To be eligible for the medical expenses deduction, the costs must not be reimbursed by another source.

### HACB Policy

The family will be required to certify that the medical expenses are not paid or reimbursed to the family from any source. If expenses are verified through a third party, the third party must certify that the expenses are not paid or reimbursed from any other source.

### **Expenses Incurred in Past Years**

HACB Policy

When anticipated costs are related to on-going payment of medical bills incurred in past years, the HACB will verify:

The anticipated repayment schedule

The amounts paid in the past, and

Whether the amounts to be repaid have been deducted from the family's annual income in past years

**7-IV.C. DISABILITY ASSISTANCE EXPENSES**

Policies related to disability assistance expenses are found in 6-II.E. The amount of the deduction will be verified following the standard verification procedures described in Part I.

**Amount of Expense**

***Attendant Care***

HACB Policy

The HACB will accept written third-party documents provided by the family.

If family-provided documents are not available, the HACB will provide a third-party verification form directly to the care provider requesting the needed information.

Expenses for attendant care will be verified through:

Written third-party documents provided by the family, such as receipts or cancelled checks.

Third-party verification form signed by the provider, if family-provided documents are not available.

If third-party verification is not possible, written family certification as to costs anticipated to be incurred for the upcoming 12 months.

***Auxiliary Apparatus***

HACB Policy

Expenses for auxiliary apparatus will be verified through:

Written third-party documents provided by the family, such as billing statements for purchase of auxiliary apparatus, or other evidence of monthly payments or total payments that will be due for the apparatus during the upcoming 12 months.

Third-party verification form signed by the provider, if family-provided documents are not available.

If third-party or document review is not possible, written family certification of estimated apparatus costs for the upcoming 12 months.

In addition, the PHA must verify that:

- The family member for whom the expense is incurred is a person with disabilities (as described in 7-II.F above).
- The expense permits a family member, or members, to work (as described in 6-II.E.).
- The expense is not reimbursed from another source (as described in 6-II.E.).

**Family Member is a Person with Disabilities**

To be eligible for the disability assistance expense deduction, the costs must be incurred for attendant care or auxiliary apparatus expense associated with a person with disabilities. The PHA will verify that the expense is incurred for a person with disabilities (See 7-II.F.).

**Family Member(s) Permitted to Work**

The PHA must verify that the expenses claimed actually enable a family member, or members, (including the person with disabilities) to work.

HACB Policy

The HACB will request third-party verification from a rehabilitation agency or knowledgeable medical professional indicating that the person with disabilities requires attendant care or an auxiliary apparatus to be employed, or that the attendant care or auxiliary apparatus enables another family member, or members, to work (See 6-II.E.). This documentation may be provided by the family.

If third-party verification has been attempted and is either unavailable or proves unsuccessful, the family must certify that the disability assistance expense frees a family member, or members (possibly including the family member receiving the assistance), to work.

**Unreimbursed Expenses**

To be eligible for the disability expenses deduction, the costs must not be reimbursed by another source.

HACB Policy

The family will be required to certify that attendant care or auxiliary apparatus expenses are not paid by or reimbursed to the family from any source.

**7-IV.D. CHILD CARE EXPENSES**

Policies related to child care expenses are found in Chapter 6 (6-II.F). The amount of the deduction will be verified following the standard verification procedures described in Part I. In addition, the PHA must verify that:

- The child is eligible for care (12 or younger).
- The costs claimed are not reimbursed.
- The costs enable a family member to work, actively seek work, or further their education.
- The costs are for an allowable type of child care.
- The costs are reasonable.

### **Eligible Child**

To be eligible for the child care deduction, the costs must be incurred for the care of a child under the age of 13. The PHA will verify that the child being cared for (including foster children) is under the age of 13 (See 7-II.C.).

### **Unreimbursed Expense**

To be eligible for the child care deduction, the costs must not be reimbursed by another source.

#### HACB Policy

The family and the care provider will be required to certify that the child care expenses are not paid by or reimbursed to the family from any source.

### **Pursuing an Eligible Activity**

The PHA must verify that the family member(s) that the family has identified as being enabled to seek work, pursue education, or be gainfully employed, are actually pursuing those activities.

#### HACB Policy

##### *Information to be Gathered*

The HACB will verify information about how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the time required for study (for students), the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

##### *Seeking Work*

Whenever possible the HACB will use documentation from a state or local agency that monitors work-related requirements (e.g., welfare or unemployment). In such cases the HACB will request family-provided verification from the agency of the member's job seeking efforts to date and require the family to submit any reports provided to the other agency to the HACB.

In the event third-party verification is not available, the HACB will provide the family with a form on which the family member must record job search efforts. The HACB will review this information at each subsequent reexamination for which this deduction is claimed.

##### *Furthering Education*

The HACB will request third-party documentation to verify that the person permitted to further his or her education by the child care is enrolled and provide information about the timing of classes for which the person is registered. The documentation may be provided by the family.

##### *Gainful Employment*

The HACB will seek third-party verification of the work schedule of the person who is permitted to work by the child care. In cases in which two or more family members could be permitted to work, the work schedules for all relevant family members may be verified. The documentation may be provided by the family.



### **Allowable Type of Child Care**

The type of care to be provided is determined by the family, but must fall within certain guidelines, as discussed in Chapter 6.

#### HACB Policy

The HACB will verify that the type of child care selected by the family is allowable, as described in Chapter 6 (6-II.F).

The HACB will verify that the fees paid to the child care provider cover only child care costs (e.g., no housekeeping services or personal services) and are paid only for the care of an eligible child (e.g., prorate costs if some of the care is provided for ineligible family members).

The HACB will verify that the child care provider is not an assisted family member. Verification will be made through the head of household's declaration of family members who are expected to reside in the unit.

### **Reasonableness of Expenses**

Only reasonable child care costs can be deducted.

#### HACB Policy

The actual costs the family incurs will be compared with the HACB's established standards of reasonableness for the type of care in the locality to ensure that the costs are reasonable.

If the family presents a justification for costs that exceed typical costs in the area, the HACB will request additional documentation, as required, to support a determination that the higher cost is appropriate.

**Exhibit 7-1: Summary of Documentation Requirements for Noncitizens  
[HCV GB, pp. 5-9 and 5-10]**

- All noncitizens claiming eligible status must sign a declaration of eligible immigrant status on a form acceptable to the PHA.
- Except for persons 62 or older, all noncitizens must sign a verification consent form
- Additional documents are required based upon the person's status.

**Elderly Noncitizens**

- A person 62 years of age or older who claims eligible immigration status also must provide proof of age such as birth certificate, passport, or documents showing receipt of SS old-age benefits.

**All other Noncitizens**

- Noncitizens that claim eligible immigration status also must present the applicable USCIS document. Acceptable USCIS documents are listed below.

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>• Form I-551 Alien Registration Receipt Card (for permanent resident aliens)</li> <li>• Form I-94 Arrival-Departure Record annotated with one of the following:</li> <li>• “Admitted as a Refugee Pursuant to Section 207”</li> <li>• “Section 208” or “Asylum”</li> <li>• “Section 243(h)” or “Deportation stayed by Attorney General”</li> <li>• “Paroled Pursuant to Section 221 (d)(5) of the USCIS”</li> </ul> | <ul style="list-style-type: none"> <li>• Form I-94 Arrival-Departure Record with no annotation accompanied by:             <ul style="list-style-type: none"> <li>• A final court decision granting asylum (but only if no appeal is taken);</li> <li>• A letter from a USCIS asylum officer granting asylum (if application is filed on or after 10/1/90) or from a USCIS district director granting asylum (application filed before 10/1/90);</li> <li>• A court decision granting withholding of deportation; or</li> <li>• A letter from an asylum officer granting withholding or deportation (if application filed on or after 10/1/90).</li> </ul> </li> </ul> |
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| <ul style="list-style-type: none"> <li>• Form I-688 Temporary Resident Card annotated “Section 245A” or Section 210”.</li> </ul> | <ul style="list-style-type: none"> <li>• Form I-688B Employment Authorization Card annotated “Provision of Law 274a.12(11)” or “Provision of Law 274a.12”.</li> </ul> |
|--|---|

- A receipt issued by the USCIS indicating that an application for issuance of a replacement document in one of the above listed categories has been made and the applicant’s entitlement to the document has been verified; or
- Other acceptable evidence. If other documents are determined by the USCIS to constitute acceptable evidence of eligible immigration status, they will be announced by notice published in the *Federal Register*

## Chapter 8

### LEASING AND INSPECTIONS

[24 CFR 5, Subpart G; 24 CFR 966, Subpart A]

#### INTRODUCTION

Public housing leases are the contractual basis of the legal relationship between the PHA and the tenant. All units must be occupied pursuant to a dwelling lease agreement that complies with HUD regulations.

HUD regulations require the PHA to inspect each dwelling unit prior to move-in, at move-out, and annually during the period of occupancy. In addition, the PHA may conduct additional inspections in accordance with PHA Policy.

This chapter is divided into two parts as follows:

Part I: Leasing. This part describes pre-leasing activities and the PHA policies pertaining to lease execution, lease modification, and payments under the lease.

Part II: Inspections. This part describes the PHA policies for inspecting dwelling units.

#### PART I: LEASING

##### 8-I.A. OVERVIEW

An eligible family may occupy a public housing dwelling unit under the terms of a lease. The lease must meet all regulatory requirements, and must also comply with applicable state and local laws and codes.

The term of the lease must be for a period of 12 months. The lease must be renewed automatically for another 12-month term, except that the PHA may not renew the lease if the family has violated the community service requirement [24 CFR 966.4(a)(2)].

PHAs must adopt smoke-free policies, which must be implemented no later than July 30, 2018. The policy is attached as Exhibit 8-1.

[PHAs must include in the ACOP residential minimum heating standards policies \[Notice PIH-2018-19\]. The policy is included in Part I of this chapter.](#)

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Part I of this chapter contains regulatory information on leasing, where applicable, as well as the PHA's leasing policies.

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##### 8-I.B. LEASE ORIENTATION

###### HACB Policy

After unit acceptance but prior to occupancy, a HACB representative will conduct a lease orientation with the family. The head of household or spouse is required to attend.

###### **Orientation Agenda**

###### HACB Policy

When families attend the lease orientation, they will be provided with:

- A copy of the lease
- A copy of the HACB's grievance procedure
- A copy of the house rules
- A copy of the HACB's schedule of maintenance charges
- A copy of "Is Fraud Worth It?" (form HUD-1141-OIG), which explains the types of actions a family must avoid and the penalties for program abuse
- A copy of "What You Should Know about EIV," a guide to the Enterprise Income Verification (EIV) system published by HUD as an attachment to Notice PIH 2017-12
- A copy of the form HUD-5380, VAWA Notice of Occupancy Rights
- A copy of form HUD-5382, Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking
- A copy of the PHA's smoke free policy
- A notice that includes the procedures for requesting relief and the PHA's criteria for granting requests for relief for excess utility surcharges
- Addendum's to the lease addressing smoke detectors and mold.

Topics to be discussed and explained to all families include:

- Applicable deposits and all other charges
- Review and explanation of lease provisions
- Unit maintenance requests and work orders
- The HACB's interim reporting requirements
- Review and explanation of occupancy forms
- Community service requirements
- Family choice of rent
- VAWA protections
- Smoke-free policies
- Unit inspections

### **8-I.C. EXECUTION OF LEASE**

The lease must be executed by the tenant and the PHA, except for automatic renewals of a lease [24 CFR 966.4(a)(3)].

A lease is executed at the time of admission for all new residents. A new lease is also executed at the time of transfer from one PHA unit to another.

The lease must state the composition of the household as approved by the PHA (family members and any PHA approved live-in aide) [24 CFR 966.4(a)(1)(v)]. See Section 8-I.D. for policies regarding changes in family composition during the lease term.

#### HACB Policy

The head of household, spouse or co-head, and all other adult members of the household will be required to sign the public housing lease prior to admission. An appointment will be scheduled for the parties to execute the lease. The head of household will be provided a copy of the executed lease and the HACB will retain a copy in the resident's file.

Files for households that include a live-in aide will contain file documentation signed by the live-in aide, that the live-in aide is not a party to the lease and is not entitled to HACB assistance. The live-in aide is only approved to live in the unit while serving as the care attendant for the family member who requires the care.

### **8-I.D. MODIFICATIONS TO THE LEASE**

The lease may be modified at any time by written agreement of the tenant and the PHA [24 CFR 966.4(a)(3)].

#### **Modifications to the Lease Form**

The PHA may modify its lease from time to time. However, the PHA must give residents at least thirty (30) days advance notice of the proposed changes and an opportunity to comment on the changes. The PHA must also consider any comments before formally adopting a new lease [24 CFR 966.3].

After proposed changes have been incorporated into the lease and approved by the Board, each family must be notified at least 60 days in advance of the effective date of the new lease or lease revision. A resident's refusal to accept permissible and reasonable lease modifications that are made in accordance with HUD requirements, or are required by HUD, is grounds for termination of tenancy [24 CFR 966.4(1)(2)(iii)(E)].

#### HACB Policy

The family will have 30 days to accept the revised lease. If the family does not accept the offer of the revised lease within that 30 day timeframe, the family's tenancy will be terminated for other good cause in accordance with the policies in Chapter 13.

Schedules of special charges and rules and regulations are subject to modification or revision. Because these schedules are incorporated into the lease by reference, residents and resident organizations must be provided at least thirty days written notice of the reason(s) for any proposed modifications or revisions, and must be given an opportunity to present written comments. The notice must be delivered directly or mailed to each tenant; or posted in at least three conspicuous places within each structure or building in which the affected dwelling units are located, as well as in a conspicuous place at the project office, if any, or if none, a similar central business location within the project. Comments must be taken into consideration before any proposed modifications or revisions become effective [24 CFR 966.5].

After the proposed revisions become effective they must be publicly posted in a conspicuous manner in the project office and must be furnished to applicants and tenants on request [24 CFR 966.5].

HACB Policy

When the HACB proposes to modify or revise schedules of special charges or rules and regulations, the HACB will post a copy of the notice in the central office, and will mail a copy of the notice to each resident family. Documentation of proper notice will be included in each resident file.

**Other Modifications**

HACB Policy

The lease will be amended to reflect all changes in family composition.

If, for any reason, any member of the household ceases to reside in the unit, the lease will be amended by drawing a line through the person's name. The head of household and HACB will be required to initial and date the change.

If a new household member is approved by the HACB to reside in the unit, the person's name and birth date will be added to the lease. The head of household and HACB will be required to initial and date the change. If the new member of the household is an adult, s/he will also be required to sign and date the lease.

Policies governing when and how changes in family composition must be reported are contained in Chapter 9, Reexaminations.

**8-I.E. SECURITY DEPOSITS [24 CFR 966.4(b)(5)]**

At the option of the PHA, the lease may require security deposits. The amount of the security deposit cannot exceed one month's rent or a reasonable fixed amount as determined by the PHA. The PHA may allow for gradual accumulation of the security deposit by the family, or the family may be required to pay the security deposit in full prior to occupancy. Subject to applicable laws, interest earned on security deposits may be refunded to the tenant after vacating the unit, or used for tenant services or activities.

HACB Policy

Residents must pay a security deposit to the HACB at the time of admission.

The amount of the Security Deposit required is:

- 1-BR \$375
- 2-BR \$450
- 3-BR \$600
- 4-BR \$700
- 5-BR \$800

PHA approval is required before the pet is permitted to occupy and will require an increase in the Security Deposit. (See Chapter 10, Pet Policy).

The PHA may permit installment payments of security deposits when a new tenant demonstrates a financial hardship to the satisfaction of the PHA. However, no less than one-third (1/3) of the required deposit must be paid before occupancy. The security deposit payment will be due on the 15<sup>th</sup> (fifteenth) of each month until paid in full. Renegotiation of the security deposit installment payments will be up to the discretion of the PHA if it is a financial hardship to pay the security deposit in three (3) payments or less.

The deposit must be paid within sixty (60) calendar days. If not paid, a fourteen (14) day notice will be served. Payments shall be applied to security deposit agreements before rent.

The PHA will hold the security deposit for the period the tenant occupies the unit.

The PHA will refund to the Tenant the amount of the security deposit, less any amount needed to pay the cost of:

1. Unpaid Rent
2. Damages listed on the Move-Out Inspection Report that exceed normal wear and tear
3. Other charges under the Lease
4. Unpaid utility bills charged to the PHA that are the tenant's responsibility

The PHA will refund the Security Deposit, less any amounts owed, within twenty-one (21) calendar days after vacation of the unit and notification of the new address.

The PHA will provide the tenant or the person designated by the former tenant in the event of the former tenant's incapacitation The resident must leave the dwelling unit in a clean and undamaged (beyond normal wear and tear) condition and must furnish a forwarding address to the PHA. All keys to the unit must be returned to PHA upon vacating the unit.

The PHA will not use the security deposit for payment of rent or other charges while the tenant is living in the unit.

If the tenant transfers to another unit, a new security deposit will be required that is applicable to the new unit leased.

## **8-I.F. PAYMENTS UNDER THE LEASE**

### **Rent Payments [24 CFR 966.4(b)(1)]**

Families must pay the amount of the monthly tenant rent determined by the PHA in accordance with HUD regulations and other requirements. The amount of the tenant rent is subject to change in accordance with HUD requirements.

The lease must specify the initial amount of the tenant rent at the beginning of the initial lease term, and the PHA must give written notice stating any change in the amount of tenant rent and when the change is effective.

### HACB Policy

The tenant rent is due and payable at the HACB-designated location on the first of every month. If the first falls on a weekend or holiday, the rent is due and payable on the first business day thereafter.

If a family's tenant rent changes, the HACB will notify the family of the new amount and the effective date by sending a "Notice of Rent Adjustment" which will become an attachment to the lease.

### **Late Fees and Nonpayment**

At the option of the PHA, the lease may provide for payment of penalties when the family is late in paying tenant rent [24 CFR 966.4(b)(3)].

The lease must provide that late payment fees are not due and collectible until two weeks after the PHA gives written notice of the charges. The written notice is considered an adverse action, and must meet the requirements governing a notice of adverse action [24 CFR 966.4(b)(4)].

The notice of proposed adverse action must identify the specific grounds for the action and inform the family of their right for a hearing under the PHA grievance procedures. The PHA must not take the proposed action until the time for the tenant to request a grievance hearing has expired, or (if a hearing was requested within the required timeframe,) the grievance process has been completed [24 CFR 966.4(e)(8)].

### HACB Policy

If the tenant fails to make payment by the fifth (5<sup>th</sup>) business day of the month, and the HACB has not agreed to accept payment at a later date, a Combination Fourteen Day Notice to Pay Rent or Quit and a Three Day notice to Pay Rent or Quit will be delivered to the Tenant. The three (3) days' notice is intended to and does run concurrently with the fourteen (14) days' notice and that the three (3) day period shall expire at the end of fourteen (14) day period. If payment is not received within 14 days and the family fails to respond to HACB's requests, an unlawful detainer (eviction) will be filed.

In addition, if the resident fails to make payment by the end of office hours on the fifth day of the month, a late fee of \$25.00 will be charged. Notices of late fees will be in accordance with requirements regarding notices of adverse action. Charges are due and payable by the 15<sup>th</sup> of the month. If the family requests a grievance hearing within the required timeframe, the HACB may not take action for nonpayment of the fee until the conclusion of the grievance process. If the resident can document financial hardship, the late fee may be waived on a case-by-case basis.

When a check is returned for insufficient funds or is written on a closed account, the rent will be considered unpaid and a returned check fee of \$25.00 will be charged to the family. The fee will be due and payable by the 15<sup>th</sup> of the month. In cases of insufficient funds, the tenant will also be required to pay a late fee. If the tenant remits two (2) insufficient funds checks within a twelve (12) month period, HACB will require the tenant to make rent payments in the form of a money order or cashier's check.

### **Excess Utility Charges**



If the PHA charges the tenant for consumption of excess utilities, the lease must state the basis for the determination of such charges. The imposition of charges for consumption of excess utilities is permissible only if the charges are determined by an individual check meter servicing the leased unit or result from the use of major tenant-supplied appliances [24 CFR 966.4(b)(2)].

Schedules of special charges for utilities that are required to be incorporated in the lease by reference must be publicly posted in a conspicuous manner in the development office and must be furnished to applicants and tenants on request [24 CFR 966.5].

The lease must provide that charges for excess utility consumption are not due and collectible until two weeks after the PHA gives written notice of the charges. The written notice is considered an adverse action, and must meet the requirements governing a notice of adverse action [24 CFR 966.4(b)(4)].

The notice of proposed adverse action must identify the specific grounds for the action and inform the family of their right to a hearing under the PHA grievance procedures. The PHA must not take the proposed action until the time for the tenant to request a grievance hearing has expired, or (if a hearing was requested within the required timeframe,) the grievance process has been completed [24 CFR 966.4(e)(8)].

#### HACB Policy

When applicable, families will be charged for excess utility usage according to the HACB current posted schedule. Notices of excess utility charges will be mailed monthly and will be in accordance with requirements regarding notices of adverse actions. Charges are due and payable 30 calendar days after billing. If the family requests a grievance hearing within the required timeframe, the HACB may not take action for nonpayment of the charges until the conclusion of the grievance process.

Nonpayment of excess utility charges is a violation of the lease and is grounds for eviction.

The HACB may grant requests for relief from surcharges from excess utility consumption of HACB-furnished utilities as a reasonable accommodation where the HACB deems an exception is appropriate to meet the needs of elderly, ill or disabled residents. In determining whether to grant this request, the HACB will consider special factors affecting utility usage that are not within the control of the resident, such as the need for medical equipment. Residents may request relief in accordance with Section 2-II-C of this ACOP. The HACB will process such requests in accordance with Section 2-II-E of this ACOP.

Notice of availability of procedures for requesting relief (including the HACB representative with whom initial contact may be made by the resident) and the HACB's criteria for granting requests, will be included in each notice to residents of changes in utility allowances or surcharges as well as to new residents as part of the lease orientation.

Tenants responsible for direct payment of utilities must abide by any and all regulations of the specific utility company, including regulations pertaining to advance payments of deposits.

Failure to maintain utility services during tenancy is a lease violation and grounds for termination of the lease.

The tenant shall be charged if the HACB receives a utility bill that is the responsibility of the tenant.

### **Maintenance and Damage Charges**

If the PHA charges the tenant for maintenance and repair beyond normal wear and tear, the lease must state the basis for the determination of such charges [24 CFR 966.4(b)(2)].

Schedules of special charges for services and repairs which are required to be incorporated in the lease by reference must be publicly posted in a conspicuous manner in the development office and must be furnished to applicants and tenants on request [24 CFR 966.5].

The lease must provide that charges for maintenance and repair beyond normal wear and tear are not due and collectible until two weeks after the PHA gives written notice of the charges. The written notice is considered an adverse action, and must meet the requirements governing a notice of adverse action [24 CFR 966.4(b)(4)].

The notice of proposed adverse action must identify the specific grounds for the action and inform the family of their right for a hearing under the PHA grievance procedures. The PHA must not take the proposed action until the time for the tenant to request a grievance hearing has expired, or (if a hearing was requested within the required timeframe,) the grievance process has been completed [24 CFR 966.4(e)(8)].

#### HACB Policy

When applicable, families will be charged for maintenance and/or damages according to the HACB current schedule. Work that is not covered in the schedule will be charged based on the actual cost of labor and materials to make needed repairs (including overtime, if applicable).

Notices of maintenance and damage charges will be mailed monthly and will be in accordance with requirements regarding notices of adverse actions. Charges are due and payable 30 calendar days after billing. If the family requests a grievance hearing within the required timeframe, the HACB may not take action for nonpayment of the charges until the conclusion of the grievance process.

Nonpayment of maintenance and damage charges is a violation of the lease and is grounds for eviction.

### **8-I.G. MINIMUM HEATING STANDARDS [Notice PIH 2018-19]**

PHAs in states, territories, or localities with existing minimum heating standards must use their respective local standards for public housing dwelling units. For PHAs where state or local minimum heating standards do not exist, PHAs must use the HUD-prescribed heating standards specified in Notice PIH 2018-19.

#### HACB Policy

The PHA is located in an area where state or local residential heating standards exist and will utilize those standards for public housing units. Therefore, the PHA's minimum heating standards are as follows:

#### Minimum temperature:

If the PHA controls the temperature, the minimum temperature in each unit must be at least [insert degrees Fahrenheit]. If the resident controls the

temperature, the heating equipment must have the capability of heating to at least [insert degrees Fahrenheit].

Minimum temperature capability:

[If PHAs are allowed flexibility maintaining the indoor temperature when the outdoor temperature approaches the design day temperature, insert criteria for when flexibility applies and the minimum temperature threshold that the indoor temperature should never fall below. Note, the design day temperature refers to the lowest expected outdoor temperature a heating system was designed to accommodate.]

Measurement:

Temperature measurements must be taken according to the following methodology: [insert methodology for taking temperature measurements].

## **PART II: INSPECTIONS**

### **8-II.A. OVERVIEW**

HUD regulations require the PHA to inspect each dwelling unit prior to move-in, at move-out, and annually during occupancy. In addition, the PHA may require additional inspections, in accordance with PHA Policy. This part contains the PHA policies governing inspections, notification of unit entry, and inspection results.

### **8-II.B. TYPES OF INSPECTIONS**

#### **Move-In Inspections [24 CFR 966.4(i)]**

The lease must require the PHA and the family to inspect the dwelling unit prior to occupancy in order to determine the condition of the unit and equipment in the unit. A copy of the initial inspection, signed by the PHA and the tenant, must be provided to the tenant and retained in the resident file.

#### HACB Policy

Any adult family member may attend the initial inspection and sign the inspection form for the head of household.

#### **Move-Out Inspections [24 CFR 966.4(i)]**

The PHA must inspect the unit at the time the resident vacates the unit and must allow the resident to participate in the inspection if he or she wishes, unless the tenant vacates without notice to the PHA. The PHA must provide to the tenant a statement of any charges to be made for maintenance and damage beyond normal wear and tear.

The difference between the condition of the unit at move-in and move-out establishes the basis for any charges against the security deposit so long as the work needed exceeds that for normal wear and tear.

#### HACB Policy

When applicable, the HACB will provide the tenant with a statement of charges to be made for maintenance and damage beyond normal wear and tear, within 21 calendar days of conducting the move-out inspection.

### **Annual Inspections**

Section 6(f)(3) of the United States Housing Act of 1937 requires that PHAs inspect each public housing project annually to ensure that the project's units are maintained in decent, safe, and sanitary condition. The PHA shall continue using the Uniform Physical Condition Standards (UPCS) in 24 CFR 5, Subpart G, Physical Condition Standards and Inspection Requirements, to conduct annual project inspections. These standards address the inspection of the site area, building systems and components, and dwelling units.

#### HACB Policy

The HACB will inspect all occupied units annually using HUD's Uniform Physical Condition Standards (UPCS).

### **Quality Control Inspections**

The purpose of quality control inspections is to assure that all defects were identified in the original inspection, and that repairs were completed at an acceptable level of craftsmanship and within an acceptable time frame

#### HACB Policy

Supervisory quality control inspections will be conducted in accordance with the HACB maintenance plan.

### **Special Inspections**

#### HACB Policy

HACB staff may conduct a special inspection for any of the following reasons:

- Housekeeping
- Unit condition
- Suspected lease violation
- Preventive maintenance
- Routine maintenance
- There is reasonable cause to believe an emergency exists

### **Other Inspections**

#### HACB Policy

Building exteriors, grounds, common areas and systems will be inspected according to the HACB maintenance plan.

## **8-II.C. NOTICE AND SCHEDULING OF INSPECTIONS**

### **Notice of Entry**

#### ***Non-emergency Entries [24 CFR 966.4(j)(1)]***

The PHA may enter the unit, with reasonable advance notification to perform routine inspections and maintenance, make improvements and repairs, or to show the unit for re-leasing. A written statement specifying the purpose of the PHA entry delivered to the dwelling unit at least two days before such entry is considered reasonable advance notification.

HACB Policy

The HACB will notify the resident in writing at least 48 hours prior to any non-emergency inspection.

For regular annual inspections, the family will receive at least ten (10) days written notice of the inspection to allow the family to prepare the unit for the inspection.

Entry for repairs requested by the family will not require prior notice. Resident-requested repairs presume permission for the HACB to enter the unit.

**Emergency Entries [24 CFR 966.4(j)(2)]**

The PHA may enter the dwelling unit at any time without advance notice when there is reasonable cause to believe that an emergency exists. If no adult household member is present at the time of an emergency entry, the PHA must leave a written statement showing the date, time and purpose of the entry prior to leaving the dwelling unit.

**Scheduling of Inspections**

HACB Policy

Inspections will be conducted during business hours. If a family needs to reschedule an inspection, they must notify the HACB at least 24 hours prior to the scheduled inspection. The HACB will reschedule the inspection no more than once unless the resident has a verifiable good cause to delay the inspection. The HACB may request verification of such cause.

**Attendance at Inspections**

Residents are required to be present for move-in inspections [24 CFR 966.4(i)]. There is no such requirement for other types of inspections.

HACB Policy

Except at move-in inspections, the resident is not required to be present for the inspection. The resident may attend the inspection if he or she wishes.

If no one is at home, the inspector will enter the unit and conduct the inspection. Families will be notified of the inspection results.

**8-II.D. INSPECTION RESULTS**

The PHA is obligated to maintain dwelling units and the project grounds in decent, safe and sanitary condition and to make necessary repairs to dwelling units [24 CFR 966.4(e)].

**Emergency Repairs [24 CFR 966.4(h)]**

If the unit is damaged to the extent that conditions are created which are hazardous to the life, health, or safety of the occupants, the tenant must immediately notify the PHA of the damage, and the PHA must make repairs within a reasonable time frame.

If the damage was caused by a household member or guest, the PHA must charge the family for the reasonable cost of repairs. The PHA may also take lease enforcement action against the family.

If the PHA cannot make repairs quickly, the PHA must offer the family standard alternative accommodations. If the PHA can neither repair the defect within a reasonable time frame nor offer alternative housing, rent shall be abated in proportion to the seriousness of the damage and loss in value as a dwelling. Rent shall not be abated if the damage was caused by a household member or guest, or if the resident rejects the alternative accommodations.

#### HACB Policy

When conditions in the unit are hazardous to life, health, or safety, the HACB will make repairs or otherwise abate the situation within 24 hours.

Defects hazardous to life, health or safety include, but are not limited to, the following:

- Any condition that jeopardizes the security of the unit
- Major plumbing leaks or flooding, waterlogged ceiling or floor in imminent danger of falling
- Natural or LP gas or fuel oil leaks
- Any electrical problem or condition that could result in shock or fire
- Absence of a working heating system when outside temperature is below 60 degrees Fahrenheit
- Utilities not in service, including no running hot water
- Conditions that present the imminent possibility of injury
- Obstacles that prevent safe entrance or exit from the unit
- Absence of a functioning toilet in the unit
- Inoperable smoke detectors and carbon monoxide alarms

#### **Non-emergency Repairs**

##### HACB Policy

The HACB will correct non-life threatening health and safety defects within fifteen (15) business days of the inspection date. If the HACB is unable to make repairs within that period due to circumstances beyond the HACB's control (e.g. required parts or services are not available, weather conditions, etc.) the HACB will notify the family of an estimated date of completion.

The family must allow the HACB access to the unit to make repairs.

#### **Resident-Caused Damages**

##### HACB Policy

Damages to the unit beyond wear and tear will be billed to the tenant in accordance with the policies in 8-I.G., Maintenance and Damage Charges.

Repeated or excessive damages to the unit beyond normal wear and tear will be considered a serious or repeated violation of the lease.

### ***Housekeeping***

#### HACB Policy

Residents whose housekeeping habits pose a non-emergency health or safety risk, encourage insect or rodent infestation, or cause damage to the unit are in violation of the lease. In these instances, the HACB will provide proper notice of a lease violation.

A re-inspection will be conducted within 30 days to confirm that the resident has complied with the requirement to abate the problem. Failure to abate the problem or allow for a re-inspection is considered a violation of the lease and may result in termination of tenancy in accordance with Chapter 13.

Notices of lease violation will also be issued to residents who purposely disengage the unit's smoke detector.

### ***Carbon Monoxide (CO) Alarms***

#### HACB Policy

Health and Safety Code Section 17926 requires owners of all dwellings intended for human occupancy that contain a fossil fuel burning heater or appliance, fireplace, or an attached garage to install carbon monoxide (CO) alarms. The CO alarms must be either battery-powered or plug in with a battery backup. CO alarms must be installed outside of sleeping areas and on every level of a dwelling, including the basement

Carbon Monoxide (CO) Alarms in single-family properties are required by law in the State of California, effective July 1, 2011.

Carbon Monoxide (CO) Alarms in multi-family properties are required by law in the State of California, effective January 1, 2013.

It is the policy of the Housing Authority of the County of Butte to fully comply with the requirements of CA Health and Safety Code Section 17926 in operation of its Public Housing properties.

### **8-II.E. SPECIAL REQUIREMENTS FOR CHILDREN WITH ENVIRONMENTAL INTERVENTION BLOOD LEAD LEVEL [24 CFR 35.1225; FR Notice 1/13/17]**

If a PHA is notified by a public health department or other medical health care provider, or verifies information from a source other than a public health department or medical health care provider, that a child of less than six (6) years of age, living in an HCV-assisted unit has been identified as having an environmental intervention blood lead level, the PHA must complete a risk assessment of the dwelling unit within 15 calendar days after being notified by a public health department or other medical health care provider. The risk assessment must be completed in accordance with program requirements, and the result of the risk assessment must be immediately provided to the owner of the dwelling unit. In cases where the public health department has already completed an evaluation of the unit, this information must be provided to the owner.

Within thirty (30) days after receiving the risk assessment report from the PHA, or the evaluation from the public health department, the owner is required to complete the reduction of identified lead-based paint hazards in accordance with the lead-based paint regulations [24 CFR 35.1325 and 35.1330]. If the owner does not complete the “hazard reduction” as required, the dwelling unit is in violation of HQS and the PHA will take action in accordance with Section 8-II.G.

PHA reporting requirements, and data collection and record keeping responsibilities related to children with an environmental intervention blood lead level are discussed in Chapter 16.

For public housing, when a child under 6 is identified with an EBLL, the PHA must take certain steps. (For a more detailed explanation, please refer to section 6).

- **Initial notification of a confirmed case to HUD:** The PHA must notify the Field Office and HUD’s Office of Lead Hazard Control (OLHCHH) of the EBLL case within 5 business days.
- **Initial notification of the public health department, when necessary:** The PHA must notify the public health department of the EBLL case within 5 business days when it received the notification of the case from another medical health care professional.
- **Verification of the case, when necessary:** If a PHA learns that a child has an EBLL from someone other than a medical health care provider, such as from a parent, the PHA must immediately verify the report with the health department or medical health care provider.
- **Environmental Investigation:** The PHA must conduct an environmental investigation of the child’s unit and the common areas servicing that unit within 15 calendar days in accordance with Chapter 16 of the HUD Guidelines, as described in section 6 below. If lead-based paint hazards are found in the index unit in a multiunit property, perform risk assessments in other covered units with a child under age 6 and the common areas servicing those units.
- **Control:** The PHA must ensure that any lead-based paint hazards identified by the environmental investigation are controlled within 30 calendar days by a certified lead-based paint abatement firm or certified lead renovation firm, including having the unit and common area pass a post-work dust clearance exam in accordance with section 35.1340. If lead-based paint hazards are found in the index unit in a multiunit property, and the risk assessments in other covered units with a child under age 6 and the common areas servicing those units identified lead-based paint hazards, control those lead-based paint hazards.
- **Notification to other residents:** As already required by the LSHR, in a multiunit property, the PHA must notify all residents of lead evaluation and hazard control activities.
- **Follow-up notification:** The PHA must notify the HUD Field Office of the results of the environmental investigation and then of the lead hazard control work within 10 business days of each activity.
- **Ongoing maintenance and reevaluation:** As already required by the LSHR in sections 35.1120(c) and 35.1355(a), after the work passes clearance, the PHA must ensure that the unit and common areas are maintained as lead-safe for continued occupancy,, which includes no deteriorated paint or failed lead hazard control methods. As also already



required by the LSHR in section 35.1355(b), the PHA must generally conduct periodic reevaluations shall be for: deteriorated paint surfaces unless they are known not to be lead-based paint, deteriorated or failed interim controls of lead-based paint hazards or encapsulation or enclosure treatments, dust lead hazards, and soil-lead hazards in newly-bare soil. Exceptions from the reevaluation requirement are in section 35.1355(b)(1) and (4); the requirements for responding to the reevaluations are in section 35.1355(c).

The following table summarizes the responsibilities of PHA for compliance when a child in the public housing program is identified with an EBLL.

Activity	Responsible Entity
	PHA
Initial notification to HUD of confirmed case	√
Verification, when necessary	√
Initial notification of confirmed case to public health department	√
Environmental Investigation	√
Lead Hazard Control	√
Clearance after work completed	√
Follow-up notification to HUD	√
Notification to other residents	√
Ongoing LBP Maintenance	√
Ensuring compliance with LSHR	√

## EXHIBIT 8-1: SMOKE-FREE POLICY

In accordance with HUD regulations, the Housing Authority of the County of Butte has adopted these smoke-free policies as of June 15, 2017. The policies are effective April 1, 2018. Due to the increased risk of fire, increased maintenance costs, and the known health effects of secondhand smoke, smoking is prohibited in all living units and interior areas, including but not limited to hallways, rental and administrative offices, community centers, day care centers, laundry centers, and similar structures. Smoking is also prohibited in outdoor areas within 25 feet from public housing and administrative office buildings.

This policy applies to all employees, residents, household members, guests, and service persons. Residents are responsible for ensuring that household members and guests comply with this rule.

The term “smoking” means any inhaling, exhaling, burning, or carrying any lighted cigar, cigarette, pipe, or other prohibited marijuana or tobacco product in any manner or any form. Prohibited tobacco products include water pipes or hookahs.

Violation of the smoke-free policy constitutes a violation of the terms of the public housing lease. Consequences of lease violations include termination of tenancy.

### **Designated Smoking Areas (DSA)**

#### HACB Policy

The HACB has not designated any smoking areas on the HACB’s property. Residents may not discard smoking products on the property.

### **Electronic Nicotine Delivery Systems (ENDS)**

Electronic nicotine delivery systems (ENDS) include e-cigarettes, nicotine inhalers, and vaping devices.

#### HACB Policy

Use of ENDS is not permitted in public housing units, common areas, or in outdoor areas within 25 feet from housing and administrative buildings.

### **Effective Date**

#### HACB Policy

The HACB’s effective date(s) of this smoke-free policy is/are as follows:

The smoke-free policy will be effective for all residents, household members, employees, guests, and service person on or before July 30, 2018.

### **Enforcement**

The PHA must enforce smoke-free policies when a resident violates this policy. When enforcing the lease, the PHA will provide due process and allow residents to exercise their right to an informal settlement and formal hearing. The PHA will not evict a resident for a single incident of smoking in violation of this policy. As such, the PHA will implement a graduated enforcement framework that includes escalating warnings. Prior to pursuing eviction for violation of smoke-free policies, the PHA will take specific, progressive monitoring and enforcement actions, while

at the same time educating tenants and providing smoking cessation information. The lease will identify the actions that constitute a policy violation, quantify the number of documented, verified violations that warrant enforcement action, state any disciplinary actions that will be taken for persistent non-responsiveness or repeated noncompliance, and state how many instances on noncompliance will constitute a violation. Tenancy termination and eviction will be pursued only as a last resort. The PHA may terminate tenancy at any time for violations of the lease and failure to otherwise fulfill household obligations if resident behavior disturbs other residents' peaceful enjoyment and is not conducive to maintaining the property in a decent, safe, and sanitary condition.

#### HACB Policy

Upon issuance of a written warning from the property manager and/or a documented complaint, the HACB will increase the frequency of unit inspections for a suspected policy violator to monthly inspections.

The HACB will provide information and resources on smoking cessations through HUD and Butte County Department of Public Health.

If the resident does not have any new violations for 12 months, the resident will be considered to have a clear record, and no further enforcement action will be taken.

Repeated violation of smoke-free policy may rise to the level of other good cause for termination of tenancy.

#### HACB Policy

The HACB will implement a graduated enforcement approach including:

- Referral to free smoking cessations services
- Verbal warning
- Written warning
- Final notice
- Evicting proceedings

All above warnings and notices will include a referral to free smoking cessation services.

#### Reasonable Accommodation

While addiction to nicotine or smoking is not a disability, the PHA will provide reasonable accommodation to persons with disabilities who smoke that are in compliance with the requirements of this smoke-free policy. Per HUD guidance, smoking inside a public housing unit is not a reasonable accommodation.

**EXHIBIT 8-2: OPTIONAL PHA OR OWNER'S ELEVATED BLOOD LEAD LEVEL  
CASE CHECKLIST**

This checklist is intended as a courtesy for optional use by a public housing authority (PHA) or Owner in tracking the main steps for responding to an elevated blood lead level (EBLL) case; it is not intended to be submitted to the HUD Field Office nor the HUD Office of Lead Control and Health Homes.

PHA code (if applicable):

PHA or owner name:

Date of EBLL test result:

Program: \_\_\_\_\_ Public Housing      Housing Choice Voucher      \_\_\_\_\_ Project-based Voucher  
Dwelling unit address and (if applicable) development name:

**Required Steps:**

\_\_\_ Verify EBLL case report with medical provider or health department, if report came from elsewhere.

\_\_\_ Maintain confidentiality for all records related to the EBLL, and ensure the identity of the child or family is not disclosed to other residents in the multiunit property.

\_\_\_ Notify HUD field office contact and [LeadRegulations@hug.gov](mailto:LeadRegulations@hug.gov) of EBLL case within 5 days (either directly or through PHA).

\_\_\_ Engage certified lead risk assessor to perform environmental investigation of child's unit within 15 days.

\_\_\_ Notify residents of child's unit of results of environmental investigation within 15 days directly, but not by posting in common area.

\_\_\_ If lead-based paint hazards are found in the child's unit or in a common area servicing that unit in a multiunit property, engage a certified lead abatement professional or certified renovation firm to control the hazards, and a certified lead risk assessor to conduct risk assessments of other assisted dwelling units with a child under age six ("other covered units").

\_\_\_ In a multiunit property, notify residents that lead-based evaluation will be performed.

\_\_\_ If lead-based paint hazards are identified in other covered units, engage a certified lead abatement professional or certified renovation firm, and notify other residents of the results of the risk assessment and that lead hazard control work will be performed.

\_\_\_ Ensure adequate occupant protection, including temporary relocation for EBLL family and/or other families, when required, until their dwelling unit passes clearance.

\_\_\_ Complete lead hazard control in child's unit and common area servicing that unit if lead-based paint hazards are identified, within 30 days of receiving environmental investigation report.

\_\_\_ Complete lead hazard control in other covered units and common areas servicing those units if lead-based paint hazards are identified, within 30 days of receiving environmental investigation report, if up to 20 other covered units, or 90 days, if over 20 other covered units.

\_\_\_ Ensure all dwelling units and common areas that received lead hazard control pass clearance as determined by a certified risk assessor.

\_\_\_ In multiunit property, notify other residents that lead hazard control work was completed, and results.

\_\_\_ Provide all documentation to the HUD field office contact in 10 business days.

\_\_\_ Disclose information about lead-based paint hazards and all new records and report to residents upon lease initiation or renewal (if not already disclosed).

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## Chapter 9

### REEXAMINATIONS

[24 CFR 960.257, 960.259, 966.4]

#### INTRODUCTION

The PHA is required to reexamine each family's income and composition periodically, and to adjust the family's rent accordingly. PHAs must adopt policies for conducting annual and interim reexaminations that are consistent with regulatory requirements, and must conduct reexaminations in accordance with such policies [24 CFR 960.257(c)].

The frequency with which the PHA must reexamine the income and composition of a family depends on whether the family pays income-based rent or flat rent. HUD requires the PHA to offer all families the choice of paying income-based rent or flat rent at least annually. The PHA's policies for offering families a choice of rents are located in Chapter 6.

This chapter discusses both annual and interim reexaminations.

Part I: Annual Reexaminations for Families Paying Income Based Rents. This part discusses the requirements for annual reexamination of income and family composition. Full reexaminations are conducted at least once a year for families paying income-based rents.

Part II: Reexaminations for Families Paying Flat Rents. This part contains the PHA's policies for conducting full reexaminations of family income and composition for families paying flat rents. These full reexaminations are conducted at least once every 3 years. This part also contains the PHA's policies for conducting annual updates of family composition for flat rent families.

Part III: Interim Reexaminations. This part includes HUD requirements and PHA policies related to when a family may and must report changes that occur between annual reexaminations.

Part IV: Recalculating Tenant Rent. After gathering and verifying required information for an annual or interim reexamination, the PHA must recalculate the tenant rent. While the basic policies that govern these calculations are provided in Chapter 6, this part describes the policies that affect these calculations during a reexamination.

Policies governing reasonable accommodation, family privacy, required family cooperation, and program abuse, as described elsewhere in this ACOP, apply to annual and interim reexaminations.

#### **PART I: ANNUAL REEXAMINATIONS FOR FAMILIES PAYING INCOME BASED RENTS [24 CFR 960.257]**

##### **9-I.A. OVERVIEW**

For those families who choose to pay income-based rent, the PHA must conduct a reexamination of income and family composition at least annually [24 CFR 960.257(a)(1)]. For families who choose flat rents, the PHA must conduct a reexamination of family composition at least annually, and must conduct a reexamination of family income at least once every 3 years [24 CFR

960.257(a)(2)]. Policies related to the reexamination process for families paying flat rent are located in Part II of this chapter.

For all residents of public housing, whether those residents are paying income-based or flat rents, the PHA must conduct an annual review of community service requirement compliance. This annual reexamination is also a good time to have residents sign consent forms for criminal background checks in case the criminal history of a resident is needed at some point for the purpose of lease enforcement or eviction.

The PHA is required to obtain all of the information necessary to conduct reexaminations. How that information will be collected is left to the discretion of the PHA. Families are required to provide current and accurate information on income, assets, allowances and deductions, family composition and community service compliance as part of the reexamination process [24 CFR 960.259].

This part contains the PHA's policies for conducting annual reexaminations.

#### **9-1.B. STREAMLINING ANNUAL REEXAMINATIONS [24 CFR 960.257]**

HUD permits PHAs to streamline the income determination process for family members with fixed sources of income. While third-party verification of all income sources must be obtained during the intake process and every three years thereafter, in the intervening years the PHA may determine income from fixed sources by applying a verified cost of living adjustment (COLA) or rate of interest. The PHA may, however, obtain third-party verification of all income, regardless of source. Further, upon request of the family, the PHA must perform third-party verification of all income sources.

Fixed sources of income include Social Security and SSI benefits, pensions, annuities, disability or death benefits, and other sources of income subject to a COLA or rate of interest. The determination of fixed income may be streamlined even if the family also receives income from other non-fixed sources.

Two streamlining options are available, depending upon the percentage of the family's income that is received from fixed sources. If at least 90 percent of the family's income is from fixed sources, the PHA may streamline the verification of fixed income and may choose whether to verify non-fixed income amounts in years where no fixed income review is required. If the family receives less than 90 percent of its income from fixed sources, the PHA may streamline the verification of fixed income and must verify non-fixed income annually.

##### HACB Policy

The HACB will streamline the annual reexamination process by applying the verified COLA or interest rate to fixed-income sources. The HACB will document in the file how the determination that a source of income was fixed was made.

If a family member with a fixed source of income is added, the HACB will use third-party verification of all income amounts for that family member.



If verification of the COLA or rate of interest is not available, the HACB will obtain third-party verification of income amounts.

Third-party verification of fixed sources of income will be obtained during the intake process and at least once every three years thereafter.

Third-party verification of non-fixed income will be obtained annually regardless of the percentage of family income received from fixed sources.

### **9-I.C. SCHEDULING ANNUAL REEXAMINATIONS**

The PHA must establish a policy to ensure that the annual reexamination for each family paying an income-based rent is completed within a 12 month period [24 CFR 960.257(a)(1)].

#### HACB Policy

Generally, the HACB will schedule annual reexaminations to coincide with the family's anniversary date. The HACB will begin the annual reexamination process approximately 120 days in advance of the scheduled effective date.

*Anniversary date* is defined as 12 months from the effective date of the family's last annual reexamination or, during a family's first year in the program, from the effective date of the family's initial examination (admission).

If the family transfers to a new unit, the HACB will not change the annual reexamination date.

The HACB may also schedule an annual reexamination for completion prior to the anniversary date for administrative purposes.

#### **Notification of and Participation in the Annual Reexamination Process**

The PHA is required to obtain information needed to conduct annual reexaminations. How that information will be collected is left to the discretion of the PHA. However, PHAs should give tenants who were not provided the opportunity to provide contact information at the time of admission the option to complete Form HUD-92006 at this time. The PHA should provide the family with the opportunity to update, change, or remove information from the HUD-92006 at the time of the annual reexamination [Notice PIH 2009-36].

#### HACB Policy

Families generally are required to participate in an annual reexamination interview, which must be attended by the head of household, spouse, or co-head. If participation in an in-person interview poses a hardship because of a family member's disability, the family should contact the HACB to request a reasonable accommodation.

Notification of annual reexamination interviews will be sent by first-class mail and will contain the date, time, and location of the interview. In addition, it will inform the family of the information and documentation that must be brought to the interview.

If the family is unable to attend a scheduled interview, the family should contact the HACB in advance of the interview to schedule a new appointment. In all circumstances, if a family does not attend the scheduled interview the HACB will send a second notification with a new interview appointment time.

If a family fails to attend two scheduled interviews without HACB approval, the family will be in violation of their lease and may be terminated in accordance with the policies in Chapter 13.

An advocate, interpreter, or other assistant may assist the family in the interview process.

#### **9-I.D. CONDUCTING ANNUAL REEXAMINATIONS**

The terms of the public housing lease require the family to furnish information regarding income and family composition as may be necessary for the redetermination of rent, eligibility, and the appropriateness of the housing unit [24 CFR 966.4(c)(2)].

##### HACB Policy

Families will be asked to bring all required information (as described in the reexamination notice) to the reexamination appointment. The required information will include a HACB-designated reexamination form, an Authorization for the Release of Information/Privacy Act Notice, as well as supporting documentation related to the family's income, expenses, and family composition.

Any required documents or information that the family is unable to provide at the time of the interview must be provided within 14 calendar days of the interview. If the family is unable to obtain the information or materials within the required time frame, the family may request an extension.

If the family does not provide the required documents or information within the required time frame (plus any extensions), the family will be in violation of their lease and may be terminated in accordance with the policies in Chapter 13.

The information provided by the family generally must be verified in accordance with the policies in Chapter 7. Unless the family reports a change, or the agency has reason to believe a change has occurred in information previously reported by the family, certain types of information that are verified at admission typically do not need to be re-verified on an annual basis. These include:

- Legal identity
- Age
- Social security numbers
- A person's disability status
- Citizenship or immigration status

##### **Change in Unit Size**

Changes in family or household composition may make it appropriate to consider transferring the family to comply with occupancy standards. The PHA may use the results of the annual reexamination to require the family to move to an appropriate size unit [24 CFR 960.257(a)(4)]. Policies related to such transfers are located in Chapter 12.

##### **Criminal Background Checks**

Information obtained through criminal background checks may be used for lease enforcement and eviction [24 CFR 5.903(e)(1)(ii)]. Criminal background checks of residents will be conducted in accordance with the policy in Section 13-IV.B.

#### HACB Policy

Each household member age 18 and over will be required to execute a consent form for a criminal background check as part of the annual reexamination process.

Additionally, HUD recommends that at annual reexaminations PHAs ask whether the tenant, or any member of the tenant's household, is subject to a lifetime sex offender registration requirement in any state [Notice PIH 2012-28].

#### HACB Policy

At the annual reexamination, the HACB will ask whether the tenant, or any member of the tenant's household, is subject to a lifetime sex offender registration requirement in any state. The HACB will use National Sex Offender database(s) to verify the information provided by the tenant.

If the PHA proposes to terminate assistance based on lifetime sex offender registration information, the PHA must notify the household of the proposed action and must provide the subject of the record and the tenant a copy of the record and an opportunity to dispute the accuracy and relevance of the information prior to termination. [24 CFR 5.903(f) and 5.905(d)]. (See Chapter 13).

#### **Compliance with Community Service**

For families who include nonexempt individuals, the PHA must determine compliance with community service requirements once each 12 months [24 CFR 960.257(a)(3)].

See Chapter 11 for the PHA's policies governing compliance with the community service requirement.

#### **9-I.E. EFFECTIVE DATES**

As part of the annual reexamination process, the PHA must make appropriate adjustments in the rent after consultation with the family and upon verification of the information [24 CFR 960.257(a)(1)].

#### HACB Policy

In general, an *increase* in the tenant rent that results from an annual reexamination will take effect on the family's anniversary date, and the family will be notified at least 30 days in advance.

If less than 30 days remain before the scheduled effective date, the increase will take effect on the first of the month following the end of the 30-day notice period.

If the HACB chooses to schedule an annual reexamination for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by the HACB, but will always allow for the 30-day notice period.

If the family causes a delay in processing the annual reexamination, *increases* in the tenant rent will be applied retroactively, to the scheduled effective date of the

annual reexamination. The family will be responsible for any underpaid rent and may be offered a repayment agreement in accordance with the policies in Chapter 16.

In general, a *decrease* in the tenant rent that results from an annual reexamination will take effect on the family's anniversary date.

If the HACB chooses to schedule an annual reexamination for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by the HACB.

If the family causes a delay in processing the annual reexamination, *decreases* in the tenant rent will be applied prospectively, from the first day of the month following completion of the reexamination processing.

Delays in reexamination processing are considered to be caused by the family if the family fails to provide information requested by the HACB by the date specified, and this delay prevents the HACB from completing the reexamination as scheduled.

## **PART II: REEXAMINATIONS FOR FAMILIES PAYING FLAT RENTS** **[24 CFR 960.257(2)]**

### **9-II.A. OVERVIEW**

HUD requires that the PHA offer all families the choice of paying income-based rent or flat rent at least annually. The PHA's policies for offering families a choice of rents are located in Chapter 6.

For families who choose flat rents, the PHA must conduct a reexamination of family composition at least annually, and must conduct a reexamination of family income at least once every 3 years [24 CFR 960.257(a)(2)]. The PHA is only required to provide the amount of income-based rent the family might pay in those years that the PHA conducts a full reexamination of income and family composition, or upon request of the family after the family submits updated income information [24 CFR 960.253(e)(2)].

As it does for families that pay income-based rent, the PHA must also review compliance with the community service requirement for families with nonexempt individuals.

This part contains the PHA's policies for conducting reexaminations of families who choose to pay flat rents.

### **9-II.B. FULL REEXAMINATION OF FAMILY INCOME AND COMPOSITION**

#### **Frequency of Reexamination**

##### HACB Policy

For families paying flat rents, the HACB will conduct a full reexamination of family income and composition once every 3 years.

#### **Reexamination Policies**

##### HACB Policy

In conducting full reexaminations for families paying flat rents, the HACB will follow the policies used for the annual reexamination of families paying income-based rent as set forth in Sections 9-I.B through 9-I.D above.

### **9-II.C. REEXAMINATION OF FAMILY COMPOSITION (“ANNUAL UPDATE”)**

As noted above, full reexaminations are conducted every 3 years for families paying flat rents. In the years between full reexaminations, regulations require the PHA to conduct a reexamination of family composition (“annual update”) [24 CFR 960.257(a)(2)].

The annual update process is similar to the annual reexamination process, except that the PHA does not collect information about the family’s income and expenses, and the family’s rent is not recalculated following an annual update.

#### **Scheduling**

The PHA must establish a policy to ensure that the reexamination of family composition for families choosing to pay the flat rent is completed at least annually [24 CFR 960.257(a)(2)].

##### HACB Policy

For families paying flat rents, annual updates will be conducted in each of the 2 years following the full reexamination.

In scheduling the annual update, the HACB will follow the policy used for scheduling the annual reexamination of families paying income-based rent as set forth in Section 9-I.B. above.

#### **Conducting Annual Updates**

The terms of the public housing lease require the family to furnish information necessary for the redetermination of rent and family composition [24 CFR 966.4(c)(2)].

##### HACB Policy

The family will be required to attend an interview for an annual update.

Notification of the annual update will be sent by first-class mail and will inform the family of the information and documentation that must be provided to the HACB. The family will have 14 calendar days to submit the required information to the HACB. If the family is unable to obtain the information or documents within the required time frame, the family may request an extension. The HACB will accept required documentation by mail, by fax, [by email](#), or in person.

If the family’s submission is incomplete, or the family does not submit the information in the required time frame, the HACB will send a second written notice to the family. The family will have 14 calendar days from the date of the second notice to provide the missing information or documentation to the HACB.

If the family does not provide the required documents or information within the required time frame (plus any extensions), the family will be in violation of their lease and may be terminated in accordance with the policies in Chapter 13.

#### ***Change in Unit Size***

Changes in family or household composition may make it appropriate to consider transferring the family to comply with occupancy standards. The PHA may use the results of the annual update to require the family to move to an appropriate size unit [24 CFR 960.257(a)(4)]. Policies related to such transfers are located in Chapter 12.

### ***Criminal Background Checks***

Information obtained through criminal background checks may be used for lease enforcement and eviction [24 CFR 5.903(e)]. Criminal background checks of residents will be conducted in accordance with the policy in Section 13-IV.B.

#### HACB Policy

Each household member age 18 and over will be required to execute a consent form for criminal background check as part of the annual update process.

### ***Compliance with Community Service***

For families who include nonexempt individuals, the PHA must determine compliance with community service requirements once each 12 months [24 CFR 960.257(a)(3)].

See Chapter 11 for the PHA's policies governing compliance with the community service requirement.

## **PART III: INTERIM REEXAMINATIONS [24 CFR 960.257; 24 CFR 966.4]**

### **9-III.A. OVERVIEW**

Family circumstances may change during the period between annual reexaminations. HUD and PHA policies define the types of information about changes in family circumstances that must be reported, and under what circumstances the PHA must process interim reexaminations to reflect those changes. HUD regulations also permit the PHA to conduct interim reexaminations of income or family composition at any time.

In addition to specifying what information the family must report, HUD regulations permit the family to request an interim determination if other aspects of the family's income or composition change. The PHA must complete the interim reexamination within a reasonable time after the family's request.

This part includes HUD and PHA policies that describe the changes families are required to report, the changes families may choose to report, and how the PHA will process both PHA- and family-initiated interim reexaminations.

### **9-III.B. CHANGES IN FAMILY AND HOUSEHOLD COMPOSITION**

The PHA must adopt policies prescribing when and under what conditions the family must report changes in family composition. However, due to provisions of the public housing lease, the PHA has limited discretion in this area.

Changes in family or household composition may make it appropriate to consider transferring the family to comply with occupancy standards. Policies related to such transfers are located in Chapter 12.

#### HACB Policy

All families, those paying income-based rent as well as flat rent, must report all changes in family and household composition that occur between annual reexaminations (or annual updates).

The HACB will conduct interim reexaminations to account for any changes in household composition that occur between annual reexaminations.

### **New Family Members Not Requiring Approval**

The addition of a family member as a result of birth, adoption, or court-awarded custody does not require PHA approval. However, the family is required to promptly notify the PHA of the addition [24 CFR 966.4(a)(1)(v)].

#### HACB Policy

The family must inform the HACB of the birth, adoption, or court-awarded custody of a child within 14 calendar days.

### **New Family and Household Members Requiring Approval**

With the exception of children who join the family as a result of birth, adoption, or court-awarded custody, a family must request PHA approval to add a new family member [24 CFR 966.4(a)(1)(v)] or other household member (live-in aide or foster child) [24 CFR 966.4(d)(3)].

The PHA may adopt reasonable policies concerning residence by a foster child or a live-in aide, and defining the circumstances in which PHA consent will be given or denied. Under such policies, the factors considered by the PHA may include [24 CFR 966.4(d)(3)(i)]:

- Whether the addition of a new occupant may necessitate a transfer of the family to another unit, and whether such units are available.
- The PHA's obligation to make reasonable accommodation for persons with disabilities.

#### HACB Policy

Families must request HACB approval to add a new family member, live-in aide, foster child, or foster adult. This includes any person not on the lease who is expected to stay in the unit for more than 14 consecutive days or a total of 30 cumulative calendar days during any 12-month period and therefore no longer qualifies as a "guest." Requests must be made in writing and approved by the HACB prior to the individual moving into the unit.

If adding a person to a household (other than a child by birth, adoption, or court-awarded custody) will require a transfer to a larger size unit (under the transfer policy in Chapter 12), the HACB will approve the addition only if the family can demonstrate that there are medical needs or other extenuating circumstances, including reasonable accommodation, that should be considered by the HACB. Exceptions will be made on a case-by-case basis.

The HACB will not approve the addition of a new family or household member unless the individual meets the HACB's eligibility criteria (see Chapter 3) and documentation requirements (See Chapter 7, Part II).

If the HACB determines that an individual does not meet the HACB's eligibility criteria or documentation requirements, the HACB will notify the family in writing of its decision to deny approval of the new family or household member and the reasons for the denial.

The HACB will make its determination within 14 calendar days of receiving all information required to verify the individual's eligibility.

#### **Departure of a Family or Household Member**

##### HACB Policy

If a family member ceases to reside in the unit, the family must inform the HACB within 14 calendar days. This requirement also applies to family members who had been considered temporarily absent, who are now permanently absent.

If a live-in aide, foster child, or foster adult ceases to reside in the unit, the family must inform the HACB within 14 calendar days.

#### **9-III.C. CHANGES AFFECTING INCOME OR EXPENSES**

Interim reexaminations can be scheduled either because the PHA has reason to believe that changes in income or expenses may have occurred, or because the family reports a change. When a family reports a change, the PHA may take different actions depending on whether the family reported the change voluntarily, or because it was required to do so.

##### HACB Policy

This section only applies to families paying income-based rent. Families paying flat rent are not required to report changes in income or expenses.

#### **PHA-initiated Interim Reexaminations**

PHA-initiated interim reexaminations are those that are scheduled based on circumstances or criteria defined by the PHA. They are not scheduled because of changes reported by the family.

##### HACB Policy

The HACB will conduct interim reexaminations in each of the following instances:

For families receiving the Earned Income Disallowance (EID), the HACB will conduct an interim reexamination at the start, to adjust the exclusion with any changes in income, and at the conclusion of the 24-month eligibility period.

If the family has reported zero income, the HACB will conduct an interim reexamination every 3 months as long as the family continues to report that they have no income.

If at the time of the annual reexamination, it is not feasible to anticipate a level of income for the next 12 months (e.g. seasonal or cyclic income), the HACB will schedule an interim reexamination to coincide with the end of the period for which it is feasible to project income.

If at the time of the annual reexamination, tenant declarations were used on a provisional basis due to the lack of third-party verification, and third-party verification becomes available, the HACB will conduct an interim reexamination.

The HACB may conduct an interim reexamination at any time in order to correct an error in a previous reexamination, or to investigate a tenant fraud complaint.

#### **Family-Initiated Interim Reexaminations**



The PHA must adopt policies prescribing when and under what conditions the family must report changes in family income or expenses [24 CFR 960.257(c)]. In addition, HUD regulations require that the family be permitted to obtain an interim reexamination any time the family has experienced a change in circumstances since the last determination [24 CFR 960.257(b)].

***Required Reporting***

HUD regulations give the PHA the discretion to determine the circumstances under which families will be required to report changes affecting income.

HACB Policy

Families are required to report all increases in earned income, including new employment, within 14 calendar days of the date the change takes effect.

Whenever a family reports an increase in income, HACB will conduct an interim reexamination.

***Optional Reporting***

The family may request an interim reexamination any time the family has experienced a change in circumstances since the last determination [24 CFR 960.257(b)]. The HACB must process the request if the family reports a change that will result in a reduced family income [PH Occ GB, p. 159].

If a family reports a decrease in income from the loss of welfare benefits due to fraud or non-compliance with a welfare agency requirement to participate in an economic self-sufficiency program, the family’s share of the rent will not be reduced [24 CFR 5.615]. For more information regarding the requirement to impute welfare income see Chapter 6.

HACB Policy

If a family reports a change that it was not required to report and that would result in an increase in the tenant rent, the HACB will note the information in the tenant file, but will not conduct an interim reexamination.

If a family reports a change that it was not required to report and that would result in a decrease in the tenant rent, the HACB will conduct an interim reexamination. See Section 9-III.D for effective dates.

Families may report changes in income or expenses at any time.

**9-III.D. PROCESSING THE INTERIM REEXAMINATION**

**Method of Reporting**

HACB Policy

The family may notify the HACB of changes either orally or in writing. If the family provides oral notice, the HACB will also require the family to submit the changes in writing.

Generally, the family will not be required to attend an interview for an interim reexamination. However, if the HACB determines that an interview is warranted, the family may be required to attend.

Based on the type of change reported, the HACB will determine the documentation the family will be required to submit. The family must submit any required information or documents within 14 calendar days of receiving a request from the HACB. This time frame may be extended for good cause with HACB approval. The HACB will accept required documentation by mail, by fax, [by email](#), or in person.

### **Effective Dates**

The PHA must make the interim reexamination within a reasonable time after the family request [24 CFR 960.257(b)].

#### HACB Policy

If the tenant rent is to *increase*:

The increase generally will be effective on the first of the month following 30 days' notice to the family.

If a family fails to report a change within the required time frames, or fails to provide all required information within the required time frames, the increase will be applied retroactively, to the date it would have been effective had the information been provided on a timely basis. The family will be responsible for any underpaid rent and may be offered a repayment agreement in accordance with the policies in Chapter 16.

If the tenant rent is to *decrease*:

The decrease will be effective on the first day of the month following the month in which the change was reported. In cases where the change cannot be verified until after the date the change would have become effective, the change will be made retroactively. The HACB will process the rent adjustment unless the HACB confirms that the decrease in income will last less than thirty (30) calendar days.

## **PART IV: RECALCULATING TENANT RENT**

### **9-IV.A. OVERVIEW**

For those families paying income-based rent, the PHA must recalculate the rent amount based on the income information received during the reexamination process and notify the family of the changes [24 CFR 966.4, 960.257]. While the basic policies that govern these calculations are provided in Chapter 6, this part lays out policies that affect these calculations during a reexamination.

### **9-IV.B. CHANGES IN UTILITY ALLOWANCES [24 CFR 965.507, 24 CFR 966.4]**

The tenant rent calculations must reflect any changes in the PHA's utility allowance schedule [24 CFR 960.253(c)(3)]. Chapter 16 discusses how utility allowance schedules are established.

#### HACB Policy

Unless the HACB is required to revise utility allowances retroactively, revised utility allowances will be applied to a family's rent calculations at the first annual reexamination after the allowance is adopted.

#### **9-IV.C. NOTIFICATION OF NEW TENANT RENT**

The public housing lease requires the PHA to give the tenant written notice stating any change in the amount of tenant rent, and when the change is effective [24 CFR 966.4(b)(1)(ii)].

When the PHA redetermines the amount of rent (Total Tenant Payment or Tenant Rent) payable by the tenant, not including determination of the PHA's schedule of Utility Allowances for families in the PHA's Public Housing Program, or determines that the tenant must transfer to another unit based on family composition, the PHA must notify the tenant that the tenant may ask for an explanation stating the specific grounds of the PHA determination, and that if the tenant does not agree with the determination, the tenant shall have the right to request a hearing under the PHA's grievance procedure [24 CFR 966.4(c)(4)].

#### **9-IV.D. DISCREPANCIES**

During an annual or interim reexamination, the PHA may discover that information previously reported by the family was in error, or that the family intentionally misrepresented information. In addition, the PHA may discover errors made by the PHA. When errors resulting in the overpayment or underpayment of rent are discovered, corrections will be made in accordance with the policies in Chapter 15.

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## Chapter 10

### PETS

[24 CFR 5, Subpart C; 24 CFR 960, Subpart G]

#### INTRODUCTION

This chapter explains the PHA's policies on the keeping of pets and describes any criteria or standards pertaining to the policies. The rules adopted are reasonably related to the legitimate interest of the PHA to provide a decent, safe and sanitary living environment for all tenants, and to protect and preserve the physical condition of the property, as well as the financial interest of the PHA.

The chapter is organized as follows:

Part I: Service Animals and Assistance Animals. This part explains the difference between service animals, assistance animals and pets and contains policies related to the designation of a service animal or assistance animal as well as their care and handling.

Part II: Pet policies for all developments. This part includes pet policies that are common to both elderly/disabled developments and general occupancy developments.

Part III: Pet deposits and fees for elderly/disabled developments. This part contains policies for pet deposits and fees that are applicable to elderly/disabled developments.

Part IV: Pet deposits and fees for general occupancy developments. This part contains policies for pet deposits and fees that are applicable to general occupancy developments.

#### PART I: SERVICE ANIMALS AND ASSISTANCE ANIMALS

[Section 504; Fair Housing Act (42 U.S.C.); 24 CFR 5.303; 24 CFR 960.705; Notice FHEO 2013-01]

#### 10-I.A. OVERVIEW

This part discusses situations under which permission for a service animal or an assistance animal may be denied, and also establishes standards for the care of service and assistance animals.

Notice FHEO 2013-01 was published April 25, 2013. The notice explains the difference between service animals and assistance animals. While the ADA applies to the premises of agencies and to "public accommodations" such as stores and movie theaters, it does not apply to private-market rental housing. Therefore, in public housing the PHA must evaluate a request for a service animal under both the ADA and the Fair Housing Act. Service animals are limited to trained dogs.

Neither service animals nor assistance animals are pets, and thus, are not subject to the PHA's pet policies described in Parts II through IV of this chapter [24 CFR 5.303; 960.705; Notice FHEO 2013-01].

#### 10-I.B. APPROVAL OF SERVICE ANIMALS AND ASSISTANCE ANIMALS

Notice FHEO 2013-01 states that the PHA should first evaluate the request as a service animal under the ADA. The PHA may only ask whether the dog is a service animal required due to a disability, and what tasks the animal has been trained to perform.

The PHA cannot require proof of training or certification for a service animal, even if the disability and/or tasks performed are not readily apparent. If the disability and/or tasks performed are not readily apparent, no further inquiries may be made.

PHAs may only deny a request for a service animal in limited circumstances:

- The animal is out of control and the handler does not take effective action to control it
- The animal is not housebroken, or
- The animal poses a direct threat to health or safety that cannot be eliminated or reduced by a reasonable modification of other policies

A service animal must be permitted in all areas of the facility where members of the public are allowed.

If the animal does not qualify as a service animal under the ADA, the PHA must next determine whether the animal would qualify as an assistance animal under the reasonable accommodation provisions of the Fair Housing Act. Such assistance animals may include animals other than dogs.

A person with a disability is not automatically entitled to have an assistance animal. Reasonable accommodation requires that there is a relationship between the person's disability and his or her need for the animal [PH Occ GB, p. 179].

A PHA may not refuse to allow a person with a disability to have an assistance animal merely because the animal does not have formal training. Some, but not all, animals that assist persons with disabilities are professionally trained. Other assistance animals are trained by the owners themselves and, in some cases, no special training is required. The question is whether or not the animal performs the assistance or provides the benefit needed by the person with the disability [PH Occ GB, p. 178].

A PHA's refusal to permit persons with a disability to use and live with an assistance animal that is needed to assist them, would violate Section 504 of the Rehabilitation Act and the Fair Housing Act unless [PH Occ GB, p. 179]:

- There is reliable objective evidence that the animal poses a direct threat to the health or safety of others that cannot be reduced or eliminated by a reasonable accommodation
- There is reliable objective evidence that the animal would cause substantial physical damage to the property of others

PHAs have the authority to regulate service animals and assistance animals under applicable federal, state, and local law [24 CFR 5.303(b)(3); 960.705(b)(3)].

#### HACB Policy

For an animal to be excluded from the pet policy and be considered a service animal, it must be a trained dog, and there must be a person with disabilities in the household who requires the dog's services.

For an animal to be excluded from the pet policy and be considered an assistance animal, there must be a person with disabilities in the household, and the family must request and

the HACB approve a reasonable accommodation in accordance with the policies contained in Chapter 2.

### **10-I.C. CARE AND HANDLING**

HUD regulations do not affect any authority a PHA may have to regulate service animals and assistance animals under federal, state, and local law [24 CFR 5.303; 24 CFR 960.705].

#### HACB Policy

Residents must care for service animals and assistance animals in a manner that complies with state and local laws, including anti-cruelty laws.

Residents must ensure that service animals and assistance animals do not pose a direct threat to the health or safety of others, or cause substantial physical damage to the development, dwelling unit, or property of other residents.

When a resident's care or handling of a service animal or assistance animal violates these policies, the HACB will consider whether the violation could be reduced or eliminated by a reasonable accommodation. If the HACB determines that no such accommodation can be made, the HACB may withdraw the approval of a particular service or assistance animal.

## **PART II: PET POLICIES FOR ALL DEVELOPMENTS**

[24 CFR 5, Subpart C; 24 CFR 960, Subpart G]

### **10-II.A. OVERVIEW**

The purpose of a pet policy is to establish clear guidelines for ownership of pets and to ensure that no applicant or resident is discriminated against regarding admission or continued occupancy because of ownership of pets. It also establishes reasonable rules governing the keeping of common household pets. This part contains pet policies that apply to all developments.

### **10-II.B. MANAGEMENT APPROVAL OF PETS**

#### **Registration of Pets**

PHAs may require registration of the pet with the PHA [24 CFR 960.707(b)(5)].

#### HACB Policy

Pets must be registered with the HACB before they are brought onto the premises.

Registration includes documentation signed by a licensed veterinarian or state/local authority that the pet has received all inoculations required by state or local law, and that the pet has no communicable disease(s) and is pest-free. This registration must be renewed annually and will be coordinated with the annual reexamination date.

Pets will not be approved to reside in a unit until completion of the registration requirements.

Execution of a Pet Agreement with the HACB stating that the tenant acknowledges complete responsibility for the care and cleaning of the pet will be required.

The owner must supply one clear 3 x 5 photo of the pet to be permanently placed in the owner's file for future reference.

Each pet owner must display a "Pet" sticker, provided by the HACB, which will be displayed on the front door or a front window of the unit at all times.

### **Refusal to Register Pets**

#### HACB Policy

The HACB will refuse to register a pet if:

The pet is not a *common household pet* as defined in Section 10-II.C below

Keeping the pet would violate any pet restrictions listed in this policy

The pet owner fails to provide complete pet registration information, or fails to update the registration annually

The applicant has previously been charged with animal cruelty under state or local law; or has been evicted, had to relinquish a pet or been prohibited from future pet ownership due to pet rule violations or a court order

The HACB reasonably determines that the pet owner is unable to keep the pet in compliance with the pet rules and other lease obligations. The pet's temperament and behavior may be considered as a factor in determining the pet owner's ability to comply with provisions of the lease.

If the HACB refuses to register a pet, a written notification will be sent to the pet owner within 14 calendar days of the HACB decision. The notice will state the reason for refusing to register the pet and will inform the family of their right to appeal the decision in accordance with the HACB grievance procedures.

### **Pet Agreement**

#### HACB Policy

Residents who have been approved to have a pet must enter into a pet agreement with the HACB, or the approval of the pet will be withdrawn.

The pet agreement is the resident's certification that he or she has received a copy of the HACB pet policy and applicable house rules, that he or she has read the policies and/or rules, understands them, and agrees to comply with them.

The resident further certifies by signing the pet agreement that he or she understands that noncompliance with the HACB pet policy and applicable house rules may result in the withdrawal of HACB approval of the pet or termination of tenancy.

### **10-II.C. STANDARDS FOR PETS [24 CFR 5.318; 960.707(b)]**

PHAs may establish reasonable requirements related to pet ownership including, but not limited to:

- Limitations on the number of animals in a unit, based on unit size
- Prohibitions on types of animals that the PHA classifies as dangerous, provided that such classifications are consistent with applicable state and local law



- Prohibitions on individual animals, based on certain factors, including the size and weight of the animal
- Requiring pet owners to have their pets spayed or neutered

PHAs may not require pet owners to have any pet’s vocal cords removed.

PHAs may not require pet owners to obtain or carry liability insurance.

PHAs may not require that cats be declawed.

**Definition of “Common Household Pet”**

There is no regulatory definition of common household pet for public housing programs, although the regulations for pet ownership in both elderly/disabled and general occupancy developments use the term. The regulations for pet ownership in elderly/disabled developments expressly authorize PHAs to define the term [24 CFR 5.306(2)].

HACB Policy

*Common household pet* means a domesticated animal, such as a dog, cat, bird, or fish that is traditionally recognized as a companion animal and is kept in the home for pleasure rather than commercial purposes.

The following animals are not considered common household pets:

- Reptiles (except turtles)
- Rodents (except rabbit, guinea pig, hamster or gerbil)
- Insects
- Arachnids
- Wild animals or feral animals
- Pot-bellied pigs
- Animals used for commercial breeding
- Ferrets or other animals whose natural protective mechanisms pose a risk to small children of serious bites or lacerations
- Chickens and roosters

**Pet Restrictions**

HACB Policy

The following animals are not permitted:

- Any animal whose adult weight will exceed 25 pounds
- Any animal not permitted under state or local law or code

**Number of Pets**

HACB Policy

Residents may own a maximum of 2 pets, only one of which may be a dog

In the case of fish, residents may keep no more than can be maintained in a safe and healthy manner in a tank holding up to 25 gallons. Such a tank or aquarium will be counted as 1 pet.

#### **Other Requirements**

##### HACB Policy

Dogs and cats must be spayed or neutered at the time of registration or, in the case of underage animals, within 30 days of the pet reaching 6 months of age. Exceptions may be made upon veterinary certification that subjecting this particular pet to the procedure would be temporarily or permanently medically unsafe or unnecessary.

Pets must be licensed in accordance with state or local law. Residents must provide proof of licensing at the time of registration and annually, in conjunction with the resident's annual reexamination.

#### **10-II.D. PET RULES**

Pet owners must maintain pets responsibly, in accordance with PHA policies, and in compliance with applicable state and local public health, animal control, and animal cruelty laws and regulations [24 CFR 5.315; 24 CFR 960.707(a)].

##### **Pet Area Restrictions**

##### HACB Policy

Pets must be maintained within the resident's unit. When outside of the unit (within the building or on the grounds) dogs and cats must be kept on a leash or carried. They must be under the control of the resident or other responsible individual at all times.

Pets other than dogs or cats must be kept in a cage or carrier when outside of the unit.

Pets are not permitted in common areas including lobbies, community rooms and laundry areas except for those common areas which are entrances to and exits from the building.

Pet owners are not permitted to exercise pets or permit pets to deposit waste on project premises outside of the areas designated for such purposes.

##### **Designated Pet/No-Pet Areas [24 CFR 5.318(g), PH Occ GB, p. 182]**

PHAs may designate buildings, floors of buildings, or sections of buildings as no-pet areas where pets generally may not be permitted. Pet rules may also designate buildings, floors of building, or sections of building for residency by pet-owning tenants.

PHAs may direct initial tenant moves as may be necessary to establish pet and no-pet areas. The PHA may not refuse to admit, or delay admission of, an applicant on the grounds that the applicant's admission would violate a pet or no-pet area. The PHA may adjust the pet and no-pet areas or may direct such additional moves as may be necessary to accommodate such applicants for tenancy or to meet the changing needs of the existing tenants.

PHAs may not designate an entire development as a no-pet area, since regulations permit residents to own pets.

### HACB Policy

With the exception of common areas as described in the previous policy, the HACB has not designated any buildings, floors of buildings, or sections of buildings as no-pet areas. In addition, the HACB has not designated any buildings, floors of buildings, or sections of buildings for residency of pet-owning tenants.

### **Cleanliness**

#### HACB Policy

The pet owner shall be responsible for the removal of waste from the exercise or any common area by placing it in a sealed plastic bag and disposed in an appropriate receptacle.

The pet owner shall take adequate precautions to eliminate any pet odors within or around the unit and to maintain the unit in a sanitary condition at all times.

Litter box requirements:

Pet owners must promptly dispose of waste from litter boxes and must maintain litter boxes in a sanitary manner.

Litter shall not be disposed of by being flushed through a toilet.

Litter boxes shall be kept inside the resident's dwelling unit.

### **Alterations to Unit**

#### HACB Policy

Pet owners shall not alter their unit, patio, premises or common areas to create an enclosure for any animal.

Installation of pet doors is prohibited.

### **Noise**

#### HACB Policy

Pet owners must agree to control the noise of pets so that such noise does not constitute a nuisance to other residents or interrupt their peaceful enjoyment of their housing unit or premises. This includes, but is not limited to loud or continuous barking, howling, whining, biting, scratching, chirping, or other such activities.

### **Pet Care**

#### HACB Policy

Each pet owner shall be responsible for adequate care, nutrition, exercise and medical attention for his/her pet.

Each pet owner shall be responsible for appropriately training and caring for his/her pet to ensure that the pet is not a nuisance or danger to other residents and does not damage HACB property.

No animals may be tethered or chained inside or outside the dwelling unit at any time.

### **Responsible Parties**

HACB Policy

The pet owner will be required to designate one responsible party for the care of the pet if the health or safety of the pet is threatened by the death or incapacity of the pet owner, or by other factors that render the pet owner unable to care for the pet.

A resident who cares for another resident's pet must notify the HACB and sign a statement that they agree to abide by all of the pet rules.

**Pets Temporarily on the Premises**

HACB Policy

Pets that are not owned by a tenant are not allowed on the premises. Residents are prohibited from feeding or harboring stray animals.

This rule does not apply to visiting pet programs sponsored by a humane society or other non-profit organizations, and approved by the HACB.

**Pet Rule Violations**

HACB Policy

All complaints of cruelty and all dog bites will be referred to animal control or an applicable agency for investigation and enforcement.

If a determination is made on objective facts supported by written statements, that a resident/pet owner has violated the pet rules, written notice will be served.

The notice will contain a brief statement of the factual basis for the determination and the pet rule(s) that were violated. The notice will also state:

That the pet owner has 14 calendar days from the effective date of the service of notice to correct the violation or make written request for a meeting to discuss the violation

That the pet owner is entitled to be accompanied by another person of his or her choice at the meeting

That the pet owner's failure to correct the violation, request a meeting, or appear at a requested meeting may result in initiation of procedures to remove the pet, or to terminate the pet owner's tenancy

**Notice for Pet Removal**

HACB Policy

If the pet owner and the HACB are unable to resolve the violation at the meeting or the pet owner fails to correct the violation in the time period allotted by the HACB, the HACB may serve notice to remove the pet.

The notice will contain:

A brief statement of the factual basis for the HACB's determination of the pet rule that has been violated

The requirement that the resident/pet owner must remove the pet within 30 calendar days of the notice

A statement that failure to remove the pet may result in the initiation of termination of tenancy procedures

### **Pet Removal**

#### HACB Policy

If the death or incapacity of the pet owner threatens the health or safety of the pet, or other factors occur that render the owner unable to care for the pet, the situation will be reported to the responsible party designated by the pet owner.

If the responsible party is unwilling or unable to care for the pet, or if the HACB after reasonable efforts cannot contact the responsible party, the HACB may contact the appropriate state or local agency and request the removal of the pet.

### **Termination of Tenancy**

#### HACB Policy

The HACB may initiate procedures for termination of tenancy based on a pet rule violation if:

The pet owner has failed to remove the pet or correct a pet rule violation within the time period specified

The pet rule violation is sufficient to begin procedures to terminate tenancy under terms of the lease

### **Emergencies**

#### HACB Policy

The HACB will take all necessary steps to ensure that pets that become vicious, display symptoms of severe illness, or demonstrate behavior that constitutes an immediate threat to the health or safety of others, are immediately removed from the premises by referring the situation to the appropriate state or local entity authorized to remove such animals.

If it is necessary for the HACB to place the pet in a shelter facility, the cost will be the responsibility of the pet owner.

If the pet is removed as a result of any aggressive act on the part of the pet, the pet will not be allowed back on the premises.

## **PART III: PET DEPOSITS AND FEES IN ELDERLY/DISABLED DEVELOPMENTS**

### **10-III.A. OVERVIEW**

This part describes the PHA's policies for pet deposits and fees in elderly, disabled and mixed population developments. Policies governing deposits and fees in general occupancy developments are described in Part IV.

### **10-III.B. PET DEPOSITS**

#### **Payment of Deposit**

The PHA may require tenants who own or keep pets in their units to pay a refundable pet deposit. This deposit is in addition to any other financial obligation generally imposed on tenants of the project [24 CFR 5.318(d)(1)].

The maximum amount of pet deposit that may be charged by a PHA on a per dwelling unit basis, is the higher of the total tenant payment (TTP) or such reasonable fixed amount as the PHA may require. The PHA may permit gradual accumulation of the pet deposit by the pet owner [24 CFR 5.318(d)(3)].

The pet deposit is not part of the rent payable by the resident [24 CFR 5.318(d)(5)].

#### HACB Policy

Pet owners are required to pay a pet deposit in addition to any other required deposits. The amount of the deposit for dogs and cats is \$150 for cinder block units and \$200 for all other housing units. HACB may permit the pet deposit to be paid in three equal installments.

#### **Refund of Deposit [24 CFR 5.318(d)(1)]**

The PHA may use the pet deposit only to pay reasonable expenses directly attributable to the presence of the pet, including (but not limited to) the costs of repairs and replacements to, and fumigation of, the tenant's dwelling unit. The PHA must refund the unused portion of the pet deposit to the tenant within a reasonable time after the tenant moves from the project or no longer owns or keeps a pet in the unit.

#### HACB Policy

The HACB will refund the pet deposit to the resident, less the costs of any damages caused by the pet to the dwelling unit, within 21 days of move-out or removal of the pet from the unit.

The resident will be billed for any amount that exceeds the pet deposit.

The HACB will provide the resident with a written list of any charges against the pet deposit within 21 calendar days of the move-out inspection. If the resident disagrees with the amount charged to the pet deposit, the HACB will provide a meeting to discuss the charges.

### **10-III.C. OTHER CHARGES**

#### **Pet-Related Damages During Occupancy**

#### HACB Policy

All reasonable expenses incurred by the HACB as a result of damages directly attributable to the presence of the pet in the project will be the responsibility of the resident, including:

The cost of repairs and replacements to the resident's dwelling unit

Fumigation of the dwelling unit

Repairs to common areas of the project

The expense of flea elimination shall also be the responsibility of the resident.

If the resident is in occupancy when such costs occur, the resident shall be billed for such costs in accordance with the policies in Section 8-I.G, Maintenance and Damage Charges. Pet deposits will not be applied to the costs of pet-related damages during occupancy.

Charges for pet-related damage are not part of rent payable by the resident.

#### **Pet Waste Removal Charge**

The regulations do not address the PHA's ability to impose charges for house pet rule violations. However, charges for violation of PHA pet rules may be treated like charges for other violations of the lease and PHA tenancy rules.

##### HACB Policy

A separate pet waste removal charge of \$25 per occurrence will be assessed against pet owners who fail to remove pet waste in accordance with this policy.

Notices of pet waste removal charges will be in accordance with requirements regarding notices of adverse action. Charges are due and payable within 30 calendar days after billing. If the family requests a grievance hearing within the required timeframe, the HACB may not take action for nonpayment of the charge until the conclusion of the grievance process.

Charges for pet waste removal are not part of rent payable by the resident.

### **PART IV: PET DEPOSITS AND FEES IN GENERAL OCCUPANCY DEVELOPMENTS**

#### **10-IV.A. OVERVIEW**

This part describes the PHA's policies for pet deposits and fees for those who reside in general occupancy developments.

#### **10-IV.B. PET DEPOSITS**

A PHA may require a refundable pet deposit to cover additional costs attributable to the pet and not otherwise covered [24 CFR 960.707(b)(1)].

A PHA that requires a resident to pay a pet deposit must place the deposit in an account of the type required under applicable State or local law for pet deposits, or if there are no such requirements, for rental security deposits, if applicable. The PHA must comply with such laws as to retention of the deposit, interest, and return of the deposit to the resident, and any other applicable requirements [24 CFR 960.707(d)].

#### **Payment of Deposit**

HACB Policy

Pet owners are required to pay a pet deposit for cats and dogs of \$150 for cinder block units, and \$200 for all other units, in addition to any other required deposits. HACB may permit pet deposits to be paid in three equal installments.

The pet deposit is not part of rent payable by the resident.

**Refund of Deposit**

HACB Policy

The HACB will refund the pet deposit to the resident, less the costs of any damages caused by the pet to the dwelling unit, within 21 calendar days of move-out or removal of the pet from the unit.

The resident will be billed for any amount that exceeds the pet deposit.

The HACB will provide the resident with a written list of any charges against the pet deposit within 21 calendar days of the move-out inspection. If the resident disagrees with the amount charged to the pet deposit, the HACB will provide a meeting to discuss the charges.

**10-IV.C. NON-REFUNDABLE NOMINAL PET FEE**

PHAs may require payment of a non-refundable nominal pet fee to cover the reasonable operating costs to the development relating to the presence of pets [24 CFR 960.707(b)(1)].

HACB Policy

The HACB does not require pet owners to pay a non-refundable nominal pet fee.

**10-IV.D. OTHER CHARGES**

**Pet-Related Damages During Occupancy**

HACB Policy

All reasonable expenses incurred by the HACB as a result of damages directly attributable to the presence of the pet in the project will be the responsibility of the resident, including:

- The cost of repairs and replacements to the resident's dwelling unit
- Fumigation of the dwelling unit
- Repairs to common areas of the project

The expense of flea elimination shall also be the responsibility of the resident.

If the resident is in occupancy when such costs occur, the resident shall be billed for such costs in accordance with the policies in Section 8-I.G, Maintenance and Damage Charges. Pet deposits will not be applied to the costs of pet-related damages during occupancy.

Charges for pet-related damage are not part of rent payable by the resident.

**Pet Waste Removal Charge**



The regulations do not address the PHA's ability to impose charges for house pet rule violations. However, charges for violation of PHA pet rules may be treated like charges for other violations of the lease and PHA tenancy rules.

HACB Policy

A separate pet waste removal charge of \$25 per occurrence will be assessed against pet owners who fail to remove pet waste in accordance with this policy.

Such charges will be due and payable 30 calendar days after billing.

Charges for pet waste removal are not part of rent payable by the resident.

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## Chapter 11 COMMUNITY SERVICE

### INTRODUCTION

This chapter explains HUD regulations requiring PHAs to implement a community service program for all nonexempt adults living in public housing.

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

Part I: Community Service Requirements. This part describes who is subject to the community service requirement, who is exempt, and HUD's definition of economic self-sufficiency.

Part II: PHA Implementation of Community Service. This part provides PHA Policy regarding PHA implementation and program design.

### PART I: COMMUNITY SERVICE REQUIREMENT

#### 11-I.A. OVERVIEW

HUD regulations pertaining to the community service requirement are contained in 24 CFR 960 Subpart F (960.600 through 960.609). PHAs and residents must comply with the community service requirement, effective with PHA fiscal years that commenced on or after October 1, 2000. Per 903.7(1)(1)(iii), the PHA Plan must contain a statement of how the PHA will comply with the community service requirement, including any cooperative agreement that the PHA has entered into or plans to enter into.

Community service is the performance of voluntary work or duties that are a public benefit, and that serve to improve the quality of life, enhance resident self-sufficiency, or increase resident self-responsibility in the community. Community service is not employment and may not include political activities [24 CFR 960.601(b)].

In administering community service requirements, the PHA must comply with all nondiscrimination and equal opportunity requirements [24 CFR 960.605(c)(5)].

#### 11-I.B. REQUIREMENTS

Each adult resident of the PHA, who is not exempt, must [24 CFR 960.603(a)]:

- Contribute 8 hours per month of community service; or
- Participate in an economic self-sufficiency program (as defined in the regulations) for 8 hours per month; or
- Perform 8 hours per month of combined activities (community service and economic self-sufficiency programs).
- The required community service or self-sufficiency activity may be completed 8 hours each month or may be aggregated across a year. Any blocking of hours is acceptable as long as 96 hours is completed by each annual certification of compliance [Notice PIH 2015-12].

#### Definitions

##### ***Exempt Individual [24 CFR 960.601(b), Notice PIH 2015-12]***

An *exempt individual* is an adult who:

- Is age 62 years or older
- Is blind or disabled (as defined under section 216[i][1] or 1614 of the Social Security Act), and who certifies that because of this disability s/he is unable to comply with the service provisions
- Is a primary caretaker of such an individual
- Is engaged in work activities

HACB Policy

The HACB will consider twenty (20) hours per week as the minimum number of hours needed to qualify for a work activity exemption.

- Is able to meet requirements of being exempted under a state program funded under part A of title IV of the Social Security Act, or under any other welfare program of the state in which the HACB is located, including a state-administered welfare-to-work program.
- This exemption applies to anyone whose characteristics or family situation meet the welfare agency exemption criteria and can be verified.
- Is a member of a family receiving assistance, benefits, or services under a state program funded under part A of title IV of the Social Security Act, or under any other welfare program of the state in which the HACB is located, including a state-administered welfare-to-work program and the supplemental nutrition assistance program (SNAP) or Cal Fresh, and has not been found by the state or other administering entity to be in noncompliance with such program.

***Community Service [24 CFR 960.601(b), Notice PIH 2015-12]***

*Community service* is the performance of voluntary work or duties that are a public benefit, and that serve to improve the quality of life, enhance resident self-sufficiency, or increase resident self-responsibility in the community. Community service is not employment and may not include political activities.

Eligible community service activities include, but are not limited to, work at:

- Local public or nonprofit institutions such as schools, head start programs, before or after school programs, child care centers, hospitals, clinics, hospices, nursing homes, recreation centers, senior centers, adult day care programs, homeless shelters, feeding programs, food banks (distributing either donated or commodity foods), or clothes closets (distributing donated clothing)
- Nonprofit organizations serving PHA residents or their children such as: Boy or Girl Scouts, Boys or Girls Club, 4-H clubs, Police Assistance League (PAL), organized children’s recreation, mentoring or education programs, Big Brothers or Big Sisters, garden centers, community clean-up programs, beautification programs
- Programs funded under the Older Americans Act, such as Green Thumb, Service Corps of Retired Executives, senior meals programs, senior centers, Meals on Wheels
- Public or nonprofit organizations dedicated to seniors, youth, children, residents, citizens, special-needs populations or with missions to enhance the environment, historic resources, cultural identities, neighborhoods, or performing arts
- PHA housing to improve grounds or provide gardens (so long as such work does not alter the PHA’s insurance coverage); or work through resident organizations to help other residents with problems, including serving on the Resident Advisory Board
- Care for the children of other residents so parent may volunteer

PHAs may form their own policy in regards to accepting community services at profit-motivated entities, acceptance of volunteer work performed at homes or offices of general private citizens, and court-ordered or probation-based work.

#### HACB Policy

Community services at profit-motivated entities, volunteer work performed at homes or offices of general private citizens, and court-ordered or probation-based work as will not be considered eligible community service activities.

#### ***Economic Self-Sufficiency Program [24 CFR 5.603(b), Notice PIH 2015-12]***

For purposes of satisfying the community service requirement, an *economic self-sufficiency program* is defined by HUD as any program designed to encourage, assist, train, or facilitate economic independence of assisted families or to provide work for such families.

Eligible self-sufficiency activities include, but are not limited to:

- Job readiness or job training
- Training programs through local one-stop career centers, workforce investment boards (local entities administered through the U.S. Department of Labor), or other training providers
- Employment counseling, work placement, or basic skills training
- Education, including higher education (junior college or college), GED classes, or reading, financial, or computer literacy classes
- Apprenticeships (formal or informal)
- English proficiency or English as a second language classes
- Budgeting and credit counseling
- Any other program necessary to ready a participant to work (such as substance abuse or mental health counseling)

#### ***Work Activities [42 U.S.C. 607(d)]***

As it relates to an exemption from the community service requirement, *work activities* means:

- Unsubsidized employment
- Subsidized private sector employment
- Subsidized public sector employment
- Work experience (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector employment is not available
- On-the-job training
- Job search and job readiness assistance
- Community service programs
- Vocational educational training (not to exceed 12 months with respect to any individual)
- Job skills training directly related to employment
- Education directly related to employment, in the case of a recipient who has not received a high school diploma or a certificate of high school equivalency
- Satisfactory attendance at secondary school or in a course of study leading to a certificate of general equivalence, in the case of a recipient who has not completed secondary school or received such a certificate

#### **Notification Requirements [24 CFR 960.605(c)(2), Notice PIH 2015-12; Notice PIH 2016-06]**

The PHA must give each family a written description of the community service requirement, the process for claiming status as an exempt person, and the process for PHA verification of exempt status. The PHA must also notify the family of its determination identifying the family members who are subject to the service requirement, and the family members who are exempt. In addition, the family must sign a certification, such as Attachment A of Notice PIH 2015-12, that they have received and read the policy and understand that if they are not exempt, failure to comply with the requirement will result in nonrenewal of their lease. The family must also sign a certification at annual reexamination, such as Attachment B of Notice PIH 2015-12, certifying that they understand the requirement.

#### HACB Policy

The HACB will provide the family with a copy of the Community Service Policy found in Exhibit 11-1 of this chapter, at lease-up, lease renewal, when a family member is determined to be subject to the community service requirement during the lease term, and at any time upon the family's request. The policy will notify the family that self-certification forms are subject to review by the HACB.

On an annual basis, at the time of lease renewal, the HACB will notify the family in writing of the family members who are subject to the community service requirement and the family members who are exempt. If the family includes nonexempt individuals the notice will include a list of agencies in the community that provide volunteer and/or training opportunities, as well as a documentation form on which they may record the activities they perform and the number of hours contributed. The form will also have a place for a signature by an appropriate official, who will certify to the activities and hours completed.

### **11-I.C. DETERMINATION OF EXEMPTION STATUS AND COMPLIANCE [24 CFR 960.605(c)(3)]**

The PHA must review and verify family compliance with service requirements annually at least thirty days before the end of the twelve month lease term. The policy for documentation and verification of compliance with service requirements may be found at Section 11-I.D., Documentation and Verification.

#### HACB Policy

Where the lease term does not coincide with the effective date of the annual reexamination, the HACB will change the effective date of the annual reexamination to coincide with the lease term. In making this change, the HACB will ensure that the annual reexamination is conducted within 12 months of the last annual reexamination.

#### **Annual Determination**

##### ***Determination of Exemption Status***

An exempt individual is excused from the community service requirement [24 CFR 960.603(a)].

#### HACB Policy

At least 60 days prior to lease renewal, the HACB will review and verify the exemption status of all adult family members. This verification will only be done on an annual basis

unless the family reports a change or the HACB has reason to believe that an individual's exemption status has changed. For individuals who are exempt because they are 62 years of age and older, verification of exemption status will be done only at the initial examination.

Upon completion of the verification process, the HACB will notify the family of its determination in accordance with the policy in Section 11-I.B., Notification Requirements.

### ***Determination of Compliance***

The PHA must review resident family compliance with service requirements annually at least 30 days before the end of the twelve month lease term [24 CFR 960.605(c)(3)]. As part of this review, the PHA must verify that any family member that is not exempt from the community service requirement has met his or her service obligation.

#### HACB Policy

Approximately 120 days prior to the end of the lease term, the HACB will provide written notice requiring the family to submit documentation that all subject family members have complied with the service requirement. The family will have 14 calendar days to submit the HACB required documentation form(s).

If the family fails to submit the required documentation within the required timeframe, or HACB approved extension, the subject family members will be considered noncompliant with community service requirements, and notices of noncompliance will be issued pursuant to the policies in Section 11-I.E., Noncompliance.

### **Change in Status between Annual Determinations**

#### HACB Policy

##### Exempt to Nonexempt Status

If an exempt individual becomes nonexempt during the twelve month lease term, it is the family's responsibility to report this change to the HACB within 14 calendar days.

Within 14 calendar days of a family reporting such a change, or the HACB determining such a change is necessary, the HACB will provide written notice of the effective date of the requirement, a list of agencies in the community that provide volunteer and/or training opportunities, as well as a documentation form on which the family member may record the activities performed and number of hours contributed.

The effective date of the community service requirement will be the first of the month following 30 day notice.

#### *Determination of Initial Compliance*

When an adult family member becomes subject to community service, he or she must perform 8 hours of community service for the months he or she is subject to the requirement before the end of the lease term (anniversary date).

**Example 1:** Alberto Jones turns 18 on 5/10/15 and is not exempt from the community service requirement. His community service requirement begins on 6/1/15, and his initial compliance is reviewed before the end of the lease term (anniversary date), which is 11/30/15.

- Mr. Jones must perform 6 months of community service in his initial compliance period, before the end of the lease term (anniversary date).

**Example 2:** Lisa Dewhurst leaves her job on 9/20/14 and is not exempt from the community service requirement. Her community service requirement begins on 10/1/14, and her initial compliance is reviewed before the end of the lease term (anniversary date), which is 6/30/15.

- Ms. Dewhurst must perform 9 months of community service in her initial compliance period, before the end of the lease term (anniversary date).

#### Nonexempt to Exempt Status

If a nonexempt person becomes exempt during the twelve month lease term, it is the family's responsibility to report this change to the HACB within 14 calendar days. Any claim of exemption will be verified by the HACB in accordance with the policy at 11-I.D., Documentation and Verification of Exemption Status.

Within 14 calendar days of a family reporting such a change, or the HACB determining such a change is necessary, the HACB will provide the family written notice that the family member is no longer subject to the community service requirement, if the HACB is able to verify the exemption.

The exemption will be effective immediately.

#### **11-I.D. DOCUMENTATION AND VERIFICATION [24 CFR 960.605(c)(4), 960.607; Notice PIH 2016-08]**

The PHA must retain reasonable documentation of service requirement performance or exemption in participant files.

#### **Documentation and Verification of Exemption Status**

##### HACB Policy

All family members who claim they are exempt from the community service requirement will be required to sign the community service exemption certification form found in Exhibit 11-3. The HACB will provide a completed copy to the family and will keep a copy in the tenant file.

The HACB will verify that an individual is exempt from the community service requirement by following the verification hierarchy and documentation requirements in Chapter 7.

The HACB makes the final determination whether or not to grant an exemption from the community service requirement. If a resident does not agree with the HACB determination, s/he can dispute the decision through the HACB grievance procedures (see Chapter 14).

#### **Documentation and Verification of Compliance**



At each regularly scheduled reexamination, each nonexempt family member presents a signed standardized certification form developed by the PHA of community service and self-sufficiency activities performed over the last 12 months [Notice PIH 2015-12].

If qualifying community service activities are administered by an organization other than the PHA, a family member who is required to fulfill a service requirement must provide documentation required by the PHA. The PHA may require a self-certification or certification from a third-party [24 CFR 960.607].

If the PHA accepts self-certification of compliance with community service requirement, it must provide a form which includes a statement that the client performed the required hours, contact information for the community service provider, a description of activities performed, and dates of service.

If the PHA accepts self-certification, it must validate a sample of certifications through third-party documentation. The PHA must notify families that self-certification forms are available and that a sample of self-certification will be validated.

HUD strongly encourages PHAs to investigate community service compliance when there are questions of accuracy.

#### HACB Policy

Each individual who is subject to the community service requirement will be required to record their community service or self-sufficiency activities and the number of hours contributed on the required form. The certification form will also include places for signatures and phone numbers of supervisors, instructors, and counselors certifying to the number of hours contributed.

Families will be required to submit the documentation to the HACB, upon request by the HACB, at least annually.

If the HACB has reasonable cause to believe that the certification provided by the family is false or fraudulent, the HACB has the right to require additional third-party verification.

#### **Administering the Self-Certification Flexibility when Verifying Community Service and Self-Sufficiency Requirement (CSSR) Compliance [PIH 2016-06]**

Residents eligible to complete the CSSR must sign an acknowledgement of their obligation to complete the CSSR annually. However, a PHA that elects to permit resident self-certifications must notify the resident of the resident's ability to submit a self-certification. Examples of such notifications are provided in Exhibit 11-4 and 11-5.

#### HACB Policy

The HACB elects to accept resident self-certifications; policy change to be effective October 1, 2016.

As required in Section 11 of Notice PIH 2015-12, in order to determine compliance with CSSR, at each regularly scheduled rent re-examination, each non-exempt family member presents a signed certification on a form provided by the PHA of CSSR activities performed over the previous

twelve (12) months. Each PHA develops a standardized form with places for signature confirmation by supervisors, instructors, or counselors certifying the number of hours contributed. If a PHA elects to permit self-certifications, this PHA-developed form must include the following information:

- A statement that the resident has completed the number of hours listed and this statement is subject to penalties of perjury;
- The number of hours and type of activity (community service or self-sufficiency) that the resident completed;
- The name of the organization or person for which the activity was completed;
- The address of the organization or person; and
- A contact person in the organization or the person for which the activity was complete.

If a resident completes their CSSR obligation for more than one organization or person during the course of a year, the resident must complete one self-certification for each organization or person for which the resident performed the CSSR activity.

A PHA that chooses to accept resident self-certifications of compliance with CSSR must update its CSSR policies prior to accepting resident self-certification. Further, a PHA that elects to accept self-certifications only may do so prospectively after making necessary policy changes. For residents under lease at the time the PHA amends its policies, the PHA must review annual compliance and obtain third party verification for that lease cycle. However, for any subsequent lease cycles beginning after the PHA has adopted the policy change, the PHA may accept resident self-certifications for those periods. A PHA may not accept resident self-certifications for tenants subject to a work-out agreement until the resident has completed, and the PHA has verified through a third party, that the resident has completed the required hours.

As required by amended 24 CFR Part 960.605, a PHA that elects to accept self-certifications must validate a sample of self-certifications with the third-party from whom the resident completed the community service or self-sufficiency activity. The sample of self-sufficiency certifications the PHA validates must be statistically valid, random sample.

The universe of self-certifications should only include residents that submitted a self-certification, and should not include:

- Residents that are under the age of 18 years or 62 years or older;
- Residents that are exempt;
- Residents for which a PHA receives third party verification of completing with CSSR; and
- Residents that did not complete the required CSSR.

Because the number of residents subject to the CSSR is constantly in fluctuation due to unit turnover, resident employment, etc., a PHA must choose a point in time annually to calculate the universe of self-certifications received during the previous 12 months. However, PHAs do not need to wait until the end of the 12-month period to begin validating self-certifications. For example, a PHA that can reasonably determine the expected number of self-certifications to be received throughout the 12-month period may validate the appropriate sample of self-certifications during the 12-month period rather than waiting until the end of that time period, subject to any necessary reconciliations once the final universe and sample size is determined.

To validate a self-certification, the PHA must obtain third-party documentation that includes, at a minimum, the name of the organization or person, the number of hours completed by the resident, a signature from the appropriate staff person within the third-party organization or person and that staff person's contact information. Consistent with the written third-party verification techniques outlined in Notice PIH 2010-19, a PHA may accept third-party generated documentation directly from the third-party or from the resident.

In the event a PHA determines a resident has submitted a fraudulent self-certification, the PHA must provide a notice of noncompliance to the resident pursuant to 24 CFR 960.607. If the resident agrees to sign a written work-out agreement, the PHA must obtain written third-party documentation of the resident's compliance with the requirements of the workout agreement. Should the resident refuse to enter into a work-out agreement pursuant to the notice of noncompliance, the PHA must take steps to terminate the tenancy of the resident. The family may use the PHA grievance procedure to dispute the lease termination.

A PHA that elects to accept self-certifications must retain the self-certification, any third party validation, and any information related to fraudulent self-certifications in the resident's file for a least at least two years from the date the documents received by the PHA for possible HUD review.

## **11-I.E. NONCOMPLIANCE**

### **Noncompliant Residents**

The lease specifies that it is renewed automatically for all purposes, unless the family fails to comply with the community service requirement. Violation of the service requirement is grounds for nonrenewal of the lease at the end of the twelve month lease term, but not for termination of tenancy during the course of the twelve month lease term [24 CFR 960.603(b)].

PHAs may not evict a family due to CSSR noncompliance. However, if PHA finds a tenant is noncompliant with CSSR, the PHA must provide written notification to the tenant of noncompliance which must include:

- A brief description of the finding of non-compliance with CSSR.
- A statement that the PHA will not renew the lease at the end of the current 12-month lease term unless the tenant enters into a written work-out agreement with the PHA or the family provides written assurance that is satisfactory to the PHA explaining that the tenant or other noncompliant resident no longer resides in the unit. Such written work-out agreement must include the means through which a noncompliant family member will comply with the CSSR requirement [24 CFR 960.607(c), Notice PIH 2015-12].

The notice must also state that the tenant may request a grievance hearing on the PHA determination, in accordance with the PHA grievance procedures, and that the tenant may exercise any available judicial remedy to seek timely redress for the PHA non-renewal of the lease because of the PHA determination.

#### HACB Policy

The notice of initial noncompliance will be provided to the family at their annual reexamination appointment.

The family will have 14 calendar days from the date of the notice of noncompliance to enter into a written work-out agreement to cure the noncompliance over the 12 month term

of the new lease, provide documentation that the noncompliant resident no longer resides in the unit, or to request a grievance hearing.

If the family reports that a noncompliant family member is no longer residing in the unit, the family must provide documentation that the family member has actually vacated the unit before the HACB will agree to continued occupancy of the family. Documentation must consist of a certification signed by the head of household as well as evidence of the current address of the family member that previously resided with them, if known.

If the family does not request a grievance hearing, or does not take either corrective action required by the notice of noncompliance within the required 14 calendar days, the HACB will terminate tenancy in accordance with the policies in Section 13-IV.D.

#### **Continued Noncompliance and Enforcement Documentation [24 CFR 960.607(b)]**

Should a family member refuse to sign a written work-out agreement, or fail to comply with the terms of the work-out agreement, PHAs are required to initiate termination of tenancy proceedings at the end of the current 12-month lease (see 24 CFR 966.53(c)) for failure to comply with lease requirements. When initiating termination of tenancy proceedings, the PHA will provide the following procedural safeguards:

- Adequate notice to the tenant of the grounds for terminating the tenancy and for non-renewal of the lease;
- Right of the tenant to be represented by counsel;
- Opportunity for the tenant to refute the evidence presented by the PHA, including the right to confront and cross-examine witnesses and present any affirmative legal or equitable defense which the tenant may have; and
- A decision on the merits.

#### HACB Policy

Notices of continued noncompliance will be sent at least 60 days prior to the end of the lease term and will also serve as the family's termination notice. The notice will meet the requirements for termination notices described in Section 13-IV.D, Form, Delivery, and Content of the Notice.

The family will have 14 calendar days from the date of the notice of non-compliance to provide documentation that the noncompliant resident no longer resides in the unit, or to request a grievance hearing.

If the family reports that a noncompliant family member is no longer residing in the unit, the family must provide documentation that the family member has actually vacated the unit before the HACB will agree to continued occupancy of the family. Documentation must consist of a certification signed by the head of household as well as evidence of the current address of the noncompliant family member that previously resided with them.

If the family does not request a grievance hearing, or provide such documentation within the required 14 calendar days, the family's lease and tenancy will automatically terminate at the end of the current lease term without further notice.

## **PART II: IMPLEMENTATION OF COMMUNITY SERVICE**

## 11-II.A. OVERVIEW

Each PHA must develop a policy for administration of the community service and economic self-sufficiency requirements for public housing. It is in the PHA best interests to develop a viable, effective community service program, to provide residents the opportunity to engage in the community and to develop competencies.

### PHA Implementation of Community Service

The PHA may not substitute any community service or self-sufficiency activities performed by residents for work ordinarily performed by PHA employees, or replace a job at any location where residents perform activities to satisfy the service requirement [24 CFR 960.609].

#### HACB Policy

The HACB will notify its insurance company if residents will be performing community service at the HACB. In addition, the HACB will ensure that the conditions under which the work is to be performed are not hazardous.

If a disabled resident certifies that s/he is able to perform community service, the HACB will ensure that requests for reasonable accommodation are handled in accordance with the policies in Chapter 2.

### PHA Program Design

The PHA may administer qualifying community service or economic self-sufficiency activities directly, or may make community service activities available through a contractor, or through partnerships with qualified organizations, including resident organizations, and community agencies or institutions [24 CFR 960.605(b)].

#### HACB Policy

The HACB will attempt to provide the broadest choice possible to residents as they choose community service activities.

The HACB goal is to design a service program that gives residents viable opportunities to become involved in the community and to gain competencies and skills. The HACB will work with resident organizations and community organizations to design, implement, assess and recalibrate its community service program.

The HACB will make every effort to identify volunteer opportunities throughout the community, especially those in proximity to public housing developments. To the greatest extent possible, the HACB will provide names and contacts at agencies that can provide opportunities for residents, including persons with disabilities, to fulfill their community service obligations.

Any written agreements or partnerships with contractors and/or qualified organizations, including resident organizations, are described in the HACB Plan.

The HACB will provide in-house opportunities for volunteer work or self-sufficiency programs when possible.

When the HACB has a ROSS program, a ROSS Service Coordinator, or an FSS program, the HACB will coordinate individual training and service plans (ITSPs) with the community service requirement. Regular meetings with HACB coordinators will satisfy

community service activities and HACB coordinators will verify community service hours within individual monthly logs.

## EXHIBIT 11-1: COMMUNITY SERVICE AND SELF-SUFFICIENCY POLICY

### A. Background

The Quality Housing and Work Responsibility Act of 1998 requires that all nonexempt (see definitions) public housing adult residents (18 or older) contribute eight (8) hours per month of community service (volunteer work) or participate in eight (8) hours of training, counseling, classes or other activities that help an individual toward self-sufficiency and economic independence. This is a requirement of the public housing lease.

### B. Definitions

**Community Service** – community service activities include, but are not limited to, work at:

- Local public or nonprofit institutions such as schools, head start programs, before or after school programs, child care centers, hospitals, clinics, hospices, nursing homes, recreation centers, senior centers, adult day care programs, homeless shelters, feeding programs, food banks (distributing either donated or commodity foods), or clothes closets (distributing donated clothing)
- Nonprofit organizations serving PHA residents or their children such as: Boy or Girl Scouts, Boys or Girls Club, 4-H clubs, Police Assistance League (PAL), organized children's recreation, mentoring or education programs, Big Brothers or Big Sisters, garden centers, community clean-up programs, beautification programs
- Programs funded under the Older Americans Act, such as Green Thumb, Service Corps of Retired Executives, senior meals programs, senior centers, Meals on Wheels
- Public or nonprofit organizations dedicated to seniors, youth, children, residents, citizens, special-needs populations or with missions to enhance the environment, historic resources, cultural identities, neighborhoods, or performing arts
- PHA housing to improve grounds or provide gardens (so long as such work does not alter the PHA's insurance coverage); or work through resident organizations to help other residents with problems, including serving on the Resident Advisory Board
- Care for the children of other residents so parent may volunteer

**Note:** Political activity is excluded.

**Self-Sufficiency Activities** – self-sufficiency activities include, but are not limited to:

- Job readiness or job training
- Training programs through local one-stop career centers, workforce investment boards (local entities administered through the U.S. Department of Labor), or other training providers
- Employment counseling, work placement, or basic skills training
- Education, including higher education (junior college or college), GED classes, or reading, financial, or computer literacy classes
- Apprenticeships (formal or informal)
- English proficiency or English as a second language classes
- Budgeting and credit counseling
- Any other program necessary to ready a participant to work (such as substance abuse or mental health counseling)

**Exempt Adult** – an adult member of the family who meets any of the following criteria:

- Is 62 years of age or older
- Is blind or a person with disabilities (as defined under section 216[i][1] or 1614 of the Social

Security Act), and who certifies that because of this disability he or she is unable to comply with the service provisions, or is the primary caretaker of such an individuals

- Is engaged in *work activities*
- Is able to meet requirements under a state program funded under part A of title IV of the Social Security Act, or under any other welfare program of the state in which the PHA is located, including a state-administered welfare-to-work program; or
- Is a member of a family receiving assistance, benefits, or services under a state program funded under part A of title IV of the Social Security Act, or under any other welfare program of the state in which the PHA is located, including a state-administered welfare-to-work program and the supplemental nutrition assistance program (SNAP) or Cal-Fresh, and has not been found by the state or other administering entity to be in noncompliance with such program.

PHAs can use reasonable guidelines in clarifying the work activities in coordination with TANF, as appropriate.

**Work Activities** – as it relates to an exemption from the community service requirement, *work activities* means:

- Unsubsidized employment
- Subsidized private sector employment
- Subsidized public sector employment
- Work experience (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector employment is not available
- On-the-job training
- Job search and job readiness assistance
- Community service programs
- Vocational educational training (not to exceed 12 months with respect to any individual)
- Job skills training directly related to employment
- Education directly related to employment, in the case of a recipient who has not received a high school diploma or a certificate of high school equivalency
- Satisfactory attendance at secondary school or in a course of study leading to a certificate of general equivalence, in the case of a recipient who has not completed secondary school or received such a certificate
- Provision of child care services to an individual who is participating in a community service program

### C. Requirements of the Program

1. The eight (8) hours per month may be either volunteer work or self-sufficiency program activity, or a combination of the two.
2. At least eight (8) hours of activity must be performed each month, or may be aggregated across a year. Any blocking of hours is acceptable as long as 96 hours is completed by each annual certification of compliance.
3. Family obligation:
  - At lease execution, all adult members (18 or older) of a public housing resident family must:
    - Sign a certification (Attachment A) that they have received and read this policy and understand that if they are not exempt, failure to comply with the community service requirement will result in a nonrenewal of their lease;



and

- Declare if they are exempt. If exempt, they must complete the Exemption Form (Exhibit 11-3) and provide documentation of the exemption.
  - Upon written notice from the PHA, nonexempt family members must present complete documentation of activities performed during the applicable lease term. This documentation will include places for signatures of supervisors, instructors, or counselors, certifying to the number of hours contributed.
  - If a family member is found to be noncompliant at the end of the 12-month lease term, he or she, and the head of household, will be required to sign an agreement with the housing authority to make up the deficient hours over the next twelve (12) month period, or the lease will be terminated.
4. Change in exempt status:
- If, during the twelve (12) month lease period, a nonexempt person becomes exempt, it is his or her responsibility to report this to the PHA and provide documentation of exempt status.
  - If, during the twelve (12) month lease period, an exempt person becomes nonexempt, it is his or her responsibility to report this to the PHA. Upon receipt of this information the PHA will provide the person with the appropriate documentation form(s) and a list of agencies in the community that provide volunteer and/or training opportunities.
  - At annual reexamination, the family must also sign a certification certifying that they understand the community service requirement.

#### **D. Authority Obligation**

1. To the greatest extent possible and practicable, the PHA will:
  - Provide names and contacts at agencies that can provide opportunities for residents, including residents with disabilities, to fulfill their community service obligations.
  - Provide in-house opportunities for volunteer work or self-sufficiency activities.
2. The PHA will provide the family with a copy of this policy, and all applicable exemption verification forms and community service documentation forms, at lease-up, lease renewal, when a family member becomes subject to the community service requirement during the lease term, and at any time upon the family's request.
3. Although exempt family members will be required to submit documentation to support their exemption, the PHA will verify the exemption status in accordance with its verification policies. The PHA will make the final determination as to whether or not a family member is exempt from the community service requirement. Residents may use the PHA's grievance procedure if they disagree with the PHA's determination.
4. Noncompliance of family member:
  - At least thirty (30) days prior to the end of the 12-month lease term, the PHA will begin reviewing the exempt or nonexempt status and compliance of family members;
  - If, at the end of the initial 12-month lease term under which a family member is subject to the community service requirement, the PHA finds the family member to be noncompliant, the PHA will not renew the lease unless:
    - The head of household and any other noncompliant resident enter into a written agreement with the PHA, to make up the deficient hours over the

next twelve (12) month period; or

- The family provides written documentation satisfactory to the PHA that the noncompliant family member no longer resides in the unit.
- If, at the end of the next 12-month lease term, the family member is still not compliant, a 30-day notice to terminate the lease will be issued and the entire family will have to vacate, unless the family provides written documentation satisfactory to the PHA that the noncompliant family member no longer resides in the unit;
- The family may use the PHA grievance procedure to dispute the lease termination.

All adult family members must sign and date below, certifying that they have read and received a copy of this Community Service and Self-Sufficiency Policy.

_____	_____
Resident	Date
_____	_____
Resident	Date
_____	_____
Resident	Date
_____	_____
Resident	Date

**EXHIBIT 11-2: DEFINITION OF A PERSON WITH A DISABILITY UNDER SOCIAL SECURITY ACTS 216(i)(1) and Section 1416(excerpt) FOR PURPOSES OF EXEMPTION FROM COMMUNITY SERVICE**

**Social Security Act:**

**216(i)(1):** Except for purposes of sections 202(d), 202(e), 202(f), 223, and 225, the term “disability” means (A) inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than 12 months, or (B) blindness; and the term “blindness” means central visual acuity of 20/200 or less in the better eye with the use of a correcting lens. An eye which is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees shall be considered for purposes of this paragraph as having a central visual acuity of 20/200 or less.

**Section 1416 (excerpt):**

SEC. 1614. [42 U.S.C. 1382c] (a)(1) For purposes of this title, the term “aged, blind, or disabled individual” means an individual who—

(A) is 65 years of age or older, is blind (as determined under paragraph (2)), or is disabled (as determined under paragraph (3)), and

(B)(i) is a resident of the United States, and is either (I) a citizen or (II) an alien lawfully admitted for permanent residence or otherwise permanently residing in the United States under color of law (including any alien who is lawfully present in the United States as a result of the application of the provisions of section 212(d)(5) of the Immigration and Nationality Act), or

(ii) is a child who is a citizen of the United States and, who is living with a parent of the child who is a member of the Armed Forces of the United States assigned to permanent duty ashore outside the United States.

(2) An individual shall be considered to be blind for purposes of this title if he has central visual acuity of 20/200 or less in the better eye with the use of a correcting lens. An eye which is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees shall be considered for purposes of the first sentence of this subsection as having a central visual acuity of 20/200 or less. An individual shall also be considered to be blind for purposes of this title if he is blind as defined under a State plan approved under title X or XVI as in effect for October 1972 and received aid under such plan (on the basis of blindness) for December 1973, so long as he is continuously blind as so defined.

(3)(A) Except as provided in subparagraph (C), an individual shall be considered to be disabled for purposes of this title if he is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve months.



**EXHIBIT 11-4: CSSR WORK-OUT AGREEMENT**

Date:

Noncompliant Adult:

Adult family member:

**Community Service & Self-Sufficiency Requirement (CSSR):**

Under Section 12 of the U.S. Housing Act, the Housing Authority of the County of Butte (HACB) is required to enforce the community service and self-sufficiency requirement (CSSR). Under the CSSR, each nonexempt adult family member residing in public housing must perform 8 hours per month of community service or self-sufficiency activities.

**Noncompliance:** HACB has found the nonexempt individual named above is in noncompliance with the CSSR. This work-out agreement is the HACB's written notification to you of this noncompliance.

Our records show that for the most recent lease term you were required to perform \_\_\_\_ hours of CSSR activities. Therefore, you are in noncompliance for \_\_\_\_ hours.

HACB will not renew the lease at the end of the current 12-month lease term unless the head of household and noncompliant adult sign a written work-out agreement with HACB or the family provides written assurance that is satisfactory to HACB explaining that the noncompliant adult no longer resides in the unit. The regulations require that the work-out agreement include the means through which a noncompliant family member will comply with the CSSR requirement [24 CFR 960.607(c), Notice PIH 2015-12]. The terms of the CSSR work-out agreement are on the reverse side of this page.

**Enforcement:** Should a family member refuse to sign this CSSR work-out agreement, or fail to comply with the terms of this CSSR work-out agreement, or fail to provide satisfactory written assurance that the noncompliant adult no longer resides in the unit, HACB is required to initial termination of tenancy proceedings at the end of the current 12-month lease [24 CFR 966.53(c)].

**Terms of CSSR Work-Out Agreement**

**Noncompliant Adult:**

**Please check one of the below boxes:**

- I [head of household or spouse/cohead] certify that the noncompliant adult named above no longer resides in the unit. [Verification attached.]

I, the noncompliant adult named above, agree to complete \_\_\_\_\_ hours in the upcoming 12-month lease term. The hours include the \_\_\_\_\_ hours not fulfilled in the most previous lease term, plus the 96 hours for the upcoming lease term.

Below is a description of the means through which I will comply with the CSSR requirement:

	Description of Activity	Number of Hours
1.		
2.		
3.		
4.		
5.		
	<b>Total Hours</b>	

**SIGNED AND ATTESTED THIS DATE**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
 Head of Household

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
 Noncompliant Adult, if other than Head of Household

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
 Housing Authority of the County of Butte Official

**EXHIBIT 11-5: COMMUNITY SERVICE AND SELF-SUFFICIENCY REQUIREMENT  
CERTIFICATION FOR NON-EXEMPT INDIVIDUALS**

**ANNUAL RENEWAL**

Date:

Participant Name:

I understand that as a resident of public housing, I am required by law to contribute 8 hours per month (96 hours over the course of every 12 month period) of community service or participate in an economic self-sufficiency program. I further understand that if I am not exempt, failure to comply with CSSR is grounds for lease nonrenewal. I understand that I may submit a self-certification of compliance with the CSSR, and that my self-certification of compliance may be subject to validation with the organization for which I completed the required hours. My signature below certifies I received notice of this requirement at the time of initial program participation.

Signature:

Date of Signature:

*This page is intentionally left blank.*



## Chapter 12

### TRANSFER POLICY

#### INTRODUCTION

This chapter explains the PHA transfer policy, based on HUD regulations, HUD guidance, and PHA policy decisions.

This chapter describes HUD regulations and PHA policies related to transfers in four parts:

Part I: Emergency Transfers. This part describes emergency transfers, emergency transfer procedures, and payment of transfer costs.

Part II: PHA Required Transfers. This part describes types of transfers that may be required by the PHA, notice requirements, and payment of transfer costs.

Part III: Transfers Requested by Residents. This part describes types of transfers that may be requested by residents, eligibility requirements, security deposits, payment of transfer costs, and handling of transfer requests.

Part IV: Transfer Processing. This part describes creating a waiting list, prioritizing transfer requests, the unit offer policy, examples of good cause, deconcentration, transferring to another development and reexamination.

The PHA may require the tenant to move from the unit under some circumstances. There are also emergency circumstances under which alternate accommodations for the tenant must be provided, that may or may not require a transfer.

The tenant may also request a transfer, such as a request for a new unit as a reasonable accommodation.

The PHA must have specific policies in place to deal with acceptable transfer requests.

#### PART I: EMERGENCY TRANSFERS

##### 12-I.A. OVERVIEW

HUD categorizes certain situations that require emergency transfers [PH Occ GB, p. 147]. The emergency transfer differs from a typical transfer in that it requires immediate action by the PHA.

In the case of a genuine emergency, it may be unlikely that the PHA will have the time or resources to immediately transfer a tenant. Due to the immediate need to vacate the unit, placing the tenant on a transfer waiting list would not be appropriate. Under such circumstances, if an appropriate unit is not immediately available, the PHA should find alternate accommodations for the tenant until the emergency passes, or a permanent solution, i.e., return to the unit or transfer to another unit, is possible.

##### 12-I.B. EMERGENCY TRANSFERS

If the dwelling unit is damaged to the extent that conditions are created which are hazardous to life, health, or safety of the occupants, the PHA must offer standard alternative accommodations, if available, where necessary repairs cannot be made within a reasonable time [24 CFR 966.4(h)].

The VAWA 2013 final rule requires the PHA to adopt an emergency transfer plan for victims of domestic violence, dating violence, sexual assault, or stalking.

#### HACB Policy

The following are considered emergency circumstances warranting an immediate transfer of the tenant or family:

Maintenance conditions in the resident's unit, building or at the site that pose an immediate, verifiable threat to the life, health, or safety of the resident or family members that cannot be repaired or abated within 24 hours. Examples of such unit or building conditions would include: a gas leak; no heat in the building during the winter; no water; toxic contamination; and serious water leaks.

A verified incident of domestic violence, dating violence, sexual assault, or stalking. For instances of domestic violence, dating violence, sexual assault, or stalking, the threat may be established through documentation outlined in section 16-VIII.D. In order to request the emergency transfer, the requestor must submit an emergency transfer request form (HUD-5383) (Exhibit 16-4 of this ACOP), although, the HACB may waive this requirement in order to expedite the transfer process.

The HACB will immediately process requests for transfers due to domestic violence, dating violence, sexual assault, or stalking. The HACB will allow a tenant to make an internal emergency transfer under VAWA when a safe unit is immediately available. The HACB defines *immediately* available as a vacant unit that is ready for move-in within a reasonable period of time. The HACB will review on a case by case basis. If an internal transfer to a safe unit is not immediately available, the HACB will assist the resident in seeking an external emergency transfer either within or outside the HACB's programs.

The PHA has adopted an emergency transfer plan, which is included as Exhibit 16-3 to this plan.

### **12-I.C. EMERGENCY TRANSFER PROCEDURES**

#### HACB Policy

If the transfer is necessary because of maintenance conditions, and an appropriate unit is not immediately available, the HACB will provide temporary accommodations to the tenant by arranging for temporary lodging at a hotel or similar location. If the conditions that required the transfer cannot be repaired, or the condition cannot be repaired in a reasonable amount of time, the HACB will transfer the resident to the first available and appropriate unit after the temporary relocation.

Emergency transfers that arise due to maintenance conditions are mandatory for the tenant.

If the emergency transfer is necessary to protect a victim of domestic violence, dating violence, sexual assault, or stalking, the HACB will follow procedures outlined in Exhibit 16-4.

## 12-I.D. COSTS OF TRANSFER

### HACB Policy

The HACB will bear the reasonable costs of temporarily accommodating the tenant and of long term transfers, if any, due to emergency conditions.

HACB will provide reasonable cost of transfers including the cost of packing, moving, and unloading if requested by the tenant.

The HACB will establish a moving allowance based on the typical costs in the community of packing, moving, and unloading. To establish typical costs, the HACB will collect information from companies in the community that provide these services.

The HACB will reimburse the family for eligible out-of-pocket moving expenses up to the HACB established moving allowance.

## PART II: PHA REQUIRED TRANSFERS

### 12-II.A. OVERVIEW

HUD regulations regarding transfers are minimal, leaving it up to the PHA to develop reasonable transfer policies.

The PHA may require that a resident transfer to another unit under some circumstances. For example, the PHA may require a resident to transfer to make an accessible unit available to a disabled family. The PHA may also transfer a resident in order to maintain occupancy standards based on family composition. Finally, a PHA may transfer residents in order to demolish or renovate the unit.

A transfer that is required by the PHA is an adverse action, and is subject to the notice requirements for adverse actions [24 CFR 966.4(e)(8)(i)].

### 12-II.B. TYPES OF PHA-REQUIRED TRANSFERS

#### HACB Policy

The types of transfers that may be required by the HACB, include, but are not limited to, transfers to make an accessible unit available for a disabled family, transfers to comply with occupancy standards, transfers for demolition, disposition, revitalization, or rehabilitation, and emergency transfers as discussed in Part I of this chapter.

Transfers required by the HACB are mandatory for the tenant.

#### **Transfers to Make an Accessible Unit Available**

When a family is initially given an accessible unit, but does not require the accessible features, the PHA may require the family to agree to move to a non-accessible unit when it becomes available [24 CFR 8.27(b)].

#### HACB Policy

When a non-accessible unit becomes available, the HACB will transfer a family living in an accessible unit that does not require the accessible features, to an available unit that is

not accessible. The HACB may wait until a disabled resident requires the accessible unit before transferring the family that does not require the accessible features out of the accessible unit.

### **Occupancy Standards Transfers**

The PHA may require a resident to move when a reexamination indicates that there has been a change in family composition, and the family is either overcrowded or over-housed according to PHA policy [24 CFR 960.257(a)(4)]. On some occasions, the PHA may initially place a resident in an inappropriately sized unit at lease-up, where the family is over-housed, to prevent vacancies. The public housing lease must include the tenant's agreement to transfer to an appropriately sized unit based on family composition [24 CFR 966.4(c)(3)].

#### HACB Policy

The HACB will transfer a family when the family size has changed and the family is now too large (overcrowded) or too small (over-housed) for the unit occupied.

For purposes of the transfer policy, overcrowded and over-housed are defined as follows:

*Overcrowded:* the number of household members exceeds the maximum number of persons allowed for the unit size in which the family resides, according to the chart in Section 5-I.B.

*Over-housed:* the family no longer qualifies for the bedroom size in which they are living based on the HACB occupancy standards as described in Section 5-I.B.

The HACB may also transfer a family who was initially placed in a unit in which the family was over-housed to a unit of an appropriate size based on the HACB occupancy standards, when the HACB determines there is a need for the transfer.

The HACB may elect not to transfer an over-housed family in order to prevent vacancies.

A family that is required to move because of family size will be advised by the HACB that a transfer is necessary and that the family has been placed on the transfer list.

Families that request and are granted an exception to the occupancy standards (for either a larger or smaller size unit) in accordance with the policies in Section 5-I.C. will only be required to transfer if it is necessary to comply with the approved exception.

Public Housing residents residing Housing Authority of the County of Butte Public Housing units who are in need of a reasonable accommodation, PHA required (over-housed) or emergency transfer may be admitted to the Section 8 Housing Choice Voucher program and required to use the Section 8 Voucher in accordance with Section 8 program policy. Such action requires written verification from the Executive Director, or assign, that the tenant meets the following criteria:

- There are no suitable and available PH units for a transfer within a reasonable period of time;
- The family has lived in the PH unit for at least one year;
- The family is current in rent and lease compliant.

## **Demolition, Disposition, Revitalizations, or Rehabilitation Transfers**

These transfers permit the PHA to demolish, sell or do major capital or rehabilitation work at a building site [PH Occ GB, page 148].

### HACB Policy

The HACB will relocate a family when the unit or site in which the family lives is undergoing major rehabilitation that requires the unit to be vacant, or the unit is being disposed of or demolished. The HACB relocation plan may or may not require transferring affected families to other available public housing units.

If the relocation plan calls for transferring public housing families to other public housing units, affected families will be placed on the transfer list.

In cases of revitalization or rehabilitation, the family may be offered a temporary relocation if allowed under Relocation Act provisions, and may be allowed to return to their unit, depending on contractual and legal obligations, once revitalization or rehabilitation is complete.

### **12-II.C. ADVERSE ACTION [24 CFR 966.4(e)(8)(i)]**

A PHA required transfer is an adverse action. As an adverse action, the transfer is subject to the requirements regarding notices of adverse actions. If the family requests a grievance hearing within the required timeframe, the PHA may not take action on the transfer until the conclusion of the grievance process.

### **12-II.D. COST OF TRANSFER**

#### HACB Policy

The HACB will bear the reasonable costs of transfers that the HACB requires, except that residents will be required to bear the cost of occupancy standards transfers.

HACB will provide reasonable cost of transfers including the cost of packing, moving, and unloading if requested by the tenant.

The HACB will establish a moving allowance based on the typical costs in the community of packing, moving, and unloading. To establish typical costs, the HACB will collect information from companies in the community that provide these services.

The HACB will reimburse the family for eligible out-of-pocket moving expenses up to the HACB established moving allowance.

## **PART III: TRANSFERS REQUESTED BY TENANTS**

### **12-III.A. OVERVIEW**

HUD provides the PHA with discretion to consider transfer requests from tenants. The only requests that the PHA is required to consider are requests for reasonable accommodation. All other transfer requests are at the discretion of the PHA. To avoid administrative costs and burdens, this policy limits the types of requests that will be considered by the PHA.

Some transfers that are requested by tenants should be treated as higher priorities than others due

to the more urgent need for the transfer.

### **12-III.B. TYPES OF RESIDENT REQUESTED TRANSFERS**

#### HACB Policy

The types of requests for transfers that the HACB will consider are limited to requests for transfers to alleviate a serious or life threatening medical condition, transfers due to a threat of physical harm or criminal activity, reasonable accommodation, transfers to a different unit size as long as the family qualifies for the unit according to the HACB occupancy standards, and transfers to a location closer to employment. No other transfer requests will be considered by the HACB.

The HACB will consider the following as high priority transfer requests:

When a transfer is needed to alleviate verified medical problems of a serious or life-threatening nature

When there has been a verified threat of physical harm or criminal activity. Such circumstances may, at the HACB's discretion, include an assessment by law enforcement indicating that a family member is the actual or potential victim of a criminal attack, retaliation for testimony or a hate crime.

When a family requests a transfer as a reasonable accommodation. Examples of a reasonable accommodation transfer include, but are not limited to, a transfer to a first floor unit for a person with mobility impairment, or a transfer to a unit with accessible features

The HACB will consider the following as regular priority transfer requests:

When a family requests a larger bedroom size unit even though the family does not meet the HACB definition of overcrowded, as long as the family meets the HACB occupancy standards for the requested size unit

Transfers requested by the tenant are considered optional for the tenant.

### **12-III.C. ELIGIBILITY FOR TRANSFER**

Transferring residents do not have to meet the admission eligibility requirements pertaining to income or preference. However, the PHA may establish other standards for considering a transfer request [PH Occ GB, p. 150].

#### HACB Policy

Except where reasonable accommodation is being requested, the HACB will only consider transfer requests from residents that meet the following requirements:

Have not engaged in criminal activity that threatens the health and safety of residents and staff

Owe no back rent or other charges, or have a pattern of late payment

Have no housekeeping lease violations or history of damaging property

Can get utilities turned on in the name of the head of household (applicable only to properties with tenant-paid utilities)

A resident with housekeeping standards violations will not be transferred until the resident passes a follow-up housekeeping inspection.

Exceptions to the good record requirement may be made when it is to the HACB advantage to make the transfer.

Exceptions will also be made when the HACB determines that a transfer is necessary to protect the health or safety of a resident who is a victim of domestic violence, dating violence, sexual assault, or stalking, and who provides documentation of abuse in accordance with section 16-VII.D of this ACOP. Tenants who are not in good standing may still request an emergency transfer under VAWA.

If a family requested to be placed on the waiting list for a unit size smaller than designated by the occupancy guidelines, the family will not be eligible to transfer to a larger size unit for a period of two (2) years from the date of admission, unless they have a change in family size or composition, or it is needed as a reasonable accommodation.

#### **12-III.D. SECURITY DEPOSITS**

##### HACB Policy

When a family transfers from one unit to another, the family is required to pay the appropriate security deposit to the new unit. The exception to this policy is when the family is transferred due to rehabilitation, demolition or revitalization of the development.

#### **12-III.E. COST OF TRANSFER**

The PHA must pay moving expenses to transfer a resident with a disability to an accessible unit as an accommodation for the resident's disability [Notice PIH 2010-26].

##### HACB Policy

The resident will bear all of the costs of transfer s/he requests. However, the HACB will bear the transfer costs when the transfer is done as a reasonable accommodation.

#### **12-III.F. HANDLING OF REQUESTS**

##### HACB Policy

Residents requesting a transfer to another unit or development will be required to submit a written request for transfer.

In order to request the emergency transfer under VAWA, the resident will be required to submit an emergency transfer request form (HUD-5383) (Exhibit 16-4 of this ACOP). The HACB may, on a case-by-case basis, waive this requirement and accept a verbal request in order to expedite the transfer process. If the HACB accepts an individual's statement, the HACB will document acceptance of the statement in the individual's file in accordance with 16-VII.D of this ACOP. Transfer requests under VAWA will be processed in accordance with the PHA's Emergency Transfer Plan (Exhibit 16-3). In case of a reasonable accommodation transfer, the HACB will encourage the resident to make the request in writing using a reasonable accommodation request form. However, the HACB will consider the transfer request any time the resident indicates that an accommodation is needed whether or not a formal written request is submitted.

The HACB will respond by approving the transfer and putting the family on the transfer list, by denying the transfer, or by requiring more information or documentation from the family, such as documentation of domestic violence, dating violence, sexual assault, or stalking in accordance with section 16-VII.D of this ACOP..

If the family does not meet the “good record” requirements under Section 12-III.C., the manager will address the problem and, until resolved, the request for transfer will be denied.

The HACB will respond within 14 calendar days of the submission of the family’s request. If the HACB denies the request for transfer, the family will be informed of its grievance rights.

#### **PART IV: TRANSFER PROCESSING**

##### **12-IV.A. OVERVIEW**

Generally, families who request a transfer should be placed on a transfer list and processed in a consistent and appropriate order. The transfer process must be clearly auditable to ensure that residents do not experience inequitable treatment.

##### **12-IV.B. TRANSFER LIST**

###### HACB Policy

The HACB will maintain a centralized transfer list to ensure that transfers are processed in the correct order and that procedures are uniform across all properties.

Emergency transfers will not automatically go on the transfer list. Instead emergency transfers will be handled immediately, on a case by case basis. If the emergency cannot be resolved by a temporary accommodation, and the resident requires a permanent transfer, the family will be placed at the top of the transfer list.

Transfers will be processed in the following order:

1. Emergency transfers (hazardous conditions, VAWA)
2. High-priority transfers (verified medical condition, threat of harm or criminal activity, and reasonable accommodation)
3. Transfers to make accessible units available
4. Demolition, renovation, etc.
5. Occupancy standards
6. Other HACB -required transfers
7. Other tenant-requested transfers

Within each category, transfers will be processed in order of the date a family was placed on the transfer list, starting with the earliest date.

HACB may, on a case-by-case basis, transfer a family without regard to its placement on the transfer list in order to address the immediate need of a family in crisis.



Demolition and renovation transfers will gain the highest priority as necessary to allow the HACB to meet the demolition or renovation schedule.

#### **12-IV.C. TRANSFER OFFER POLICY**

##### HACB Policy

Residents will receive one offer of a transfer.

When the transfer is required by the HACB, the refusal of that offer without good cause will result in lease termination.

When the transfer has been requested by the resident, the refusal of that offer without good cause will result in the removal of the family from the transfer list. In such cases, the family must wait six months to reapply for another transfer.

#### **12-IV.D. GOOD CAUSE FOR UNIT REFUSAL**

##### HACB Policy

Examples of good cause for refusal of a unit offer include, but are not limited to, the following:

Inaccessibility to source of employment, education, or job training, children's day care, or an educational program for children with disabilities, so that accepting the unit offer would require the adult household member to quit a job, drop out of an educational institution or job training program, or take a child out of day care or an educational program for children with disabilities.

The family demonstrates to the HACB satisfaction that accepting the offer will place a family member's life, health or safety in jeopardy. The family should offer specific and compelling documentation such as restraining orders; other court orders; or risk assessments related to witness protection from a law enforcement agency; or documentation of domestic violence, dating violence, sexual assault, or stalking in accordance with section 16-VI.D of this ACOP. Reasons offered must be specific to the family. Refusals due to location alone do not qualify for this good cause exemption.

A health professional verifies temporary hospitalization or recovery from illness of the principal household member, other household members (as listed on final application) or live-in aide necessary to the care of the principal household member.

The unit is inappropriate for the applicant's disabilities, or the family does not need the accessible features in the unit offered and does not want to be subject to a 30-day notice to move.

The unit has lead-based paint and the family includes children under the age of six.

The HACB will require documentation of good cause for unit refusals.

#### **12-IV.E. DECONCENTRATION**

##### HACB Policy

If subject to deconcentration requirements, the HACB will consider its deconcentration

goals when transfer units are offered. When feasible, families above the Established Income Range will be offered a unit in a development that is below the Established Income Range, and vice versa, to achieve the HACB deconcentration goals. A deconcentration offer will be considered a “bonus” offer; that is, if a resident refuses a deconcentration offer, the resident will receive one additional transfer offer.

#### **12-IV.F. REEXAMINATION POLICIES FOR TRANSFERS**

##### HACB Policy

The reexamination date will not be changed to the first of the month in which the transfer took place.

## Chapter 13

### LEASE TERMINATIONS

#### INTRODUCTION

Either party to the dwelling lease agreement may terminate the lease in accordance with the terms of the lease. A public housing lease is different from a private dwelling lease in that the family's rental assistance is tied to their tenancy. When the family moves from their public housing unit, they lose their rental assistance. Therefore, there are additional safeguards to protect the family's tenancy in public housing.

Likewise, there are safeguards to protect HUD's interest in the public housing program. The PHA has the authority to terminate the lease because of the family's failure to comply with HUD regulations, for serious or repeated violations of the terms of the lease, and for other good cause. HUD regulations also specify when termination of the lease is mandatory by the PHA.

When determining PHA Policy on terminations of the lease, the PHA must consider state and local landlord-tenant laws in the area where the PHA is located. Such laws vary from one location to another, and these variances may be either more or less restrictive than federal law or HUD regulation.

This chapter presents the policies that govern voluntary termination of the lease by the family and the mandatory and voluntary termination of the lease by the PHA. It is presented in four parts:

Part I: Termination by Tenant. This part discusses the PHA requirements for voluntary termination of the lease by the family.

Part II: Termination by PHA - Mandatory. This part describes the circumstances when termination of the lease by the PHA is mandatory. This part also explains nonrenewal of the lease for noncompliance with community service requirements.

Part III: Termination by PHA – Other Authorized Reasons. This part describes the PHA's options for lease termination that are not mandated by HUD regulation but for which HUD authorizes PHAs to terminate. For some of these options HUD requires the PHA to establish policies and lease provisions for termination, but termination is not mandatory. For other options the PHA has full discretion whether to consider the options as just cause to terminate as long as the PHA policies are reasonable, nondiscriminatory, and do not violate state or local landlord-tenant law. This part also discusses the alternatives that the PHA may consider in lieu of termination, and the criteria the PHA will use when deciding what actions to take.

Part IV: Notification Requirements. This part presents the federal requirements for disclosure of criminal records to the family prior to termination, the HUD requirements and PHA policies regarding the timing and content of written notices for lease termination and eviction, and notification of the post office when eviction is due to criminal activity. This part also discusses record keeping related to lease termination.

## PART I: TERMINATION BY TENANT

### 13-I.A. TENANT CHOOSES TO TERMINATE THE LEASE [24 CFR 966.4(k)(1)(ii) and 24 CFR 966.4(l)(1)]

The family may terminate the lease at any time, for any reason, by following the notification procedures as outlined in the lease. Such notice must be in writing and delivered to the project property site office or the PHA central office or sent by pre-paid first-class mail, properly addressed.

#### HACB Policy

If a family desires to move and terminate their tenancy with the HACB, they must give at least 30 calendar days advance written notice to the HACB of their intent to vacate. When a family must give less than 30 days' notice due to circumstances beyond their control the HACB, at its discretion, may waive the 30 day requirement.

The notice of lease termination must be signed by the head of household.

## PART II: TERMINATION BY HACB – MANDATORY

### 13-II.A. OVERVIEW

HUD requires mandatory termination of the lease for certain actions or inactions of the family. There are other actions or inactions of the family that constitute *grounds* for lease termination, but the lease termination is not mandatory. The PHA must establish policies for termination of the lease in these cases where termination is optional for the PHA.

For those tenant actions or failures to act where HUD requires termination, the PHA has no such option. In those cases, the family's lease must be terminated. This part describes situations in which HUD requires the PHA to terminate the lease.

### 13-II.B. FAILURE TO PROVIDE CONSENT [24 CFR 960.259(a) and (b)]

The PHA must terminate the lease if any family member fails to sign and submit any consent form s/he is required to sign for any reexamination. See Chapter 7 for a complete discussion of consent requirements.

### 13-II.C. FAILURE TO DOCUMENT CITIZENSHIP [24 CFR 5.514(c) and (d) and 24 CFR 960.259(a)]

The PHA must terminate the lease if (1) a family fails to submit required documentation within the required timeframe concerning any family member's citizenship or immigration status; (2) a family submits evidence of citizenship and eligible immigration status in a timely manner, but United States Citizenship and Immigration Services (USCIS) primary and secondary verification does not verify eligible immigration status of the family, resulting in no eligible family members; or (3) a family member, as determined by the PHA, has knowingly permitted another individual who is not eligible for assistance to reside (on a permanent basis) in the unit. For (3), such termination must be for a period of at least 24 months. This does not apply to ineligible noncitizens already in the household where the family's assistance has been prorated.

See Chapter 7 for a complete discussion of documentation requirements.

**13-III.D. FAILURE TO DISCLOSE AND DOCUMENT SOCIAL SECURITY NUMBERS [24 CFR 5.218(c), 24 CFR 960.259(a)(3), Notice PIH ~~2012-10~~2018-24]**

The PHA must terminate assistance if a participant family fails to disclose the complete and accurate social security numbers of each household member and the documentation necessary to verify each social security number.

However, if the family is otherwise eligible for continued program assistance, and the PHA determines that the family's failure to meet the SSN disclosure and documentation requirements was due to circumstances that could not have been foreseen and were outside of the family's control, the PHA may defer the family's termination and provide the opportunity to comply with the requirement within a period not to exceed 90 calendar days from the date the PHA determined the family to be noncompliant.

HACB Policy

The HACB will defer the family's termination and provide the family with the opportunity to comply with the requirement for a period of 90 calendar days for circumstances beyond the participant's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency, if there is a reasonable likelihood that the participant will be able to disclose an SSN by the deadline.

See Chapter 7 for a complete discussion of documentation and certification requirements.

**13-III.E. FAILURE TO ACCEPT THE PHA'S OFFER OF A LEASE REVISION [24 CFR 966.4(l)(2)(ii)(E)]**

The PHA must terminate the lease if the family fails to accept the PHA offer of a lease revision to an existing lease, provided the PHA has done the following:

- The revision is on a form adopted by the PHA in accordance with 24 CFR 966.3 pertaining to requirements for notice to tenants and resident organizations and their opportunity to present comments.
- The PHA has made written notice of the offer of the revision at least 60 calendar days before the lease revision is scheduled to take effect.
- The PHA has specified in the offer a reasonable time limit within that period for acceptance by the family.

See Chapter 8 for information pertaining to PHA policies for offering lease revisions.

**13-III.F. METHAMPHETAMINE CONVICTION [24 CFR 966.4(l)(5)(i)(A)]**

The PHA must immediately terminate the lease if the PHA determines that any household member has ever been convicted of the manufacture or production of methamphetamine on the premises of federally-assisted housing.

See Part 13-III.B. below for the HUD definition of *premises*.

**13-III.G. LIFETIME REGISTERED SEX OFFENDERS [Notice PIH 2012-28]**

Should a PHA discover that a member of an assisted household was subjected to a lifetime registration requirement at admission and was erroneously admitted after June 25, 2001, the PHA must immediately terminate assistance for the household member.

In this situation, the PHA must offer the family the opportunity to remove the ineligible family member from the household. If the family is unwilling to remove that individual from the household, the PHA must terminate assistance for the household.

**13-11.H. NONCOMPLIANCE WITH COMMUNITY SERVICE REQUIREMENTS [24 CFR 966.4(l)(2)(ii)(D), 24 CFR 960.603(b) and 24 CFR 960.607(b)(2)(ii) and (c)]**

The PHA is prohibited from renewing the lease at the end of the 12 month lease term when the family fails to comply with the community service requirements as described in Chapter 11.

**13-11.I. DEATH OF A SOLE FAMILY MEMBER [Notice PIH 2012-4]**

The PHA must immediately terminate the lease following the death of the sole family member.

**PART III: TERMINATION BY PHA – OTHER AUTHORIZED REASONS**

**13-III.A. OVERVIEW**

Besides requiring PHAs to terminate the lease under the circumstances described in Part II, HUD requires the PHA to establish provisions in the lease for termination pertaining to certain criminal activity, alcohol abuse, and certain household obligations stated in the regulations. While these provisions for lease termination must be in the lease agreement, HUD does not require PHAs to terminate for such violations in all cases. The PHA has the discretion to consider circumstances surrounding the violation or, in applicable situations, whether the offending household member has entered or completed rehabilitation, and the PHA may, as an alternative to termination, require the exclusion of the culpable household member. The PHA must adopt policies concerning the use of these options.

In addition, HUD authorizes PHAs to terminate the lease for other grounds, but for only those grounds that constitute serious or repeated violations of material terms of the lease or for other good cause. The PHA must develop policies pertaining to what constitutes serious or repeated lease violations, and other good cause, based upon the content of the PHA lease. In the development of the terms of the lease, the PHA must consider the limitations imposed by state and local landlord-tenant law, as well as HUD regulations and federal statutes. Because of variations in state and local landlord-tenant law, and because HUD affords PHAs wide discretion in some areas, a broad range of policies could be acceptable.

The PHA also has the option to terminate the tenancies of certain over-income families.

The PHA may consider alternatives to termination and must establish policies describing the criteria the PHA will use when deciding what action to take, the types of evidence that will be acceptable, and the steps the PHA must take when terminating a family's lease.

**13-III.B. MANDATORY LEASE PROVISIONS [24 CFR 966.4(l)(5)]**

This section addresses provisions for lease termination that must be included in the lease agreement according to HUD regulations. Although the provisions are required, HUD does not require PHAs to terminate for such violations in all cases, therefore PHA policies are needed.

**Definitions [24 CFR 5.100]**

The following definitions will be used for this and other parts of this chapter:

*Affiliated individual* is defined in section 16-VII.B.

*Covered person* means a tenant, any member of the tenant’s household, a guest, or another person under the tenant’s control.

*Dating violence* is defined in section 16-VII.B.

*Domestic violence* is defined in section 16-VII.B.

*Drug* means a controlled substance as defined in section 102 of the Controlled Substances Act [21 U.S.C. 802].

*Drug-related criminal activity* means the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with the intent to manufacture, sell, distribute, or use the drug.

*Guest* means a person temporarily staying in the unit with the consent of a tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant.

*Household* means the family and PHA-approved live-in aide. The term household also includes foster children and/or foster adults that have been approved to reside in the unit [HUD-50058, Instruction Booklet, p. 65].

*Other person under the tenant’s control* means that the person, although not staying as a guest in the unit, is, or was at the time of the activity in question, on the premises because of an invitation from the tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. Absent evidence to the contrary, a person temporarily and infrequently on the premises solely for legitimate commercial purposes is not *under the tenant’s control*.

*Premises* mean the building or complex or development in which the public or assisted housing dwelling unit is located, including common areas and grounds.

*Sexual assault* is defined in section 16-VII.B.

*Stalking* is defined in section 16-VII.B.

*Violent criminal activity* means any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.

**Drug Crime On or Off the Premises [24 CFR 966.4(l)(5)(i)(B)]**

The lease must provide that drug-related criminal activity engaged in on or off the premises by the tenant, member of the tenant’s household or guest, or any such activity engaged in on the premises by any other person under the tenant’s control is grounds for termination.

HACB Policy

The HACB will terminate the lease for drug-related criminal activity engaged in on or off the premises by any tenant, member of the tenant's household or guest, and any such activity engaged in on the premises by any other person under the tenant's control.

The HACB will consider all credible evidence, including but not limited to, any record of convictions of covered persons related to the drug-related criminal activity.

In making its decision to terminate the lease, the HACB will consider alternatives as described in Section 13-III.D and other factors as described in Sections 13-III.E and 13-III.F. Upon consideration of such alternatives and factors, the HACB may, on a case-by-case basis, choose not to terminate the lease.

#### **Illegal Use of a Drug [24 CFR 966.4(l)(5)(i)(B)]**

The lease must provide that a PHA may evict a family when the PHA determines that a household member is illegally using a drug or that a pattern of illegal use of a drug interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.

##### HACB Policy

The HACB will terminate the lease when the HACB determines that a household member is illegally using a drug or the HACB determines that a pattern of illegal use of a drug interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.

A pattern of illegal drug use means more than one incident of any use of illegal drugs during the previous twelve months.

The HACB will consider all credible evidence, including but not limited to, any record of convictions of household members related to the use of illegal drugs.

In making its decision to terminate the lease, the HACB will consider alternatives as described in Section 13-III.D and other factors as described in Sections 13-III.E and 13-III.F. Upon consideration of such alternatives and factors, the HACB may, on a case-by-case basis, choose not to terminate the lease.

#### **Threat to Other Residents [24 CFR 966.4(l)(5)(ii)(A)]**

The lease must provide that any criminal activity by a covered person that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents (including PHA management staff residing on the premises) or by persons residing in the immediate vicinity of the premises are grounds for termination of tenancy. Criminal activity that is directly related to domestic violence, dating violence, sexual assault, or stalking, when committed by a tenant's household member, guest, or other individual under the tenant's control, shall not be the basis for a termination of tenancy if the tenant or an affiliated individual of the tenant is a victim, or a threatened victim, of domestic violence, dating violence, sexual assault, or stalking.

##### HACB Policy

The HACB will terminate the lease when a covered person engages in any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents (including HACB management staff residing on the premises) or by persons residing in the immediate vicinity of the premises.



*Immediate vicinity* means within a three-block radius of the premises (or 500 yards).

The HACB will consider all credible evidence, including but not limited to, any record of convictions of covered persons related to the criminal activity.

In making its decision to terminate the lease, the HACB will consider alternatives as described in Section 13-III.D and other factors as described in Sections 13-III.E and 13-III.F. Upon consideration of such alternatives and factors, the HACB may, on a case-by-case basis, choose not to terminate the lease.

**Alcohol Abuse [24 CFR 966.4(l)(5)(vi)(A)]**

PHAs must establish standards that allow termination of tenancy if the PHA determines that a household member has engaged in abuse or pattern of abuse of alcohol that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

HACB Policy

The HACB will terminate the lease if the HACB determines that a household member has engaged in abuse or a pattern of abuse of alcohol that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

A pattern of such alcohol abuse means more than one incident of any such abuse of alcohol during the previous twelve months.

The HACB will consider all credible evidence, including but not limited to, any record of convictions of household members related to the abuse of alcohol.

In making its decision to terminate the lease, the HACB will consider alternatives as described in Section 13-III.D and other factors as described in Sections 13-III.E and 13-III.F. Upon consideration of such alternatives and factors, the HACB may, on a case-by-case basis, choose not to terminate the lease.

**Furnishing False or Misleading Information Concerning Illegal Drug Use or Alcohol Abuse or Rehabilitation [24 CFR 966.4(l)(5)(vi)(B)]**

PHAs must establish standards that allow termination of tenancy if the PHA determines that a household member has furnished false or misleading information concerning illegal drug use, alcohol abuse, or rehabilitation of illegal drug users or alcohol abusers.

HACB Policy

The HACB will terminate the lease if the HACB determines that a household member has furnished false or misleading information concerning illegal drug use, alcohol abuse, or rehabilitation of illegal drug users or alcohol abusers.

The HACB will consider all credible evidence, including but not limited to, any record of convictions of household members related to the use of illegal drugs or the abuse of alcohol, and any records or other documentation (or lack of records or documentation) supporting claims of rehabilitation of illegal drug users or alcohol abusers.

In making its decision to terminate the lease, the HACB will consider alternatives as described in Section 13-III.D and other factors as described in Sections 13-III.E and 13-III.F. Upon consideration of such alternatives and factors, the HACB may, on a case-by-case basis, choose not to terminate the lease.

**Other Serious or Repeated Violations of Material Terms of the Lease – Mandatory Lease Provisions [24 CFR 966.4(l)(2)(i) and 24 CFR 966.4(f)]**

HUD regulations require certain tenant obligations to be incorporated into the lease. Violations of such regulatory obligations are considered to be serious or repeated violations of the lease and grounds for termination. Incidents of actual or threatened domestic violence, dating violence, sexual assault, or stalking may not be construed as serious or repeated violations of the lease by the victim or threatened victim of such violence or stalking [Pub.L. 109-162].

HACB Policy

The HACB will terminate the lease for the following violations of tenant obligations under the lease:

Failure to make payments due under the lease, including nonpayment of rent (see Chapter 8 for details pertaining to lease requirements for payments due);

Repeated late payment of rent or other charges. Two (2) late payments within a 6 month period or three (3) late payments within a 12 month period shall constitute a repeated late payment.

Failure to fulfill the following household obligations:

Not to assign the lease or to sublease the dwelling unit. Subleasing includes receiving payment to cover rent and utility costs by a person living in the unit who is not listed as a family member.

Not to provide accommodations for boarders or lodgers

To use the dwelling unit solely as a private dwelling for the tenant and the tenant's household as identified in the lease, and not to use or permit its use for any other purpose

To abide by necessary and reasonable regulations promulgated by the HACB for the benefit and well-being of the housing project and the tenants which shall be posted in the project office and incorporated by reference in the lease

To comply with all obligations imposed upon tenants by applicable provisions of building and housing codes materially affecting health and safety

To keep the dwelling unit and such other areas as may be assigned to the tenant for the tenant's exclusive use in a clean and safe condition

To dispose of all ashes, garbage, rubbish, and other waste from the dwelling unit in a sanitary and safe manner

To use only in a reasonable manner all electrical, plumbing, sanitary, heating, ventilating, air-conditioning and other facilities and appurtenances including elevators

To refrain from, and to cause the household members and guests to refrain from destroying, defacing, damaging, or removing any part of the dwelling unit or project

To pay reasonable charges (other than for normal wear and tear) for the repair of damages to the dwelling unit, or to the project (including damages to project

buildings, facilities or common areas) caused by the tenant, a member of the household or a guest

To act, and cause household members or guests to act, in a manner which will not disturb other residents' peaceful enjoyment of their accommodations and will be conducive to maintaining the project in a decent, safe and sanitary condition

In making its decision to terminate the lease, the HACB will consider alternatives as described in Section 13-III.D and other factors as described in Sections 13-III.E and 13-III.F. Upon consideration of such alternatives and factors, the HACB may, on a case-by-case basis, choose not to terminate the lease.

### **13-III.C. OTHER AUTHORIZED REASONS FOR TERMINATION [24 CFR 966.4(l)(2) and (5)(ii)(B)]**

HUD authorizes PHAs to terminate the lease for reasons other than those described in the previous sections. These reasons are referred to as "other good cause."

#### **Other Good Cause [24 CFR 966.4(l)(2)(ii)(B) and (C)]**

HUD regulations state that the HACB may terminate tenancy for other good cause. The regulations provide a few examples of other good cause, but do not limit the HACB to only those examples. The Violence against Women Reauthorization Act of 2005 explicitly prohibits PHAs from considering incidents of actual or threatened domestic violence, dating violence, sexual assault, or stalking as "other good cause" for terminating the assistance, tenancy or occupancy rights of the victim or threatened victim of such violence.

#### HACB Policy

The HACB will terminate the lease for the following reasons.

*Fugitive Felon or Parole Violator.* If a tenant is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime, or attempt to commit a crime, that is a felony under the laws of the place from which the individual flees, or that, in the case of the State of New Jersey, is a high misdemeanor; or violating a condition of probation or parole imposed under federal or state law.

*Persons subject to sex offender registration requirement.* If any member of the household has, during their current public housing tenancy, become subject to a registration requirement under a state sex offender registration program.

Discovery of facts after admission to the program that would have made the tenant ineligible

Discovery of material false statements or fraud by the tenant in connection with an application for assistance or with a reexamination of income

Failure to furnish such information and certifications regarding family composition and income as may be necessary for the HACB to make determinations with respect to rent, eligibility, and the appropriateness of the dwelling unit size

Failure to transfer to an appropriate size dwelling unit based on family composition, upon appropriate notice by the HACB that such a dwelling unit is available

Failure to permit access to the unit by the HACB after proper advance notification for the purpose of performing routine inspections and maintenance, for making improvements or repairs, or to show the dwelling unit for re-leasing, or without advance notice if there is reasonable cause to believe that an emergency exists

Failure to promptly inform the HACB of the birth, adoption or court-awarded custody of a child. In such a case, promptly means within 14 calendar days of the event.

Failure to abide by the provisions of the HACB pet policy

If the family has breached the terms of a repayment agreement entered into with the PHA

If a family member has violated federal, state, or local law that imposes obligations in connection with the occupancy or use of the premises.

If a household member has engaged in or threatened violent or abusive behavior toward HACB personnel.

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

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

In making its decision to terminate the lease, the HACB will consider alternatives as described in Section 13-III.D and other factors described in Sections 13-III.E and 13-III.F. Upon consideration of such alternatives and factors, the HACB may, on a case-by-case basis, choose not to terminate the lease.

#### ***Family Absence from Unit [24 CFR 982.551(i)]***

It is reasonable that the family may be absent from the public housing unit for brief periods. However, the PHA needs a policy on how long the family may be absent from the unit. Absence in this context means that no member of the family is residing in the unit.

##### HACB Policy

The family must supply any information or certification requested by the HACB to verify that the family is living in the unit, or relating to family absence from the unit, including any HACB-requested information or certification on the purposes of family absences. The family must cooperate with the HACB for this purpose.

The family must promptly notify the HACB when all family members will be absent from the unit for an extended period. An extended period is defined as any period greater than 30 calendar days. In such a case promptly means within 14 calendar days of the start of the extended absence.

If a family is absent from the public housing unit for more than 30 consecutive days, and the family does not adequately verify that they are living in the unit, the HACB will terminate the lease for other good cause.

*Abandonment of the unit.* If the family appears to have vacated the unit without giving proper notice, the HACB will follow state and local landlord-tenant law pertaining to

abandonment before taking possession of the unit. If necessary, the HACB will secure the unit immediately to prevent vandalism and other criminal activity.

**Over-Income Families [24 CFR 960.261; FR Notice 07/26/18; [PIH Notice 2019-11](#)]**

The Housing Opportunity Through Modernization Act (HOTMA) of 2016 placed an income limitation on public housing tenancies. The over-income requirement states that after a family's [adjusted](#) income has exceeded 120 percent of area median income (AMI) (or a different limitation established by the secretary) for two consecutive years, the PHA must either terminate the family's tenancy within six months of the determination, or charge the family a monthly rent that is the higher of the applicable fair market rent (FMR) or the amount of monthly subsidy for the unit, including amounts from the operating and capital funds, as determined by regulations.

[Notice PIH 2019-11 also requires that PHAs publish over-income limits in their ACOP and update them no later than 60 days after HUD publishes new income limits each year. The over-income limit is calculated by multiplying the very low-income limit \(VLI\) by 2.4, as adjusted for family size.](#)

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PHAs also have discretion, under 24 CFR 960.261, to adopt policies allowing termination of tenancy for families whose income exceeds the limit for program eligibility. Such policies would exempt families participating in the Family Self-Sufficiency (FSS) program or currently receiving the earned income disallowance.

**HACB Policy**

At annual or interim reexamination, if a family's [adjusted](#) income exceeds the applicable over-income limit, the HACB will document the family file and begin tracking the family's over income status.

If one year after the applicable annual or interim reexamination the family's income continues to exceed the applicable over-income limit, the HACB will notify the family in writing that their income has exceeded the over-income limit for one year, and that if the family continues to be over-income for 12 consecutive months, the family will be subject to the HACB's over-income policies.

If two years after the applicable annual or interim reexamination the family's income continues to exceed the applicable over-income limit, the HACB will charge the family a rent that is the higher of the applicable fair market rent (FMR) or the amount of monthly subsidy for the unit. The HACB will notify the family in writing of their new rent amount. The new rent amount will be effective 30 days after the HACB's written notice to the family.

If, at any time, an over-income family experiences a decrease income, the family may request an interim redetermination of rent in accordance with HACB policy. If, as a result, the previously over-income family is now below the over-income limit, the family is no longer subject to over-income provisions as of the effective date of the recertification. The HACB will notify the family in writing that over-income policies no longer apply to them. If the family's income later exceeds the over-income limit again, the family is entitled to a new two-year grace period.

The HACB will begin tracking over-income families once these policies have been adopted but no later than March 24, 2019.

The HACB will not evict or terminate the tenancies of families whose income exceeds the income limit for program eligibility as described at 24 CFR 960.261.

[The PHA will rely on the following over-income limits. These numbers will be updated within 60 days of HUD publishing new income limits each year and will be effective for all annual and interim reexaminations once these policies have been adopted.](#)

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<u>Family Size</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>
<u>Over-Income Limit</u>								

[For families larger than 8 persons, the over-income limit will be calculated by multiplying the applicable very-low income limit by 2.4.](#)

**13-III.D. ALTERNATIVES TO TERMINATION OF TENANCY**

**Exclusion of Culpable Household Member [24 CFR 966.4(l)(5)(vii)(C)]**

As an alternative to termination of the lease for criminal activity or alcohol abuse HUD provides that the PHA may consider exclusion of the culpable household member. Such an alternative can be used, for any other reason where such a solution appears viable in accordance with PHA policy.

Additionally, under the Violence Against Women Reauthorization Act of 2013, the PHA may bifurcate a lease in order to terminate the tenancy of an individual who is a tenant or lawful occupant of a unit and engages in criminal activity directly related to domestic violence, dating violence, sexual assault, or stalking.

HACB Policy

The HACB will consider requiring the tenant to exclude a household member in order to continue to reside in the assisted unit, where that household member has participated in or been culpable for action or failure to act that warrants termination.

As a condition of the family’s continued occupancy, the head of household must certify that the culpable household member has vacated the unit and will not be permitted to visit or to stay as a guest in the assisted unit. The family must present evidence of the former household member’s current address upon HACB request.

**Repayment of Family Debts**

HACB Policy

If a family owes amounts to the HACB, as a condition of continued occupancy, the HACB will require the family to repay the full amount or to enter into a repayment agreement, within 30 days of receiving notice from the HACB of the amount owed. See Chapter 16 for policies on repayment agreements.

**13-III.E. CRITERIA FOR DECIDING TO TERMINATE TENANCY**

A PHA that has grounds to terminate a tenancy is not required to do so, except as explained in Part II of this chapter, and may consider all of the circumstances relevant to a particular case before making a decision.

**Evidence [24 CFR 982.553(c)]**

For criminal activity, HUD permits the PHA to terminate the lease if a *preponderance of the evidence* indicates that a household member has engaged in the activity, regardless of whether the household member has been convicted, and without satisfying the standard of proof used for a criminal conviction.

HACB Policy

The HACB will use the preponderance of the evidence as the standard for making all termination decisions.

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

**Consideration of Circumstances [24 CFR 966.4(l)(5)(vii)(B)]**

Although it is required that certain lease provisions exist for criminal activity and alcohol abuse, HUD provides that the PHA may consider all circumstances relevant to a particular case in order to determine whether or not to terminate the lease.

Such relevant circumstances can also be considered when terminating the lease for any other reason.

HACB Policy

The HACB will consider the following facts and circumstances before deciding whether to terminate the lease for any of the HUD required lease provisions or for any other reasons:

The seriousness of the offending action, especially with respect to how it would affect other residents' safety or property

The extent of participation or culpability of the leaseholder, or other household members, in the offending action, including whether the culpable member is a minor, a person with disabilities, or (as discussed further in section 13-III.F) a victim of domestic violence, dating violence, sexual assault, or stalking

The effects that the eviction will have on other family members who were not involved in the action or failure to act

The effect on the community of the termination, or of the HACB failure to terminate the tenancy

The effect of the HACB decision on the integrity of the public housing program

The demand for housing by eligible families who will adhere to lease responsibilities

The extent to which the leaseholder has shown personal responsibility and whether they have taken all reasonable steps to prevent or mitigate the offending action

The length of time since the violation occurred, including the age of the individual at the time of the conduct, as well as the family's recent history, and the likelihood of favorable conduct in the future

In the case of program abuse, the dollar amount of the underpaid rent and whether or not a false certification was signed by the family

**Consideration of Rehabilitation [24 CFR 966.4(l)(5)(vii)(D)]**

HUD authorizes PHAs to take into consideration whether a household member who had used illegal drugs or abused alcohol and is no longer engaging in such use or abuse is participating in or has successfully completed a supervised drug or alcohol rehabilitation program.

HACB Policy

In determining whether to terminate the lease for illegal drug use or a pattern of illegal drug use, or for abuse or a pattern of abuse of alcohol, by a household member who is no longer engaging in such use or abuse, the HACB will consider whether such household member has successfully completed a supervised drug or alcohol rehabilitation program.

For this purpose the HACB will require the tenant to submit evidence of the household member's current participation in, or successful completion of, a supervised drug or alcohol rehabilitation program or evidence of otherwise having been rehabilitated successfully.

**Reasonable Accommodation [24 CFR 966.7]**

If the family includes a person with disabilities, the PHA decision to terminate the family's lease is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

HACB Policy

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

**Nondiscrimination Limitation [24 CFR 966.4(l)(5)(vii)(F)]**

The PHA eviction actions must be consistent with fair housing and equal opportunity provisions of 24 CFR 5.105.

**13-III.F. TERMINATIONS RELATED TO DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING**



This section addresses the protections against termination of tenancy that the Violence Against Women Act of 2013 (VAWA) provides for public housing residents who are victims of domestic violence, dating violence, sexual assault, or stalking. For general VAWA requirements and PHA policies pertaining to notification, documentation, and confidentiality, see section 16-VII of this ACOP, where definitions of key VAWA terms are also located.

**VAWA Protections against Terminations [24 CFR 5.2005(c)]**

VAWA provides that no person may deny assistance, tenancy, or occupancy rights to public housing to a tenant on the basis or as a direct result of criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking that is engaged in by a member of the household of the tenant or any guest or other person under the control of the tenant, if the tenant or an affiliated individual of the tenant is the victim or threatened victim of such domestic violence, dating violence, sexual assault, or stalking [FR Notice 8/6/13].

VAWA further provides that incidents of actual or threatened domestic violence, dating violence, sexual assault, or stalking may not be construed either as serious or repeated violations of the lease by the victim or threatened victim of such violence or as good cause for terminating the tenancy or occupancy rights of the victim of such violence [24 CFR 5.2005(c)(1); FR Notice 8/6/13].

**Limits on VAWA Protections [24 CFR 5.2005(d) and(e) ; FR Notice 8/6/13]**

While VAWA prohibits a PHA from using domestic violence, dating violence, sexual assault, or stalking as the cause for a termination or eviction action against a public housing tenant who is the victim of the abuse, the protections it provides are not absolute. Specifically:

- VAWA does not limit a PHA’s otherwise available authority to terminate assistance to or evict a victim for lease violations not premised on an act of domestic violence, dating violence, sexual assault, or stalking providing that the PHA does not subject the victim to a more demanding standard than other tenants.
- VAWA does not limit a PHA’s authority to terminate the tenancy of any public housing tenant if the PHA can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property if that tenant’s tenancy is not terminated.

HUD regulations define *actual and imminent threat* to mean words, gestures, actions, or other indicators of a physical threat that (a) is real, (b) would occur within an immediate time frame, and (c) could result in death or serious bodily harm [24 CFR 5.2005(d)(2) and (e)]. In determining whether an individual would pose an actual and imminent threat, the factors to be considered include:

- The duration of the risk
- The nature and severity of the potential harm
- The likelihood that the potential harm will occur
- The length of time before the potential harm would occur [24 CFR 5.2005(e)]

In order to demonstrate an actual and imminent threat, the PHA must have objective evidence of words, gestures, actions, or other indicators. Even when a victim poses an actual and imminent threat, however, HUD regulations authorize a PHA to terminate the victim’s assistance “only when there are no other actions that could be taken to reduce or eliminate the threat, including, but not limited to, transferring the victim to a different unit, barring the perpetrator from the property, contacting law enforcement to increase police presence or develop other plans to keep the property

safe, or seeking other legal remedies to prevent the perpetrator from acting on a threat” [24 CFR 5.2005(d)(3)]. Additionally, HUD regulations state that restrictions “predicated on public safety cannot be based on stereotypes, but must be tailored to particularized concerns about individual residents”. [24 CFR 5.2005(d)(3)].

#### HACB Policy

In determining whether a public housing tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking is an actual and imminent threat to other tenants or those employed at or providing service to a property, the HACB will consider the following, and any other relevant, factors:

Whether the threat is toward an employee or tenant other than the victim of domestic violence, dating violence, sexual assault, or stalking

Whether the threat is a physical danger beyond a speculative threat

Whether the threat is likely to happen within an immediate time frame

Whether the threat to other tenants or employees can be eliminated in some other way, such as by helping the victim relocate to a confidential location

If the tenant wishes to contest the HACB’s determination that he or she is an actual and imminent threat to other tenants or employees, the tenant may do so as part of the grievance hearing or in a court proceeding.

#### **Documentation of Abuse [24 CFR 5.2007]**

#### HACB Policy

When an individual facing termination of tenancy for reasons related to domestic violence, dating violence, sexual assault, or stalking claims protection under VAWA, the HACB will request in writing that the individual provide documentation supporting the claim in accordance with the policies in section 16-VII.D of this ACOP.

The HACB reserves the right to waive the documentation requirement if it determines that a statement or other corroborating evidence from the individual will suffice. In such cases the HACB will document the waiver in the individual’s file.

#### **Terminating or Evicting a Perpetrator of Domestic Violence**

Although VAWA provides protection from termination for victims of domestic violence, it does not provide protection for perpetrators. In fact, VAWA gives the PHA the explicit authority to bifurcate a lease, or to remove a household member from a lease, “in order to evict, remove, or terminate assistance to any individual who is a tenant or lawful occupant of the housing and who engages in criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking against an affiliated individual or other individual, without evicting, removing, terminating assistance to, or otherwise penalizing a victim of such criminal activity who is also a tenant or lawful occupancy of the housing.” [FR Notice 8/6/13]. Moreover, HUD regulations impose on the PHA the obligation to consider lease bifurcation in any circumstances involving domestic violence, dating violence, or stalking [24 CFR 966.4(e)(9)].

Specific lease language affirming the PHA’s authority to bifurcate a lease is not necessary, and the authority supersedes any local, state, or other federal law to the contrary. However, if the PHA

chooses to exercise its authority to bifurcate a lease, it must follow any procedures prescribed by HUD or by applicable local, state, or federal law for eviction, lease termination, or termination of assistance. This means that the PHA must follow the same rules when terminating or evicting an individual as it would when terminating or evicting an entire family [FR Notice 3/16/07]. However, perpetrators should be given no more than 30 days' notice of termination in most cases [Notice PIH 2017-08].

#### HACB Policy

The HACB will bifurcate a family's lease and terminate the tenancy of a family member if the HACB determines that the family member has committed criminal acts of physical violence against other family members or others. This action will not affect the tenancy or program assistance of the remaining, nonculpable family members.

In making its decision, the HACB will consider all credible evidence, including, but not limited to, a signed certification (form HUD-5382) or other documentation of abuse submitted to the HACB by the victim in accordance with this section and section 16-VII.D. The HACB will also consider the factors in section 13.III.E. Upon such consideration, the HACB may, on a case-by-case basis, choose not to bifurcate the lease and terminate the tenancy of the culpable family member.

If the HACB does bifurcate the lease and terminate the tenancy of the culpable family member, it will do so in accordance with the lease, applicable law, and the policies in this ACOP. If the person removed from the lease was the only tenant eligible to receive assistance, the HACB shall provide any remaining tenant a chance to establish eligibility for the unit. If a remaining tenant cannot do so, the HACB shall provide the tenant reasonable time to find new housing or to establish eligibility for another housing program covered by VAWA 2013.

### **PART IV: NOTIFICATION REQUIREMENTS, EVICTION PROCEDURES AND RECORD KEEPING**

#### **13-IV.A. OVERVIEW**

HUD regulations specify the requirements for the notice that must be provided prior to lease termination. This part discusses those requirements and the specific requirements that precede and follow termination for certain criminal activities which are addressed in the regulations. This part also discusses specific requirements pertaining to the actual eviction of families and record keeping.

#### **13-IV.B. CONDUCTING CRIMINAL RECORDS CHECKS [24 CFR 5.903(e)(ii) and 24 CFR 960.259]**

HUD authorizes PHAs to conduct criminal records checks on public housing residents for lease enforcement and eviction. HACB Policy determines when the PHA will conduct such checks.

#### HACB Policy

The HACB will conduct criminal records checks at annual reexamination and when it has come to the attention of the HACB, either from local law enforcement or by other means that an individual has engaged in the destruction of property, engaged in violent activity

against another person, or has interfered with the right to peaceful enjoyment of the premises of other residents. Such checks will also include sex offender registration information. In order to obtain such information, all adult household members must sign consent forms for release of criminal conviction and sex offender registration records on an annual basis.

The PHA may not pass along to the tenant the costs of a criminal records check.

#### **13-IV.C. DISCLOSURE OF CRIMINAL RECORDS TO FAMILY [24 CFR 5.903(f), 24 CFR 5.905(d) and 24 CFR 966.4(l)(5)(iv)]**

In conducting criminal records checks, if the PHA uses the authority of 24 CFR 5.903 and 5.905 to obtain such information, certain protections must be afforded the tenant before any adverse action is taken. In such cases if the PHA obtains criminal records information from a state or local agency showing that a household member has been convicted of a crime, or is subject to a sex offender registration requirement, relevant to lease enforcement or eviction, the PHA must notify the household of the proposed action and must provide the subject of the record and the tenant a copy of such information, and an opportunity to dispute the accuracy and relevance of the information before an eviction or lease enforcement action is taken.

##### HACB Policy

In all cases where criminal record or sex offender registration information would result in lease enforcement or eviction, the HACB will notify the household in writing of the proposed adverse action and will provide the subject of the record and the tenant a copy of such information, and an opportunity to dispute the accuracy and relevance of the information before an eviction or lease enforcement action is taken.

The family will be given 14 calendar days from the date of the HACB notice, to dispute the accuracy and relevance of the information. If the family does not contact the HACB to dispute the information within that 14 calendar day period, the HACB will proceed with the termination action.

Should the tenant not exercise their right to dispute prior to any adverse action, the tenant still has the right to dispute in the grievance hearing or court trial.

#### **13-IV.D. LEASE TERMINATION NOTICE [24 CFR 966.4(l)(3)]**

##### **Form, Delivery, and Content of the Notice**

Notices of lease termination must be in writing. The notice must state the specific grounds for termination, the date the termination will take place, the resident's right to reply to the termination notice, and their right to examine PHA documents directly relevant to the termination or eviction. If the PHA does not make the documents available for examination upon request by the tenant, the PHA may not proceed with the eviction [24 CFR 996.4(m)].

When the PHA is required to offer the resident an opportunity for a grievance hearing, the notice must also inform the resident of their right to request a hearing in accordance with the PHA grievance procedure. In these cases, the tenancy shall not terminate until the time for the tenant to request a grievance hearing has expired and the grievance procedure has been completed.

When the PHA is not required to offer the resident an opportunity for a grievance hearing because HUD has made a due process determination and the lease termination is for criminal activity that threatens health, safety or right to peaceful enjoyment or for drug-related criminal activity, the notice of lease termination must state that the tenant is not entitled to a grievance hearing on the termination. It must specify the judicial eviction procedure to be used by the PHA for eviction of the tenant, and state that HUD has determined that the eviction procedure provides the opportunity for a hearing in court that contains the basic elements of due process as defined in HUD regulations. The notice must also state whether the eviction is for a criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises of other residents or employees of the PHA, or for a drug-related criminal activity on or off the premises.

#### HACB Policy

The HACB will attempt to deliver notices of lease termination directly to the tenant or an adult member of the household. (For terminations related to domestic violence, see also section 16-VII.C.) If such attempt fails, the notice will be sent by first-class mail the same day.

All notices of lease termination will include a copy of the forms HUD 5382 and HUD-5380 to accompany the termination notice. Any tenant who claims that the cause for termination involves domestic violence, dating violence, sexual assault, or stalking of which the tenant or affiliated individual of the tenant is the victim will be given the opportunity to provide documentation in accordance with the policies in section 13-III.F and 16-VII.D.

#### **Timing of the Notice [24 CFR 966.4(l)(3)(i)]**

The PHA must give written notice of lease termination of:

- 14/3 notice to vacate in the case of failure to pay rent
- A reasonable period of time considering the seriousness of the situation (but not to exceed 30 calendar days)
  - If the health or safety of other residents, PHA employees, or persons residing in the immediate vicinity of the premises is threatened
  - If any member of the household has engaged in any drug-related criminal activity or violent criminal activity
  - If any member of the household has been convicted of a felony
- 30 calendar days in any other case, except that if a state or local law allows a shorter notice period, such shorter period shall apply

#### HACB Policy

The HACB will give written notice of 14 calendar days for nonpayment of rent. For all other lease terminations the HACB will give 30 days' written notice or, if state or local law allows less than 30 days, such shorter notice will be given. If the family has resided in the unit more than one year, the HACB will provide a 60 day written notice.

The Notice to Vacate that may be required under state or local law may be combined with or run concurrently with the notice of lease termination.

**Notice of Non-renewal Due to Community Service Noncompliance [24 CFR 966.4(l)(2)(ii)(D), 24 CFR 960.603(b) and 24 CFR 960.607(b)]**

When the PHA finds that a family is in noncompliance with the community service requirement, the tenant and any other noncompliant resident must be notified in writing of this determination. Notices of noncompliance will be issued in accordance with the requirements and policies in Section 11-I.E.

HACB Policy

If after receiving a notice of initial noncompliance the family does not request a grievance hearing, or does not take either corrective action required by the notice within the required timeframe, a termination notice will be issued in accordance with the policies above.

If a family agreed to cure initial noncompliance by signing an agreement, and is still in noncompliance after being provided the 12-month opportunity to cure, the family will be issued a notice of continued noncompliance. The notice of continued noncompliance will be sent in accordance with the policies in Section 11-I.E. and will also serve as the notice of termination of tenancy.

**Notice of Termination Based on Citizenship Status [24 CFR 5.514 (c) and (d)]**

In cases where termination of tenancy is based on citizenship status, HUD requires the notice of termination to contain additional information. In addition to advising the family of the reasons their assistance is being terminated, the notice must also advise the family of any of the following that apply: the family's eligibility for proration of assistance, the criteria and procedures for obtaining relief under the provisions for preservation of families, the family's right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or a written explanation in support of the appeal, and the family's right to request an informal hearing with the PHA either upon completion of the USCIS appeal or in lieu of the USCIS appeal. Please see Chapter 14 for the PHA's informal hearing procedures.

**13-IV.E. EVICTION [24 CFR 966.4(l)(4) and 966.4(m)]**

Eviction notice means a notice to vacate, or a complaint or other initial pleading used under state or local law to commence an eviction action. The PHA may only evict the tenant from the unit by instituting a court action, unless the law of the jurisdiction permits eviction by administrative action, after a due process administrative hearing, and without a court determination of the rights and liabilities of the parties.

All eviction notices will be accompanied by a copy of the form HUD 5382 and a notice of VAWA rights to accompany the eviction notice. Any family household member tenant who claims that the cause for eviction (a) criminal acts of physical violence against family members or others or (b) incidents of domestic violence, dating violence, sexual assault, or stalking of which the tenant or affiliated individual of the tenant is the victim will be given the opportunity to provide documentation in accordance with the policies in section 13-III.F and 16-VII.D.

HACB Policy

When a family does not vacate the unit after receipt of a termination notice, by the deadline given in the notice, the HACB will follow state and local landlord-tenant law in filing an eviction action with the local court that has jurisdiction in such cases.

If the eviction action is finalized in court and the family remains in occupancy beyond the deadline to vacate given by the court, the HACB will seek the assistance of the court to remove the family from the premises as per state and local law.

The PHA may not proceed with an eviction action if the PHA has not made available the documents to be used in the case against the family, and has not afforded the family the opportunity to examine and copy such documents in accordance with the provisions of 24 CFR 966.4(1)(3) and (m).

#### **13-IV.F. NOTIFICATION TO POST OFFICE [24CFR 966.4(l)(5)(iii)(B)]**

When the PHA evicts an individual or family for criminal activity, including drug-related criminal activity, the PHA must notify the local post office serving the dwelling unit that the individual or family is no longer residing in the unit.

#### **13-IV.G. RECORD KEEPING**

For more information concerning general record keeping, see Chapter 16.

##### HACB Policy

A written record of every termination and/or eviction will be maintained by the HACB central office and will contain the following information:

Name of resident, number and identification of unit occupied

Date of the notice of lease termination and any other notices required by state or local law; these notices may be on the same form and will run concurrently

Specific reason(s) for the notices, citing the lease section or provision that was violated, and other facts pertinent to the issuing of the notices described in detail (other than any criminal history reports obtained solely through the authorization provided in 24 CFR 5.903 and 5.905)

Date and method of notifying the resident

Summaries of any conferences held with the resident including dates, names of conference participants, and conclusions

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## Chapter 14

### GRIEVANCES AND APPEALS

#### INTRODUCTION

This chapter discusses grievances and appeals pertaining to PHA actions or failures to act that adversely affect public housing applicants or residents. The policies are discussed in the following three parts:

Part I: Informal Hearings for Public Housing Applicants. This part outlines the requirements and procedures for informal hearings for public housing applicants.

Part II: Informal Hearings with Regard to Noncitizens. This part discusses informal hearings regarding citizenship status and where they differ from the requirements for general applicant and tenant grievances.

Part III: Grievance Procedures for Public Housing Residents. This part outlines the requirements and procedures for handling grievances for public housing residents.

Note that this chapter is not the PHA's grievance procedure. The grievance procedure is a document separate from the ACOP. This chapter of the ACOP provides the policies that drive the grievance procedure. [A sample grievance procedure is provided as Exhibit 14-1. However, please note that the procedure provided is only a sample and is designed to match up with the default policies in the model ACOP. As such, the PHA would need to modify accordingly should any alternative policy decisions be adopted.](#)

#### PART I: INFORMAL HEARINGS FOR PUBLIC HOUSING APPLICANTS

##### 14-1.A. OVERVIEW

When the PHA makes a decision that has a negative impact on an applicant family, the family is often entitled to appeal the decision. For applicants, the appeal takes the form of an informal hearing. HUD regulations do not provide a structure for or requirements regarding informal hearings for applicants (except with regard to citizenship status, to be covered in Part II). This part discusses the PHA policies necessary to respond to applicant appeals through the informal hearing process.

##### 14-1.B. INFORMAL HEARING PROCESS [24 CFR 960.208(a) and PH Occ GB, p. 58]

Informal hearings are provided for public housing applicants. An applicant is someone who has applied for admission to the public housing program, but is not yet a tenant in the program. Informal hearings are intended to provide a means for an applicant to dispute a determination of ineligibility for admission to a project [24 CFR 960.208(a)]. Applicants to public housing are not entitled to the same hearing process afforded tenants under the PHA grievance procedure [24 CFR 966.53(a) and PH Occ GB, p. 58].

Informal hearings provide applicants the opportunity to review the reasons for denial of admission and to present evidence to refute the grounds for denial.

##### Use of Informal Hearing Process

While the PHA must offer the opportunity of an informal hearing to applicants who have been determined as ineligible for admission, the PHA could make the informal hearing process available to applicants who wish to dispute other PHA actions that adversely affect them.

HACB Policy

The HACB will only offer informal hearings to applicants for the purpose of disputing denials of admission.

**Notice of Denial [24 CFR 960.208(a)]**

The PHA must give an applicant prompt notice of a decision denying eligibility for admission. The notice must contain a brief statement of the reasons for the PHA decision, and must also state that the applicant may request an informal hearing to dispute the decision. The notice must describe how to obtain the informal hearing.

When denying eligibility for admission, the PHA must provide family a notice of VAWA rights (form HUD-5380) as well as the HUD VAWA self-certification form (HUD Form 5382) in accordance with the Violence Against Women Reauthorization Action of 2013, and as outlined in 16-VII.C. The notice and self-certification form must accompany the written notification of the denial of eligibility determination.

Prior to notification of denial based on information obtained from criminal or sex offender registration records, the family, in some cases, must be given the opportunity to dispute the information in those records which would be the basis of the denial. See Section 3-III.G for details concerning this requirement.

**Scheduling an Informal Hearing**

HACB Policy

A request for an informal hearing must be made in writing and delivered to the HACB either in person or by first class mail, by the close of the business day, no later than 14 calendar days from the date of the HACB notification of denial of admission.

Except as provided in Section 3-III.F, the HACB will schedule and send written notice of the informal hearing within 14 calendar days of the family's request.

**Conducting an Informal Hearing [PH Occ GB, p. 58]**

HACB Policy

The informal hearing will be conducted by a person other than the one who made or approved the decision under review, or a subordinate of this person.

The applicant will be provided an opportunity to present written or oral objections to the decision of the HACB.

The person conducting the informal hearing will make a recommendation to the HACB, but the HACB is responsible for making the final decision as to whether admission should be granted or denied.

**Informal Hearing Decision [PH Occ GB, p. 58]**

HACB Policy

The HACB will notify the applicant of the final decision, including a brief statement of the reasons for the final decision.

In rendering a decision, the HACB will evaluate the following matters:

Whether or not the grounds for denial were stated factually in the notice

The validity of grounds for denial of admission. If the grounds for denial are not specified in the regulations or in HACB Policy, then the decision to deny assistance will be overturned. See Chapter 3 for a detailed discussion of the grounds for applicant denial.

The validity of the evidence. The HACB will evaluate whether the facts presented prove the grounds for denial of admission. If the facts prove that there are grounds for denial, and the denial is required by HUD, the HACB will uphold the decision to deny admission.

If the facts prove the grounds for denial, and the denial is discretionary, the HACB will consider the recommendation of the person conducting the informal hearing in making the final decision whether to deny admission.

The HACB will notify the applicant of the final decision, including a statement explaining the reason(s) for the decision. The notice will be mailed within 14 calendar days of the informal hearing, to the applicant and his or her representative, if any.

If the informal hearing decision overturns the denial, processing for admission will resume.

If the family fails to appear for their informal hearing, the denial of admission will stand and the family will be so notified.

#### **Reasonable Accommodation for Persons with Disabilities [24 CFR 966.7]**

Persons with disabilities may request reasonable accommodations to participate in the informal hearing process and the PHA must consider such accommodations. The PHA must also consider reasonable accommodation requests pertaining to the reasons for denial if related to the person's disability. See Chapter 2 for more detail pertaining to reasonable accommodation requests.

## **PART II: INFORMAL HEARINGS WITH REGARD TO NONCITIZENS**

### **14-II.A. HEARING AND APPEAL PROVISIONS FOR NONCITIZENS [24 CFR 5.514]**

Denial or termination of assistance based on immigration status is subject to special hearing and notice rules. These special hearings are referred to in the regulations as informal hearings, but the requirements for such hearings are different from the informal hearings used to deny applicants for reasons other than immigration status.

Assistance to a family may not be delayed, denied, or terminated on the basis of immigration status at any time prior to a decision under the United States Citizenship and Immigration Services (USCIS) appeal process. Assistance to a family may not be terminated or denied while the PHA hearing is pending, but assistance to an applicant may be delayed pending the completion of the informal hearing.

A decision against a family member, issued in accordance with the USCIS appeal process or the PHA informal hearing process, does not preclude the family from exercising the right, that may otherwise be available, to seek redress directly through judicial procedures.

**Notice of Denial or Termination of Assistance [24 CFR 5.514(d)]**

As discussed in Chapters 3 and 13, the notice of denial or termination of assistance for noncitizens must advise the family of any of the following that apply:

- That financial assistance will be denied or terminated, and provide a brief explanation of the reasons for the proposed denial or termination of assistance.
- The family may be eligible for proration of assistance.
- In the case of a tenant, the criteria and procedures for obtaining relief under the provisions for preservation of families [24 CFR 5.514 and 5.518].
- That the family has a right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or explanation in support of the appeal.
- That the family has a right to request an informal hearing with the PHA either upon completion of the USCIS appeal or in lieu of the USCIS appeal.
- For applicants, assistance may not be delayed until the conclusion of the USCIS appeal process, but assistance may be delayed during the period of the informal hearing process.

**United States Citizenship and Immigration Services Appeal Process [24 CFR 5.514(e)]**

When the PHA receives notification that the USCIS secondary verification failed to confirm eligible immigration status, the PHA must notify the family of the results of the USCIS verification. The family will have 30 days from the date of the notification to request an appeal of the USCIS results. The request for appeal must be made by the family in writing directly to the USCIS. The family must provide the PHA with a copy of the written request for appeal and proof of mailing.

HACB Policy

The HACB will notify the family in writing of the results of the USCIS secondary verification within 14 calendar days of receiving the results.

The family must provide the HACB with a copy of the written request for appeal and proof of mailing within 14 calendar days of sending the request to the USCIS.

The family must forward to the designated USCIS office any additional documentation or written explanation in support of the appeal. This material must include a copy of the USCIS document verification request (used to process the secondary request) or such other form specified by the USCIS, and a letter indicating that the family is requesting an appeal of the USCIS immigration status verification results.

The USCIS will notify the family, with a copy to the PHA, of its decision. When the USCIS notifies the PHA of the decision, the PHA must notify the family of its right to request an informal hearing.

### HACB Policy

The HACB will send written notice to the family of its right to request an informal hearing within 14 calendar days of receiving notice of the USCIS decision regarding the family's immigration status.

### **Informal Hearing Procedures for Applicants [24 CFR 5.514(f)]**

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, an applicant family may request that the PHA provide a hearing. The request for a hearing must be made either within 30 days of receipt of the PHA notice of denial, or within 30 days of receipt of the USCIS appeal decision.

The informal hearing procedures for applicant families are described below.

#### ***Informal Hearing Officer***

The PHA must provide an informal hearing before an impartial individual, other than a person who made or approved the decision under review, and other than a person who is a subordinate of the person who made or approved the decision.

#### ***Evidence***

The family must be provided the opportunity to examine and copy at the family's expense, at a reasonable time in advance of the hearing, any documents in the possession of the PHA pertaining to the family's eligibility status, or in the possession of the USCIS (as permitted by USCIS requirements), including any records and regulations that may be relevant to the hearing.

### HACB Policy

The family will be allowed to copy any documents related to the hearing at a cost of \$.10 per page. The family must request discovery of HACB documents no later than 12:00 p.m. on the business day prior to the hearing.

The family must be provided the opportunity to present evidence and arguments in support of eligible status. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

The family must also be provided the opportunity to refute evidence relied upon by the PHA, and to confront and cross-examine all witnesses on whose testimony or information the PHA relies.

#### ***Representation and Interpretive Services***

The family is entitled to be represented by an attorney or other designee, at the family's expense, and to have such person make statements on the family's behalf.

The family is entitled to request an interpreter. The PHA is obligated to provide a competent interpreter, free of charge, upon request. The family may also or instead provide its own interpreter, at the expense of the family.

#### ***Recording of the Hearing***

The PHA shall document each informal hearing by means of audio recording device. Such documentation will become part of the tenant file and record.

### HACB Policy

The HACB will not provide a transcript of an audio taped informal hearing.

### ***Hearing Decision***

The PHA must provide the family with a written notice of the final decision, based solely on the facts presented at the hearing, within 14 calendar days of the date of the informal hearing. The notice must state the basis for the decision.

### **Retention of Documents [24 CFR 5.514(h)]**

The PHA must retain for a minimum of 5 years the following documents that may have been submitted to the PHA by the family, or provided to the PHA as part of the USCIS appeal or the PHA informal hearing process:

- The application for assistance
- The form completed by the family for income reexamination
- Photocopies of any original documents, including original USCIS documents
- The signed verification consent form
- The USCIS verification results
- The request for a USCIS appeal
- The final USCIS determination
- The request for an informal hearing
- The final informal hearing decision

### **Informal Hearing Procedures for Residents [24 CFR 5.514(f)]**

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, a resident family may request that the PHA provide a hearing. The request for a hearing must be made either within 30 days of receipt of the PHA notice of termination, or within 30 days of receipt of the USCIS appeal decision.

The informal hearing procedures for resident families whose tenancy is being terminated based on immigration status is the same as for any grievance under the grievance procedures for resident families found in Part III below.

## **PART III: GRIEVANCE PROCEDURES FOR PUBLIC HOUSING RESIDENTS**

### **14-III.A. REQUIREMENTS [24 CFR 966.52]**

PHAs must have a grievance procedure in place through which residents of public housing are provided an opportunity to grieve any PHA action or failure to act involving the lease or PHA policies which adversely affect their rights, duties, welfare, or status. The PHA must not only

meet the minimal procedural due process requirements provided under the regulations, but must also meet any additional requirements imposed by local, state, or federal law.

The PHA grievance procedure must be included in, or incorporated by reference in, the lease.

#### HACB Policy

The HACB grievance procedure will be incorporated by reference in the tenant lease.

The PHA must provide at least 30 days' notice to tenants and resident organizations setting forth proposed changes in the PHA grievance procedure, and provide an opportunity to present written comments. Comments submitted must be considered by the PHA before adoption of any changes to the grievance procedure by the PHA.

#### HACB Policy

Residents and resident organizations will have 30 calendar days from the date they are notified by the HACB of any proposed changes in the HACB grievance procedure, to submit written comments to the HACB.

The PHA must furnish a copy of the grievance procedure to each tenant and to resident organizations.

### **14-III.B. DEFINITIONS [24 CFR 966.53; 24 CFR 966.51(a)(2)(i)]**

There are several terms used by HUD with regard to public housing grievance procedures, which take on specific meanings different from their common usage. These terms are as follows:

- **Grievance** – any dispute which a tenant may have with respect to PHA action or failure to act in accordance with the individual tenant's lease or PHA regulations which adversely affect the individual tenant's rights, duties, welfare or status
- **Complainant** – any tenant whose grievance is presented to the PHA or at the project management office
- **Due Process Determination** – a determination by HUD that law of the jurisdiction requires that the tenant must be given the opportunity for a hearing in court which provides the basic elements of due process before eviction from the dwelling unit
- **Expedited Grievance** – a procedure established by the PHA for any grievance or termination that involves:
  - Any criminal activity that threatens the health, safety, or right to peaceful enjoyment or the PHA's public housing premises by other residents or employees of the PHA; or
  - Any drug-related criminal activity on or off the premises.
- **Elements of Due Process** – an eviction action or a termination of tenancy in a state or local court in which the following procedural safeguards are required:
  - Adequate notice to the tenant of the grounds for terminating the tenancy and for eviction
  - Right of the tenant to be represented by counsel
  - Opportunity for the tenant to refute the evidence presented by the PHA including the right to confront and cross-examine witnesses and to present any affirmative legal or equitable defense which the tenant may have

- A decision on the merits
- **Hearing Officer/Panel** – an impartial person or persons selected by the PHA, other than the person who made or approved the decision under review, or a subordinate of that person. The individual or individuals do not need legal training.
- **Tenant** – the adult person (or persons) (other than a live-in aide)
  - Who resides in the unit, and who executed the lease with the PHA as lessee of the dwelling unit, or, if no such person now resides in the unit,
  - Who resides in the unit, and who is the remaining head of household of the tenant family residing in the dwelling unit
- **Resident Organization** – includes a resident management corporation

#### **14-III.C. APPLICABILITY [24 CFR 966.51]**

Grievances could potentially address most aspects of a PHA’s operation. However, there are some situations for which the grievance procedure is not applicable.

The grievance procedure is applicable only to individual tenant issues relating to the PHA. It is not applicable to disputes between tenants not involving the PHA. Class grievances are not subject to the grievance procedure and the grievance procedure is not to be used as a forum for initiating or negotiating policy changes of the PHA.

If HUD has issued a due process determination, a PHA may exclude from the PHA grievance procedure any grievance concerning a termination of tenancy or eviction that involves:

- Any criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises of other residents or employees of the PHA;
- Any violent or drug-related criminal activity on or off such premises; or
- Any criminal activity that resulted in felony conviction of a household member.

In states without due process determinations, PHAs must grant opportunity for grievance hearings for all lease terminations, regardless of cause, with the following exception: PHAs may use expedited grievance procedures, for the excluded categories listed above. These expedited grievance procedures are described in Section 14-III.E. below.

If HUD has issued a due process determination, the PHA may evict through the state/local judicial eviction procedures. In this case, the PHA is not required to provide the opportunity for a hearing under the PHA’s grievance procedure as described above.

#### HACB Policy

The HACB is located in a HUD-declared due process state. Therefore, the HACB will not offer grievance hearings for lease terminations involving criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises of other residents or employees of the HACB, for violent or drug-related criminal activity on or off the premises, or for any criminal activity that resulted in felony conviction of a household member.

See Chapter 13 for related policies on the content of termination notices.



#### **14-III.D. INFORMAL SETTLEMENT OF GRIEVANCE [24 CFR 966.54]**

HUD regulations state that any grievance must be personally presented, either orally or in writing, to the PHA office or to the office of the housing development in which the complainant resides so that the grievance may be discussed informally and settled without a hearing.

##### HACB Policy

The HACB will accept requests for an informal settlement of a grievance either orally or in writing, to the HACB office within 14 calendar days of the grievable event. Within 14 calendar days of receipt of the request the HACB will arrange a meeting with the tenant at a mutually agreeable time and confirm such meeting in writing to the tenant.

If a tenant fails to attend the scheduled meeting without prior notice, the HACB will reschedule the appointment only if the tenant can show good cause for failing to appear, or if it is needed as a reasonable accommodation for a person with disabilities.

Good cause is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family.

HUD regulations require that a summary of such discussion will be prepared within a reasonable time and one copy will be given to the tenant and one retained in the PHA's tenant file.

The summary must specify the names of the participants, dates of meeting, the nature of the proposed disposition of the complaint and the specific reasons therefore, and will specify the procedures by which a hearing may be obtained if the complainant is not satisfied.

##### HACB Policy

The HACB will prepare a summary of the informal settlement within ~~5~~<sup>five</sup> business days; one copy to be given to the tenant and one copy to be retained in the HACB's tenant file.

For PHAs who have the option to establish an expedited grievance procedure, and who exercise this option, the informal settlement of grievances is not applicable to those grievances for which the expedited grievance procedure applies.

#### **14-III.E. PROCEDURES TO OBTAIN A HEARING**

##### **Requests for Hearing and Failure to Request**

##### HACB Policy

The resident must submit a written request for a grievance hearing to the HACB within ~~5~~<sup>five</sup> business days of the tenant's receipt of the summary of the informal settlement.

If the complainant does not request a hearing, the PHA's disposition of the grievance under the informal settlement process will become final. However, failure to request a hearing does not constitute a waiver by the complainant of the right to contest the PHA's action in disposing of the complaint in an appropriate judicial proceeding.

##### **Scheduling of Hearings [24 CFR 966.56(a)]**

If the complainant has complied with all requirements for requesting a hearing as described above, a hearing must be scheduled by the hearing officer/~~panel~~ promptly for a time and place reasonably

convenient to both the complainant and the PHA. A written notification specifying the time, place and the procedures governing the hearing must be delivered to the complainant and the appropriate PHA official.

HACB Policy

Within 14 calendar days of receiving a written request for a hearing, the hearing officer will schedule and send written notice of the hearing to both the complainant and the HACB.

The PHA may wish to permit the tenant to request to reschedule a hearing for good cause.

HACB Policy

The tenant may request to reschedule a hearing for good cause, or if it is needed as a reasonable accommodation for a person with disabilities. Good cause is defined as an unavoidable conflict which seriously affects the health, safety, or welfare of the family. Requests to reschedule a hearing must be made orally or in writing prior to the hearing date. At its discretion, the HACB may request documentation of the “good cause” prior to rescheduling the hearing.

**Expedited Grievance Procedure [24 CFR 966.52(a)]**

The PHA may establish an expedited grievance procedure for any grievance concerning a termination of tenancy or eviction that involves:

- Any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents or employees of the PHA;
- Any drug-related criminal activity on or near such premises; or
- Any criminal activity that resulted in felony conviction of a household member.

In such expedited grievances, the informal settlement of grievances as discussed in 14-III.D is not applicable.

The PHA may adopt special procedures concerning expedited hearings, including provisions for expedited notice or scheduling, or provisions for expedited decision on the grievance.

HACB Policy

The HACB will not offer expedited grievance procedures.

**14-III.F. SELECTION OF HEARING OFFICER/PANEL [24 CFR 966.53(e)]**

The grievance hearing must be conducted by an impartial person or persons appointed by the PHA, other than the person who made or approved the PHA action under review, or a subordinate of such person. The PHA must describe their policies for selection of a hearing officer in their lease.

HACB Policy

HACB grievance hearings will be conducted by a single hearing officer and not a panel. The HACB will appoint a hearing officer who is a person other than the person who made or approved the decision or someone who is subordinate to that person.

The HACB will appoint a staff member who was not involved in the decision under appeal. If a designated staff member (such as the program manager) was involved in the decision, or is a subordinate of such person, an alternate hearing officer will be selected.

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The HACB may select designated staff members who were not involved in the decision under appeal in certain circumstances, such as appeals involving discrimination claims or denials of requests for reasonable accommodations.

PHAs must describe their policies for selection of a hearing officer in their lease forms. Changes to the public housing lease are subject to a 30-day comment period [24 CFR 966.4].

#### **14-III.G. PROCEDURES GOVERNING THE HEARING [24 CFR 966.56]**

##### **Rights of Complainant [24 CFR 966.56(b)]**

The complainant will be afforded a fair hearing. This includes:

- The opportunity to examine before the grievance hearing any PHA documents, including records and regulations that are directly relevant to the hearing. The tenant must be allowed to copy any such document at the tenant's expense. If the PHA does not make the document available for examination upon request by the complainant, the PHA may not rely on such document at the grievance hearing.

##### HACB Policy

The tenant will be allowed to copy any documents related to the hearing at a cost of \$.10 per page. The family must request discovery of HACB documents no later than 12:00 p.m. on the business day prior to the hearing.

- The right to be represented by counsel or other person chosen to represent the tenant and to have such person make statements on the tenant's behalf.

##### HACB Policy

Hearings may be attended by the following applicable persons:

A HACB representative(s) and any witnesses for the HACB

The tenant and any witnesses for the tenant

The tenant's counsel or other representative

Any other person approved by the HACB as a reasonable accommodation for a person with a disability

- The right to a private hearing unless the complainant requests a public hearing.
- The right to present evidence and arguments in support of the tenant's complaint, to controvert evidence relied on by the PHA or project management, and to confront and cross-examine all witnesses upon whose testimony or information the PHA or project management relies.
- A decision based solely and exclusively upon the facts presented at the hearing.

##### **Failure to Appear [24 CFR 966.56(d)]**

If the complainant or the PHA fails to appear at a scheduled hearing, the hearing officer/~~panel~~ may make a determination to postpone the hearing for no more than five business days or may make a determination that the party has waived his/her right to a hearing. Both the complainant and the

PHA must be notified of the determination by the hearing officer/panel: Provided, That a determination that the complainant has waived his/her right to a hearing will not constitute a waiver of any right the complainant may have to contest the PHA's disposition of the grievance in an appropriate judicial proceeding.

There may be times when a complainant does not appear due to unforeseen circumstances which are out of their control and are no fault of their own.

#### HACB Policy

If the tenant does not appear at the scheduled time of the hearing, the hearing officer will wait up to 30 minutes. If the tenant appears within 30 minutes of the scheduled time, the hearing will be held. If the tenant does not arrive within 30 minutes of the scheduled time, they will be considered to have failed to appear.

The family may request to reschedule a hearing for good cause, or if it is needed as a reasonable accommodation for a person with disabilities. Good cause is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family. Requests to reschedule a hearing must be made orally or in writing prior to the hearing date. At its discretion, the HACB may request documentation of the "good cause" prior to rescheduling the hearing.

If the family does not appear at the scheduled time, and was unable to reschedule the hearing in advance due to the nature of the conflict, the family must contact the HACB within 24 hours of the scheduled hearing date, excluding weekends and holidays. The HACB will reschedule the hearing only if the family can show good cause for the failure to appear, or if it is needed as a reasonable accommodation for a person with disabilities.

#### **General Procedures [24 CFR 966.56(d)]**

At the hearing, the complainant must first make a showing of an entitlement to the relief sought and thereafter the PHA must sustain the burden of justifying the PHA action or failure to act against which the complaint is directed [24 CFR 966.56(e)].

The hearing is conducted informally by the hearing officer/panel. The PHA and the tenant must be given the opportunity to present oral or documentary evidence pertinent to the facts and issues raised by the complaint, and to question any witnesses

#### HACB Policy

Any evidence to be considered by the hearing officer must be presented at the time of the hearing. There are four categories of evidence.

**Oral evidence:** the testimony of witnesses

**Documentary evidence:** a writing which is relevant to the case, for example, a letter written to the PHA. Writings include all forms of recorded communication or representation, including letters, emails, text messages, words, pictures, sounds, videotapes or symbols or combinations thereof.

**Demonstrative evidence:** Evidence created specifically for the hearing and presented as an illustrative aid to assist the hearing officer, such as a model, a chart or other diagram.

**Real evidence:** A tangible item relating directly to the case.

*Hearsay Evidence* is evidence of a statement that was made other than by a witness while testifying at the hearing and that is offered to prove the truth of the matter. Even though evidence, including hearsay, is generally admissible, hearsay evidence alone cannot be used as the sole basis for the hearing officer's decision.

If the HACB fails to comply with the discovery requirements (providing the tenant with the opportunity to examine HACB documents prior to the grievance hearing), the hearing officer will refuse to admit such evidence.

Other than the failure of the HACB to comply with discovery requirements, the hearing officer has the authority to overrule any objections to evidence.

The complainant or the PHA may arrange, in advance and at the expense of the party making the arrangement, for a transcript of the hearing. Any interested party may purchase a copy of such transcript [24 CFR 966.56(e)].

#### HACB Policy

The HACB shall document each informal hearing by means of audio recording device. Such documentation will become part of the tenant file and record.

The HACB will not provide a transcript of the formal hearing.

#### **Accommodations of Persons with Disabilities [24 CFR 966.56(f)]**

The PHA must provide reasonable accommodation for persons with disabilities to participate in the hearing. Reasonable accommodation may include qualified sign language interpreters, readers, accessible locations, or attendants.

If the tenant is visually impaired, any notice to the tenant which is required in the grievance process must be in an accessible format.

See Chapter 2 for a thorough discussion of the PHA's responsibilities pertaining to reasonable accommodation.

#### **Limited English Proficiency [24 CFR 966.56(g)]**

The PHA must comply with HUD's LEP Final Rule in providing language services throughout the grievance process.

#### **14-III.H. DECISION OF THE HEARING OFFICER/~~PANEL~~ [24 CFR 966.57]**

The hearing officer/~~panel~~ must issue a written decision, stating the reasons for the decision, within a reasonable time after the hearing. Factual determinations relating to the individual circumstances of the family must be based on a preponderance of evidence presented at the hearing. A copy of the decision must be sent to the complainant and the PHA. The PHA must retain a copy of the decision in the tenant's folder. A log of all hearing officer decisions must also be maintained by the PHA and made available for inspection by a prospective complainant, his/her representative, or the hearing officer/~~panel~~ [24 CFR 966.57(a)].

#### HACB Policy

In rendering a decision, the hearing officer will consider the following matters:

**HACB Notice to the Family:** The hearing officer will determine if the reasons for the PHA's decision are factually stated in the notice.

**Discovery:** The hearing officer will determine if the family was given the opportunity to examine any relevant documents in accordance with HACB Policy.

**HACB Evidence to Support the HACB Decision:** The evidence consists of the facts presented. Evidence is not conclusion and it is not argument. The hearing officer will evaluate the facts to determine if they support the HACB's conclusion.

**Validity of Grounds for Termination of Tenancy (when applicable):** The hearing officer will determine if the termination of tenancy is for one of the grounds specified in the HUD regulations and HACB policies. If the grounds for termination are not specified in the regulations or in compliance with HACB policies, then the decision of the HACB will be overturned.

The hearing officer will issue a written decision to the family and the HACB no later than 14 calendar days after the hearing. The report will contain the following information:

**Hearing information:**

- Name of the complainant
- Date, time and place of the hearing
- Name of the hearing officer
- Name of the HACB representative(s)
- Name of family representative (if any)
- Names of witnesses (if any)

**Background:** A brief, impartial statement of the reason for the hearing and the date(s) on which the informal settlement was held, who held it, and a summary of the results of the informal settlement. Also includes the date the complainant requested the grievance hearing.

**Summary of the Evidence:** The hearing officer will summarize the testimony of each witness and identify any documents that a witness produced in support of his/her testimony and that are admitted into evidence.

**Findings of Fact:** The hearing officer will include all findings of fact, based on a preponderance of the evidence. *Preponderance of the evidence* is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

**Conclusions:** The hearing officer will render a conclusion derived from the facts that were found to be true by a preponderance of the evidence. The conclusion will result in a determination of whether these facts uphold the HACB's decision.

**Order:** The hearing report will include a statement of whether the HACB's decision is upheld or overturned. If it is overturned, the hearing officer will instruct

the HACB to change the decision in accordance with the hearing officer's determination. In the case of termination of tenancy, the hearing officer will instruct the HACB to restore the family's status.

### **Procedures for Further Hearing**

#### HACB Policy

The hearing officer may ask the family for additional information and/or might adjourn the hearing in order to reconvene at a later date, before reaching a decision. If the family misses an appointment or deadline ordered by the hearing officer, the action of the HACB will take effect and another hearing will not be granted.

### **Final Decision [24 CFR 966.57(b)]**

The decision of the hearing officer/~~panel~~ is binding on the PHA which must take the action, or refrain from taking the action cited in the decision unless the PHA Board of Commissioners determines within a reasonable time, and notifies the complainant that:

- The grievance does not concern PHA action or failure to act in accordance with or involving the complainant's lease on PHA policies which adversely affect the complainant's rights, duties, welfare, or status; or
- The decision of the hearing officer/~~panel~~ is contrary to Federal, state, or local law, HUD regulations or requirements of the annual contributions contract between HUD and the PHA

#### HACB Policy

When the HACB considers the decision of the hearing officer to be invalid due to the reasons stated above, it will present the matter to the HACB Board of Commissioners within 14 calendar days of the date of the hearing officer's decision. The Board has 30 calendar days to consider the decision. If the Board decides to reverse the hearing officer's decision, it must notify the complainant within 14 calendar days of this decision.

A decision by the hearing officer/~~panel~~, or Board of Commissioners in favor of the PHA or which denies the relief requested by the complainant in whole or in part must not constitute a waiver of any rights, nor effect in any manner whatever, any rights the complainant may have to a subsequent trial or judicial review in court [24 CFR 966.57(c)].

**EXHIBIT 14-1: SAMPLE GRIEVANCE PROCEDURE**

**Note: The sample procedure provided below is a sample only and is designed to match up with the default policies in the model ACOP. If your PHA has made policy decisions that do not reflect the default policies in the ACOP, you would need to ensure that the procedure matches those policy decisions.**

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**I. Definitions applicable to the grievance procedure [24 CFR 966.53]**

- A. Grievance: Any dispute a tenant may have with respect to PHA action or failure to act in accordance with the individual tenant’s lease or PHA regulations that adversely affects the individual tenant’s rights, duties, welfare, or status.
- B. Complainant: Any tenant (as defined below) whose grievance is presented to the PHA or at the project management office in accordance with the requirements presented in this procedure.
- C. Elements of due process: An eviction action or a termination of tenancy in a state or local court in which the following procedural safeguards are required:
  - i. Adequate notice to the tenant of the grounds for terminating the tenancy and for eviction
  - ii. Right of the tenant to be represented by counsel
  - iii. Opportunity for the tenant to refute the evidence presented by the PHA, including the right to confront and cross-examine witnesses and to present any affirmative legal or equitable defense that the tenant may have
  - iv. A decision on the merits of the case
- D. Hearing officer: An impartial person or persons selected by the PHA other than the person who made or approved the decision under review, or a subordinate of that person. Such individuals do not need legal training.
- E. Tenant: The adult person (or persons other than a live-in aide) who resides in the unit and who executed the lease with the PHA as lessee of the dwelling unit, or if no such person now resides in the unit, who resides in the unit and who is the remaining head of the household of the tenant family residing in the dwelling unit.
- F. Resident organization: An organization of residents, which also may include a resident management corporation.

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**II. Applicability of this grievance procedure [24 CFR 966.51]**

In accordance with the applicable federal regulations (24 CFR 966.50), this grievance procedure is applicable to all individual grievances (as defined in Section I above) between the tenant and the PHA with the following exception of disputes between tenants not involving the PHA or class grievances. The grievance procedure is not intended as a forum for initiating or negotiating policy changes between a group or groups of tenants and the PHA’s Board of Commissioners [24 CFR 966.51(b)].

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This grievance procedure is incorporated by reference in all tenant dwelling leases and will be furnished to each tenant and all resident organizations [24 CFR 966.52 (b) and (d)].

Any changes proposed in this grievance procedure must provide for at least 30 days' notice to tenants and resident organizations, setting forth the proposed changes and providing an opportunity to present written comments. Comments will be considered by the PHA before any revisions are made to the grievance procedure [24 CFR 966.52(c)].

### **III. Informal settlement of a grievance [24 CFR 966.54]**

Any grievance must be personally presented, either orally or in writing, to the PHA's central office or the management office of the development in which the complainant resides **within 10 days after the grievable event.**

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Grievances related to complaints about operations matters that are received by the PHA's central office will be referred to the person responsible for the management of the development in which the complainant resides. Grievances involving complaints related to discrimination, harassment, or disability rights will be referred to the Civil Rights Administrator or Director of Operations.

As soon as the grievance is received, it will be reviewed by the management office of the development or the Civil Rights Administrator (if applicable) to be certain that neither of the exclusions in paragraphs II.A or II.B above applies to the grievance. Should one of the exclusions apply, the complainant will be notified in writing that the matter raised is not subject to the PHA's grievance procedure with the reason specified.

If neither of the exclusions cited above apply, the complainant will be contacted to arrange a mutually convenient time **within 10 business days** to meet so the grievance may be discussed informally and settled without a hearing. At the informal settlement, the complainant will present the grievance and the person in charge of the management office or the Civil Rights Administrator will attempt to settle the grievance to the satisfaction of both parties.

**Within five business days** following the informal discussion, the PHA will prepare and either hand deliver, mail, or email to the tenant a summary of the discussion that must specify the names of the participants, the dates of meeting, the nature of the proposed disposition of the complaint, and the specific reasons therefore, and will specify the procedures by which a formal hearing under this procedure may be obtained if the complainant is not satisfied. A copy of this summary will also be placed in the tenant's file.

### **IV. Formal grievance hearing**

If the complainant is not satisfied with the settlement arrived at in the informal settlement, the complainant must submit a written request for a hearing to the management office of the development where the tenant resides **no later than five business days after the summary of the informal hearing is received.**

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The written request must specify:

- The reasons for the grievance; and
- The action of relief sought from the PHA

Within 10 days of receiving the written request for a hearing, the hearing officer will schedule and sent written notice of hearing to both the complainant and the PHA.

**V. Selecting the hearing officer**

A grievance hearing will be conducted by a single impartial person appointed by the PHA as described below:

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- A. The hearing officer will be appointed directly by the executive director.
- B. The hearing officer will be a staff member who did not make or approve the decision under review and who is not a subordinate of such persons. If the designated staff member (such as the program manager) was involved in the decision or is a subordinate of such person, an alternate hearing officer will be selected.
- C. The PHA may select designated staff members who were not involved in the decision under review in certain circumstances, such as those involving discrimination claims or denials of requests for reasonable accommodations.
- D. The PHA's method for selecting a hearing officer will be inserted into the lease.

**VI. Scheduling hearings [24 CFR 966.56(a)]**

When a complainant submits a timely request for a grievance hearing, the PHA will immediately appoint an impartial hearing office to schedule the hearing within the following 10 business days.

Once the hearing officer has scheduled the hearing, the hearing officer will send written notice of the hearing to both the complainant and the PHA. Notice to the complainant will be in writing, either personally delivered to the complainant, or sent by mail or email, return receipt requested.

The written notice will specify the time, place, and procedures governing the hearing.

The tenant may request to reschedule a hearing on a one-time basis. Should the complainant need to reschedule a second time, he or she may do so for good cause, or if needed as a reasonable accommodation for a person with disabilities. *Good cause* is defined as an unavoidable conflict which seriously affects the health, safety, or welfare of the family. Requests to reschedule a hearing must be made orally or in writing prior to the hearing date.

**VII. Procedures governing the hearing [24 CFR 966.56]**

The hearing will be held before a hearing officer as described above in Section V. The complainant will be afforded a fair hearing, which will include:

- A. The opportunity to examine before the hearing any PHA documents, including records and regulations, that are directly relevant to the hearing.

The tenant is allowed to copy any such document at the tenant's expense. If the PHA does not make the document available for examination upon request by the complainant, the PHA may no rely on such document at the grievance hearing.

- B. The right to be represented by counsel or other person chosen as the tenant's representative and to have such person make statements on the tenant's behalf.

C. The right to a private hearing unless the complainant requests a public hearing.

D. The right to present evidence and arguments in support of the tenant's complaint, to refute evidence relied on by the PHA or project management, and to confront and cross-examine all witnesses upon whose testimony or information the PHA or project management relies.

E. A decision based solely and exclusively upon the fact presented at the hearing [24 CFR 966.56(b)].

The hearing is conducted informally by the hearing officer. The PHA and the tenant must be given the opportunity to present oral or documentary evidence pertinent to the facts and issues raised by the complaint, and to question any witnesses.

The complainant or the PHA may arrange in advance for a transcript of the hearing at the expense of the party making the arrangement. Any interested party may purchase a copy of the transcript [24 CFR 966.56(e)].

The PHA must provide reasonable accommodation for persons with disabilities to participated in the hearing. Reasonable accommodation may include qualified sign language interpreters, readers, accessible locations, or attendants. If the tenant is visually impaired, any notice to the tenant that is required under this procedure must be in an accessible format [24 CFR 966.56(f)].

The PHA must comply with HUD's requirements regarding limited English proficiency as specified in "Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition against National Origin Discrimination Affecting Limited English Proficient Persons," issued January 22, 2007, and available at: [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/fair\\_housing\\_equal\\_opp/promotingfh/lep-faq](http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/promotingfh/lep-faq).

### **VIII. Failure to appear at the hearing**

If the complainant or PHA fails to appear at the hearing, the hearing officer may make a determination to postpone the hearing or make a determination that the complainant has waived his or her right to a hearing.

Both the complainant and the PHA must be notified of the determination by the hearing officer. A determination that the complainant has waived his or her right to a hearing will not constitute a waiver of any right the complainant may have to contest the PHA's disposition of the grievance in an appropriate judicial setting [24 CFR 966.56(c)].

### **IX. Decision of the hearing officer [24 CFR 966.57]**

The hearing officer will prepare a written decision together with the reasons for the decision **within 10 business days** after the hearing. A copy of the decision will be sent to the complainant and the PHA.

The PHA will retain a copy of the decision in the tenant's file.

The hearing officer may ask the family for additional information and/or might adjourn the hearing in order to reconvene at a later date before reaching a decision. If the family misses

a deadline ordered by the hearing officer, the hearing officer will make a decision based on the evidence presented.

The decision of the hearing officer will be binding on the PHA unless the PHA's Board of Commissioners determines within a reasonable time and notifies the complainant of its determination that:

A. The grievance does not concern PHA action or failure to act in accordance with or involving the complainant's lease or PHA regulations, which adversely affect the complainant's rights, duties, welfare, or status; or

B. The decision of the hearing officer is contrary to applicable federal, state, or local law, HUD regulations, or requirements of the annual contributions contract (ACC) between HUD and the PHA.

When the PHA considers the decision of the hearing officer to be invalid due to either of the reasons stated above, it will present the matter to the PHA Board of Commissioners within 10 business days of the date of the hearing officer's decision. The Board has 30 calendar days to consider the decision. If the Board decides to reverse the hearing officer's decision, it must notify the complainant within 10 business days of this decision.

A decision by the hearing officer or Board of Commissioners in favor of the PHA or which denies the relief requested by the complainant in whole or in part will not constitute a waiver of nor affect in any way the rights of the complainant to a trial or judicial review in any court proceedings, which may be brought in the matter later [24 CFR 966.57].

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## Chapter 15

### PROGRAM INTEGRITY

#### INTRODUCTION

The PHA is committed to ensuring that funds made available to the PHA are spent in accordance with HUD requirements.

This chapter covers HUD and PHA policies designed to prevent, detect, investigate and resolve instances of program abuse or fraud. It also describes the actions that will be taken in the case of unintentional errors and omissions.

Part I: Preventing, Detecting, and Investigating Errors and Program Abuse. This part presents PHA policies related to preventing, detecting, and investigating errors and program abuse.

Part II: Corrective Measures and Penalties. This part describes the corrective measures the PHA must and may take when errors or program abuses are found.

#### PART I: PREVENTING, DETECTING, AND INVESTIGATING ERRORS AND PROGRAM ABUSE

##### 15-1.A. PREVENTING ERRORS AND PROGRAM ABUSE

HUD created the Enterprise Income Verification (EIV) system to provide PHAs with a powerful tool for preventing errors and program abuse. PHAs are required to use the EIV system in its entirety in accordance with HUD administrative guidance [24 CFR 5.233]. PHAs are further required to:

- Provide applicants and residents with form HUD-52675, “Debts Owed to PHAs and Terminations”
- Require all adult members of an applicant or participant family to acknowledge receipt of form HUD-52675 by signing a copy of the form for retention in the family file

##### HACB Policy

The HACB expects that the vast majority of families and HACB employees intend to and will comply with program requirements and make reasonable efforts to avoid errors.

To ensure that the HACB’s program is administered effectively and according to the highest ethical and legal standards, the HACB will employ a variety of techniques to ensure that both errors and intentional program abuse are rare.

The HACB will provide each applicant and resident with a copy of “Is Fraud Worth It?” (form HUD-1141-OIG), which explains the types of actions a family must avoid and the penalties for program abuse.

The HACB will provide each applicant and resident with a copy of “What You Should Know about EIV,” a guide to the Enterprise Income Verification (EIV) system published by HUD as an attachment to Notice PIH 2017-12. In addition, the HACB will require the head of each household to acknowledge receipt of the guide by signing a copy for retention in the family file.

The HACB will require mandatory orientation sessions for all prospective residents either prior to or upon execution of the lease. The HACB will discuss program compliance and integrity issues. At the conclusion of all program orientation sessions, the family representative will be required to sign a program briefing certificate to confirm that all rules and pertinent regulations were explained to them.

The HACB will routinely provide resident counseling as part of every reexamination interview in order to clarify any confusion pertaining to program rules and requirements.

HACB staff will be required to review and explain the contents of all HUD- and HACB-required forms prior to requesting family member signatures.

The HACB will place a warning statement about the penalties for fraud (as described in 18 U.S.C. 1001 and 1010) on key HACB forms and form letters that request information from a family member.

The HACB will provide each HACB employee with the necessary training on program rules and the organization's standards of conduct and ethics.

At every regular reexamination the PHA staff will explain any changes in HUD regulations or PHA policy that affect residents.

For purposes of this chapter the term *error* refers to an unintentional error or omission. *Program abuse or fraud* refers to a single act or pattern of actions that constitute a false statement, omission, or concealment of a substantial fact, made with the intent to deceive or mislead.

### **15-I.B. DETECTING ERRORS AND PROGRAM ABUSE**

In addition to taking steps to prevent errors and program abuse, the PHA will use a variety of activities to detect errors and program abuse.

#### **Quality Control and Analysis of Data**

##### HACB Policy

The HACB will employ a variety of methods to detect errors and program abuse, including:

The HACB routinely will use EIV and other non-HUD sources of up-front income verification. This includes any private or public databases available to the PHA.

At each annual reexamination, current information provided by the family will be compared to information provided at the last annual reexamination to identify inconsistencies and incomplete information.

The HACB will compare family-reported income and expenditures to detect possible unreported income.

#### **Independent Audits and HUD Monitoring**

Notice PIH 2015-16 requires all PHAs that expend \$750,000 or more in federal awards annually to have an independent audit (IPA). In addition, HUD conducts periodic on-site and automated monitoring of PHA activities and notifies the PHA of errors and potential cases of program abuse.

#### HACB Policy

The HACB will use the results reported in any IPA or HUD monitoring reports to identify potential program abuses as well as to assess the effectiveness of the HACB's error detection and abuse prevention efforts.

### **Individual Reporting of Possible Errors and Program Abuse**

#### HACB Policy

The HACB will encourage staff, residents, and the public to report possible program abuse.

### **15-I.C. INVESTIGATING ERRORS AND PROGRAM ABUSE**

#### **When the PHA will Investigate**

#### HACB Policy

The HACB will review all referrals, specific allegations, complaints, and tips from any source including other agencies, companies, and individuals, to determine if they warrant investigation. In order for the HACB to investigate, the allegation must contain at least one independently-verifiable item of information, such as the name of an employer or the name of an unauthorized household member.

The HACB will investigate when inconsistent or contradictory information is detected through file reviews and the verification process.

#### **Consent to Release of Information [24 CFR 960.259]**

The PHA may investigate possible instances of error or abuse using all available PHA and public records. If necessary, the PHA will require families to sign consent forms for the release of additional information.

#### **Analysis and Findings**

#### HACB Policy

The HACB will base its evaluation on a preponderance of the evidence collected during its investigation.

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

For each investigation the HACB will determine (1) whether an error or program abuse has occurred, (2) whether any amount of money is owed the HACB, and (3) what corrective measures or penalties will be assessed.

#### **Consideration of Remedies**



All errors and instances of program abuse must be corrected prospectively. Whether the PHA will enforce other corrective actions and penalties depends upon the nature of the error or program abuse.

HACB Policy

In the case of family-caused errors or program abuse, the HACB will take into consideration (1) the seriousness of the offense and the extent of participation or culpability of individual family members, (2) any special circumstances surrounding the case, (3) any mitigating circumstances related to the disability of a family member, (4) the effects of a particular remedy on family members who were not involved in the offense.

**Notice and Appeals**

HACB Policy

The HACB will inform the relevant party in writing of its findings and remedies within 14 calendar days of the conclusion of the investigation. The notice will include (1) a description of the error or program abuse, (2) the basis on which the HACB determined the error or program abuses, (3) the remedies to be employed, and (4) the family's right to appeal the results through an informal hearing or grievance hearing (see Chapter 14).

**PART II: CORRECTIVE MEASURES AND PENALTIES**

**15-II.A. UNDER- OR OVERPAYMENT**

An under- or overpayment includes an incorrect tenant rent payment by the family, or an incorrect utility reimbursement to a family.

**Corrections**

Whether the incorrect rental determination is an overpayment or underpayment, the PHA must promptly correct the tenant rent and any utility reimbursement prospectively.

HACB Policy

Increases in the tenant rent will be implemented on the first of the month following a written 30 day notice.

Any decreases in tenant rent will become effective the first of the month following the discovery of the error.

**Reimbursement**

Whether the family is required to reimburse the PHA or the PHA is required to reimburse the family depends upon which party is responsible for the incorrect payment and whether the action taken was an error or program abuse. Policies regarding reimbursement are discussed in the three sections that follow.

**15-II.B. FAMILY-CAUSED ERRORS AND PROGRAM ABUSE**

General administrative requirements for participating in the program are discussed throughout the ACOP. This section deals specifically with errors and program abuse by family members.

An incorrect rent determination caused by a family generally would be the result of incorrect reporting of family composition, income, assets, or expenses, but also would include instances in which the family knowingly allows the PHA to use incorrect information provided by a third party.

### **Family Reimbursement to PHA**

#### HACB Policy

In the case of family-caused errors or program abuse, the family will be required to repay any amounts of rent underpaid. The HACB may, but is not required, to offer the family a repayment agreement in accordance with Chapter 16. If the family fails to repay the amount owed, the HACB will terminate the family's lease in accordance with the policies in Chapter 13.

### **PHA Reimbursement to Family**

#### HACB Policy

The HACB will not reimburse the family for any overpayment of rent when the overpayment clearly is caused by the family.

### **Prohibited Actions**

An applicant or resident in the public housing program must not knowingly:

- Make a false statement to the HACB [Title 18 U.S.C. Section 1001].
- Provide incomplete or false information to the HACB [24 CFR 960.259(a)(4)].
- Commit fraud, or make false statements in connection with an application for assistance or with reexamination of income [24 CFR 966.4(l)(2)(iii)(C)].

#### HACB Policy

Any of the following will be considered evidence of family program abuse:

Offering bribes or illegal gratuities to the HACB Board of Commissioners, employees, contractors, or other HACB representatives

Offering payments or other incentives to a third party as an inducement for the third party to make false or misleading statements to the HACB on the family's behalf

Use of a false name or the use of falsified, forged, or altered documents

Intentional misreporting of family information or circumstances (e.g., misreporting of income or family composition)

Omitted facts that were obviously known by a family member (e.g., not reporting employment income)

Admission of program abuse by an adult family member

The HACB may determine other actions to be program abuse based upon a preponderance of the evidence, as defined earlier in this chapter.

### **Penalties for Program Abuse**

In the case of program abuse caused by a family the PHA may, at its discretion, impose any of the following remedies.

- The PHA may require the family to repay any amounts owed to the program (see 15-II.B., Family Reimbursement to PHA).
- The PHA may require, as a condition of receiving or continuing assistance, that a culpable family member not reside in the unit. See policies in Chapter 3 (for applicants) and Chapter 13 (for residents).
- The PHA may deny admission or terminate the family's lease following the policies set forth in Chapter 3 and Chapter 13 respectively.
- The PHA may refer the family for state or federal criminal prosecution as described in section 15-II.D.

### **15-II.C. PHA-CAUSED ERRORS OR PROGRAM ABUSE**

The responsibilities and expectations of PHA staff with respect to normal program administration are discussed throughout the ACOP. This section specifically addresses actions of a PHA staff member that are considered errors or program abuse related to the public housing program. Additional standards of conduct may be provided in the PHA personnel policy.

PHA-caused incorrect rental determinations include (1) failing to correctly apply public housing rules regarding family composition, income, assets, and expenses, and (2) errors in calculation.

#### **Repayment to the PHA**

The family is not required to repay an underpayment of rent if the error or program abuse is caused by PHA staff.

#### **PHA Reimbursement to Family**

##### HACB Policy

The HACB will reimburse a family for any family overpayment of rent, regardless of whether the overpayment was the result of staff-caused error or staff program abuse.

#### **Prohibited Activities**

##### HACB Policy

Any of the following will be considered evidence of program abuse by HACB staff:

Failing to comply with any public housing program requirements for personal gain

Failing to comply with any public housing program requirements as a result of a conflict of interest relationship with any applicant or resident

Seeking or accepting anything of material value from applicants, residents, vendors, contractors, or other persons who provide services or materials to the HACB

Disclosing confidential or proprietary information to outside parties

Gaining profit as a result of insider knowledge of HACB activities, policies, or practices

Misappropriating or misusing public housing funds

Destroying, concealing, removing, or inappropriately using any records related to the public housing program

Committing any other corrupt or criminal act in connection with any federal housing program

Committing sexual harassment or other harassment based on race, color, religion, national origin, familial status, disability, sexual orientation, or gender identity, either quid pro quo (supervisory harassment) or hostile environment

Allowing sexual harassment or other harassment based on race, color, religion, national origin, familial status, disability, sexual orientation, or gender identity, either quid pro quo (supervisory harassment) or hostile environment, where the PHA knew or should have known such harassment was occurring

Retaliating against any applicant, resident, or staff reporting sexual harassment or other harassment based on race, color, religion, national origin, familial status, disability, sexual orientation, or gender identity, either quid pro quo (supervisory harassment) or hostile environment

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#### **15-IL.D. CRIMINAL PROSECUTION**

##### HACB Policy

When the HACB determines that program abuse by a family or HACB staff member has occurred and the amount of underpaid rent meets or exceeds the threshold for prosecution under local or state law, the HACB will refer the matter to the appropriate entity for prosecution. When the amount of underpaid rent meets or exceeds the federal threshold, the case will also be referred to the HUD Office of Inspector General (OIG).

Other criminal violations related to the public housing program will be referred to the appropriate local, state, or federal entity.

#### **15-II.E. FRAUD AND PROGRAM ABUSE RECOVERIES**

PHAs who enter into a repayment agreement with a family to collect rent owed, initiate litigation against the family to recover rent owed, or begin eviction proceedings against a family may retain 100 percent of program funds that the PHA recovers [Notice PIH 2007-27 (HA)].

If the PHA does none of the above, all amounts that constitute an underpayment of rent must be returned to HUD.

The family must be afforded the opportunity for a hearing through the PHA's grievance process.

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## Chapter 16

### PROGRAM ADMINISTRATION

#### INTRODUCTION

This chapter discusses administrative policies and practices that are relevant to the activities covered in this ACOP. The policies are discussed in seven parts as described below:

Part I: Setting Utility Allowances. This part describes how utility allowances are established and revised. Also discussed are the requirements to establish surcharges for excess consumption of PHA-furnished utilities.

Part II: Establishing Flat Rents. This part describes the requirements and policies related to establishing and updating flat rent amounts. Part III: Repayment of Family Debts. This part contains policies for recovery of monies that have been underpaid by families, and describes the circumstances under which the PHA will offer repayment agreements to families. Also discussed are the consequences for failure to make payments in accordance with a repayment agreement.

Part IV: Public Housing Assessment System (PHAS). This part describes the PHAS indicators, how PHAs are scored under PHAS, and how those scores affect a PHA.

Part V: Record-Keeping. All aspects of the program involve certain types of record-keeping. This part outlines the privacy rights of applicants and participants and record retention policies the PHA will follow.

Part VI: Reporting and Record Keeping for Children with Elevated Blood Lead Level. This part describes the PHA's reporting responsibilities related to children with elevated blood lead levels that are living in public housing.

Part VII: Violence against Women Act (VAWA): Notification, Documentation, and Confidentiality. This part contains key terms used in VAWA and describes requirements related to notifying families about their rights and responsibilities under VAWA; requesting documentation from victims of domestic violence, dating violence, sexual assault, and stalking; and maintaining the confidentiality of information obtained from victims.

#### **PART I: SETTING UTILITY ALLOWANCES [24 CFR 965 Subpart E]**

##### **16-I.A. OVERVIEW**

PHAs must establish allowances for PHA-furnished utilities for all check metered utilities and for resident-purchased utilities for all utilities purchased directly by residents from a utility supplier [24 CFR 965.502(a)].

PHAs must also establish surcharges for excess consumption of PHA-furnished utilities [24 CFR 965.506].

The PHA must maintain a record that documents the basis on which utility allowances and scheduled surcharges are established and revised, and the record must be made available for inspection by residents [24 CFR 965.502(b)].

## 16-I.B UTILITY ALLOWANCES

The PHA must establish separate allowances for each utility and for each category of dwelling units the PHA determines to be reasonably comparable as to factors affecting utility usage [24 CFR 965.503].

The objective of a PHA in establishing utility allowances for each dwelling unit category and unit size is to approximate a reasonable consumption of utilities by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful living environment [24 CFR 965.505].

Utilities include gas, electricity, fuel for heating, water, sewerage, and solid waste disposal for a dwelling unit. In addition, if the PHA does not furnish a range and refrigerator, the family must be granted a utility allowance for the range and refrigerator they provide [24 CFR 965.505].

Costs for telephone, cable/satellite TV, and internet services are not considered utilities [PH Occ GB, p. 138].

Utility allowance amounts will vary by the rates in effect, size and type of unit, climatic location and siting of the unit, type of construction, energy efficiency of the dwelling unit, and other factors related to the physical condition of the unit. Utility allowance amounts will also vary by residential demographic characteristics affecting home energy usage [PH Occ GB, p. 138].

Chapter 14 of the *PH Occupancy Guidebook* provides detailed guidance to the PHA about establishing utility allowances.

### **Air-Conditioning**

“If a PHA installs air conditioning, it shall provide, to the maximum extent economically feasible, systems that give residents the option of choosing to use air conditioning in their units. The design of systems that offer each resident the option to choose air conditioning shall include retail meters or check meters, and residents shall pay for the energy used in its operation. For systems that offer residents the option to choose air conditioning but cannot be check metered, residents are to be surcharged in accordance with 965.506. If an air conditioning system does not provide for resident option, residents are not to be charged, and these systems should be avoided whenever possible.” [24 CFR 965.505(e)].

#### HACB Policy

The HACB has installed air-conditioning.

### **Utility Allowance Revisions [24 CFR 965.507]**

The PHA must review at least annually the basis on which utility allowances have been established and must revise the allowances if necessary in order to adhere to the standards for establishing utility allowances that are contained in 24 CFR 965.505.

The PHA may revise its allowances for resident-purchased utilities between annual reviews if there is a rate change, and is required to do so if such change, by itself or together with prior rate changes not adjusted for, results in a change of 10 percent or more from the rate on which the allowance was based.

Adjustments to resident payments as a result of such changes must be retroactive to the first day of the month following the month in which the last rate change taken into account became effective.

HACB Policy

Between annual reviews of utility allowances, the HACB will only revise its utility allowances due to a rate change, when required to by the regulation.

**16-I.C. SURCHARGES FOR PHA-FURNISHED UTILITIES [24 CFR 965.506]**

For dwelling units subject to allowances for PHA-furnished utilities where check meters have been installed, the PHA must establish surcharges for utility consumption in excess of the allowances. Surcharges may be computed on a straight per unit of purchase basis or for stated blocks of excess consumption, and must be based on the PHA's average utility rate. The basis for calculating the surcharges must be described in the PHA's schedule of allowances. Changes in the amount of surcharges based directly on changes in the PHA's average utility rate are not subject to the advance notice requirements discussed under 16-I.D.

For dwelling units served by PHA-furnished utilities where check meters have not been installed, the PHA must establish schedules of surcharges indicating additional dollar amounts residents will be required to pay by reason of estimated utility consumption attributable to resident-owned major appliances or to optional functions of PHA-furnished equipment. The surcharge schedule must state the resident-owned equipment (or functions of PHA-furnished equipment) for which surcharges will be made and the amounts of such charges. Surcharges must be based on the cost to the PHA of the utility consumption estimated to be attributable to reasonable usage of such equipment.

HACB Policy

The HACB has PHA-furnished utilities for water, sewer and garbage. The HACB may establish and incorporate a utility allowance for water and sewer on Public Housing units that are individually metered.

**16-I.D. NOTICE REQUIREMENTS [965.502]**

The PHA must give notice to all residents of proposed allowances and scheduled surcharges, and revisions thereof. The notice must be given in the manner provided in the lease and must:

- Be provided at least 60 days before the proposed effective date of the allowances, scheduled surcharges, or revisions.
- Describe the basis for determination of the allowances, scheduled surcharges, or revisions, including a statement of the specific items of equipment and function whose utility consumption requirements were included in determining the amounts of the allowances and schedule of surcharges.
- Notify residents of the place where the PHA's documentation on which allowances and surcharges are based is available for inspection.
- Provide all residents an opportunity to submit written comments during a period expiring not less than 30 days before the proposed effective date of the allowances, scheduled surcharges, or revisions.



### **16-I.E. REASONABLE ACCOMMODATION [24 CFR 965.508]**

On request from a family that includes a disabled or elderly person, the PHA must approve a utility allowance that is higher than the applicable amount for the dwelling unit if a higher utility allowance is needed as a reasonable accommodation to make the program accessible to and usable by the family [PH Occ GB, p. 172].

Likewise, residents with disabilities may not be charged for the use of certain resident-supplied appliances if there is a verified need for special equipment because of the disability [PH Occ GB, p. 172].

See Chapter 2 for policies regarding the request and approval of reasonable accommodations.

## **PART II: ESTABLISHING FLAT RENTS AND PUBLIC HOUSING MAXIMUM RENTS**

### **16-II.A. OVERVIEW**

Flat rents are designed to encourage self-sufficiency and to avoid creating disincentives for continued residency by families who are attempting to become economically self-sufficient.

Flat rents are also used to prorate assistance for a mixed family. A mixed family is one whose members include those with citizenship or eligible immigration status, and those without citizenship or eligible immigration status [24 CFR 5.504].

This part discusses how the PHA establishes and updates flat rents. Policies related to the use of flat rents, family choice of rent, flat rent hardships, and proration of rent for a mixed family are discussed in Chapter 6.

### **16-II.B. FLAT RENTS [24 CFR 960.253(b); Notice PIH 2017-23]**

#### **Establishing Flat Rents**

The 2015 Appropriations Act requires that flat rents must be set at no less than 80 percent of the applicable fair market rent (FMR). Alternatively, the PHA may set flat rents at no less than 80 percent of the applicable small area FMR (SAFMR) for metropolitan areas, or 80 percent of the applicable unadjusted rents for nonmetropolitan areas.

For areas where HUD has not determined a SAFMR or an unadjusted rent, PHAs must set flat rents at no less than 80 percent of the FMR or apply for an exception flat rent.

The 2015 Appropriations Act permits PHAs to request an exception flat rent that is lower than either 80 percent of the FMR or SAFMR/unadjusted rent if the PHA can demonstrate that these FMRs do not reflect the market value of a particular property or unit.

In order to demonstrate the need for an exception flat rent, PHAs are required to submit a market analysis methodology that demonstrates the value of the unit. The PHA must use HUD's rent reasonableness methodology to determine flat rents. In determining flat rents, PHAs must consider the following:

- Location
- Quality
- Unit size

- Unit type
- Age of the unit
- Amenities at property and in immediate neighborhood
- Housing services provided
- Maintenance provided by the PHA
- Utilities provided by the PHA and/or landlord for (comparable units in the market study)

The PHA must provide a corresponding key explaining the calculations used for determination the valuation for each factor. [HUD published a Flat Rent Market Analysis tool on August 22, 2018, which includes a rent adjustment guide, a market rent comparison guide, and a rent adjustment worksheet to aide PHAs in requesting exception flat rents.](#)

PHAs must receive written HUD approval before implementing exception flat rents. PHAs with a previously approved flat rent exception request may submit a written request to extend the approved flat rents for up to two additional years, provided local market conditions remain unchanged. Detailed information on how to request exception flat rents can be found in Notice PIH 2017-23.

PHAs are now required to apply a utility allowance to flat rents as necessary. Flat rents set at 80 percent of the FMR must be reduced by the amount of the unit’s utility allowance, if any.

**Review of Flat Rents**

No later than 90 days after the effective date of new annual FMRs/SAFMRs/unadjusted rent, PHAs must implement new flat rents as necessary based on changes to the FMR/SAFMR/unadjusted rent or request an exception. If the FMR falls from year to year, the PHA may, but is not required to, lower the flat rent to 80 percent of the current FMR/SAFMR/unadjusted rent.

HACB Policy

If the FMR/SAFMR/unadjusted rent is lower than the previous year, the HACB will reduce flat rents to 80 percent of the current FMR/SAFMR. **Posting of Flat Rents**

HACB Policy

The HACB will publicly post the schedule of flat rents in a conspicuous manner in the applicable HACB or project office.

**Documentation of Flat Rents [24 CFR 960.253(b)(5)]**

The PHA must maintain records that document the method used to determine flat rents, and that show how flat rents were determined by the PHA in accordance with this method.

**PART III: FAMILY DEBTS TO THE PHA**

**16-III.A. OVERVIEW**

This part describes the PHA’s policies for recovery of monies owed to the PHA by families.

HACB Policy

When an action or inaction of a resident family results in the underpayment of rent or other amounts, the HACB holds the family liable to return any underpayments to the HACB.

The HACB will enter into repayment agreements in accordance with the policies contained in this part as a means to recover overpayments.

When a family refuses to repay monies owed to the HACB, the HACB will utilize other available collection alternatives including, but not limited to, the following:

- Collection agencies
- Small claims court
- Civil law suit
- State income tax set-off program

### **16-III.B. REPAYMENT POLICY**

#### **Family Debts to the PHA**

##### HACB Policy

Any amount owed to the HACB by a public housing family must be repaid. If the family is unable to repay the debt within 30 days, the HACB will offer to enter into a repayment agreement in accordance with the policies below.

If the family refuses to repay the debt, does not enter into a repayment agreement, or breaches a repayment agreement, the HACB will terminate the family's tenancy in accordance with the policies in Chapter 13. The HACB will also pursue other modes of collection.

#### **General Repayment Agreement Guidelines**

##### ***Down Payment Requirement***

##### HACB Policy

Before executing a repayment agreement with a family, the HACB will generally require a down payment of 10 percent of the total amount owed. If the family can provide evidence satisfactory to the HACB that a down payment of 10 percent would impose an undue hardship, the HACB may, in its sole discretion, require a lesser percentage or waive the requirement.

##### ***Payment Thresholds***

Notice PIH 2017-12 recommends that the total amount that a family must pay each month—the family's monthly share of rent plus the monthly debt repayment amount—should not exceed 40 percent of the family's monthly adjusted income, which is considered "affordable." Moreover, Notice PIH 2017-12 acknowledges that PHAs have the discretion to establish "thresholds and policies" for repayment agreements with families [24 CFR 982.552(c)(1)(vii)].

##### HACB Policy

The HACB has established the following thresholds for repayment of debts, any deviation must be pre-approved by HACB management:

- Amounts between \$3,000 and the federal or state threshold for criminal prosecution must be repaid within 36 months.

Amounts between \$2,000 and \$2,999 must be repaid within 30 months.

Amounts between \$1,000 and \$1,999 must be repaid within 24 months.

Amounts under \$1,000 must be repaid within 12 months.

If a family can provide evidence satisfactory to the HACB that the threshold applicable to the family's debt would impose an undue hardship, the HACB may, in its sole discretion, determine that a lower monthly payment amount is reasonable. In making its determination, the HACB will consider all relevant information, including the following:

The amount owed by the family to the HACB

The reason for the debt, including whether the debt was the result of family action/inaction or circumstances beyond the family's control

The family's current and potential income and expenses

The family's current family share, as calculated under 24 CFR 982.515

The family's history of meeting its financial responsibilities

If the family's income increases or decreases during the term of a repayment agreement, either the HACB or the family may request that the monthly payment amount be adjusted accordingly.

#### ***Execution of the Agreement***

##### HACB Policy

Any repayment agreement between the HACB and a family must be signed and dated by the HACB and by the head of household and spouse/co-head (if applicable).

#### ***Due Dates***

##### HACB Policy

All payments are due by the close of business on the 15th day of the month. If the 15th does not fall on a business day, the due date is the close of business on the first business day after the 15th.

Any amount or payment period that fall outside HACB policy for threshold amounts and due dates must be pre-approved by HACB management.

#### ***Late or Missed Payments***

##### HACB Policy

If a payment is not received by the end of the business day on the date due, and prior approval for the missed payment has not been given by the HACB, the HACB will send the family a delinquency notice giving the family 14 calendar days to make the late payment. If the payment is not received by the due date of the delinquency notice, it will be considered a breach of the agreement and the HACB will terminate tenancy in accordance with the policies in Chapter 13.

If a family receives two (2) delinquency notices for unexcused late payments in a 6-month period or three (3) delinquency notices for unexcused late payments in a 12-month period,

the repayment agreement will be considered in default, and the HACB will terminate tenancy in accordance with the policies in Chapter 13.

#### ***No Offer of Repayment Agreement***

##### HACB Policy

The HACB generally will not enter into a repayment agreement with a family if there is already a repayment agreement in place with the family, or if the amount owed by the family exceeds the federal or state threshold for criminal prosecution.

#### **Repayment Agreements Involving Improper Payments**

Notice PIH 2017-12 requires certain provisions to be included in any repayment agreement involving amounts owed by a family because it underreported or failed to report income:

- A reference to the items in the public housing lease that state the family's obligation to provide true and complete information at every reexamination and the grounds on which the PHA may terminate assistance because of a family's action or failure to act
- A statement clarifying that each month the family not only must pay to the PHA the monthly payment amount specified in the agreement but must also pay to the PHA the monthly tenant rent
- A statement that the terms of the repayment agreement may be renegotiated if the family's income decreases or increases
- A statement that late or missed payments constitute default of the repayment agreement and may result in termination of tenancy

### **PART IV: PUBLIC HOUSING ASSESSMENT SYSTEM (PHAS)**

#### **16-IV.A. OVERVIEW**

The purpose of the Public Housing Assessment System (PHAS) is to improve the delivery of services in public housing and enhance trust in the public housing system among PHAs, public housing residents, HUD and the general public by providing a management tool for effectively and fairly measuring the performance of a public housing agency in essential housing operations.

#### **16-IV.B. PHAS INDICATORS [24 CFR 902 Subparts A, B, C, D, and E]**

The table below lists each of the PHAS indicators, the points possible under each indicator, and a brief description of each indicator. A PHA's performance is based on a combination of all four indicators.

##### **Indicator 1: Physical condition of the PHA's properties**

##### **Maximum Score: 30**

- The objective of this indicator is to determine the level to which a PHA is maintaining its public housing in accordance with the standard of decent, safe, sanitary, and in good repair.

- To determine the physical condition of a PHA's properties, inspections are performed of the following five major areas of public housing: site, building exterior, building systems, dwelling units, and common areas. The inspections are performed by an independent inspector arranged by HUD, and include a statistically valid sample of the units in the PHA's public housing portfolio.

**Indicator 2: Financial condition of a PHA**  
**Maximum Score: 30**

- The objective of this indicator is to measure the financial condition of a PHA for the purpose of evaluating whether it has sufficient financial resources and is capable of managing those financial resources effectively to support the provision of housing that is decent, safe, sanitary, and in good repair.
- A PHA's financial condition is determined by measuring the PHA's entity-wide performance in each of the following components: current ratio, number of months expendable fund balance, tenant receivable outstanding, occupancy loss, expense management/utility consumption, and net income or loss divided by the expendable fund balance.

**Indicator 3: Management operations of a PHA**  
**Maximum Score: 30**

- The objective of this indicator is to measure certain key management operations and responsibilities of a PHA for the purpose of assessing the PHA's management operations capabilities.
- A PHA's management operations are assessed based on the following sub-indicators: vacant unit turnaround time, capital fund, work orders, PHA annual inspection of units and systems, security, and economic self-sufficiency.

**Indicator 4: Resident service and satisfaction**  
**Maximum Score: 10**

- The objective of this indicator is to measure the level of resident satisfaction with living conditions at the PHA.
- The PHA's score for this indicator is based on the results of resident surveys and the level of implementation and follow-up or corrective actions the PHA takes based on the results of the survey.

**16-IV.C. PHAS SCORING [24 CFR 902.63 and 902.67]**

HUD's Real Estate Assessment Center (REAC) issues overall PHAS scores, which are based on the scores of the four PHAS indicators, and the components under each indicator. PHAS scores translate into a designation for each PHA as high performing, standard, or troubled.

A high performer is a PHA that achieves a score of at least 60 percent of the points available under each of the four indicators, and achieves an overall PHAS score of 90 or greater.

A standard performer is a PHA that has an overall PHAS score between 60 and 89, and does not achieve less than 60 percent of the total points available under one of the following Indicators: 1, 2, or 3.

A troubled performer is a PHA that achieves an overall PHAS score of less than 60, or achieves less than 60 percent of the total points available under more than one of the following indicators: 1, 2, or 3.

These designations can affect a PHA in several ways:

- High-performing PHAs are eligible for incentives including relief from specific HUD requirements and bonus points in funding competitions [24 CFR 902.71].
- PHAs that are standard performers may be required to submit an improvement plan to eliminate deficiencies in the PHA's performance [24 CFR 902.73(a)].
- PHAs with an overall rating of "troubled" are subject to additional HUD oversight, and are required to enter into a memorandum of agreement (MOA) with HUD to improve PHA performance [24 CFR 902.75].
- PHAs that fail to execute or meet MOA requirements may be referred to the Departmental Enforcement Center [24 CFR 902.77].

PHAs must post a notice of its final PHAS score and status in appropriate conspicuous and accessible locations in its offices within two weeks of receipt of its final score and status.

## **PART V: RECORD KEEPING**

### **16-V.A. OVERVIEW**

The PHA must maintain complete and accurate accounts and other records for the program in accordance with HUD requirements, in a manner that permits a speedy and effective audit. All such records must be made available to HUD or the Comptroller General of the United States upon request.

In addition, the PHA must ensure that all applicant and participant files are maintained in a way that protects an individual's privacy rights and that comply with VAWA 2013 confidentiality requirements.

### **16-V.B. RECORD RETENTION**

The PHA must keep the last three years of the Form HUD-50058 and supporting documentation during the term of each assisted lease, and for a period of at least three years from the end of participation (EOP) date [24 CFR 908.101].

Notice PIH 2014-20 requires the PHA to keep records of all complaints, investigations, notices, and corrective actions related to violations of the Fair Housing Act or the equal access final rule.

- The PHA must keep confidential records of all emergency transfer requested under the PHA's Emergency Transfer Plan, and the outcomes of such requests, and retain the records for a period of three years, or for a period of time as specific in program regulations [24 CFR 5.2002(e)(12)].

### HACB Policy

The HACB will keep the last three years of the form HUD-50058 and supporting documentation, and for at least three years after end of participation all documents related to a family's eligibility, tenancy, and termination.

In addition, the HACB will keep the following records for at least three years:

- An application from each ineligible family and notice that the applicant is not eligible

- Lead-based paint records as required by 24 CFR 35, Subpart B

- Documentation supporting the establishment of flat rents Documentation supporting the establishment of utility allowances and surcharges

- Documentation supporting PHAS scores

- Accounts and other records supporting HACB budget and financial statements for the program

- Complaints, investigations, notices and corrective actions related to violations of the Fair Housing Act or the equal access final rule

- Confidential records of all emergency transfers related to VAWA requested under the HACB's Emergency Transfer Plan and the outcomes of such requests

- Other records as determined by the HACB or as required by HUD

If a hearing to establish a family's citizenship status is held, longer retention requirements apply for some types of documents. For specific requirements, see Section 14-II.A.

#### **16-V.C. RECORDS MANAGEMENT**

PHAs must maintain applicant and participant files and information in accordance with the regulatory requirements described below.

##### HACB Policy

All applicant and participant information will be kept in a secure location and access will be limited to authorized HACB staff.

HACB staff will not discuss personal family information unless there is a business reason to do so. Inappropriate discussion of family information or improper disclosure of family information by staff will result in disciplinary action.

##### **Privacy Act Requirements [24 CFR 5.212 and Form-9886]**

The collection, maintenance, use, and dissemination of social security numbers (SSN), employer identification numbers (EIN), any information derived from these numbers, and income information of applicants and participants must be conducted, to the extent applicable, in compliance with the Privacy Act of 1974, and all other provisions of Federal, State, and local law.

Applicants and participants, including all adults in the household, are required to sign a consent form, HUD-9886, Authorization for Release of Information. This form incorporates the Federal Privacy Act Statement and describes how the information collected using the form may be used, and under what conditions HUD or the PHA may release the information collected.

##### **Upfront Income Verification (UIV) Records**



PHAs that access UIV data through HUD’s Enterprise Income Verification (EIV) system are required to adopt and follow specific security procedures to ensure that all EIV data is protected in accordance with federal laws, regardless of the media on which the data is recorded (e.g. electronic, paper). These requirements are contained in the HUD issued document, *Enterprise Income Verification (EIV) System, Security Procedures for Upfront Income Verification (UIV) Data*.

#### HACB Policy

Prior to utilizing HUD’s EIV system, the HACB will adopt and implement EIV security procedures required by HUD.

#### **Criminal Records**

The PHA may only disclose the criminal conviction records which the PHA receives from a law enforcement agency to officers or employees of the PHA, or to authorized representatives of the PHA who have a job-related need to have access to the information [24 CFR 5.903(e)].

The PHA must establish and implement a system of records management that ensures that any criminal record received by the PHA from a law enforcement agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the PHA action without institution of a challenge or final disposition of any such litigation [24 CFR 5.903(g)].

The PHA must establish and implement a system of records management that ensures that any sex offender registration information received by the PHA from a State or local agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the PHA action without institution of a challenge or final disposition of any such litigation. However, a record of the screening, including the type of screening and the date performed must be retained [Notice PIH 2012-28]. This requirement does not apply to information that is public information, or is obtained by a PHA other than under 24 CFR 5.905.

#### **Medical/Disability Records**

PHAs are not permitted to inquire about the nature or extent of a person’s disability. The PHA may not inquire about a person’s diagnosis or details of treatment for a disability or medical condition. If the PHA receives a verification document that provides such information, the PHA should not place this information in the tenant file. The PHA should destroy the document.

#### **Domestic Violence, Dating Violence, Sexual Assault, or Stalking Records**

For requirements and PHA policies related to management of documentation obtained from victims of domestic violence, dating violence, sexual assault, or stalking, see section 16-VII.E.

### **PART VI: REPORTING REQUIREMENTS FOR CHILDREN WITH ELEVATED BLOOD LEAD LEVEL**

#### **16-VI.A. REPORTING REQUIREMENTS [24 CFR 35.1130(e); Notice PIH 2017-13]**

The PHA has certain responsibilities relative to children with elevated blood lead levels that are living in public housing.

The PHA must report the name and address of a child identified as having an elevated blood lead level (EBLL) to the public health department within five (5) business days of being so notified by any other medical health care professional. The PHA must also report each known case of a child with an EBLL to the HUD field office.

#### HACB Policy

The HACB will provide the public health department written notice of the name and address of any child identified as having an elevated blood lead level.

The HACB will provide written notice of each known case of a child with an EBLL to the HUD field office and to HUD's Office of Lead Hazard Control (OLHCHH) within five (5) business days of receiving the information.

### **PART VII: VIOLENCE AGAINST WOMEN ACT (VAWA): NOTIFICATION, DOCUMENTATION, AND CONFIDENTIALITY**

#### **16-VII.A. OVERVIEW**

The Violence Against Women Reauthorization Act of 2005 (VAWA) provides special protections for victims of domestic violence, dating violence, sexual assault, and stalking who are applying for or receiving assistance under the public housing program. If your state or local laws provide greater protection for such victims, those laws apply in conjunction with VAWA.

In addition to definitions of key terms used in VAWA, this part contains general VAWA requirements and PHA policies in three areas: notification, documentation, and confidentiality. Specific VAWA requirements and PHA policies are located in Chapter 3, "Eligibility" (sections 3-1.C and 3-III.F); Chapter 5, "Occupancy Standards and Unit Offers" (section 5-II.D); Chapter 8, "Leasing and Inspections" (section 8-1B); Chapter 12, "Transfer Policy" (sections 12-III.C, 12-III.F, and 12-IV.D); and Chapter 13, "Lease Terminations" (sections 13-III.F and 13-IV.D).

#### **16-VII.B. DEFINITIONS [24 CFR 5.2003; RF Notice 8/6/13]**

As used in VAWA:

- The term *affiliated individual* means, with respect to a person:
  - A spouse, parent, brother or sister, or child of that individual, or an individual to whom that person stands in the position or place of a parent, or
  - Any individual, tenant or lawful occupant living in the household of the victim of domestic violence, dating violence, sexual assault or stalking.
- The term *bifurcate* means, with respect to a public housing or Section 8 lease, to divide a lease as a matter of law such that certain tenants can be evicted or removed while the remaining family member's lease and occupancy rights are allowed to remain intact.
- The term *dating violence* means violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim; and where the existence of such a relationship shall be determined based on a consideration of the following factors:
  - The length of the relationship
  - The type of relationship
  - The frequency of interaction between the persons involved in the relationship

- The term *domestic violence* includes felony or misdemeanor crimes of violence committed by a current or former spouse or intimate partner of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse or intimate partner, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.
- The term *sexual assault* means any nonconsensual sexual act proscribed by Federal, tribal, or State law, including when the victim lacks capacity to consent.
- The term *stalking* means:
  - To engage in a course of conduct directed at a specific person that would cause a reasonable person to fear for his safety or the safety of others; or (B) suffer substantial emotional distress.

## 16-VII.C. NOTIFICATION

### Notification to Public

The PHA adopts the following policy to help ensure that all actual and potential beneficiaries of its public housing program are aware of their rights under VAWA.

#### HACB Policy

The HACB will post the following information regarding VAWA in its offices and on its website. It will also make the information readily available to anyone who requests it.

A notice of occupancy rights under VAWA to public housing applicants and participants who are or have been victims of domestic violence, dating violence, sexual assault, or stalking (Form HUD-5380, see Exhibit 16-1)

A copy of form HUD-5382, Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking and Alternate Documentation (see Exhibit 16-2)

A copy of the HACB's emergency transfer plan (Exhibit 16-3)

A copy of HUD's Emergency Transfer Request for Certain Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking, Form HUD-5383 (Exhibit 16-4)

The National Domestic Violence Hot Line: 1-800-799-SAFE (7233) or 1-800-787-3224 (TTY) (included in Exhibit 16-1)

Contact information for local victim advocacy groups or service providers

### Notification to Applicants and Tenants [24 CFR 5.2005(a)(1)]

PHAs are required to inform public housing applicants and tenants of their rights under VAWA, including their right to confidentiality and the limits thereof, when they are denied assistance, when they are admitted to the program, and when they are notified of an eviction or termination of housing benefits.

The PHA must distribute a notice of VAWA rights, along with the VAWA self-certification form (HUD Form 5382) at each of these three junctures.

#### HACB Policy

The VAWA information provided to applicants and participants will consist of the notices in Exhibit 16-1 and 16-2.

The HACB will provide all applicants with information about VAWA at the time they request an application for housing assistance. The PHA will also include such information in all notices of denial of assistance (see section 3-III.F.).

The HACB will provide all tenants with information about VAWA at the time of admission (see section 8-I.B) and at annual reexamination. The PHA will also include such information in all lease termination notices (see section 13-IV.D).

The PHA is not limited to providing VAWA information at the times specified in the above policy. If the PHA decides to provide VAWA information to a tenant following an incident of domestic violence, Notice PIH 2006-42 cautions against sending the information by mail, since the abuser may be monitoring the mail. The notice recommends that in such cases the PHA make alternative delivery arrangements that will not put the victim at risk.

#### HACB Policy

Whenever the HACB has reason to suspect that providing information about VAWA to a public housing tenant might place a victim of domestic violence at risk, it will attempt to deliver the information by hand directly to the victim or by having the victim come to an office or other space that may be safer for the individual, making reasonable accommodations as necessary. For example, the HACB may decide not to send mail regarding VAWA protections to the victim's unit if the HACB believes the perpetrator may have access to the victim's mail, unless requested by the victim.

When discussing VAWA with the victim, the HACB will take reasonable precautions to ensure that no one can overhear the conversation such as having conversations in a private room.

The victim may, but is not required to, designate an attorney, advocate, or other secure contact for communications regarding VAWA protections.

### **16-VII.D. DOCUMENTATION [24 CFR 5.2007]**

A PHA presented with a claim for initial or continued assistance based on status as a victim of domestic violence, dating violence, sexual assault, stalking, or criminal activity related to any of these forms of abuse may – but is not required to – request that the individual making the claim document the abuse. Any request for documentation must be in writing, and the individual must be allowed at least fourteen (14) business days after receipt of the requests to submit the documentation. The PHA may extend this time period at its discretion. [24 CFR 5.2007(a)]

The individual may satisfy the PHA's request by providing any one of the following three forms of documentation [24 CFR 5.2007(b)]:

- (1) A completed and signed HUD-approved certification form (HUD-5382, Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking), which must include the

name of the perpetrator only if the name of the perpetrator is safe to provide and is known to the victim. The form may be filled out and submitted on behalf of the victim.

- (2) A federal, state, tribal, territorial, or local police report or court record or administrative record
- (3) Documentation signed by a person who has assisted the victim in addressing domestic violence, dating violence, sexual assault, or stalking, or the effects of such abuse. This person may be an employee, agent, or volunteer of a victim service provider; an attorney; mental health professional; or a medical professional. The person signing the documentation must attest under penalty of perjury to the person's belief that the incidents in question are bona fide incidents of abuse. The victim must also sign the documentation.

The PHA may not require third-party documentation (forms 2 and 3) in addition to certification (form 1), except as specified below under "Conflicting Documentation," nor may it require certification in addition to third-party documentation [VAWA final rule].

#### HACB Policy

Any request for documentation of domestic violence, dating violence, sexual assault, or stalking will be in writing, will specify a deadline of fourteen (14) business days following receipt of the request, will describe the three forms of acceptable documentation, will provide explicit instructions on where and to whom the documentation must be submitted, and will state the consequences for failure to submit the documentation or request an extension in writing by the deadline.

The HACB may, in its discretion, extend the deadline for ten (10) business days. In determining whether to extend the deadline, the HACB will consider factors that may contribute to the victim's inability to provide documentation in a timely manner, including cognitive limitations, disabilities, limited English proficiency, absence from the unit, administrative delays, the danger of further violence, and the victim's need to address health or safety issues. Any extension granted by the PHA will be in writing.

Once the victim provides documentation, the HACB will acknowledge receipt of the documentation within ten (10) business days.

#### **Conflicting Documentation [24 CFR 5.2007E)**

In cases where the PHA receives conflicting certification documents from two or more members of a household, each claiming to be a victim and naming one or more of the other petitioning household members as the perpetrator, the PHA may determine which is the true victim by requiring each to provide acceptable third-party documentation, as described above (forms 2 and 3). The PHA may also request third-party documentation when submitted documentation contains information that conflicts with existing information already available to the PHA. The PHA must honor any court orders issued to protect the victim or to address the distribution of property. Individuals have 30 calendar days to return third-party verification to the PHA. If the PHA does not receive third-party documentation, and the PHA will deny or terminate assistance as a result, the PHA must hold separate hearings for the tenants [Notice PIH 2017-08].

#### HACB Policy

If presented with conflicting certification documents from members of the same household, the HACB will attempt to determine which is the true victim by requiring each of them to provide third-party documentation in accordance with 24 CFR 5.2007(e) and by

following any HUD guidance on how such determinations should be made. When requesting third-party documents, the HACB will provide contact information for local domestic violence and legal aid offices. In such cases, applicants or tenants will be given 30 calendar days from the date of the request to provide such documentation.

If the HACB does not receive third-party documentation within the required timeframe (and any extensions) the HACB will deny VAWA protections and will notify the applicant or tenant in writing of the denial. If, as a result, the applicant or tenant is denied or terminated from the program, the HACB will hold separate hearings for the applicants or tenants.

**Discretion to Require No Formal Documentation [24 CFR 5.2007(d); 42 U.S.C. § 14043e-11(c)(3)(D)]**

The PHA has the discretion to provide benefits to an individual based solely on the individual's statement or other corroborating evidence – i.e., without requiring formal documentation of abuse in accordance with 24 CFR 5.2007(b). HUD recommends documentation in a confidential manner when a verbal statement or other evidence is accepted.

HACB Policy

If the HACB accepts an individual's statement or other corroborating evidence (as determined by the victim) of domestic violence, dating violence, sexual assault, or stalking, the HACB will document acceptance of the statement or evidence in the individual's file.

**Failure to Provide Documentation [24 CFR 5.2007(c); 42 U.S.C. § 14043e-11(c)(2)(A)]**

In order to deny relief for protection under VAWA, a PHA must provide the individual requesting relief with a written request for documentation of abuse. If the individual fails to provide the documentation within fourteen (14) business days from the date of receipt, or such longer time as the PHA may allow, the PHA may deny relief for protection under VAWA.

**16-VILE. CONFIDENTIALITY [24 CFR 5.2007(b)(4); 42 U.S.C. § 14043e-11(c)(4)]**

All information provided to the PHA regarding domestic violence, dating violence, sexual assault, or stalking, including the fact that an individual is a victim of domestic violence, dating violence, sexual assault, or stalking, must be retained in confidence. This means that the PHA (1) may not enter the information into any shared database, (2) may not allow employees or others to access the information unless they are explicitly authorized to do so and have a need to know the information for purposes of their work, and (3) may not provide the information to any other entity or individual, except to the extent that the disclosure is (a) requested or consented to by the individual in writing, (b) required for use in an eviction proceeding, or (c) otherwise required by applicable law.

HACB Policy

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

**EXHIBIT 16-1: SAMPLE NOTICE OF OCCUPANCY RIGHTS UNDER THE  
VIOLENCE AGAINST WOMEN ACT, FORM 5380**

**Housing Authority of the County of Butte<sup>1</sup>**

**Notice of Occupancy Rights under the Violence Against Women Act<sup>2</sup>**

**To all Tenants and Applicants**

The Violence Against Women Act (VAWA) provides protections for victims of domestic violence, dating violence, sexual assault, or stalking. VAWA protections are not only available to women, but are available equally to all individuals regardless of sex, gender identity, or sexual orientation.<sup>3</sup> The U.S. Department of Housing and Urban Development (HUD) is the Federal agency that oversees that the Public Housing Program is in compliance with VAWA. This notice explains your rights under VAWA. A HUD-approved certification form is attached to this notice. You can fill out this form to show that you are or have been a victim of domestic violence, dating violence, sexual assault, or stalking, and that you wish to use your rights under VAWA.

**Protections for Applicants**

If you otherwise qualify for assistance under the Public Housing Program, you cannot be denied admission or denied assistance because you are or have been a victim of domestic violence, dating violence, sexual assault, or stalking.

**Protections for Tenants**

If you are receiving assistance under the Public Housing Program, you may not be denied assistance, terminated from participation, or be evicted from your rental housing because you are or have been a victim of domestic violence, dating violence, sexual assault, or stalking. Also, if you or an affiliated individual of your is or has been the victim of domestic violence, dating violence, sexual assault, or stalking by a member of your household or any guest, you may not be denied rental assistance or occupancy rights under the Public Housing Program solely on the basis of criminal activity directly relating to that domestic violence, dating violence, sexual assault, or stalking.

Affiliated individual means your spouse, parent, brother, sister, or child, or a person to whom you stand in the place of a parent or guardian (for example, the affiliated individual is in your care, custody, or control); or any individual, tenant, or lawful occupant living in your household.

<sup>1</sup> The notice uses HP for housing provider but the housing provider should insert its name where HP is used. HUD's program-specific regulations identify the individual or entity responsible for providing the notice of occupancy rights.

<sup>2</sup> Despite the name of this law, VAWA protection is available regardless of sex, gender identity, or sexual or sexual orientation

<sup>3</sup> Housing providers cannot discriminate on the basis of any protected characteristic, including race, color, national origin, religion, sex, familial status, disability, or age. HUD-assisted and HUD-insured housing must be made available to all otherwise eligible individuals regardless of actual or perceived sexual orientation, gender identity, or marital status.

**Removing the Abuser or Perpetrator from the Household**

HACB may divide (bifurcate) your lease in order to evict the individual or terminate the assistance of the individual who has engaged in criminal activity (the abuser or perpetrator) directly relating to domestic violence, dating violence, sexual assault, or stalking.

If HACB chooses to remove the abuser or perpetrator, HACB may not take away the rights of eligible tenants to the unit or otherwise punish the remaining tenants. If the evicted abuser or perpetrator was the sole tenant to have established eligibility for assistance under the program, HACB must allow the tenant who is or has been a victim and other household members to remain in the unit for a period of time, in order to establish eligibility under the program or under another HUD housing program covered by VAWA or find alternative housing.

In removing the abuser or perpetrator from the household, HACB must follow Federal, State, and local eviction procedures. In order to divide a lease, HACB may, but is not required to, as you for documentation or certification of the incidence of domestic violence, dating violence, sexual assault, or stalking.

### **Moving to Another Unit**

Upon your request, HACB may permit you to move to another unit, subject to the availability of other units, and still keep your assistance. IN order to approve a request, HACB may ask you to provide documentation that you are requesting to move because of an incidence of domestic violence, dating violence, sexual assault, or stalking. If the request is a request for emergency transfer, the housing provider may ask you to submit a written request or fill out a form where you certify that you meet the criteria for an emergency transfer under VAWA. The criteria are:

- (1) **You are a victim of domestic violence, dating violence, sexual assault, or stalking.**  
If your housing provider does not already have documentation that you are a victim of domestic violence, dating violence, sexual assault, or stalking, your housing provider may ask you for such documentation, as described in the documentation section below.
- (2) **You expressly request the emergency transfer.** Your housing provider may choose to require that you submit a form, or may accept another written or oral request.
- (3) **You reasonably believe you are threatened with imminent harm from further violence if you remain in your current unit.** This means you have a reason to fear that if you do not receive a transfer you would suffer violence in the very near future.

**OR**

**You are a victim of sexual assault and the assault occurred on the premises during the 90-calendar-day period before you request a transfer.** If you are a victim of sexual assault, then in addition to qualifying for an emergency transfer because you reasonably believe you are threatened with imminent harm from further violence if you remain in your unit, you may qualify for an emergency transfer if the sexual assault occurred on the premises of the property from which you are seeking your transfer, and that assault happened within the 90-calendar-day period before you expressly request the transfer.

HACB will keep confidential requests for emergency transfers by victims of domestic violence, dating violence, sexual assault, or stalking, and the location of any move by such victims and their families.

HACB's emergency transfer plan provides further information on emergency transfers, and HACB must make a copy of its emergency transfer plan available to you if you ask to see it.



**Documenting You Are or Have Been a Victim of Domestic Violence, Dating Violence, Sexual Assault or Stalking**

HACB can, but is not required to, ask you to provide documentation to “certify” that you are or have been a victim of domestic violence, dating violence, sexual assault, or stalking. Such request from HACB must be in writing, and HACB must give you at least 14 business days (Saturdays, Sundays, and Federal holidays do not count) from the day you receive the request to provide the documentation. HACB may, but does not have to, extend the deadline for the submission of documentation upon your request.

You can provide one of the following to HACB as documentation. It is your choice which of the following to submit if HACB asks you to provide documentation that you are or have been a victim of domestic violence, dating violence, sexual assault, or stalking.

- A complete HUD-approved certification form given to you by HACB with this notice, that documents an incident of domestic violence, dating violence, sexual assault, or stalking. The form will ask for your name, the date, time, and location of the incident of domestic violence, dating violence, sexual assault, or stalking, and a description of the incident. The certification form provides for including the name of the abuser or perpetrator if the name of the abuser or perpetrator is known and is safe to provide.
- A record of a Federal, State, tribal, territorial or local law enforcement agency, court, or administrative agency that documents the incident of domestic violence, dating violence, sexual assault, or stalking. Examples of such records include police reports, protective orders, and restraining orders, among others.
- A statement, which you must sign, along with the signature of an employee, agency, or volunteer of a victim service provider, an attorney, a medical professional or a mental health professional (collectively, “professional”) from whom you sought assistance in addressing domestic violence, dating violence, sexual assault, or stalking, or the effects of abuse, and with the professional selected by you attesting under penalty of perjury that he or she believes that the incident or incidents of domestic violence, dating violence, sexual assault, or stalking are grounds for protection.
- Any other statement or evidence that HACB agreed to accept.

If you fail or refuse to provide one of these documents within the 14 business days, HACB does not have to provide you with the protections contained in this notice.

If HACB receives conflicting evidence that an incident of domestic violence, dating violence, sexual assault, or stalking has been committed (such as certification forms from two or more members of a household each claiming to be a victim and naming one or more of the other petitioning household members as the abuser or perpetrator), HACB has the right to request that you provide third-party documentation within thirty (30) calendar days in order to resolve the conflict. If you fail or refuse to provide third-party documentation where there is conflicting evidence, HACB does not have to provide you with the protections contained in this notice.

**Confidentiality**

HACB must keep confidential any information you provide related to the exercise of your rights under VAWA, including the fact that you are exercising your rights under VAWA.

HACB must not allow any individual administering assistance or other services on behalf of HACB (for example, employees and contractors) to have access to confidential information unless for reasons that specifically call for these individuals to have access to this information under applicable Federal, State, or local law.

HACB must not enter your information into any shared database or disclose your information to any other entity or individual. HACB, however, may disclose the information provided if:

- You give written permission to HACB to release the information on a time limited basis.
- HACB needs to use the information in an eviction or termination proceeding, such as to evict your abuser or perpetrator or terminate your abuser or perpetrator from assistance under this program.
- A law requires HACB or your landlord to release the information.

VAWA does not limit HACB's duty to honor court orders about access to or control of the property. This includes orders issued to protect a victim and orders dividing property among household members in cases where a family breaks up.

**Reasons a Tenant Eligible for Occupancy Rights under VAWA May Be Evicted or Assistance May Be Terminated**

You can be evicted and your assistance can be terminated for serious or repeated lease violations that are not related to domestic violence, dating violence, sexual assault, or stalking committed against you. However, HACB cannot hold tenants who have been victims of domestic violence, dating violence, sexual assault, or stalking to a more demanding set of rules than it applies to tenants who have not been victims of domestic violence, dating violence, sexual assault, or stalking.

The protections described in this notice might not apply, and you could be evicted and your assistance terminated, if HACB can demonstrate that not evicting you or terminating your assistance would present a real physical danger that:

- 1) Would occur within an immediate time frame, and
- 2) Could result in death or serious bodily harm to other tenants or those who work on the property.

If HACB can demonstrate the above, HACB should only terminate your assistance or evict you if there are no other actions that could be taken to reduce or eliminate the threat.

**Other Laws**

VAWA does not replace any Federal, State, or local law that provides greater protection for victims of domestic violence, dating violence, sexual assault, or stalking. You may be entitled to additional housing protections for victims of domestic violence, dating violence, sexual assault, or stalking under other Federal laws, as well as under State and local laws.

**Non-Compliance with the Requirements of this Notice**

You may report your PHA for violations of these rights and seek additional assistance, if needed, by contacting or filing a complaint with U.S. Department of Housing and Urban Development, One Sansome Street, San Francisco CA 94104 or (415) 489-6400.

**For Additional Information**

You may view a copy of HUD's final VAWA rule at <https://www.gpo.gov/fdsys/pkg/FR-2016-11-16/pdf/2016-25888.pdf>.

Additionally, HACB must make a copy of HUD's VAWA regulations available to you if you ask to see them.

For questions regarding VAWA, please contact Larry Guanzon, Deputy Executive Director, Housing Authority of the County of Butte, 2039 Forest Avenue, Chico CA 95928 or (530) 895-4474 ext. 226.

For help regarding an abusive relationship, you may call the National Domestic Violence Hotline at (800) 799-7233 or, for persons with hearing impairments (800) 787-3224 (TTY). You may also contact:

Catalyst Domestic Violence Services 1-800-895-8476

Administrative Office & Drop-In Center 330 Wall Street, Suite 50 Chico, CA 95928 (530) 343-7711

Greater Oroville Family Resource & Drop-In Center 1720 Daryl Porter Way Oroville, CA 95966 (530) 532-6427

Legal Services of Northern California Office Location: 541 Normal Avenue Chico, CA 95928

Mailing Address: P.O. Box 3728 Chico, CA 95927 Voice: (530) 345-9491 Toll-free: (800) 345-9491 Fax: (530) 345-6913

For tenants who are or have been victims of stalking seeking help may visit the National Center for Victims of Crime's Stalking Resource Center at <https://www.victimsofcrime.org/our-programs/stalking-resource-center>.

For help regarding sexual assault, you may contact:

Catalyst Domestic Violence Services 1-800-895-8476

Administrative Office & Drop-In Center 330 Wall Street, Suite 50 Chico, CA 95928 (530) 343-7711

Greater Oroville Family Resource & Drop-In Center 1720 Daryl Porter Way Oroville, CA 95966 (530) 532-6427

Legal Services of Northern California Office Location: 541 Normal Avenue Chico, CA 95928

Mailing Address: P.O. Box 3728 Chico, CA 95927 Voice: (530) 345-9491 Toll-free: (800) 345-9491 Fax: (530) 345-6913

Victims of stalking seeking help may contact:

Catalyst Domestic Violence Services 1-800-895-8476

Administrative Office & Drop-In Center 330 Wall Street, Suite 50 Chico, CA 95928 (530) 343-7711

Greater Oroville Family Resource & Drop-In Center 1720 Daryl Porter Way Oroville, CA 95966 (530) 532-6427

Legal Services of Northern California Office Location: 541 Normal Avenue Chico, CA  
95928  
Mailing Address: P.O. Box 3728 Chico, CA 95927 Voice: (530) 345-9491 Toll-free: (800)  
345-9491 Fax: (530) 345-6913

Attachment: Certification form HUD-5382

**EXHIBIT 16-2: CERTIFICATION OF DOMESTIC VIOLENCE, DATING VIOLENCE,  
SEXUAL ASSAULT, OR STALKING AND ALTERNATE DOCUMENTATION  
FORM HUD-5382**

**CERTIFICATION OF  
DOMESTIC VIOLENCE,  
DATING VIOLENCE,  
SEXUAL ASSAULT, OR STALKING,  
AND ALTERNATE DOCUMENTATION**

**U.S. Department of Housing  
and Urban Development**

OMB Approval No. 2577-0286  
Exp. 06/30/2017

**Purpose of Form:** The Violence Against Women Act (“VAWA”) protects applicants, tenants, and program participants in certain HUD programs from being evicted, denied housing assistance, or terminated from housing assistance based on acts of domestic violence, dating violence, sexual assault, or stalking against them. Despite the name of this law, VAWA protection is available to victims of domestic violence, dating violence, sexual assault, and stalking, regardless of sex, gender identity, or sexual orientation.

**Use of This Optional Form:** If you are seeking VAWA protections from your housing provider, your housing provider may give you a written request that asks you to submit documentation about the incident or incidents of domestic violence, dating violence, sexual assault, or stalking.

In response to this request, you or someone on your behalf may complete this optional form and submit it to your housing provider, or you may submit one of the following types of third-party documentation:

- (1) A document signed by you and an employee, agent, or volunteer of a victim service provider, an attorney, or medical professional, or a mental health professional (collectively, “professional”) from whom you have sought assistance relating to domestic violence, dating violence, sexual assault, or stalking, or the effects of abuse. The document must specify, under penalty of perjury, that the professional believes the incident or incidents of domestic violence, dating violence, sexual assault, or stalking occurred and meet the definition of “domestic violence,” “dating violence,” “sexual assault,” or “stalking” in HUD’s regulations at 24 CFR 5.2003.
- (2) A record of a Federal, State, tribal, territorial or local law enforcement agency, court, or administrative agency; or
- (3) At the discretion of the housing provider, a statement or other evidence provided by the applicant or tenant.

**Submission of Documentation:** The time period to submit documentation is 14 business days from the date that you receive a written request from your housing provider asking that you provide documentation of the occurrence of domestic violence, dating violence, sexual assault, or stalking. Your housing provider may, but is not required to, extend the time period to submit the documentation, if you request an extension of the time period. If the requested information is not received within 14 business days of when you received the request for the documentation, or any extension of the date provided by your housing provider, your housing provider does not need to grant you any of the VAWA protections. Distribution or issuance of this form does not serve as a written request for certification.

**Confidentiality:** All information provided to your housing provider concerning the incident(s) of domestic violence, dating violence, sexual assault, or stalking shall be kept confidential and such details shall not be entered into any shared database. Employees of your housing provider are not to have access to these details unless to grant or deny VAWA protections to you, and such employees may not disclose this information to any other entity or individual, except to the extent that disclosure is: (i) consented to by you

in writing in a time-limited release; (ii) required for use in an eviction proceeding or hearing regarding termination of assistance; or (iii) otherwise required by applicable law.

**TO BE COMPLETED BY OR ON BEHALF OF THE VICTIM OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING**

1. Date the written request is received by victim: \_\_\_\_\_

2. Name of victim: \_\_\_\_\_

3. Your name (if different from victim's): \_\_\_\_\_

4. Name(s) of other family member(s) listed on the lease: \_\_\_\_\_

\_\_\_\_\_

5. Residence of victim: \_\_\_\_\_

6. Name of the accused perpetrator (if known and can be safely disclosed): \_\_\_\_\_

7. Relationship of the accused perpetrator to the victim: \_\_\_\_\_

8. Date(s) and times(s) of incident(s) (if known): \_\_\_\_\_

\_\_\_\_\_

10. Location of incident(s): \_\_\_\_\_

In your own words, briefly describe the incident(s): _____ _____ _____
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This is to certify that the information provided on this form is true and correct to the best of my knowledge and recollection, and that the individual named above in Item 2 is or has been a victim of domestic violence, dating violence, sexual assault, or stalking. I acknowledge that submission of false information could jeopardize program eligibility and could be the basis for denial of admission, termination of assistance, or eviction.

Signature \_\_\_\_\_ Signed on (Date) \_\_\_\_\_

**Public Reporting Burden:** The public reporting burden for this collection of information is estimated to average 1 hour per response. This includes the time for collecting, reviewing, and reporting the data. The information provided is to be used by the housing provider to request certification that the applicant or tenant is a victim of domestic violence, dating violence, sexual assault, or stalking. The information is subject to the confidentiality requirements of VAWA. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid Office of Management and Budget control number.

**EXHIBIT 16-3: EMERGENCY TRANSFER PLAN FOR VICTIMS OF DOMESTIC  
VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING  
(PUBLIC HOUSING VERSION)**

Attachment: Certification form HUD-5382

**Housing Authority of the County of Butte**

**Emergency Transfer Plan for Victims of Domestic Violence, Dating Violence, Sexual  
Assault, or Stalking**

**Public Housing Program**

**Emergency Transfers**

The Housing Authority of the County of Butte (HACB) is concerned about the safety of its tenants, and such concern extends to tenants who are victims of domestic violence, dating violence, sexual assault, or stalking. In accordance with the Violence Against Women Act (VAWA),<sup>2</sup> HACB allows tenants who are victims of domestic violence, dating violence, sexual assault, or stalking to request an emergency transfer from the tenant's current unit to another unit. The ability to request a transfer is available regardless of sex, gender identity, or sexual orientation.<sup>3</sup> The ability of HACB to honor such request for tenants currently receiving assistance, however, may depend upon a preliminary determination that the tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, and on whether HACB has another dwelling unit that is available and is safe to offer the tenant for temporary or more permanent occupancy.

This plan identifies tenants who are eligible for an emergency transfer, the documentation needed to request an emergency transfer, confidentiality protections, how an emergency transfer may occur, and guidance to tenants on safety and security. This plan is based on a model emergency transfer plan published by the U.S. Department of Housing and Urban Development (HUD), the Federal agency that oversees that the HACB is in compliance with VAWA.

**Eligibility for Emergency Transfers**

A tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking, as provided in HUD's regulations at 24 CFR part 5, subpart L is eligible for an emergency transfer, if: the tenant reasonably believes that there is a threat of imminent harm from further violence if the tenant remains within the same unit. If the tenant is a victim of sexual assault, the tenant may

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<sup>2</sup> Despite the name of this law, VAWA protection is available to all victims of domestic violence, dating violence, sexual assault, and stalking, regardless of sex, gender identity, or sexual orientation.

<sup>3</sup> Housing providers cannot discriminate on the basis of any protected characteristic, including race, color, national origin, religion, sex, familial status, disability, or age. HUD-assisted and HUD-insured housing must be made available to all otherwise eligible individuals regardless of actual or perceived sexual orientation, gender identity, or marital status.

also be eligible to transfer if the sexual assault occurred on the premises within the 90-calendar-day period preceding a request for an emergency transfer.

A tenant requesting an emergency transfer must expressly request the transfer in accordance with the procedures described in this plan.

Tenants who are not in good standing may still request an emergency transfer if they meet the eligibility requirements in this section.

### **Emergency Transfer Request Documentation**

To request an emergency transfer, the tenant shall notify HACB's management office and submit a written request for a transfer to the HACB at 2039 Forest Avenue, Chico, CA. HACB will provide reasonable accommodations to this policy for individuals with disabilities. The tenant's written request for an emergency transfer should include either:

1. A statement expressing that the tenant reasonably believes that there is a threat of imminent harm from further violence if the tenant were to remain in the same dwelling unit assisted under HACB's program; OR
2. A statement that the tenant was a sexual assault victim and that the sexual assault occurred on the premises during the 90-calendar-day period preceding the tenant's request for an emergency transfer.

### **Confidentiality**

HACB will keep confidential any information that the tenant submits in requesting an emergency transfer, and information about the emergency transfer, unless the tenant gives HACB written permission to release the information on a time limited basis, or disclosure of the information is required by law or required for use in an eviction proceeding or hearing regarding termination of assistance from the covered program. This includes keeping confidential the new location of the dwelling unit of the tenant, if one is provided, from the person(s) that committed an act(s) of domestic violence, dating violence, sexual assault, or stalking against the tenant. See the Notice of Occupancy Rights under the Violence Against Women Act For All Tenants for more information about HACB's responsibility to maintain the confidentiality of information related to incidents of domestic violence, dating violence, sexual assault, or stalking.

### **Emergency Transfer Timing and Availability**

HACB cannot guarantee that a transfer request will be approved or how long it will take to process a transfer request. HACB will, however, act as quickly as possible to move a tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking to another unit, subject to availability and safety of a unit. If a tenant reasonably believes a proposed transfer would not be safe, the tenant may request a transfer to a different unit. If a unit is available, the transferred tenant must agree to abide by the terms and conditions that govern occupancy in the unit to which the tenant has been transferred. HACB may be unable to transfer a tenant to a particular unit if the tenant has not or cannot establish eligibility for that unit.

If HACB has no safe and available units for which a tenant who needs an emergency is eligible, HACB will assist the tenant in identifying other housing providers who may have safe and available units to which the tenant could move. At the tenant's request, HACB will also assist tenants in contacting the local organizations offering assistance to victims of domestic violence, dating violence, sexual assault, or stalking that are attached to this plan.



## **Safety and Security of Tenants**

Pending processing of the transfer and the actual transfer, if it is approved and occurs, the tenant is urged to take all reasonable precautions to be safe.

Tenants who are or have been victims of domestic violence are encouraged to contact the National Domestic Violence Hotline at 1-800-799-7233, or a local domestic violence shelter, for assistance in creating a safety plan. For persons with hearing impairments, that hotline can be accessed by calling 1-800-787-3224 (TTY).

Tenants who have been victims of sexual assault may call the Rape, Abuse & Incest National Network's National Sexual Assault Hotline at 800-656-HOPE, or visit the online hotline at <https://ohl.rainn.org/online/>.

Tenants who are or have been victims of stalking seeking help may visit the National Center for Victims of Crime's Stalking Resource Center at <https://www.victimsofcrime.org/our-programs/stalking-resource-center>.

Local organizations offering assistance to victims of domestic violence, dating violence, sexual assault, or stalking:

Catalyst Domestic Violence Services 1-800-895-8476

Administrative Office & Drop-In Center 330 Wall Street, Suite 50 Chico, CA 95928 (530) 343-7711

Greater Oroville Family Resource & Drop-In Center 1720 Daryl Porter Way Oroville, CA 95966 (530) 532-6427

Legal Services of Northern California Office Location: 541 Normal Avenue Chico, CA 95928

Mailing Address: P.O. Box 3728 Chico, CA 95927 Voice: (530) 345-9491 Toll-free: (800) 345-9491 Fax: (530) 345-6913

**EXHIBIT 16-4: EMERGENCY TRANSFER REQUEST FOR CERTAIN VICTIMS OF  
DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING  
FORM HUD-5383**

**EMERGENCY TRANSFER  
REQUEST FOR CERTAIN  
VICTIMS OF DOMESTIC  
VIOLENCE, DATING VIOLENCE,  
SEXUAL ASSAULT, OR STALKING**

U.S. Department of Housing  
and Urban Development

OMB Approval No. 2577-0286  
Exp. 06/30/2017

**Purpose of Form:** If you are a victim of domestic violence, dating violence, sexual assault, or stalking, and you are seeking an emergency transfer, you may use this form to request an emergency transfer and certify that you meet the requirements of eligibility for an emergency transfer under the Violence Against Women Act (VAWA). Although the statutory name references women, VAWA rights and protections apply to all victims of domestic violence, dating violence, sexual assault or stalking. Using this form does not necessarily mean that you will receive an emergency transfer. See your housing provider's emergency transfer plan for more information about the availability of emergency transfers.

**The requirements you must meet are:**

**(1) You are a victim of domestic violence, dating violence, sexual assault, or stalking.**

If your housing provider does not already have documentation that you are a victim of domestic violence, dating violence, sexual assault, or stalking, your housing provider may ask you for such documentation. In response, you may submit Form HUD-5382, or any one of the other types of documentation listed on that Form.

**(2) You expressly request the emergency transfer.** Submission of this form confirms that you have expressly requested a transfer. Your housing provider may choose to require that you submit this form, or may accept another written or oral request. Please see your housing provider's emergency transfer plan for more details.

**(3) You reasonably believe you are threatened with imminent harm from further violence if you remain in your current unit.** This means you have a reason to fear that if you do not receive a transfer you would suffer violence in the very near future.

**OR**

**You are a victim of sexual assault and the assault occurred on the premises during the 90-calendar-day period before you request a transfer.** If you are a victim of sexual assault, then in addition to qualifying for an emergency transfer because you reasonably believe you are threatened with imminent harm from further violence if you remain in your unit, you may qualify for an emergency transfer if the sexual assault occurred on the premises of the property from which you are seeking your transfer, and that assault happened within the 90-calendar-day period before you submit this form or otherwise expressly request the transfer.

**Submission of Documentation:** If you have third-party documentation that demonstrates why you are eligible for an emergency transfer, you should submit that documentation to your housing provider if it is safe for you to do so. Examples of third party documentation include, but are not limited to: a letter or other documentation from a victim service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom you have sought assistance; a current

restraining order; a recent court order or other court records; a law enforcement report or records; communication records from the perpetrator of the violence or family members or friends of the perpetrator of the violence, including emails, voicemails, text messages, and social media posts.

**Confidentiality:** All information provided to your housing provider concerning the incident(s) of domestic violence, dating violence, sexual assault, or stalking, and concerning your request for an emergency transfer shall be kept confidential. Such details shall not be entered into any shared database. Employees of your housing provider are not to have access to these details unless to grant or deny VAWA protections or an emergency transfer to you. Such employees may not disclose this information to any other entity or individual, except to the extent that disclosure is: (i) consented to by you in writing in a time-limited release; (ii) required for use in an eviction proceeding or hearing regarding termination of assistance; or (iii) otherwise required by applicable law.

**TO BE COMPLETED BY OR ON BEHALF OF THE PERSON REQUESTING A TRANSFER**

1. Name of victim requesting an emergency transfer: \_\_\_\_\_

2. Your name (if different from victim's) \_\_\_\_\_

3. Name(s) of other family member(s) listed on the lease: \_\_\_\_\_  
\_\_\_\_\_

4. Name(s) of other family member(s) who would transfer with the victim: \_\_\_\_\_  
\_\_\_\_\_

5. Address of location from which the victim seeks to transfer: \_\_\_\_\_

6. Address or phone number for contacting the victim: \_\_\_\_\_

7. Name of the accused perpetrator (if known and can be safely disclosed): \_\_\_\_\_

8. Relationship of the accused perpetrator to the victim: \_\_\_\_\_

9. Date(s), Time(s) and location(s) of incident(s): \_\_\_\_\_  
\_\_\_\_\_

10. Is the person requesting the transfer a victim of a sexual assault that occurred in the past 90 days on the premises of the property from which the victim is seeking a transfer? If yes, skip question 11. If no, fill out question 11. \_\_\_\_\_

11. Describe why the victim believes they are threatened with imminent harm from further violence if they remain in their current unit.  
\_\_\_\_\_  
\_\_\_\_\_

12. If voluntarily provided, list any third-party documentation you are providing along with this notice: \_\_\_\_\_

This is to certify that the information provided on this form is true and correct to the best of my knowledge, and that the individual named above in Item 1 meets the requirement laid out on this form for an emergency transfer. I acknowledge that submission of false information could jeopardize program eligibility and could be the basis for denial of admission, termination of assistance, or eviction.

Signature \_\_\_\_\_ Signed on (Date) \_\_\_\_\_

## GLOSSARY

### A. ACRONYMS USED IN PUBLIC HOUSING

<b>ACC</b>	Annual contributions contract
<b>ACOP</b>	Admissions and continued occupancy policy
<b>ADA</b>	Americans with Disabilities Act of 1990
<b>AIDS</b>	Acquired immune deficiency syndrome
<b>AMI</b>	Area median income
<b>AMP</b>	Asset management project
<b>BR</b>	Bedroom
<b>CDBG</b>	Community Development Block Grant (Program)
<b>CFP</b>	Capital fund program
<b>CFR</b>	Code of Federal Regulations (published federal rules that define and implement laws; commonly referred to as “the regulations”)
<b>COCC</b>	Central office cost center
<b>CPI</b>	Consumer price index (published monthly by the Department of Labor as an inflation indicator)
<b>EID</b>	Earned income disallowance
<b>EIV</b>	Enterprise Income Verification
<b>FDIC</b>	Federal Deposit Insurance Corporation
<b>FHA</b>	Federal Housing Administration
<b>FHEO</b>	Fair Housing and Equal Opportunity (HUD Office of)
<b>FICA</b>	Federal Insurance Contributions Act (established Social Security taxes)
<b>FMR</b>	Fair market rent
<b>FR</b>	Federal Register
<b>FSS</b>	Family Self-Sufficiency (Program)
<b>FY</b>	Fiscal year
<b>FYE</b>	Fiscal year end
<b>GAO</b>	Government Accountability Office
<b>HA</b>	Housing authority or housing agency

<b>HCV</b>	Housing choice voucher
<b>HERA</b>	Housing and Economic Recovery Act of 2008
<b>HOPE VI</b>	Revitalization of Severely Distressed Public Housing Program
<b>HUD</b>	Department of Housing and Urban Development
<b>HUDCLIPS</b>	HUD Client Information and Policy System
<b>IMS</b>	Inventory Management System
<b>IPA</b>	Independent public accountant
<b>IRA</b>	Individual retirement account
<b>IRS</b>	Internal Revenue Service
<b>JTPA</b>	Job Training Partnership Act
<b>LBP</b>	Lead-based paint
<b>LEP</b>	Limited English proficiency
<b>LIHTC</b>	Low-income housing tax credit
<b>MTW</b>	Moving to Work
<b>NOFA</b>	Notice of funding availability
<b>OGC</b>	HUD's Office of General Counsel
<b>OIG</b>	HUD's Office of Inspector General
<b>OMB</b>	Office of Management and Budget
<b>PASS</b>	Plan to Achieve Self-Support
<b>PHA</b>	Public housing agency
<b>PHAS</b>	Public Housing Assessment System
<b>PIC</b>	PIH Information Center
<b>PIH</b>	(HUD Office of) Public and Indian Housing
<b>QC</b>	Quality control
<b>QHWRA</b>	Quality Housing and Work Responsibility Act of 1998 (also known as the Public Housing Reform Act)
<b>RAD</b>	Rental Assistance Demonstration Program
<b>REAC</b>	(HUD) Real Estate Assessment Center
<b>RFP</b>	Request for proposals

<b>RIGI</b>	Regional inspector general for investigation (handles fraud and program abuse matters for HUD at the regional office level)
<b>ROSS</b>	Resident Opportunity and Supportive Services
<b>SSA</b>	Social Security Administration
<b>SSI</b>	Supplemental security income
<b>SWICA</b>	State wage information collection agency
<b>TANF</b>	Temporary assistance for needy families
<b>TR</b>	Tenant rent
<b>TTP</b>	Total tenant payment
<b>UA</b>	Utility allowance
<b>UFAS</b>	Uniform Federal Accessibility Standards
<b>UIV</b>	Upfront income verification
<b>UPCS</b>	Uniform Physical Condition Standards
<b>URP</b>	Utility reimbursement payment
<b>VAWA</b>	Violence Against Women Reauthorization Act of 2013
<b>VCA</b>	Voluntary Compliance Agreement

## **B. GLOSSARY OF PUBLIC HOUSING TERMS**

**Accessible.** The facility or portion of the facility can be approached, entered and used by persons with disabilities.

**Adjusted income.** Annual income, less allowable HUD deductions and allowances.

**Affiliated individual.** With respect to an individual, a spouse, parent, brother, sister, or child of that individual, or a person to whom that individual stands in loco parentis (in the position or place of a parent), or any individual, tenant, or lawful occupant living in the household of the victim of domestic violence, dating violence, sexual assault or stalking.

**Annual contributions contract (ACC).** The written contract between HUD and a PHA under which HUD agrees to provide funding for a program under the 1937 Act, and the PHA agrees to comply with HUD requirements for the program.

**Annual income.** The anticipated total income of an eligible family from all sources for the 12-month period following the date of determination of income, computed in accordance with the regulations.

**Applicant (applicant family).** A family that has applied for admission to a program but is not yet a participant in the program.

**As-paid states.** States where the welfare agency adjusts the shelter and utility component of the welfare grant in accordance with actual housing costs.

**Assets.** (See *net family assets*.)

**Auxiliary aids.** Services or devices that enable persons with impaired sensory, manual or speaking skills to have an equal opportunity to participate in, and enjoy the benefits of, programs or activities receiving federal financial assistance.

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

**Ceiling Rent.** The highest rent amount the PHA will require a family to pay, for a particular unit size, when the family is paying an income-based rent.

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

**Child care expenses.** Amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.

**Citizen.** A citizen or national of the United States.



**Co-head.** An individual in the household who is equally responsible for the lease with the head of household. A family may have a co-head or spouse but not both. A co-head never qualifies as a dependent. The co-head must have legal capacity to enter into a lease.

**Confirmatory review.** An on-site review performed by HUD to verify the management performance of a PHA.

**Consent form.** Any consent form approved by HUD to be signed by assistance applicants and participants to obtain income information from employers and SWICAs; return information from the Social Security Administration (including wages, net earnings from self-employment, and retirement income); and return information for unearned income from the IRS. Consent forms expire after a certain time and may authorize the collection of other information to determine eligibility or level of benefits.

**Covered families.** Statutory term for families who are required to participate in a welfare agency economic self-sufficiency program and who may be subject to a welfare benefit sanction for noncompliance with this obligation. Includes families who receive welfare assistance or other public assistance under a program for which Federal, State or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for the assistance.

**Dating violence.** Violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim; and where the existence of such a relationship shall be determined based on a consideration of the following factors:

- The length of the relationship
- The type of relationship
- The frequency of interaction between the persons involved in the relationship

**Dependent.** A member of the family (except foster children and foster adults) other than the family head or spouse, who is under 18 years of age, or is a person with a disability, or is a full-time student.

**Dependent child.** In the context of the student eligibility restrictions, a dependent child of a student enrolled in an institution of higher education. The dependent child must also meet the definition of *dependent* as specified above.

**Disability assistance expenses.** Reasonable expenses that are anticipated, during the period for which annual income is computed, for attendant care and auxiliary apparatus for a disabled family member and that are necessary to enable a family member (including the disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source.

**Disabled family.** A family whose head, spouse, or sole member is a person with disabilities; or two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides.

**Disabled person.** See *person with disabilities*.

**Disallowance.** Exclusion from annual income.

**Displaced family.** A family in which each member, or whose sole member, is a person displaced by governmental action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws.

**Domestic violence.** Felony or misdemeanor crimes of violence committed by a current or former spouse of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.

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

**Drug-related criminal activity.** The illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute, or use the drug.

**Economic Self-Sufficiency Program.** Any program designed to encourage, assist, train or facilitate the economic independence of assisted families, or to provide work for such families. Can include job training, employment counseling, work placement, basic skills training, education, English proficiency, Workfare, financial or household management, apprenticeship, or any other program necessary to ready a participant to work (such as treatment for drug abuse or mental health treatment). Includes any work activities as defined in the Social Security Act (42 U.S.C. 607(d)). Also see §5.603(c).

**Effective date.** The "effective date" of an examination or reexamination refers to: (i) in the case of an examination for admission, the date of initial occupancy and (ii) in the case of reexamination of an existing tenant, the date the re-determined rent becomes effective.

**Elderly family.** A family whose head, spouse, or sole member is a person who is at least 62 years of age; or two or more persons who are at least 62 years of age living together; or one or more persons who are at least 62 years of age living with one or more live-in aides.

**Elderly Person.** An individual who is at least 62 years of age.

**Eligible Family (Family).** A family that is income eligible and meets the other requirements of the 1937 Act and Part 5 of 24 CFR.

**Employer Identification Number (EIN).** The nine-digit taxpayer identifying number that is assigned to an individual, trust, estate, partnership, association, company, or corporation.

**Evidence of citizenship or eligible status.** The documents which must be submitted to evidence citizenship or eligible immigration status. (See §5.508(b).)

**Extremely Low Income Family.** A family whose annual income does not exceed the federal poverty level or 30 percent of the median income for the area, as determined by HUD, whichever number is higher, with adjustments for smaller and larger families. HUD may

establish income ceilings higher or lower than 30 percent of median income if HUD finds such variations are necessary due to unusually high or low family incomes. (CFR 5.603)

**Facility.** All or any portion of buildings, structures, equipment, roads, walks, parking lots, rolling stock or other real or personal property or interest in the property.

**Fair Housing Act** means title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988

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

**Family.** Includes but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status, and can be further defined in PHA policy.

- A family with or without children (the temporary absence of a child from the home due to placement in foster care is not considered in determining family composition and family size)
- An elderly family or a near-elderly family
- A displaced family
- The remaining member of a tenant family
- A single person who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family.

**Family self-sufficiency program** (FSS program). The program established by a PHA in accordance with 24 CFR part 984 to promote self-sufficiency of assisted families, including the coordination of supportive services (42 U.S.C. 1437u).

**Federal agency.** A department of the executive branch of the federal government.

**Flat rent.** Established by the PHA for each public housing unit; a rent based on the market rent charged for comparable units in the unassisted rental market, set a no less than 80 percent of the applicable Fair Market Rent (FMR), and adjusted by the amount of the utility allowance, if any.

**Foster Child Care Payment.** A payment to eligible households by state, local, or private agencies appointed by the State, to administer payments for the care of foster children.

**Full-time Student.** A person who is attending school or vocational training on a full-time basis (carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended). (CFR 5.603)

**Gender identity.** Actual or perceived gender-related characteristics.

**Handicap.** Any condition or characteristic that renders a person an individual with handicaps. (See *person with disabilities*).

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

**Household.** A household includes additional people other than the family who, with the PHA's permission, live in an assisted unit, such as live-in aides, foster children and foster adults.

**Housing agency (HA).** See *public housing agency*.

**HUD.** The U.S. Department of Housing and Urban Development.

**Imputed asset.** An asset disposed of for less than Fair Market Value during two years preceding examination or reexamination.

**Imputed asset income.** The HUD passbook rate multiplied by the total cash value of assets. The calculation used when net family assets exceed \$5,000.

**Imputed welfare income.** An amount of annual income that is not actually received by a family as a result of a specified welfare benefit reduction, but is included in the family's annual income and therefore reflected in the family's rental contribution.

**Income.** Income from all sources of each member of the household, as determined in accordance with criteria established by HUD.

**Income-based rent.** A tenant rent that is based on the family's income and the PHA's rent policies for determination of such rents.

**Income information** means information relating to an individual's income, including:

- All employment income information known to current or previous employers or other income sources
- All information about wages, as defined in the State's unemployment compensation law, including any Social Security Number; name of the employee; quarterly wages of the employee; and the name, full address, telephone number, and, when known, Employer Identification Number of an employer reporting wages under a State unemployment compensation law
- Whether an individual is receiving, has received, or has applied for unemployment compensation, and the amount and the period received
- Unearned IRS income and self-employment, wages and retirement income
- Wage, social security, and supplemental security income data obtained from the Social Security Administration.

**Individual with handicaps.** See *person with disabilities*.

**Jurisdiction.** The area in which the PHA has authority under State and local law to administer the program.

**Lease.** A written agreement between the PHA and a tenant family for the leasing a public housing unit. The lease establishes the legal relationship between the PHA and the tenant family.

**Live-in aide.** A person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who:

- Is determined to be essential to the care and well-being of the persons;
- Is not obligated for the support of the persons; and
- Would not be living in the unit except to provide the necessary supportive services.

**Local preference.** A preference used by the PHA to select among applicant families.

**Low-income family.** A family whose income does not exceed 80% of the median income for the area as determined by HUD with adjustments for smaller or larger families, except that HUD may establish income limits higher or lower than 80% for areas with unusually high or low incomes.

**Medical expenses.** Medical expenses, including medical insurance premiums that are anticipated during the period for which annual income is computed, and that are not covered by insurance. (a deduction for elderly or disabled families only.) These allowances are given when calculating adjusted income for medical expenses in excess of 3% of annual income.

**Minimum rent.** An amount established by the PHA of zero to \$50.

**Minor.** A member of the family household other than the family head or spouse, who is under 18 years of age.

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

**Monthly adjusted income.** One twelfth of adjusted income.

**Monthly income.** One twelfth of annual income.

**National.** A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.

**Near-elderly family.** A family whose head, spouse, or sole member is a person who is at least 50 years of age but below the age of 62; or two or more persons, who are at least 50 years of age but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age of 62 living with one or more live-in aides.

**Net family assets.** (1) Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.

- In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income under §5.609.
- In determining net family assets, PHAs or owners, as applicable, shall include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefore. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

**Noncitizen.** A person who is neither a citizen nor national of the United States.

**PHA Plan.** The annual plan and the 5-year plan as adopted by the PHA and approved by HUD.

**Participant (participant family).** A family that has been admitted to the PHA program and is currently assisted in the program. The family becomes a participant on the effective date of the first HAP contract executed by the PHA for the family (first day of initial lease term).

**Persons with Disabilities.** *For the purposes of program eligibility.* A person who has a disability as defined under the Social Security Act or Developmental Disabilities Care Act, or a person who has physical or mental impairment expected to be of long and indefinite duration and whose ability to live independently is substantially impeded by that impairment but could be improved by more suitable housing conditions. This includes persons with AIDS or conditions arising from AIDS but excludes persons whose disability is based solely on drug or alcohol dependence. *For the purposes of reasonable accommodation.* A person with a physical or mental impairment that substantially limits one or more major life activities, a person regarded as having such impairment, or a person with a record of such impairment.

**Premises.** The building or complex in which the dwelling unit is located, including common areas and grounds.

**Previously unemployed.** With regard to the earned income disallowance, a person who has earned, in the 12 months previous to employment, no more than would be received for 10 hours of work per week for 50 weeks at the established minimum wage.

**Public Assistance.** Welfare or other payments to families or individuals, based on need, which are made under programs funded, separately or jointly, by Federal, state, or local governments.

**Public Housing Agency (PHA).** Any State, county, municipality, or other governmental entity or public body, or agency or instrumentality of these entities, that is authorized to engage or assist in the development or operation of low-income housing under the 1937 Act.

**Qualified family.** A family residing in public housing:

- Whose annual income increases as a result of employment of a family member who was unemployed for one or more years previous to employment;
- Whose annual income increases as a result of increased earnings by a family member during participation in any economic self-sufficiency or other job training program; or
- Whose annual income increases, as a result of new employment or increased earnings of a family member, during or within six months after receiving assistance, benefits or services under any state program for temporary assistance for needy families funded under Part A of Title IV of the Social Security Act, as determined by the PHA in consultation with the local agencies administering temporary assistance for needy families (TANF) and Welfare-to-Work (WTW) programs. The TANF program is not limited to monthly income maintenance, but also includes such benefits and services as one-time payments, wage subsidies and transportation assistance, provided that the total amount over a six-month period is at least \$500.

**Reasonable accommodation.** A change, exception, or adjustment to a rule, policy, practice, or service to allow a person with disabilities to fully access the PHA’s programs or services.

**Recertification.** Sometimes called *reexamination*. The process of securing documentation of total family income used to determine the rent the tenant will pay for the next 12 months if there are no additional changes to be reported.

**Remaining Member of Tenant Family.** Person left in assisted housing who may or may not normally qualify for assistance on own circumstances (i.e., an elderly spouse dies, leaving widow age 47 who is not disabled).

**Residency Preference.** A PHA preference for admission of families that reside anywhere in a specified area, including families with a member who works or has been hired to work in the area (See *residency preference area*).

**Residency Preference Area.** The specified area where families must reside to qualify for a residency preference.

**Responsible entity.** For the public housing program, the PHA administering the program under an ACC with HUD.

**Secretary.** The Secretary of Housing and Urban Development.

**Section 8.** Section 8 of the United States Housing Act of 1937; refers to the housing choice voucher program.

**Security deposit.** A dollar amount (maximum set according to the regulations) which can be used for unpaid rent or damages to the owner upon termination of the lease.

**Sexual assault.** Any nonconsensual sexual act proscribed by federal, tribal, or state law, including when the victim lacks capacity to consent (42 U.S.C. 13925(a)).

**Sexual orientation.** Homosexuality, heterosexuality or bisexuality.

**Single person.** A person living alone or intending to live alone.

**Social Security Number (SSN).** The nine-digit number that is assigned to a person by the Social Security Administration and that identifies the record of the person's earnings reported to the Social Security Administration. The term does not include a number with a letter as a suffix that is used to identify an auxiliary beneficiary.

**Specified Welfare Benefit Reduction.** Those reductions of welfare benefits (for a covered family) that may not result in a reduction of the family rental contribution. A reduction of welfare benefits because of fraud in connection with the welfare program, or because of welfare sanction due to noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

**Spouse.** The marriage partner of the head of household.

**Stalking.** To follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate; or to place under surveillance with the intent to kill, injure, harass, or intimidate another person; and in the course of, or as a result of, such following, pursuit, surveillance, or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or to cause substantial emotional harm to (1) that person, (2) a member of the immediate family of that person, or (3) the spouse or intimate partner of that person.

**State Wage Information Collection Agency (SWICA).** The state agency, including any Indian tribal agency, receiving quarterly wage reports from employers in the state, or an alternative system that has been determined by the Secretary of Labor to be as effective and timely in providing employment-related income and eligibility information.

**Tenant.** The person or persons (other than a live-in aide) who executes the lease as lessee of the dwelling unit.

**Tenant rent.** The amount payable monthly by the family as rent to the PHA.

**Total Tenant Payment (TTP).** The total amount the HUD rent formula requires the tenant to pay toward rent and utilities.

**Utilities.** Water, electricity, gas, other heating, refrigeration, cooking fuels, trash collection, and sewage services. Telephone service is not included.

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

**Utility reimbursement.** The amount, if any, by which the utility allowance for the unit, if applicable, exceeds the total tenant payment (TTP) for the family occupying the unit.

**Veteran.** A person who has served in the active military or naval service of the United States at any time and who shall have been discharged or released therefrom under conditions other than dishonorable.



**Violence Against Women Reauthorization Act (VAWA) of 2013.** Prohibits denying admission to, denying assistance under, or evicting from a public housing unit to an otherwise qualified applicant or tenant on the basis that the applicant or tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking.

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

**Waiting list.** A list of families organized according to HUD regulations and PHA policy who are waiting for a unit to become available.

**Welfare assistance.** Income assistance from Federal or State welfare programs, including assistance provided under TANF and general assistance. Does not include assistance directed solely to meeting housing expenses, nor programs that provide health care, child care or other services for working families. For the FSS program (984.103(b)), *welfare assistance* includes only cash maintenance payments from Federal or State programs designed to meet a family's ongoing basic needs, but does not include food stamps, emergency rental and utilities assistance, SSI, SSDI, or Social Security.



**HOUSING AUTHORITY  
of the County of Butte**

**20192020**

**ADMINISTRATIVE PLAN**

**FOR THE**

**SECTION 8 HOUSING CHOICE VOUCHER PROGRAM**

Draft: \_\_\_\_\_ 05/11/2020

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## Chapter 1

### OVERVIEW OF THE PROGRAM AND PLAN

#### INTRODUCTION

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

Throughout this document the Housing Authority of the County of Butte is referred to as HACB or the PHA.

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

There are three parts to this chapter:

Part I: The Public Housing Agency (PHA). This part includes a description of the PHA, its jurisdiction, its programs, and its mission and intent.

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

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

#### PART I: THE PHA

##### 1-1.A. OVERVIEW

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

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

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

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



Formal actions of the PHA are taken through written resolutions, adopted by the Board of Commissioners and entered into the official records of the PHA.

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

### **1-I.C. PHA MISSION**

The purpose of a mission statement is to communicate the purpose of the agency to people inside and outside of the agency. It provides guiding direction for developing strategy, defining critical success factors, searching out key opportunities, making resource allocation choices, satisfying clients and stakeholders, and making decisions.

#### HACB Policy

The mission of the Housing Authority of the County of Butte is to assist low and moderate-income residents to secure and maintain high quality affordable housing.

### **1-I.D. THE PHA'S PROGRAMS**

The following programs are included under this administrative plan:

#### HACB Policy

The HACB's administrative plan is applicable to the operation of the Housing Choice Voucher program, the Veterans Affairs Supportive Housing (VASH) program and the Family Unification Program (FUP).

### **1-I.E. THE PHA'S COMMITMENT TO ETHICS AND SERVICE**

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

- Administer applicable federal and state laws and regulations to achieve high ratings in performance measurement indicators while maintaining efficiency in program operation to ensure fair and consistent treatment of clients served.
- Provide decent, safe, and sanitary housing – in compliance with program housing quality standards – for very low income families while ensuring that family rents are fair, reasonable, and affordable.
- Encourage self-sufficiency of participant families and assist in the expansion of family opportunities which address educational, socio-economic, recreational and other human services' needs.
- Promote fair housing and the equal opportunity for very low-income families of all ethnic backgrounds to experience freedom of housing choice.

- Promote a housing program which maintains quality service and integrity while providing an incentive to private property owners to rent to very low-income families.
- Promote a market-driven housing program that will help qualified low-income families be successful in obtaining affordable housing and increase the supply of housing choices for such families.
- Create positive public awareness and expand the level of family, owner, and community support in accomplishing the PHA's mission.
- Attain and maintain a high level of standards and professionalism in day-to-day management of all program components.
- Administer an efficient, high-performing agency through continuous improvement of the PHA's support systems and a high level of commitment to our employees and their development.

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

## **PART II: THE HOUSING CHOICE VOUCHER (HCV) PROGRAM**

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

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

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

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

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

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

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

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

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

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

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

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

### **1-II.B. HCV PROGRAM BASICS**

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

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

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

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

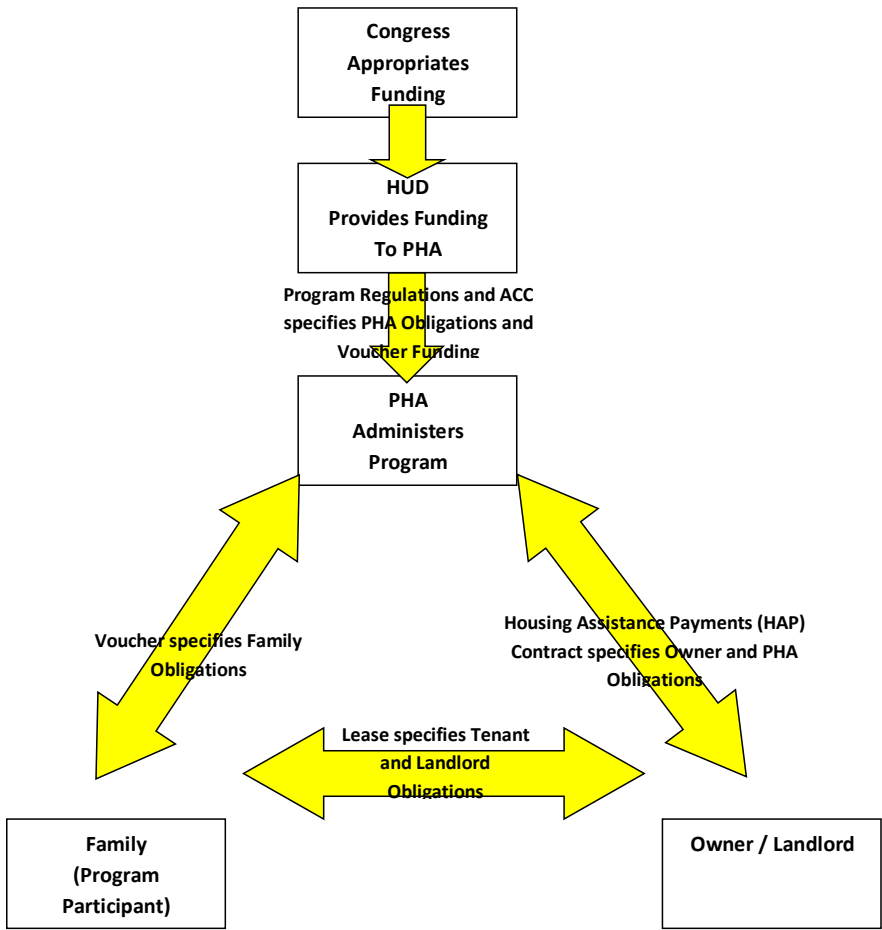
**1-II.C. THE HCV PARTNERSHIPS**

To administer the HCV program, the PHA enters into a contractual relationship with HUD (Consolidated Annual Contributions Contract). The PHA also enters into contractual relationships with the assisted family and the owner or landlord of the housing unit.

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

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

**The HCV Relationships:**



### **What Does HUD Do?**

HUD has the following major responsibilities:

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

### **What Does the PHA Do?**

The PHA administers the HCV program under contract with HUD and has the following major responsibilities:

- Establish local policies to administer the program;
- Review applications from interested applicant families to determine whether they are eligible for the program;
- Maintain a waiting list and select families for admission;
- Issue voucher to eligible families and provide information on how to lease a unit;
- Conduct outreach to owners, with special attention to owners outside areas of poverty or minority concentration;
- Approve the rental unit (including assuring compliance with housing quality standards and rent reasonableness), the owner, and the tenancy;
- Make housing assistance payments to the owner in a timely manner;
- Recertify families for continued eligibility under the program;
- Ensure that owners and families comply with their contractual obligations;
- Provide families and owners with prompt, professional service;
- Comply with all fair housing and equal opportunity requirements, HUD regulations and requirements, the Annual Contributions Contract, HUD-approved applications for funding, the PHA's administrative plan, and other applicable federal, state and local laws.

### **What Does the Owner Do?**

The owner has the following major responsibilities:

- Screen families who apply for tenancy, to determine suitability as renters.
  - The PHA can provide some information to the owner, but the primary responsibility for tenant screening rests with the owner.
  - The owner should consider family background factors such as rent and bill-paying history, history of caring for property, respecting the rights of others to peaceful enjoyment of the property, compliance with essential conditions of tenancy, whether the family is engaging in drug-related criminal activity or other criminal activity that might threaten others.
- Comply with the terms of the Housing Assistance Payments contract, executed with the PHA;

- Comply with all applicable fair housing laws and do not discriminate against anyone;
- Maintain the housing unit in accordance with Housing Quality Standards (HQS) and make by necessary repairs in a timely manner;
- Collect rent due from the assisted family and otherwise comply with and enforce provisions of the dwelling lease.

**What Does the Family Do?**

The family has the following responsibilities:

- Provide the PHA with complete and accurate information, as determined by the PHA to be necessary for administration of the program;
- Make their best and most timely efforts to locate qualified and suitable housing;
- Attend all appointments scheduled by the PHA;
- Allow the PHA to inspect the unit at reasonable times and after reasonable notice;
- Take responsibility for care of the housing unit, including any violations of housing quality standards caused by the family;
- Comply with the terms of the lease with the owner;
- Comply with the family obligations of the voucher;
- Not commit serious or repeated violations of the lease;
- Not engage in drug-related or violent criminal activity;
- Notify the PHA and the owner before moving or terminating the lease;
- Use the assisted unit only for residence and as the sole residence of the family. Not sublet the unit, assign the lease, or have any interest in the unit;
- Promptly notify the PHA of any changes in family composition;
- Not commit fraud, bribery, or any other corrupt or criminal act in connection with any housing programs.

**1-III.D. APPLICABLE REGULATIONS**

Applicable regulations include:

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

**PART III: THE HCV ADMINISTRATIVE PLAN**

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

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

This administrative plan is set forth to define the PHA's local policies for operation of the housing programs in accordance with federal laws and regulations. All issues related to the HCV program not addressed in this document are governed by such federal regulations, HUD handbooks and guidebooks, notices and other applicable law. The policies in this administrative plan have been designed to ensure compliance with the consolidated ACC and all HUD-approved applications for program funding.

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

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

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

The HUD regulations at 24 CFR 982.54 define the policies that must be included in the administrative plan. They are as follows:

- Selection and admission of applicants from the PHA waiting list, including any PHA admission preferences, procedures for removing applicant names from the waiting list, and procedures for closing and reopening the PHA waiting list (Chapter 4);
- Issuing or denying vouchers, including PHA Policy governing the voucher term and any extensions of the voucher term. If the PHA decides to allow extensions of the voucher term, the PHA administrative plan must describe how the PHA determines whether to grant extensions, and how the PHA determines the length of any extension (Chapter 5);
- Any special rules for use of available funds when HUD provides funding to the PHA for a special purpose (e.g., desegregation), including funding for specified families or a specified category of families (Chapter 4);
- Occupancy policies, including definition of what group of persons may qualify as a 'family', definition of when a family is considered to be 'continuously assisted'; standards for denying admission or terminating assistance based on criminal activity or alcohol abuse in accordance with 982.553 (Chapters 3 and 12);
- Encouraging participation by owners of suitable units located outside areas of low income or minority concentration (Chapter 13);
- Assisting a family that claims that illegal discrimination has prevented the family from leasing a suitable unit (Chapter 2);
- Providing information about a family to prospective owners (Chapters 3 and 9);
- Disapproval of owners (Chapter 13);



- Subsidy standards (Chapter 5);
- Family absence from the dwelling unit (Chapter 12) ;
- How to determine who remains in the program if a family breaks up (Chapter 3);
- Informal review procedures for applicants (Chapter 16);
- Informal hearing procedures for participants (Chapter 16);
- The process for establishing and revising voucher payment standards, including policies on administering decreases in the payment standard during the HAP contract term (Chapter 16);
- The method of determining that rent to owner is a reasonable rent (initially and during the term of a HAP contract) (Chapter 8);
- Special policies concerning special housing types in the program (e.g., use of shared housing) (Chapter 15);
- Policies concerning payment by a family to the PHA of amounts the family owes the PHA (Chapter 16);
- Interim redeterminations of family income and composition (Chapter 11);
- Restrictions, if any, on the number of moves by a participant family (Chapter 10);
- Approval by the board of commissioners or other authorized officials to charge the administrative fee reserve (Chapter 16);
- Procedural guidelines and performance standards for conducting required housing quality standards inspections (Chapter 8); and
- PHA screening of applicants for family behavior or suitability for tenancy (Chapter 3).

#### **Mandatory vs. Discretionary Policy**

HUD makes a distinction between:

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

HUD expects PHAs to adopt local policies and procedures that are consistent with mandatory policies in areas where HUD gives the PHA discretion. The PHA's administrative plan is the foundation of those policies and procedures. HUD's directions require PHAs to make policy choices that provide sufficient guidance to staff and ensure consistency to program applicants and participants.

Creating policies based upon HUD guidance is not mandatory, but provides a PHA with a "safe harbor." HUD has already determined that the recommendations and suggestions it makes are consistent with mandatory policies. If a PHA adopts an alternative strategy, it must make its own determination that the alternative approach is consistent with legislation, regulations, and other mandatory requirements. There may be very good reasons for adopting a policy or procedure that is different than HUD's safe harbor, but PHAs should carefully think through those decisions.

**1-III.C. ORGANIZATION OF THE PLAN**

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

**1-III.D. UPDATING AND REVISING THE PLAN**

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

HACB Policy

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

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## Chapter 2

### FAIR HOUSING AND EQUAL OPPORTUNITY

#### INTRODUCTION

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

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

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

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

Part III: Prohibition of Discrimination Against Limited English Proficiency Persons. This part details the obligations of the PHA to ensure meaningful access to the HCV program and its activities by persons with limited English proficiency (LEP). This part incorporates the Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition against National Origin Discrimination Affecting Limited English Proficient Persons published January 22, 2007, in the *Federal Register*.

#### PART I: NONDISCRIMINATION

##### 2-I.A. OVERVIEW

Federal laws require PHAs to treat all applicants and participants equally, providing the same opportunity to access services, regardless of family characteristics and background. Federal law prohibits discrimination in housing on the basis of race, color, religion, sex, national origin, age, familial status, and disability. In addition, HUD regulations provide for additional protections regarding sexual orientation, gender identity, and marital status. The PHA will comply fully with all federal, state, and local nondiscrimination laws, and with rules and regulations governing fair housing and equal opportunity in housing and employment, including:

- Title VI of the Civil Rights Act of 1964
- Title VIII of the Civil Rights Act of 1968 (as amended by the Community Development Act of 1974 and the Fair Housing Amendments Act of 1988)
- Executive Order 11063
- Section 504 of the Rehabilitation Act of 1973
- The Age Discrimination Act of 1975

- Title II of the Americans with Disabilities Act (to the extent that it applies, otherwise Section 504 and the Fair Housing Amendments govern)
- The Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity Final Rule, published in the *Federal Register* February 3, 2012 and further clarified in Notice PIH 2014-20.

The Violence Against Women Reauthorization Act of 2013 (VAWA). When more than one civil rights law applies to a situation, the laws will be read and applied together. Any applicable state laws or local ordinances and any legislation protecting individual rights of tenants, applicants, or staff that may subsequently be enacted

HACB Policy

HACB will not discriminate on the basis of race, ethnicity, religion, color, national origin, age, sex, familial status, source of income, sexual orientation, disability, marital status, ancestry, medical condition, veteran status, citizenship, primary language or immigration status.

**2-1.B. NONDISCRIMINATION**

Federal regulations prohibit discrimination against certain protected classes and other groups of people. State and local requirements, as well as PHA policies, can prohibit discrimination based on other factors.

The PHA shall not discriminate because of race, color, sex, religion, familial status, age, disability or national origin (called “protected classes”)

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

The PHA will not discriminate on the basis of marital status, gender identity or sexual orientation [FR Notice 02/03/12].

The PHA will not discriminate on the basis of citizenship, primary language or immigration status per California state law.

HACB Policy

The HACB does not identify any additional protected classes.

The PHA will not use any of these factors to:

- Deny to any family the opportunity to apply for housing, nor deny to any qualified applicant the opportunity to participate in the housing choice voucher program
- Provide housing that is different from that provided to others
- Subject anyone to segregation or disparate treatment
- Subject anyone to sexual harassment
- Restrict anyone's access to any benefit enjoyed by others in connection with the housing program

- Treat a person differently in determining eligibility or other requirements for admission
- Steer an applicant or participant toward or away from a particular area based any of these factors
- Deny anyone access to the same level of services
- Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program
- Discriminate in the provision of residential real estate transactions
- Discriminate against someone because they are related to or associated with a member of a protected class
- Publish or cause to be published an advertisement or notice indicating the availability of housing that prefers or excludes persons who are members of a protected class.

#### **Providing Information to Families and Owners**

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

#### **Discrimination Complaints**

If an applicant or participant believes that any family member has been discriminated against by the PHA or an owner, the family should advise the PHA. ~~HUD requires t~~The PHA ~~to should~~ make every reasonable attempt to determine whether the applicant's or participant's assertions have merit and take any warranted corrective action. In addition, the PHA is required to provide the applicant or participant with information about how to file a discrimination complaint [24 CFR 982.304].

- Upon receipt of a housing discrimination complaint, the PHA is required to:
  - Provide written notice of the complaint to those alleged to have committed a discriminatory act or acts and inform the complainant that such notice was made
  - Investigate the allegations and provide the complainant and those alleged with findings and either a proposed corrective action or an explanation of why corrective action is not warranted
  - Keep records of all complaints, investigations, notices, and corrective actions [Notice PIH 2014-20]

#### HACB Policy

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

Within 14 calendar days of receiving the complaint, the HACB will provide a written notice to those alleged to have committed a discriminatory act or acts. The HACB will also send a written notice to the complainant informing them that notice was sent to those alleged to have violated the rule, as well as information on how to complete and submit a housing

discrimination complaint form to HUD’s Office of Fair Housing and Equal Opportunity (FHEO), or State of California Department of Fair Employment & Housing (“DFEH”).

The HACB will attempt to remedy discrimination complaints made against the HACB and will conduct an investigation into all allegations of discrimination.

Within 14 calendar days following the conclusion of the HACB’s investigation, the HACB will provide the complainant and those alleged to have violated the rule with findings and either a proposed corrective action plan or an explanation of why corrective action is not warranted.

The HACB will keep a record of all complaints, investigations, notices, and corrective actions. (See Chapter 16)

Applicants or tenant families who believe that they have been subject to unlawful discrimination may also notify HUD by telephone (800) 669-9777; mail at the San Francisco Regional Office of FHEO, U.S. Department of Housing and Urban Development, 600 Harrison Street, 3<sup>rd</sup> Floor, San Francisco, CA 95107-1387; or via the Internet.

The Fair Housing Act prohibits discrimination based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, people securing custody under the age of 18), and disability.

Applicants or tenant families who believe that they have been subject to unlawful discrimination may also notify the State of California Department of Fair Employment & Housing (“DFEH”). The DFEH can be reached at their Communication Center (800) 884-1684 or TTY (800) 700-2320 for hearing impaired or by email at [contact.center@dfeh.ca.gov](mailto:contact.center@dfeh.ca.gov).

California law protects individuals from illegal discrimination by housing providers based on the following: race, color; ancestry, national origin; religion; disability - mental or physical; sex, gender; sexual orientation; gender identity, gender expression; genetic information; marital status; familial status; and source of income.

## **PART II: POLICIES RELATED TO PERSONS WITH DISABILITIES**

### **2-II.A. OVERVIEW**

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

The PHA must ensure that persons with disabilities have full access to the PHA’s programs and services. This responsibility begins with the first contact by an interested family and continues through every aspect of the program.

### HACB Policy

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

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

A specific name and phone number of designated staff will be provided to process requests for accommodation.

It is the policy of the HACB to provide reasonable accommodations to those persons with disabilities so that they can participate in its housing programs. To request a reasonable accommodation, you may contact the Section 504 Coordinator Larry Guanzon, in writing at the Housing Authority of the County of Butte office located at 2039 Forest Avenue, Chico CA 95928 or by telephone at (530) 895-4474 Ext. 226 or email at [larryg@butte-housing.com](mailto:larryg@butte-housing.com).

The HACB will display posters and other housing information and signage in locations throughout the HACB’s office in such a manner as to be easily readable from a wheelchair.

### **2-IL.B. DEFINITION OF REASONABLE ACCOMMODATION**

A reasonable accommodation is an adjustment made to a rule, policy, practice, or service that allows a person with a disability to have equal access to the HCV program. For example, reasonable accommodations may include making home visits, extending the voucher term, or approving an exception payment standard in order for a participant to lease an accessible dwelling unit.

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

#### **Types of Reasonable Accommodations**

When needed, the PHA will modify normal procedures to accommodate the needs of a person with disabilities. Examples include:

- Permitting applications and reexaminations to be completed by mail
- Conducting home visits
- Using higher payment standards (either within the acceptable range or with HUD approval of a payment standard outside the basic range) if the PHA determines this is necessary to enable a person with disabilities to obtain a suitable housing unit
- Providing time extensions for locating a unit when necessary because of lack of availability of accessible units or special challenges of the family in seeking a unit
  
- Permitting an authorized designee or advocate to participate in the application or certification



process and any other meetings with PHA staff

### **2-II.C. REQUEST FOR AN ACCOMMODATION**

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

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

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

#### HACB Policy

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

### **2-II.D. VERIFICATION OF DISABILITY**

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

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

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

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

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

- Third-party verification must be obtained from an individual identified by the family who is

competent to make the determination. A doctor or other medical professional, a peer support group, a non-medical service agency, or a reliable third party who is in a position to know about the individual's disability may provide verification of a disability [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act]

- The PHA must request only information that is necessary to evaluate the disability-related need for the accommodation. The PHA will not inquire about the nature or extent of any disability.
- Medical records will not be accepted or retained in the participant file.

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

The PHA must approve a request for an accommodation if the following three conditions are met:

- The request was made by or on behalf of a person with a disability.
- There is a disability-related need for the accommodation.
- The requested accommodation is reasonable, meaning it would not impose an undue financial and administrative burden on the PHA, or fundamentally alter the nature of the PHA's HCV operations (including the obligation to comply with HUD requirements and regulations).

Requests for accommodations must be assessed on a case-by-case basis, taking into account factors such as the cost of the requested accommodation, the financial resources of the PHA at the time of the request, the benefits that the accommodation would provide to the family, and the availability of alternative accommodations that would effectively meet the family's disability-related needs.

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

HACB Policy

After a request for an accommodation is presented, the HACB will respond, in writing, within 14 calendar days.

If the HACB denies a request for an accommodation because there is no relationship, or nexus, found between the disability and the requested accommodation, the notice will inform the family of the right to appeal HACB's decision through an informal hearing (if applicable) or the grievance process (see Chapter 16).

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

If the HACB believes that the family has failed to identify a reasonable alternative accommodation after interactive discussion and negotiation, the HACB will notify the family, in writing, of its determination within 14 calendar days from the date of the most

recent discussion or communication with the family. The appeal process or grievance procedure available to a participant who was denied a reasonable accommodation request is in Chapter 16. Applicants and/or participants may contact the Section 504 Coordinator Larry Guanzon directly at (530) 895-4474 Ext. 226.

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

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

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

### HACB Policy

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

To meet the needs of persons with vision impairments, large-print and audio versions of key program documents will be made available upon request. When visual aids are used in public meetings or presentations, or in meetings with HACB staff, one-on-one assistance will be provided upon request.

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

## **2-II.G. PHYSICAL ACCESSIBILITY**

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

- Notice PIH 2006-13
- Section 504 of the Rehabilitation Act of 1973
- The Americans with Disabilities Act of 1990
- The Architectural Barriers Act of 1968
- The Fair Housing Act of 1988

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

- This plan describes the key policies that govern the PHA's responsibilities with regard to physical accessibility.
- Notice PIH 2006-13 summarizes information about pertinent laws and implementing regulations related to non-discrimination and accessibility in federally-funded housing programs.

- The PHA Plan provides information about self-evaluation, needs assessment, and transition plans.

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

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

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

## **2-II.H. DENIAL OR TERMINATION OF ASSISTANCE**

A PHA's decision to deny or terminate the assistance of a family that includes a person with disabilities is subject to consideration of reasonable accommodation [24 CFR 982.552 (2)(iv)].

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

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

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

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

### **2-III.A. OVERVIEW**

Language for Limited English Proficiency Persons (LEP) can be a barrier to accessing important benefits or services, understanding and exercising important rights, complying with applicable responsibilities, or understanding other information provided by the HCV program. In certain circumstances, failure to ensure that LEP persons can effectively participate in or benefit from federally-assisted programs and activities may violate the prohibition under Title VI against discrimination on the basis of national origin. This part incorporates the Final Guidance to Federal Assistance Recipients Regarding Title VI Prohibition against National Origin Discrimination Affecting Limited English Proficient Persons, published January 22, 2007, in the *Federal Register*.

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

Proficiency (LEP).

LEP is defined as persons who do not speak English as their primary language and who have a limited ability to read, write, speak or understand English. For the purposes of this administrative plan, LEP persons are HCV applicants and participants, and parents and family members of applicants and participants.

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

### **2-III.B. ORAL INTERPRETATION**

The PHA will offer, competent interpretation services free of charge, upon request, to the LEP person.

#### HACB Policy

The HACB will utilize a language line for telephone interpreter services.

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

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

Where feasible and possible, according to its language assistance plan (LAP), the HACB will train and hire bilingual staff to be available to act as interpreters and translators, will pool resources with other PHAs, and will standardize documents.

### **2-III.C. WRITTEN TRANSLATION**

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

#### HACB Policy

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

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

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

## **2-III.D. IMPLEMENTATION PLAN**

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

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

### HACB Policy

The HACB has developed a written LEP plan, the following five steps were taken: (1) Identifying LEP individuals who need language assistance; (2) identifying language assistance measures; (3) training staff; (4) providing notice to LEP persons; and (5) monitoring and updating the LEP plan.

The HACB has bi-lingual staff to assist non-English speaking families in the following languages: Spanish and Hmong.

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

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

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

The phrase “physical or mental impairment” includes:

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

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

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

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

The definition of a person with disabilities does not include:

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

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

The HUD definition of a person with a disability is much narrower than the civil rights definition of disability. The HUD definition of a person with a disability is used for purposes of receiving the disabled family preference, the \$400 elderly/disabled household deduction, the \$480 dependent deduction, the allowance for medical expenses, or the allowance for disability assistance expenses.

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



**EXHIBIT 2-2: HOUSING AUTHORITY OF THE  
COUNTIES OF BUTTE and GLENN'S  
LANGUAGE ASSISTANCE PLAN**

**I. Introduction**

The Housing Authority of the County of Butte (HACB) is committed to providing equal opportunity housing in a non-discriminatory manner, and in complying fully with all Federal, State and local nondiscrimination laws and with the rules and regulations governing Fair Housing and Equal Opportunity in housing and employment. This includes complying with Title VI of the Civil Rights Act of 1964 to ensure meaningful access to programs and activities by Limited English Proficient (LEP) persons.

The purpose of this Language Assistance Plan (LAP) is to identify how the HACB will ensure its methods of administration will not have the effect of subjecting LEP persons to discrimination because of their national origin, and to ensure LEP persons have full access to HACB programs and services.

**II. Who is LEP?**

For purposes of this LAP, anyone whose primary language is not English, and has a limited ability to read, write, speak or understand English may be LEP.

The HACB will not identify anyone as LEP; the beneficiaries of the services and activities must identify themselves as LEP (Federal Register Vol. 72, No. 13, January 22, 2007).

**III. Identification of Language Needs Within the Jurisdiction**

It was determined through review of the U.S. Census Bureau's American Fact Finder for the Counties of Butte and Glenn, as recommended by the U.S. Department of Housing and Urban Development (HUD), that Spanish and Hmong speaking were the only languages to meet the 4 factor analysis criteria (1 – Number or proportion of LEP persons served or encountered in the eligible service area; 2 – Frequency of contact with the program; 3 – Importance of service, information, program or activity; 4 – Costs versus resource and benefits) requiring translation of vital documents. Guidance provided by HUD states that written translations of vital documents should be provided for each eligible LEP language group that constitutes 5% or 1,000 whichever is less, of the population of persons eligible to be served or likely to be effected or encountered. **See attached Language Assessment Four-Factor Analysis.** The HACB has determined that the HACB will translate vital documents into Spanish and Hmong.

Other language groups in Butte and Glenn Counties had few LEP persons and therefore did not meet the threshold to require written translation of vital documents into those languages. The HACB will provide oral interpretation as needed to LEP persons requesting such services.

#### **IV. Written Translation**

As stated above in Section III, the HACB has determined that because there are more than 17,628 Spanish-speakers and 6,656 Hmong speakers in Butte and Glenn Counties who speak English less than very well, the HACB will translate vital documents into Spanish and Hmong. As of the date of the creation of this LAP, Spanish and Hmong are the only languages into which vital documents will be translated. This is subject to change upon review of the LAP as discussed below.

##### **A. *Vital Documents***

HUD has defined “vital documents” to be those documents that are critical for ensuring meaningful access or awareness of rights or services, by beneficiaries or potential beneficiaries generally and LEP persons specifically. In general, the HACB will attempt to translate all letters sent to program applicants and participants to Spanish and Hmong. However, the following is a list of documents the HACB has determined to be vital and has committed to translating into or providing HUD-approved versions in Spanish and Hmong:

##### Already Translated or Have Translations Provided by HUD

- Housing Choice Voucher, including Family Obligations
- Letter of Informal Hearing
- Informal Hearing Procedures
- Informal Hearing Results
- Instructions on Moving After Receiving/Giving Notice to Move
- Notification of Pro-ration of Assistance Based on Non-Eligible Household Members
- Repayment Agreement
- Denial of Unit
- Notification of Social Security Number Discrepancy
- Proposal of Termination of Program Participation
- Letter Confirming Voluntary Termination
- Brochure Explaining Rights under the Americans with Disability Act
- Brochure Explaining Family Self-Sufficiency Program
- Brochure Explaining Housing Choice Voucher Home Ownership Program
- Family Obligation Checklist
- Authorization to Release Information with Privacy Act Statement
- Brochure Regarding Housing Discrimination
- Family Self-Sufficiency Contract
- Request for Tenancy Approval

#### **V. Oral Interpretation**

The HACB will make every effort to provide oral interpretation for all its clients who have identified themselves as LEP and request services. These services will be provided to all clients “free of charge”.

**A. Bilingual Staff**

The HACB employs bilingual, Spanish and Hmong speaking staff in several positions, including program management, to ensure there are sufficient personnel available to assist Spanish and Hmong speaking LEP persons when needed. Currently the HACB has nine full-time Spanish-speaking and four full-time Hmong-speaking staff.

**B. Interpreter Services**

When there is not a HACB staff person who speaks the LEP person’s primary language, the HACB will use the Language Line interpreter service.

In the event that the LEP person’s primary language is not widely spoken and the HACB is unable to locate a suitable interpreter through a professional interpreter service, the HACB may resort to other methods such as seeking community volunteers. As a last resort in cases where the HACB is unable to find an acceptable interpreter within a time frame to effectively assist the client, the HACB may use telephone line translation, such as Language Line Services, in order to communicate via an in-office conference call.

**C. Informal Interpreters**

The HACB will generally discourage the use of family members or other informal interpreters, but will allow the use of an interpreter of the LEP person’s choosing (including family members or a professional interpreter at the LEP person’s own expense) when the LEP person rejects the HACB’s free language assistance services. The HACB will document the offer and the LEP person’s subsequent rejection.

**VI. Outreach**

The HACB will conduct outreach in a method that is inclusive of LEP persons identified through its bi-annual analysis. All Public Notices and marketing advertisements, such as notification of the availability of waiting list applications, shall be published in Spanish and Hmong as well as English, and the HACB will publish these in local Spanish media. The HACB may also participate in community-sponsored events, and make presentations through community organizations to target LEP persons and ensure they are aware of the availability of LEP assistance.

For clients, reception services are provided in Spanish and Hmong, flyers and other communications posted in the lobby are translated into Spanish and Hmong.

**VII. Staff Training**

The HACB will provide a copy of this LAP to all existing staff, and will also provide training as to its contents and what is required of them under its policies. This training shall include the types of services available to clients and how to access them. New employees will receive this LEP and the same training as part of their orientation.

**VIII. Monitoring and Updating of This LAP**

The HACB will review/revise this LAP on an as needed basis, but no less than every two years to ensure the populations of the various language groups within the jurisdiction and their needs are reflected in the provision of primary-language services. At that point the Plan will be reviewed to determine if the existing LEP services are sufficient to meet the needs of LEP clients.

Events that will be considered indicators of the need for a review of the LAP and will also be utilized to identify the need for LEP assistance in other languages include but are not limited to LEP populations within the jurisdiction encountered or affected; frequency of encounters with LEP populations; and continued availability of existing resources and the addition of new resources.

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE  
LANGUAGE ASSESSMENT  
FOUR-FACTOR ANALYSIS**

In order to determine the estimated needs of Limited English Proficient (LEP) persons in the jurisdiction of the Housing Authority of the County of Butte (HACB), the HACB conducted the following analysis:

**Factor 1 – Number or proportion of LEP persons served or encountered in the eligible service area.**

The HACB obtained information from the U.S. Census bureau’s American Fact Finder website as recommended by HUD in order to gather data about the jurisdiction’s overall population, as well as the population of LEP persons within the jurisdiction and the primary language spoken. This data indicated the following:

Total population 5 years and over	
210,409	
Total LEP population 5 years and over	
28,747	
Spanish speaking LEP population 5 years and over	
17,595	
Asian and Pacific Islander language speaking LEP population 5 years and over	
7,068	
Other Indo-European language speaking LEP population 5 years and over	3,366
Other language speaking LEP population 5 years and over	
698	

The above data demonstrates that 61% of the jurisdiction’s LEP population is Spanish speaking, and 25% is Asian and Pacific Island languages speaking and that no other language meets the 5% or 1,000 person threshold for requiring written translation of vital documents.

The HACB also completed an informal, in-office survey to determine how many LEP persons visited or called the office, and what was their primary language, over a one-month period. This informal survey revealed that there are a significant number of Spanish-speaking and Hmong speaking LEP persons contacting the HACB on a regular basis.

**Factor 2 – Frequency of contact with the program**

Through past experience, the HACB determined that on average, there are 3-4 Spanish and Hmong speaking LEP persons contacting the HACB on a daily basis for information or assistance. Because of this, the HACB is committed to maintaining bilingual staff serving in both reception and case management in order to resolve concerns of Spanish and Hmong speaking LEP persons.

Contacts with LEP persons who speak other languages are infrequent.

**Factor 3 – Importance of service, information, program or activity**

The services provided by the HACB are important as they relate to a client’s need for, or continued provision of, affordable housing.

**Factor 4 – Costs versus resources and benefits**

Because the HACB has Spanish and Hmong speaking staff, it is cost effective for the HACB to provide Spanish & Hmong language translation of all vital documents and many others that while not vital, may be beneficial to a client.

The HACB will utilize any documents provided by HUD in languages other than English.

The HACB does use the Language Line interpreter service to provide oral interpretation in languages other than Spanish and Hmong as needed.

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## Chapter 3

### ELIGIBILITY

#### INTRODUCTION

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

To be eligible for the HCV program:

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

This chapter contains three parts:

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

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

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

#### PART I: DEFINITIONS OF FAMILY AND HOUSEHOLD MEMBERS

##### 3-I.A. OVERVIEW

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

##### 3-I.B. FAMILY AND HOUSEHOLD [24 CFR 982.201(c), FR Notice 02/03/12; Notice PIH 2014-20]



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

### **Family**

To be eligible for assistance, an applicant must qualify as a family. *Family* as defined by HUD includes but is not limited to the following, regardless actual or perceived sexual orientation, gender identity, or marital status, a single person, who may be an elderly person, disabled person, near-elderly person, or any other single person; or a group of persons residing together. Such group includes, but is not limited to a family with or without children (a child who is temporarily away from home because of placement in foster care is considered a member of the family), an elderly family, a near-elderly family, a disabled family, a displaced family, or the remaining member of a tenant family. A single person family may be an elderly person, a near-elderly person, a displaced person, a disabled person, or any other single person. The PHA has the discretion to determine if any other group of persons qualifies as a family.

*Gender Identity* means actual or perceived gender characteristics.

*Sexual orientation* means homosexuality, heterosexuality or bisexuality.

#### HACB Policy

The applicant must qualify as a Family. A Family may be a single person or a group of persons.

A “family” includes a family with a child or children. A group of persons consisting of two (2) or more elderly persons or disabled persons living together, or one (1) or more elderly, near-elderly or disabled persons living with one (1) or more live-in aides is a family.

A single person family may be:

- an elderly person;
- a near-elderly person;
- a displaced person;
- a disabled person;
- any other single person

Each family must identify the individuals to be included in the family at the time of application, and must notify the HACB if the family’s composition changes.

### **Household**

*Household* is a broader term that includes additional people who, with the PHA’s permission, live in an assisted unit, such as live-in aides, foster children, and foster adults.

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

### **Family Break-up [24 CFR 982.315]**

Except under the following conditions, the PHA has discretion to determine which members of an assisted family continue to receive assistance if the family breaks up:

- If the family breakup results from an occurrence of domestic violence, dating violence, sexual assault, or stalking, the PHA must ensure that the victim retains assistance. (For documentation requirements and policies related to domestic violence, dating violence, sexual assault, and stalking, see section 16-IX.D of this plan).
- If a court determines the disposition of property between members of the assisted family, the PHA is bound by the court's determination of which family members continue to receive assistance.

#### HACB Policy

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

If a family breaks up into two otherwise eligible families while receiving assistance, only one of the new families will continue to be assisted.

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

In the absence of a judicial decision, or an agreement among the original family members, the HACB will determine which family retains their placement on the waiting list, or will continue to receive assistance taking into consideration the following factors: (1) the interest of any minor children, including custody arrangements, (2) the interest of any ill, elderly, or disabled family members, (3) the interest of any family member who is the victim of domestic violence, dating violence, sexual assault, or stalking, including a family member who was forced to leave an assisted unit as a result of such actual or threatened abuse; (4) any possible risks to family members as a result of criminal activity, and (5) the recommendations of social service professionals.

#### **Remaining Member of a Tenant Family [24 CFR 5.403]**

The HUD definition of family includes the *remaining member of a tenant family*, which is a member of an assisted family who remains in the unit when other members of the family have left the unit. Household members such as live-in aides, foster children, and foster adults do not qualify as remaining members of a family.

If dependents are the only “remaining members of a tenant family” and there is no family member able to assume the responsibilities of the head of household, see Chapter 6, Section 6-1.B, for the policy on “Caretakers for a Child.”

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

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

#### HACB Policy

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

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

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

*Spouse* means the marriage partner of the head of household.

#### HACB Policy

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

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

#### HACB Policy

Minors who are emancipated under state law may be designated as a co-head.

A family may have a spouse or co-head, but not both.

A co-head never qualifies as a dependent.

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

*Other adult* means a family member, other than the head, spouse, or co-head, who is 18 years of age or older. Foster adults and live-in aides are not considered other adults.

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

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

#### **Joint Custody of Dependents**

#### HACB Policy

Dependents that are subject to a joint custody agreement but live with one parent at least fifty-one percent (51%) of the time will be considered members of the household. “51% of the time” is defined as one-hundred eighty-three (183) calendar days during the year, which do not have to run consecutively.

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

The HACB shall determine household membership for the minor based on evidence provided by the two (2) households, such determination to be made in the best interest of the dependent, such determination to be at the sole discretion of the HACB.

**3-I.G. FULL-TIME STUDENT [24 CFR 5.603; HCV GB, p. 5-29]**

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

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

**3-I.H. ELDERLY AND NEAR-ELDERLY PERSONS, AND ELDERLY FAMILY [24 CFR 5.100 and 5.403, 945.105 and FR NOTICE 02/13/12]**

**Elderly Persons**

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

**Near-Elderly Persons**

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

**Elderly Family**

An *elderly family* is one in which the head, spouse, co-head, or sole member is an elderly person. Identifying elderly families is important because elderly families qualify for the elderly family allowance as described in Chapter 6.

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

**Persons with Disabilities**

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

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

**Disabled Family**

A *disabled family* is one in which the head, spouse, or co-head is a person with disabilities. Identifying disabled families is important because these families qualify for the disabled family allowance as described in Chapter 6.

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

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

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

#### HACB Policy

A guest can remain in the assisted unit no longer than fourteen (14) consecutive days or a total of thirty (30) cumulative calendar days during any twelve (12) month period.

Children who are subject to a joint custody arrangement or for whom a family has visitation privileges, that are not included as a family member because they live outside of the assisted household more than fifty-one (51%) percent of the time, are not subject to the time limitations of guests as described above.

A family may request an exception to this policy for valid reasons (e.g., care of a relative recovering from a medical procedure is expected to last forty (40) consecutive days). An exception will not be made unless the family can identify and provide documentation of the residence to which the guest will return.

### **3-I.K. FOSTER CHILDREN AND FOSTER ADULTS**

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

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

Foster children and foster adults who are living with an applicant or who have been approved by the PHA to live with a participant family are considered household members but not family members. The income of foster children/adults is not counted in family annual income, and foster children/adults do not qualify for a dependent deduction [24 CFR 5.603; HUD-50058 IB, p. 13].

#### HACB Policy

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

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

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

### **3-I.L. ABSENT FAMILY MEMBERS**

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

#### **Definitions of Temporarily and Permanently Absent**

#### HACB Policy

Principal residence - The family must use the assisted unit only for residence and as the sole or principal residence of the family. The definition of "principal residence" is the home that a person physically occupies and personally uses the most. The HACB may require additional proof of residency including but not limited to utility bills and usage, credit reports and employer verification of residence.

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Temporarily absent - is defined as away from the assisted unit for less than three (3) consecutive months and continues to be considered a family member.

Permanently absent - is defined as an individual who is or is expected to be absent from the assisted unit for more than three (3) consecutive months and no longer considered a family member. Exceptions to this general policy are discussed below.

#### **Absent Students**

##### HACB Policy

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

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

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

##### HACB Policy

If a child has been placed in foster care, the HACB will verify with the family or the appropriate agency whether and when the child is expected to be returned to the home. Unless the proper documentation confirms that the child will be reunified after three (3) consecutive months the child will not be counted as a family member.

#### ***Absent Head, Spouse, or Co-head***

##### HACB Policy

An employed head, spouse, or co-head absent from the unit more than three (3) consecutive months due to employment will not be considered a family member.

#### ***Family Members Permanently Confined for Medical Reasons [HCV GB, p. 15-5, p. 5-22]***

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

##### HACB Policy

If any family member leaves the household to enter a facility such as hospital, nursing home, or rehabilitation center, the HACB will seek advice from a reliable qualified source as to the likelihood and timing of their return. If the verification indicates that the family member

will be permanently confined to a nursing home, the family member will be considered permanently absent. If the verification indicates that the family member will return in less than three (3) consecutive months, the family member will not be considered permanently absent. If the person who is determined to be permanently absent is the sole member of the household it is HACB Policy that the sole member may be out of the assisted unit for up to 180 days with proper documentation for entering a facility such as hospital, nursing home, or rehabilitation center provided a discharge date can be determined. HACB will require monthly documentation during the time the sole member is absent from the unit verifying the timing of their return. If documentation is not received or sole member does not return to the assisted unit within the 180 days, HACB will terminate assistance.

### ***Return of Permanently Absent Family Members***

#### HACB Policy

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

### **3-I.M. LIVE-IN AIDE**

A *live-in aide* is a person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who: (1) is determined to be essential to the care and well-being of the persons, (2) is not obligated for the support of the persons, and (3) would not be living in the unit except to provide the necessary supportive services [24 CFR 5.403].

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

The income of a live-in aide is not counted in the calculation of annual income for the family [24 CFR 5.609(b)]. Relatives may be approved as live-in aides if they meet all of the criteria defining a live-in aide. Because live-in aides are not *family* members, a relative who serves as a live-in aide would not be considered a remaining member of a tenant family.

#### HACB Policy

A family's request for a live-in aide must be made in writing. Written verification will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or case worker, that the live-in aide is essential for the care and well-being of the elderly, near-elderly, or disabled family member. For continued approval, the family must submit a new, written request-subject to HACB's verification at every other annual reexamination. Families are not permitted to change a live-in aide without prior HACB approval and must disclose the name of the live-in aide at the annual reexamination.

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

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

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

- The person commits drug-related criminal activity or violent criminal activity within the past three (3) years; or
- The person currently owes rent or other amounts to the HACB or to another housing authority in connection with Section 8 or public housing assistance under the 1937 Act.

The HACB will notify the family of its decision in writing within fourteen (14) calendar days of receiving a request for a live-in aide, including all required documentation related to the request.

## **PART II: BASIC ELIGIBILITY CRITERIA**

### **3-II.A. INCOME ELIGIBILITY AND TARGETING**

#### **Income Limits**

HUD establishes income limits for all areas of the country and publishes them annually in the *Federal Register*. They are based upon estimates of median family income with adjustments for family size. The income limits are used to determine eligibility for the program and for income targeting purposes as discussed in this section.

#### **Definitions of the Income Limits [24 CFR 5.603(b)]**

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

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

*Extremely low-income family.* A very low-income family whose annual income does not exceed the federal poverty level or thirty percent (30%) of the median income for the area, whichever number is higher.

Area median income is determined by HUD, with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than 30, 50, or 80 percent of the median income for an area if HUD finds that such variations are necessary because of unusually high or low family incomes.

#### **Using Income Limits for Eligibility [24 CFR 982.201]**

Income limits are used for eligibility only at admission. Income eligibility is determined by comparing the annual income of an applicant to the applicable income limit for their family size. In order to be income eligible, an applicant family must be one of the following:

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

#### HACB Policy



The HACB will consider a family to be continuously assisted if the family was leasing a unit under any 1937 Housing Act program at the time they were selected from the HACB's waiting list.

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

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

HACB Policy

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

**Using Income Limits for Targeting [24 CFR 982.201]**

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

Families continuously assisted under the 1937 Housing Act and families living in eligible low-income housing that are displaced as a result of prepayment of a mortgage or voluntary termination of a mortgage insurance contract are not counted for income targeting purposes.

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

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

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

**Declaration [24 CFR 5.508]**

HUD requires each family member to declare whether the individual is a citizen, a national, or an eligible noncitizen, except those members who elect not to contend that they have eligible immigration status. Those who elect not to contend their status are considered to be ineligible noncitizens. For citizens, nationals and eligible noncitizens the declaration must be signed personally by the head, spouse, co-head, and any other family member eighteen (18) or older, and by a parent or guardian for minors. The family must identify in writing any family members who

elect not to contend their immigration status (see Ineligible Noncitizens below). No declaration is required for live-in aides, foster children, or foster adults.

### ***U.S. Citizens and Nationals***

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

#### **HACB Policy**

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

### ***Eligible Noncitizens***

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

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

### ***Ineligible Noncitizens***

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

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

### **Mixed Families**

A family is eligible for assistance as long as at least one member is a citizen, national, or eligible noncitizen. Families that include eligible and ineligible individuals are considered *mixed families*. Such families will be given notice that their assistance will be prorated and that they may request a hearing if they contest this determination. See Chapter 6 for a discussion of how rents are prorated, and Chapter 16 for a discussion of informal hearing procedures.

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

A PHA may elect to provide assistance to a family before the verification of the eligibility of the individual or one family member [24 CFR 5.512(b)]. Otherwise, no individual or family may be assisted prior to the affirmative establishment by the PHA that the individual or at least one family member is eligible. Verification of eligibility for this purpose occurs when the individual or family members have submitted documentation to the PHA in accordance with program requirements [24 CFR 5.512(a)].

#### HACB Policy

The HACB will not provide assistance to a family before the verification of at least one (1) family member.

When the HACB determines that an applicant family does not include any citizens, nationals, or eligible noncitizens, following the verification process, the family will be sent a written notice within fourteen (14) calendar days of the determination.

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

Informal hearing procedures are contained in Chapter 16.

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

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

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

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

#### HACB Policy

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

#### **3-II.C. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and 5.218, Notice PIH ~~2012-10~~2018-24]**

The applicant and all members of the applicant's household must disclose the complete and accurate social security number (SSN) assigned to each household member, and the documentation necessary to verify each SSN. If a child under age 6 has been added to an applicant family within 6 months prior to voucher issuance, an otherwise eligible family may be admitted to the program and must disclose and document the child's SSN within 90 days of the effective date of the initial HAP contract. A detailed discussion of acceptable documentation is provided in Chapter 7.

*Note:* These requirements do not apply to noncitizens who do not contend eligible immigration status.

In addition, each participant who has not previously disclosed an SSN has previously disclosed an SSN that HUD or the SSA determined was invalid, or has been issued a new SSN must submit their complete and accurate SSN and the documentation required to verify the SSN at the time of the next interim or annual reexamination or recertification. Participants age 62 or older as of January 31, 2010, whose determination of eligibility was begun before January 31, 2010, are exempt from this requirement and remain exempt even if they move to a new assisted unit.

The PHA must deny assistance to an applicant family if they do not meet the SSN disclosure and documentation requirements contained in 24 CFR 5.216.

### **3-II.D. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 5.230, HCV GB, p. 5-13]**

HUD requires each adult family member, and the head of household, spouse, or co-head, regardless of age, to sign form HUD-9886, Authorization for the Release of Information/Privacy Act Notice, and other consent forms as needed to collect information relevant to the family's eligibility and level of assistance. Chapter 7 provides detailed information concerning the consent forms and verification requirements.

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

### **3-II.E. STUDENTS ENROLLED IN INSTITUTIONS OF HIGHER EDUCATION [24 CFR 5.612; FR Notice 4/10/06; FR Notice 9/21/16]**

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

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

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

#### **Definitions**

In determining whether and how the new eligibility restrictions apply to a student, the PHA will rely on the following definitions [FR Notice 4/10/06, FR Notice 9/21/16].

#### ***Dependent Child***

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

### ***Independent Student***

#### HACB Policy

The HACB will consider a student “independent” from his or her parents and the parents’ income will not be considered when determining the student’s eligibility if the following four criteria are all met:

The individual is of legal contract age under state law.

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

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

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

The individual is an orphan, in foster care, or a ward of the court, or was an orphan, in foster care, or ward of the court at any time when the individual was 13 years of age or older

The individual is, or was immediately prior to attaining the age of majority, an emancipated minor or in legal guardianship as determined by a court of competent jurisdiction in the individual’s state of legal residence

The individual is a veteran of the U.S. Armed Forces or is currently serving on active duty in the Armed Forces for other than training purposes

The individual is a graduate or professional student

The individual is married

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

The individual has been verified during the school year in which the application is submitted as either an unaccompanied youth who is a homeless child or youth, or as unaccompanied, at risk of homelessness, and self-supporting by:

- A local educational agency homeless liaison

- The director of a program funded under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act or a designee of the director
- A financial aid administrator

The individual is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances

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

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

If the HACB determines that an individual meets the definition of a *vulnerable youth* such a determination is all that is necessary to determine that the person is an *independent student* for purposes of using only the student's income for determining eligibility for assistance.

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

***Institution of Higher Education***

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

***Parents***

HACB Policy

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

***Person with Disabilities***

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

***Veteran***

HACB Policy

A *veteran* is a former member of the Armed Forces of the United States (Army, Navy, Air Force, Marine Corps, and Coast Guard) who served on active duty and was discharged under conditions, which were other than dishonorable. There is no minimum number of days an individual must have served on active duty to be considered a veteran. However, periods of active duty for training, pursuant to an enlistment in the National Guard or Reserves, do not qualify an individual as a veteran. Thus former or current members of the National Guard or Reserves are not considered to be veterans unless they had prior or subsequent service with an active component of the Armed Forces.

The **DD Form 214, Certificate of Release or Discharge from Active Duty**, generally referred to as a “DD 214” must be presented to verify enlistment, discharge and character of service.

### ***Vulnerable Youth***

#### HACB Policy

A *vulnerable youth* is an individual who meets the U.S. Department of Education’s definition of *independent student* in paragraphs (b), (c), or (h), as adopted in Section II of FR Notice 9/21/16:

- The individual is an orphan, in foster care, or a ward of the court, or was an orphan, in foster care, or ward of the court at any time when the individual was 13 years of age or older
- The individual is, or was immediately prior to attaining the age of majority, an emancipated minor or in legal guardianship as determined by a court of competent jurisdiction in the individual’s state of legal residence
- The individual has been verified during the school year in which the application is submitted as either an unaccompanied youth who is a homeless child or youth, or as unaccompanied, at risk of homelessness, and self-supporting by:
  - A local educational agency homeless liaison
  - A director of a program funded under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act or a designee of the director
  - A financial aid administrator

### **Determining Student Eligibility**

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

#### HACB Policy

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

Follow its usual policies in determining whether the student individually and the student’s “family” collectively are eligible for the program

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

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

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

### ***Determining Parental Income Eligibility***

#### HACB Policy

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

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

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

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

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

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

### **PART III: DENIAL OF ASSISTANCE**

#### **3-III.A. OVERVIEW**

A family that does not meet the eligibility criteria discussed in Parts I and II, must be denied assistance. In this section we will discuss other situations and circumstances in which denial of assistance is mandatory for the PHA, and those in which denial of assistance is optional for the PHA.

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

Denial of assistance includes any of the following:

- Not placing the family's name on the waiting list
- Denying or withdrawing a voucher
- Not approving a request for tenancy or refusing to enter into a HAP contract
- Refusing to process a request for or to provide assistance under portability procedures

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

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



- Age, disability, race, color, religion, sex, or national origin. (See Chapter 2 for additional information about fair housing and equal opportunity requirements.)
- Where a family lives prior to admission to the program
- Where the family will live with assistance under the program. Although eligibility is not affected by where the family will live, there may be restrictions on the family's ability to move outside the PHA's jurisdiction (See Chapter 10, Portability.)
- Whether members of the family are unwed parents, recipients of public assistance, or children born out of wedlock
- Whether the family includes children
- Whether a family decides to participate in a family self-sufficiency program
- Whether or not a qualified applicant has been a victim of domestic violence, dating violence, sexual assault, or stalking if the applicant is otherwise qualified for assistance (See section 3-III.G.)

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

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

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

#### HACB Policy

The HACB will admit an otherwise-eligible family who was evicted from federally-assisted housing within the past three (3) years for drug-related criminal activity, if the HACB is able to verify that the household member who engaged in the criminal activity is participating in or has completed a supervised drug rehabilitation program approved by the HACB [FR Notice 12/29/14], or the person who committed the crime, is no longer living in the household.

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

#### HACB Policy

*Currently engaged in* is defined as any use of illegal drugs during the previous twelve (12) months.

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

#### HACB Policy

In determining reasonable cause, the HACB will consider all credible evidence, including but not limited to, any record of convictions, or evictions of household members related to the use of illegal drugs or the abuse of alcohol. The HACB will also consider evidence from

treatment providers or community-based organizations providing services to household members.

- Any household member has ever been convicted of drug-related criminal activity for the production or manufacture of methamphetamine on the premises of federally assisted housing
- Any household member is subject to a lifetime registration requirement under a state sex offender registration program

HACB Policy

HACB will perform criminal background checks during the application stage to determine if any member of an applicant household is subject to a lifetime registration requirement under any state sex offender registration program. To fulfill this obligation, HACB has access to a national database covering sex offender registries in all states.

**3-III.C. OTHER PERMITTED REASONS FOR DENIAL OF ASSISTANCE**

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

**Criminal Activity [24 CFR 982.553]**

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

HACB Policy

If any household member is currently engaged in, or has engaged in any of the following criminal activities, within the past three (3) years, the family will be denied assistance.

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

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

Criminal activity that may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity; or

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

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

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

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

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

HACB Policy

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

The HACB will deny assistance to an applicant family if:

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

The family does not provide complete and true information to the HACB.

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

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

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

The family owes rent or other amounts to any PHA in connection with Section 8 or other public housing assistance under the 1937 Act, unless the family repays the full amount of the debt prior to being selected from the waiting list.

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

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

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

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

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

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

### 3-III.D. SCREENING

#### Screening for Eligibility

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

##### HACB Policy

The HACB will perform a criminal background check through local law enforcement and other sources for every adult household member.

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

PHAs are required to perform criminal background checks necessary to determine whether any household member is subject to a lifetime registration requirement under a state sex offender program in the state where the housing is located, as well as in any other state where a household member is known to have resided [24 CFR 982.553(a)(2)(i)].

##### HACB Policy

The HACB will use the third party verification database(s) to screen applicants for admission.

Additionally, PHAs must ask whether the applicant or any member of the applicant's household is subject to a lifetime registered sex offender registration requirement in any state [Notice PIH 2012-28].

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

#### Screening for Suitability as a Tenant [24 CFR 982.307]

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

##### HACB Policy

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

The owner is responsible for screening and selection of the family to occupy the owner's unit. The PHA must inform the owner that screening and selection for tenancy is the responsibility of the owner. An owner may consider a family's history with respect to factors such as: payment of rent and utilities, caring for a unit and premises, respecting the rights of other residents to the peaceful

enjoyment of their housing, criminal activity that is a threat to the health, safety or property of others, and compliance with other essential conditions of tenancy.

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

The PHA may not disclose to the owner any confidential information provided to the PHA by the family in response to a PHA request for documentation of domestic violence, dating violence, sexual assault, or stalking except at the written request or with the written consent of the individual providing the documentation [24 CFR 5.2007(a)(4)].

HACB Policy

The HACB will inform owners of their responsibility to screen prospective tenants, and will provide owners with the required known name and address information, at the time of the initial HQS inspection or before. The HACB will not provide any additional information to the owner, such as tenancy history, or criminal history.

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

**Evidence [24 CFR 982.553(c)]**

HACB Policy

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

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

**Consideration of Circumstances [24 CFR 982.552(c)(2)]**

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

HACB Policy

The HACB will consider the following facts and circumstances prior to making its decision:

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

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

The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities, or (as

discussed further in section 3-III.G) a victim of domestic violence, dating violence, sexual assault, or stalking

The length of time since the violation occurred, including the age of the individual at the time of the conduct, as well as the family's recent history and the likelihood of favorable conduct in the future

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

The HACB will require the applicant to submit evidence of the household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program, or evidence of otherwise having been rehabilitated successfully.

In the case of violent criminal activity, whether the culpable household member is participating in or has successfully completed a supervised offense-related rehabilitation program or has otherwise been rehabilitated successfully. The HACB will require the applicant to submit evidence of the household member's successful completion of or enrollment in a supervised offense-related rehabilitation program, or evidence of otherwise having been rehabilitated successfully.

#### **Removal of a Family Member's Name from the Application**

Should the PHA's screening process reveal that an applicant's household includes an individual subject to state lifetime registered sex offender registration the PHA must offer the family the opportunity to remove the ineligible family member from the household. If the family is unwilling to remove that individual from the household, the PHA must deny admission to the family [Notice PIH 2012-28].

For other criminal activity, the PHA may permit the family to exclude the culpable family members as a condition of eligibility [24 CFR 982.552(c)(2)(ii)].

##### HACB Policy

As a condition of receiving assistance, a family may agree to remove the culpable family member from the application. In such instances, the head of household must certify that the family member will not be permitted to visit, stay as a guest, or reside in the assisted unit.

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

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

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

##### HACB Policy

If the family indicates that the behavior of a family member with a disability is the reason for the proposed denial of assistance, the HACB will determine whether the behavior is

related to the stated disability. If so, upon the family's request, the HACB will determine whether admitting the family as a reasonable accommodation is appropriate. The HACB will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed denial of assistance. See Chapter 2 for a discussion of reasonable accommodation.

### **3-III.F. NOTICE OF ELIGIBILITY OR DENIAL**

If the family is eligible for assistance, the PHA will notify the family, in writing and schedule a voucher briefing, as discussed in Chapter 5.

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

#### HACB Policy

The family will be notified of a decision to deny assistance in writing within fourteen (14) calendar days of the determination.

If a PHA uses a criminal record or sex offender registration information obtained under 24 CFR 5, Subpart J, as the basis of a denial, a copy of the record must precede the notice to deny, with an opportunity for the applicant to dispute the accuracy and relevance of the information before the PHA can move to deny the application. In addition, a copy of the record must be provided to the subject of the record [24 CFR 5.903(f) and 5.905(d)]. The PHA must give the family an opportunity to dispute the accuracy and relevance of that record, in the informal review process in accordance with program requirements [24 CFR 982.553(d)].

#### HACB Policy

If based on a criminal record or sex offender registration information, an applicant family appears to be ineligible the HACB will notify the family in writing of the proposed denial and provide a copy of the record to the applicant and to the subject of the record. The family will be given fourteen (14) calendar days to dispute the accuracy and relevance of the information. If the family does not contact the HACB to dispute the information within that fourteen (14) day period, the HACB will proceed with issuing the notice of denial of admission. A family that does not exercise their right to dispute the accuracy of the information prior to issuance of the official denial letter will still be given the opportunity to do so as part of the informal review process.

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

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

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

The Violence Against Women Reauthorization Act of 2013 (VAWA) and the HUD regulation at 24 CFR 5.2005(b) prohibits denial of admission to the HCV program “on the basis that the applicant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking.

Definitions of key terms used in VAWA are provided in section 16-IX of this plan, where general VAWA requirements and policies pertaining to notification, documentation, and confidentiality are also located.

**Notification**

VAWA 2013 expanded notification requirements to include the obligation for PHAs to provide applicants who are denied assistance with a notice of rights and the form HUD-5382 at the time the applicant is denied.

HACB Policy

The HACB acknowledges that a victim of domestic violence, dating violence, sexual assault, or stalking may have an unfavorable history (e.g., a poor credit history, a record of previous damage to an apartment, a prior arrest record) that would warrant denial under the HACB’s policies. Therefore, if the HACB makes a determination to deny admission to an applicant family, the HACB will include in its notice of denial the VAWA information described in section 16-IX.C of this plan as well as including a copy of the form HUD-5382. The HACB will request in writing that an applicant wishing to claim protection under VAWA notify the HACB within 14 business days (i.e., Saturdays, Sundays, and holidays do not count).

**Documentation**

***Victim Documentation***

HACB Policy

If an applicant claims the protection against denial of assistance that VAWA provides to victims of domestic violence, dating violence, sexual assault or stalking, the HACB will request in writing that the applicant provide documentation supporting the claim in accordance with section 16-IX.D. of this plan.

***Perpetrator Documentation***

HACB Policy

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

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

Documentation that the perpetrator has successfully completed, or is successfully undergoing, rehabilitation or treatment. The documentation must be signed by an employee or agent of a domestic violence service provider or by a medical or other



knowledgeable professional from whom the perpetrator has sought or is receiving assistance in addressing the abuse. The signer must attest under penalty of perjury to his or her belief that the rehabilitation was successfully completed or is progressing successfully. The victim and perpetrator must also sign or attest to the documentation.

## EXHIBIT 3-1: DETAILED DEFINITIONS RELATED TO DISABILITIES

### Person with Disabilities [24 CFR 5.403]

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

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

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

In the case of an individual who has attained the age of 55 and is blind (within the meaning of “blindness” as defined in section 416(i)(1) of this title), inability by reason of such blindness to engage in substantial gainful activity, requiring skills or ability comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time.
- Has a developmental disability as defined in the Developmental Disabilities Assistance and Bill of Rights Act of 2000 [42 U.S.C.15002(8)], which defines developmental disability in functional terms as follows:

#### (A) In General

The term “developmental disability” means a severe, chronic disability of an individual that:

- (i) is attributable to a mental or physical impairment or combination of mental and physical impairments;
- (ii) is manifested before the individual attains age 22;
- (iii) is likely to continue indefinitely;
- (iv) results in substantial functional limitations in 3 or more of the following areas of major life activity: (I) Self-care, (II) Receptive and expressive language, (III) Learning, (IV) Mobility, (V) Self-direction, (VI) Capacity for independent living, (VII) Economic self-sufficiency; and
- (v) reflects the individual’s need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated.

#### (B) Infants and Young Children

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

- Has a physical, mental, or emotional impairment that is expected to be of long-continued and indefinite duration; substantially impedes his or her ability to live independently, and is of such

a nature that the ability to live independently could be improved by more suitable housing conditions.

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

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

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

**Individual with Handicaps [24 CFR 8.3]**

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

- (1) Physical or mental impairment includes:
  - (a) Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic and lymphatic; skin; and endocrine; or
  - (b) Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term physical or mental impairment includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism.
- (2) *Major life activities* means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.
- (3) Has a record of such an impairment means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities.
- (4) *Is regarded as having an impairment* means:
  - (a) Has a physical or mental impairment that does not substantially limit one or more major life activities but that is treated by a recipient as constituting such a limitation;
  - (b) Has a physical or mental impairment that substantially limits one or more major life activities only as a result of the attitudes of others toward such impairment; or
  - (c) Has none of the impairments defined in paragraph (1) of this section but is treated by a recipient as having such an impairment.

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

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

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

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

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

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

- (a) Definition of institution of higher education for purposes of student assistance programs

(1) Inclusion of additional institutions. Subject to paragraphs (2) through (4) of this subsection, the term “institution of higher education” for purposes of subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42 includes, in addition to the institutions covered by the definition in section 1001 of this title—

(A) A proprietary institution of higher education (as defined in subsection (b) of this section);

(B) A postsecondary vocational institution (as defined in subsection (c) of this section); and

(C) Only for the purposes of part B of subchapter IV of this chapter, an institution outside the United States that is comparable to an institution of higher education as defined in section 1001 of this title and that has been approved by the Secretary for the purpose of part B of subchapter IV of this chapter.

(2) Institutions outside the United States

(A) In general. For the purpose of qualifying as an institution under paragraph (1)(C), the Secretary shall establish criteria by regulation for the approval of institutions outside the United States and for the determination that such institutions are comparable to an institution of higher education as defined in section 1001 of this title (except that a graduate medical school, or a veterinary school, located outside the United States shall not be required to meet the requirements of section 1001 (a)(4) of this title). Such criteria shall include a requirement that a student attending such school outside the United States is ineligible for loans made, insured, or guaranteed under part B of subchapter IV of this chapter unless—

(i) In the case of a graduate medical school located outside the United States—

(I)(aa) At least 60 percent of those enrolled in, and at least 60 percent of the graduates of, the graduate medical school outside the United States were not persons described in section 1091(a)(5) of this title in the year preceding the year for which a student is seeking a loan under part B of subchapter IV of this chapter; and

(bb) At least 60 percent of the individuals who were students or graduates of the graduate medical school outside the United States or Canada (both nationals of the United States and others) taking the examinations administered by the Educational Commission for Foreign Medical Graduates received a passing score in the year preceding the year for which a student is seeking a loan under part B of subchapter IV of this chapter; or

(II) The institution has a clinical training program that was approved by a State as of January 1, 1992; or

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

(B) Advisory panel

- (i) In general. For the purpose of qualifying as an institution under paragraph (1)(C) of this subsection, the Secretary shall establish an advisory panel of medical experts that shall—
    - (I) Evaluate the standards of accreditation applied to applicant foreign medical schools; and
    - (II) Determine the comparability of those standards to standards for accreditation applied to United States medical schools.
  - (ii) Special rule if the accreditation standards described in clause (i) are determined not to be comparable, the foreign medical school shall be required to meet the requirements of section 1001 of this title.
- (C) Failure to release information. The failure of an institution outside the United States to provide, release, or authorize release to the Secretary of such information as may be required by subparagraph (A) shall render such institution ineligible for the purpose of part B of subchapter IV of this chapter.
- (D) Special rule. If, pursuant to this paragraph, an institution loses eligibility to participate in the programs under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42, then a student enrolled at such institution may, notwithstanding such loss of eligibility, continue to be eligible to receive a loan under part B while attending such institution for the academic year succeeding the academic year in which such loss of eligibility occurred.
- (3) Limitations based on course of study or enrollment. An institution shall not be considered to meet the definition of an institution of higher education in paragraph (1) if such institution—
- (A) Offers more than 50 percent of such institution’s courses by correspondence, unless the institution is an institution that meets the definition in section 2471 (4)(C) of this title;
  - (B) Enrolls 50 percent or more of the institution’s students in correspondence courses, unless the institution is an institution that meets the definition in such section, except that the Secretary, at the request of such institution, may waive the applicability of this subparagraph to such institution for good cause, as determined by the Secretary in the case of an institution of higher education that provides a 2-or 4-year program of instruction (or both) for which the institution awards an associate or baccalaureate degree, respectively;
  - (C) Has a student enrollment in which more than 25 percent of the students are incarcerated, except that the Secretary may waive the limitation contained in this subparagraph for a nonprofit institution that provides a 2-or 4-year program of instruction (or both) for which the institution awards a bachelor’s degree, or an associate’s degree or a postsecondary diploma, respectively; or
  - (D) Has a student enrollment in which more than 50 percent of the students do not have a secondary school diploma or its recognized equivalent, and does not provide a 2-or 4-year program of instruction (or both) for which the institution awards a bachelor’s degree or an associate’s degree, respectively, except that the Secretary may waive the limitation contained in this subparagraph if a nonprofit institution demonstrates to the

satisfaction of the Secretary that the institution exceeds such limitation because the institution serves, through contracts with Federal, State, or local government agencies, significant numbers of students who do not have a secondary school diploma or its recognized equivalent.

(4) Limitations based on management. An institution shall not be considered to meet the definition of an institution of higher education in paragraph (1) if—

(A) The institution, or an affiliate of the institution that has the power, by contract or ownership interest, to direct or cause the direction of the management or policies of the institution, has filed for bankruptcy, except that this paragraph shall not apply to a nonprofit institution, the primary function of which is to provide health care educational services (or an affiliate of such an institution that has the power, by contract or ownership interest, to direct or cause the direction of the institution's management or policies) that files for bankruptcy under chapter 11 of title 11 between July 1, 1998, and December 1, 1998; or

(B) The institution, the institution's owner, or the institution's chief executive officer has been convicted of, or has pled nolo contendere or guilty to, a crime involving the acquisition, use, or expenditure of funds under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42, or has been judicially determined to have committed fraud involving funds under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42.

(5) Certification. The Secretary shall certify an institution's qualification as an institution of higher education in accordance with the requirements of subpart 3 of part G of subchapter IV of this chapter.

(6) Loss of eligibility. An institution of higher education shall not be considered to meet the definition of an institution of higher education in paragraph (1) if such institution is removed from eligibility for funds under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42 as a result of an action pursuant to part G of subchapter IV of this chapter.

(b) Proprietary institution of higher education

(1) Principal criteria. For the purpose of this section, the term "proprietary institution of higher education" means a school that—

(A) Provides an eligible program of training to prepare students for gainful employment in a recognized occupation;

(B) Meets the requirements of paragraphs (1) and (2) of section 1001 (a) of this title;

(C) Does not meet the requirement of paragraph (4) of section 1001 (a) of this title;

(D) Is accredited by a nationally recognized accrediting agency or association recognized by the Secretary pursuant to part G of subchapter IV of this chapter;

(E) Has been in existence for at least 2 years; and

(F) Has at least 10 percent of the school's revenues from sources that are not derived from funds provided under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42, as determined in accordance with regulations prescribed by the Secretary.

(2) Additional institutions. The term “proprietary institution of higher education” also includes a proprietary educational institution in any State that, in lieu of the requirement in paragraph (1) of section 1001 (a) of this title, admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located.

(c) Postsecondary vocational institution.

(1) Principal criteria. For the purpose of this section, the term “postsecondary vocational institution” means a school that—

(A) Provides an eligible program of training to prepare students for gainful employment in a recognized occupation;

(B) Meets the requirements of paragraphs (1), (2), (4), and (5) of section 1001 (a) of this title; and

(C) Has been in existence for at least 2 years.

(2) Additional institutions. The term “postsecondary vocational institution” also includes an educational institution in any State that, in lieu of the requirement in paragraph (1) of section 1001 (a) of this title, admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located.



## Chapter 4

### APPLICATIONS, WAITING LIST AND TENANT SELECTION

#### INTRODUCTION

When a family wishes to receive assistance under the HCV program, the family must submit an application that provides the PHA with the information needed to determine the family's eligibility. HUD requires the PHA to place all families that apply for assistance on a waiting list. When HCV assistance becomes available, the PHA must select families from the waiting list in accordance with HUD requirements and PHA policies as stated in the Administrative Plan and the Annual Plan.

The PHA is required to adopt clear policies and procedures for accepting applications, placing families on the waiting list, and selecting families from the waiting list and must these policies and procedures consistently. The actual order in which families are selected from the waiting list can be affected if a family has certain characteristics designated by HUD or the PHA that justify their selection. Examples of this are the selection of families for income targeting and the selection of families that qualify for targeted funding.

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

This chapter describes HUD and PHA policies for taking applications, managing the waiting list and selecting families for HCV assistance. The policies outlined in this chapter are organized into three sections, as follows:

Part I: The Application Process. This part provides an overview of the application process, and discusses how applicants can obtain and submit applications. It also specifies how the PHA will handle the applications it receives.

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

Part III: Selection for HCV Assistance. This part describes the policies that guide the PHA in selecting families for HCV assistance as such assistance becomes available. It also specifies how in-person interviews will be used to ensure that the PHA has the information needed to make a final eligibility determination.

#### PART I: THE APPLICATION PROCESS

##### 4-1.A. OVERVIEW

This part describes the PHA policies for making applications available, accepting applications making preliminary determinations of eligibility, and the placement of applicants on the waiting list. This part also describes the PHA's obligation to ensure the accessibility of the application

process to elderly persons, people with disabilities, and people with limited English proficiency (LEP).

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

Any family that wishes to receive HCV assistance must apply for admission to the program. HUD permits the PHA to determine the format and content of HCV applications, as well how such applications will be made available to interested families and how applications will be accepted by the PHA. The PHA must include Form HUD-92006, Supplement to Application for Federally Assisted Housing, as part of the PHA's application.

##### HACB Policy

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

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

A two-step process will be used when it is expected that a family will not be selected from the waiting list for at least sixty (60) days from the date of application. Under the two-step application process, the HACB initially will require families to provide only the information needed to make an initial assessment of the family's eligibility, and to determine the family's placement on the waiting list. The family will be required to provide all of the information necessary to establish family eligibility and level of assistance when the family is selected from the waiting list.

When HACB provides public notice that it is accepting applications for housing assistance, the application will be available on-line, at any time of day or night. The applicant may complete the application from any computer with internet access (e.g., home, public library, community-based organization, etc.). If the applicant requires assistance with completing the application, resources for assistance will be listed in waiting list opening announcements. Completed applications must be submitted to HACB in the method explained in waiting list opening announcements. Applications must be complete in order to be accepted by HACB for processing.

#### **4-I.C. ACCESSIBILITY OF THE APPLICATION PROCESS**

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

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

### **Limited English Proficiency**

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

### **4-I.D. PLACEMENT ON THE WAITING LIST**

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

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

### **Eligible for Placement on the Waiting List**

#### HACB Policy

Since placement on the waiting list does not require an interview and the information contained in the lottery entry form does not require verification, a set number of applications will be selected, ordered, and placed in the waiting list using a computer-generated random lottery system.

## **PART II: MANAGING THE WAITING LIST**

### **4-II.A. OVERVIEW**

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

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

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

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

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

- Applicant name;
- Family unit size;
- Date and time of application;
- Qualification for any local preference;

- Racial or ethnic designation of the head of household.

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

HACB Policy

The HACB will maintain a single waiting list for the HCV program combining Butte and Glenn County jurisdictions.

HACB Policy

The HACB allows the following Local Preferences for the HCV waiting list for Butte County jurisdiction:

**Residency Preference**

This local preference would continue to give a preference for applicants who live or work, or who is enrolled in school in the Butte or Glenn County. This is further defined to mean that an applicant must only meet one of the following criteria to be eligible for the Residency Preference:

- The family must live in Butte or Glenn County, or
- At least one member must have a job within the limits of Butte or Glenn County, or
- Applicants who have been notified that they are hired to work in Butte or Glenn County must be treated as a resident, or
- At least one family member of the applicant household is currently enrolled in a Butte or Glenn County institution of higher education.

HUD regulations state that a residency preference must not be based on how long an applicant has resided or worked in a residency preference area.

**Limited Homeless ~~Set-Aside~~ Preference (PIH 2013-15)**

The HACB limits the number of families that qualify for a homeless preference to ~~seventy-five (75)~~sixty-five (65) families. Families must be under case management of a Butte County Continuum of Care or Dos Rios Continuum of Care (Glenn County) organization. Homeless verification will be provided by the organization providing the case management. Once the HACB is serving ~~seventy-five (75)~~sixty-five (65) families under the preference, and one family leaves the program, the next family on the waiting list who meets the preference criteria will be served. If there is no one on the waiting list who meets the preference criteria, the waiting list will be reopened for applicants that qualify for that preference or if kept open, ~~the HACB will reach out to Butte County Continuum of Care organizations for referrals to be the waiting list for applicants that qualify for the preference~~

following the guidelines set forth in Section 4 H.C., as determined in accordance with prioritization established by the Coordinated Entry system. The family must be referred to the HACB by a homeless service provider through Coordinated Entry based on their VI-SPDAT score.

#### **Limited Moving Up Preference (PIH 2013-15)**

The HACB limits the number of families that qualify for the moving up preference to ten (10) families. Families must be transitioning from a Permanent Supportive Housing (PSH) unit and are under case management of a Butte County Continuum of Care organization. These are persons that were previously homeless prior to entry into the PSH program and who no longer need that level of supportive services. Once the HACB is serving ten (10) families under the preference, and one family leaves the program, the next family on the waiting list who meets the preference criteria will be served. If there is no one on the waiting list who meets the preference criteria, the waiting list will be reopened only or if kept open, for those who qualify for the preference as determined by submitted verification by a Butte County Continuum of Care or Dos Rios Continuum of Care (Glenn County) partnering agency.

#### **Veterans Preference**

A preference for veterans of the United States armed services. To receive a veteran's preference, the household must include a veteran of the United States armed services. A veteran is a former member of the Armed Forces of the United States (Army, Navy, Air Force, Marine Corps, and Coast Guard) who served on active duty and was discharged under conditions, which were other than dishonorable. There is no minimum number of days an individual must have served on active duty to be considered a veteran. However, periods of active duty for training, pursuant to an enlistment in the National Guard or Reserves, do not qualify an individual as a veteran. Thus former or current members of the National Guard or Reserves are not considered to be veterans unless they had prior or subsequent service with an active component of the Armed Forces. The **DD Form 214, Certificate of Release or Discharge from Active Duty**, generally referred to as a "DD 214" must be presented to verify enlistment, discharge and character of service. If upon verification the HACB determines that the family does not qualify for the preference claimed, the family does not receive the preference. The applicant will be returned to the waiting list without benefit of the preference.

#### **Government Displacement**

This preference is subject to approval of the Executive Director. The HACB Board must be notified within a reasonable time that preference has been approved. Local individuals or families displaced by government action (i.e., required to move by any level of government: federal, state or local). These include, but are not limited, to:

- Persons displaced as the result of a government-declared natural disaster
- Persons displaced as the result of governmental action.
- Victims under VAWA Reauthorization Act of 2013

- o Victims under witness protection programs

These preferences are available even when the wait list is closed to other applicants.

Applicants who have vacated housing as a result of:

- a. Natural disaster that has been so declared by a local, state, or federal government entity (fire, flood, earthquake, etc.).
- b. Federal, State or local government action related to code enforcement, public improvement or development.
- c. Victims of domestic violence, dating violence, sexual assault, or stalking who either:
  - 1. 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
  - 2. 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.
  - 3. As a result of an emergency transfer from another PHA or HUD covered housing program in accordance with VAWA policy.
- d. Victims under witness protection programs: Applicant, or member of applicant family, has been advised by a law enforcement agency to relocate to minimize risk of violence against family members as a result of providing information on criminal activities to a law enforcement agency. Proper safeguards will be provided by the PHA to conceal the identity of families requiring protection against such reprisal. Verification to be provided by Law Enforcement Agency.

### **Public Housing Transfers**

Preference will be given to existing Public Housing residents residing in HACB's Public Housing units who are in need of a reasonable accommodation, or PHA required or emergency transfer. The Waiting list will remain open in this preference category. To be eligible for this preference, written verification from the Executive Director that the tenant meets the following criteria:

- There are no suitable and available PH units for a transfer within a reasonable period of time.
- The family has lived in the PH unit for at least one year.
- The family is current in rent and lease compliant.

### **Family Unification Program**

A preference for admission to select families participating in the County Child Welfare Agency's Family Unification Program (FUP).

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### **Voucher Utilization/Lease In-Place**

In the event the HACB Section 8 HCV leasing rate falls below 97%, preference will be given to families on the waiting list who are willing and able to lease in place. HACB will continue to use the lease-in place preference until the calendar year lease-up rate is projected to be at 97% lease-up.

All applicants are required to provide verification of eligibility for the Local Government Displacement Preference claimed on their Initial Application and/or Application Updates. Preferences will not be given unless proper verification is submitted as required.

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

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

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

#### HACB Policy

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

## **4-II.C. OPENING AND CLOSING THE WAITING LIST [24 CFR 982.206]**

### **Closing the Waiting List**

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

#### HACB Policy

The open period shall be long enough to achieve a waiting list adequate to cover projected HCV turnover, limited preference turnover and any new allocations for the twelve (12) months. The waiting list or accepting of lottery applications may not be closed if it would have a discriminatory effect inconsistent with applicable civil rights law.

In the event there are enough lottery entries to fill anticipated openings for the twelve (12) months, the accepting of lottery entries and/or the waiting list may be closed. The waiting list may be kept open for applicants that qualify for a particular preference or funding criteria while closing it for all other applicants. The HACB will give at least five (5) business days' notice prior to closing the lottery application process. **Not all applicants will be placed on the waiting list.** Depending on projected voucher turnover for the calendar year, only a set number of applications will be selected for placement on the waiting list. Applicants may go online using confirmation number see if they have been placed on the list. Those without computer access can call HACB. Set number of applications will be selected and ordered using a computer-generated random lottery system.

### Reopening the Waiting List

If the waiting list has been closed, it cannot be reopened until the PHA publishes a notice in local newspapers of general circulation, minority media, and other suitable media outlets. The notice must comply with HUD fair housing requirements and must specify who may apply, and where and when applications will be received. The PHA may elect to only reopen the waiting list to certain categories of families that meet particular preferences or funding criteria.

#### HACB Policy

The HACB will utilize the following procedures for opening the Waiting List. When the HACB opens the Waiting List, the HACB will advertise through public notice on the Housing Authority's website, ([www.butte-housing.com](http://www.butte-housing.com)) newspapers (Chico Enterprise Record/Oroville Mercury Register/Paradise Post, Gridley Herald, Appeal Democrat – Glenn County) if applicable, minority publications and media entities. The HACB will also notify:

- ~~Independent Living Services of Northern California~~ Disability Action Center
- Legal Services of Northern California
- Butte County Department of Employment & Social Services
- Butte County Department of Behavioral Health
- Community Action Agency
- CDI Headstart
- ~~Community Housing & Credit Counseling Center~~
- Northern Valley Catholic Social Services
- ~~Chico Community Shelter Partnership~~ True North Housing (Torres Shelter)
- Catalyst Domestic Violence Services
- ~~Skyway House~~
- ~~Paradise Senior Center~~
- Sabbath House
- Healthy Mother's Program
- Youth for Change (Paradise Ridge and Oroville Family Resource Centers)

The notice will contain:

- The dates, times, and the locations where families may apply.
- The name of the program(s) for which applications will be taken.
- Limitations, if any on who may apply.

The notices will be made in an accessible format if requested. They will provide potential applicant with information that includes the HACB address and telephone application and the eligibility requirements.

During the application process a person(s) with a disability may submit an application by means of an alternate method upon request as an accommodation.

### **4-II.D. FAMILY OUTREACH [HCV GB, pp. 4-2 to 4-4]**

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



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

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

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

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

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

#### HACB Policy

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

#### **4-III.E. REPORTING CHANGES IN FAMILY CIRCUMSTANCES**

##### HACB Policy

While the family is on the waiting list, the family must immediately inform the HACB of changes in contact information, including current residence, mailing address, and phone number as well and any changes in income and family composition. The changes must be submitted in writing within fourteen (14) calendar days of the change.

#### **4-III.F. UPDATING THE WAITING LIST [24 CFR 982.204]**

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

##### **Maintaining the Waiting List**

The decision to withdraw an applicant family that includes a person with disabilities from the waiting list is subject to reasonable accommodation. If the applicant did not respond to a PHA request for information or updates, and the PHA determines that the family did not respond because of the family member's disability, the PHA must reinstate the applicant family to their former position on the waiting list [24 CFR 982.204(c)(2)].

### HACB Policy

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

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

The family's response must be in writing and may be delivered in person, by mail, by email, or by fax. Responses should be postmarked or received by the HACB not later than 14 calendar days from the date of the HACB letter.

If the family fails to respond within fourteen (14) calendar days, the family will be removed from the waiting list without further notice.

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

If the notice is returned by the post office with a forwarding address, the notice will be re-sent to the address indicated. The family will have fourteen (14) calendar days to respond from the date the letter was re-sent.

If an applicant is removed from the waiting list for failure to respond, they will not be entitled to reinstatement unless the HACB determines there were circumstances beyond the person's control. The following exceptions, if determined to exist, will be acceptable to warrant reinstatement:

1. Death in Family
2. Medical Emergency
3. Natural Disaster
4. Reasonable Accommodation
5. Verified error by US Post Office

### **Removal from the Waiting List**

#### HACB Policy

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

If a family is removed from the waiting list because the HACB has determined the family is not eligible for assistance, a notice will be sent to the family's address of record as well as to any alternate address provided on the initial application. The notice will state the reasons the family was removed from the waiting list and will inform the family how to request an informal review regarding the HACB's decision (see Chapter 16) [24 CFR 982.201(f)].

## **PART III: SELECTION FOR HCV ASSISTANCE**

#### 4-III.A. OVERVIEW

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

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

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

#### 4-III.B. SELECTION AND HCV FUNDING SOURCES

##### Special Admissions [24 CFR 982.203]

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

##### Targeted Funding [24 CFR 982.204(e)]

HUD may award a PHA funding for a specified category of families on the waiting list. The PHA must use this funding only to assist the families within the specified category. In order to assist families within a targeted funding category, the PHA may skip families that do not qualify within the targeted funding category. Within this category of families, the order in which such families are assisted is determined according to the policies provided in Section 4-III.C.

##### HACB Policy

The HACB operates the HUD-Veterans Affairs Supportive Housing (HUD-VASH) program. The HACB does not maintain a Waiting List or apply local preferences for this program. The Department of Veteran Affairs refers eligible families to HACB for the issuance of a HUD-VASH Voucher.

##### **Set-Aside (PIH 2013-15)**

##### HACB Policy

~~The HACB limits the number of families that qualify for a homeless preference to seventy-five (75) families. Families must be under case management of a Butte County Continuum of Care organization. Homeless verification will be provided by the organization providing the case management. Once the HACB is serving seventy-five (75) families under the preference, and one family leaves the program, the next family on the waiting list who meets the preference criteria will be served. If there is no one on the waiting list who meets the performance criteria, the waiting list will be reopened for applicants that qualify for~~

~~that preference or if kept open, the HACB will reach out to the Butte County Continuum of Care organizations for referrals to the waiting list for applicants that qualify for the preference following the guidelines set forth in Section 4-III.C.~~

### Regular HCV Funding

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

### 4-III.C. SELECTION METHOD

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

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

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

#### HACB Policy

The HACB will use the following preferences to rank applicants on the waiting list:

#### Local Preference – Government Displacement (10 points)

Local individuals or families displaced by government action (i.e., required to move by any level of government: federal, state or local). Priority shall be given to families of veterans and servicemen.

#### Local Preference - Public Housing Transfers (10 points)

Preference will be given to existing Public Housing residents residing in HACB's Public Housing units who are in need of a reasonable accommodation, or PHA required or emergency transfer. The Waiting list will remain open in this preference category. To be eligible for this preference, written verification from the Executive Director that the tenant meets the following criteria:

- There are no suitable and available PH units for a transfer within a reasonable period of time.
- The family has lived in the PH unit for at least one year.
- The family is current in rent and lease compliant.

#### Local Preference – Limited Homeless Set-Aside Preference (85 points)

The HACB limits the number of families that qualify for a homeless preference ~~to seventy-five (75)~~sixty-five (65) families. Families must be under case management of a Butte

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County Continuum of Care or Dos Rios Continuum of Care (Glenn County) organization. Homeless verification will be provided by the organization providing the case management. Once the HACB is serving ~~seventy-five (75)~~sixty-five (65) families under the preference, and one family leaves the program, the next family on the waiting list who meets the preference criteria will be served. If there is no one on the waiting list who meets the preference criteria, the waiting list will be reopened for applicants that qualify for that preference or if kept open, as determined in accordance with prioritization established by the Coordinated Entry system. The family must be referred to the HACB by a homeless service provider through the Coordinated Entry based on their VI-SPDAT score.~~the HACB will reach out to the Butte County Continuum of Care organizations for referrals to the waiting list for applicants that qualify for the preference following guidelines set forth in Section 4.H.C.~~

**Local Preference – Moving Up Preference (8 points)**

The HACB limits the number of families that qualify for the moving up preference to ten (10) families. Families must be transitioning from a Permanent Supportive Housing (PHS) unit and are under case management of a Butte County Continuum of Care or Dos Rios Continuum of Care (Glenn County) organization. These are persons that were previously homeless prior to entry into the PSH program and who no longer need that level of supportive services. Once the HACB is serving ten (10) families under the preference, and one family leaves the program, the next family on the waiting list who meets the preference criteria will be served. If there is no one on the waiting list who meets the preference criteria, the waiting list will be reopened only or if kept open, for those who qualify for the preference as determined by submitted verification by a Butte County Continuum of Care or Dos Rios Continuum of Care (Glenn County) partnering agency.

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**Local Preference - Residency Preference (5 pPoints)**

This local preference would continue to give a preference for applicants who live or work, or who is enrolled in school in the Butte or Glenn County.

**Local Preference – Voucher Utilization/Lease In-Place (3 points)**

In the event the HACB Section 8 HCV leasing rate falls below 97%, preference will be given to families on the waiting list who are willing and able to lease in place. Families who are considered to be living in-place are those who reside in a unit where the landlord will accept the S8 HCV program. They must have resided in unit for the past three months and must remain in unit for a period of no less than one year after assistance starts. The unit must meet all other program requirements in order to qualify for the In-Place preference. Priority shall be given to families of veterans and servicemen.

**Local Preference - Veterans (2 points)**

A preference for veterans of the United States armed services. To receive a veteran's preference, the household must include a veteran of the United States armed services. A veteran is a former member of the Armed Forces of the United States (Army, Navy, Air Force, Marine Corps, and Coast Guard) who served on active duty and was discharged

under conditions, which were other than dishonorable. There is no minimum number of days an individual must have served on active duty to be considered a veteran. However, periods of active duty for training, pursuant to an enlistment in the National Guard or Reserves, do not qualify an individual as a veteran. Thus former or current members of the National Guard or Reserves are not considered to be veterans unless they had prior or subsequent service with an active component of the Armed Forces. The **DD Form 214, Certificate of Release or Discharge from Active Duty**, generally referred to as a “DD 214” must be presented to verify enlistment, discharge and character of service. If upon verification the HACB determines that the family does not qualify for the preference claimed, the family does not receive the preference. The applicant will be returned to the waiting list without benefit of the preference.

~~**Local Preference – Government Displacement (10 points)**~~

~~Local individuals or families displaced by government action (i.e., required to move by any level of government: federal, state or local). Priority shall be given to families of veterans and servicemen.~~

**Local Preference – Family Unification Program (1 point)**

A preference for admission to select families participating in the County Child Welfare Agency’s Family Unification Program (FUP), the number of admissions limited to the program size set forth in the Memorandum of Understanding (MOU) between the Butte County Department of Employment and Social Services and the HACB, such admissions to be made on a first come, first serve basis. The Family Unification Program (FUP) is a program under which vouchers are provided to families for whom the lack of adequate housing is a primary factor in the imminent placement of the family’s child, or children, in out-of-home care; or the delay in the discharge of the child, or children, to the family from out-of-home care. Youths at least eighteen (18) years old and not more than twenty-one (21) years old (have not reached 22nd birthday) who left foster care at age sixteen (16) or older and who do not have adequate housing are also eligible to receive housing assistance under the FUP. A FUP voucher issued to such a youth may only be used to provide housing assistance for the youth for a maximum of eighteen (18) months. FUP admissions to be made without regard to the open or closed status of the waiting list. Priority shall be given to families of veterans and servicemen and to households displaced by public action. The number of households admitted under the FUP preference shall be determined by the Board of Commissioner’s policy and identified in the MOU.

~~**Local Preference – Voucher Utilization/Lease In-Place (3 points)**~~

~~In the event the HACB Section 8 HCV leasing rate falls below 97%, preference will be given to families on the waiting list who are willing and able to lease in place. Families who are considered to be living in place are those who reside in a unit where the landlord will accept the S8 HCV program. They must have resided in unit for the past three months and must remain in unit for a period of no less than one year after assistance starts. The unit must meet all other program requirements in order to qualify for the In-Place preference. Priority shall be given to families of veterans and servicemen.~~

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

HUD requires that extremely low-income (ELI) families make up at least seventy-five percent (75%) of the families admitted to the HCV program during the PHA's fiscal year. ELI families are those with annual incomes at or below the federal poverty level or thirty percent (30%) of the area median income, whichever number is higher. To ensure this requirement is met, a PHA may skip non-ELI families on the waiting list in order to select an ELI family.

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

#### HACB Policy

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

#### **Order of Selection**

The PHA system of preferences may select families based on local preferences according to the date and time of application, or by a random selection process (lottery) [24 CFR 982.207(c)]. If a PHA does not have enough funding to assist the family at the top of the waiting list, it is not permitted to skip down the waiting list to a family that it can afford to subsidize when there are not sufficient funds to subsidize the family at the top of the waiting list [24 CFR 982.204(d) and (e)].

#### HACB Policy

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

#### **4-III.D. NOTIFICATION OF SELECTION**

When a family has been selected from the waiting list, the PHA must notify the family [24 CFR 982.554(a)].

#### HACB Policy

The HACB will notify the family by first class mail when it is selected from the waiting list. The notice will inform the family of the following:

Date, time, and location of the scheduled application interview, including any procedures for rescheduling the interview

Who is required to attend the interview

All documents that must be provided at the interview including information about what constitutes acceptable documentation

If a notification letter is returned to the HACB with no forwarding address, the family will be removed from the waiting list. A notice of denial will be issued in accordance with policies contained in Chapter 3 to the family's address of record, as well as to any known alternate address.

#### **4-III.E. THE APPLICATION INTERVIEW**

HUD recommends that the PHA obtain the information and documentation needed to make an eligibility determination through a face-to-face interview with a PHA representative [HCV GB, pg. 4-16]. Being invited to attend an interview does not constitute admission to the program.

Assistance cannot be provided to the family until all SSN documentation requirements are met. However, if the PHA determines that an applicant family is otherwise eligible to participate in the program, the family may retain its place on the waiting list for a period of time determined by the PHA [Notice PIH ~~2012-10~~2018-24].

Reasonable accommodation must be made for persons with disabilities who are unable to attend an interview due to their disability.

#### HACB Policy

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

The head of household must attend, and the spouse/co-head will be strongly encouraged to attend the interview together. Verification of information pertaining to adult members of the household not present at the interview will not begin until signed release forms are returned to the HACB.

Pending disclosure and documentation of social security numbers, the HACB will allow the family to retain its place on the waiting list for ninety (90) days. If all household members have not disclosed their SSNs by the next time of HACB next issuance of vouchers, the HACB will issue a voucher to the next eligible applicant family on the waiting list.

If a child under age 6 has been added to an applicant family within 6 months prior to voucher issuance, an otherwise eligible family may be admitted to the program and must disclose and document the child's SSN within 90 days of the effective date of the initial HAP contract. A 90-day extension will be provided for circumstances that could not reasonably have been foreseen and were outside of the control of the applicant. [PIH 2016-05]

The family must provide the information necessary to establish the family's eligibility and determine the appropriate level of assistance, as well as completing required forms, providing required signatures, and submitting required documentation. If any materials are missing, the HACB will provide the family with a written list of items that must be submitted.



Any required documents or information that the family is unable to provide at the interview must be provided within fourteen (14) calendar days of the interview (Chapter 7 provides details about longer submission deadlines for particular items, including documentation of and eligible noncitizen status). If the family is unable to obtain the information or materials within the required time frame, the family may request an extension. If the required documents and information are not provided within the required time frame (plus any extensions), the family will be sent a notice of denial (See Chapter 3).

An advocate, interpreter, or other assistant may assist the family with the application and the interview process.

Interviews will be conducted in English. For limited English proficient (LEP) applicants, the HACB will provide translation services in accordance with the HACB's LEP plan.

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

#### **4-III.F. COMPLETING THE APPLICATION PROCESS**

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

##### HACB Policy

If the HACB determines that the family is ineligible, the HACB will send written notification of the ineligibility determination within fourteen (14) calendar days of the determination. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal review (Chapter 16).

If a family fails to qualify for any criteria that affected the order in which it was selected from the waiting list (e.g. targeted funding, extremely low-income), the family will be returned to its original position on the waiting list. The HACB will notify the family in writing that it has been returned to the waiting list, and will specify the reasons for it.

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

## **Chapter 5**

### **BRIEFINGS AND VOUCHER ISSUANCE**

#### **INTRODUCTION**

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

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

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

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

#### **PART I: BRIEFINGS AND FAMILY OBLIGATIONS**

##### **5-I.A. OVERVIEW**

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

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

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

### HACB Policy

A full HUD-required briefing will be conducted to qualify applicant families. The briefings will be conducted in groups and/or individual meetings. Families who attend group briefings and still have the need for individual assistance will be accommodated.

Briefings will be conducted in English. Briefings will also be conducted in Spanish and Hmong as necessary.

The HACB will conduct individual briefings for families with disabilities at their home, upon request by the family, if required for reasonable accommodation.

### **Notification and Attendance**

#### HACB Policy

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

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

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

### **Oral Briefing [24 CFR 982.301(a)]**

Each briefing must provide information on the following subjects:

- How the Housing Choice Voucher program works;
- Family and owner responsibilities;
- Where the family can lease a unit, including renting a unit inside or outside the PHA's jurisdiction;
- An explanation of how portability works. The PHA may not discourage the family from choosing to live anywhere in the PHA jurisdiction or outside the PHA jurisdiction under portability, unless otherwise expressly authorized by statute, regulation, PIH Notice, or court order;
- The PHA must inform the family of how portability may affect the family's assistance through screening, subsidy standards, payment standards, and any other elements of the portability process which may affect the family's assistance;
- The advantages of areas that do not have a high concentration of low-income families; and
- For families receiving welfare-to-work vouchers, a description of any local obligations of a welfare-to-work family and an explanation that failure to meet the obligations is grounds for denial of admission or termination of assistance.

**Briefing Packet [24 CFR 982.301(b)]**

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

- The term of the voucher, voucher suspensions, and the PHA's policies on any extensions of the term. If the PHA allows extensions, the packet must explain how the family can request an extension.
- A description of the method used to calculate the housing assistance payment for a family, including how the PHA determines the payment standard for a family, how the PHA determines total tenant payment for a family, and information on the payment standard and utility allowance schedule.
- An explanation of how the PHA determines the maximum allowable rent for an assisted unit.
- Where the family may lease a unit and an explanation of how portability works, including information on how portability may affect the family's assistance through screening, subsidy standards, payment standards, and any other elements of the portability process that may affect the family's assistance.
- The HUD-required tenancy addendum, which must be included in the lease.
- The form the family must use to request approval of tenancy, and a description of the procedure for requesting approval for a tenancy.
- A statement of the PHA policy on providing information about families to prospective owners.
- The PHA subsidy standards including when and how exceptions are made.
- Materials (e.g., brochures) on how to select a unit and any additional information on selecting a unit that HUD provides.
- Information on federal, state and local equal opportunity laws and a copy of the housing discrimination complaint form.
- A list of landlords known to the PHA who may be willing to lease a unit to the family or other resources (e.g., newspapers, organizations, online search tools) known to the PHA that may assist the family in locating a unit. PHAs must ensure that the list of landlords or other resources covers areas outside of poverty or minority concentration.
- Notice that if the family includes a person with disabilities, the family may request a list of available accessible units known to the PHA.
- The family obligations under the program, including any obligations of a welfare-to-work family.
- The grounds on which the PHA may terminate assistance for a participant family because of family action or failure to act.
- PHA informal hearing procedures including when the PHA is required to offer a participant family the opportunity for an informal hearing, and how to request the hearing.
- An explanation of the advantages of moving to an area that does not have a high concentration of low-income families.

If the PHA is located in a metropolitan area, the following additional information must be included in the briefing packet in order to receive full points under Section Eight Management Assessment Program (SEMAP) Indicator 7, Expanding Housing Opportunities [24 CFR 985.3(g)]:

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

#### **Additional Items to Be Included in the Briefing Packet**

In addition to items required by the regulations, PHA may wish to include supplemental materials to help explain the program to both participants and owners [HCV GB p. 8-7, Notice PIH 2017-12].

##### HACB Policy

The HACB will provide the following additional materials in the briefing packet:

The HUD pamphlet on lead-based paint entitled *Protect Your Family from Lead in Your Home*

Information on how to fill out and file a housing discrimination complaint form

Information about the protections afforded by The Violence Against Women Reauthorization Act of 2013 (VAWA) to victims of domestic violence, dating violence, sexual assault, and stalking (see section 16-IX.C)

“Is Fraud Worth It?” (form HUD-1141-OIG), which explains the types of actions a family must avoid and the penalties for program abuse

“What You Should Know about EIV”, a guide to the Enterprise Income Verification (EIV) system published by HUD as an attachment to Notice PIH 2017-12

#### **5-1.C. FAMILY OBLIGATIONS**

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

#### **Time Frames for Reporting Changes Required By Family Obligations**

### HACB Policy

Unless otherwise noted below, when family obligations require the family to respond to a request or notify the HACB of a change, notifying the HACB of the request or change within fourteen (14) calendar days is considered prompt notice.

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

### **Family Obligations [24 CFR 982.551]**

The family obligations of the voucher are listed as follows:

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

### HACB Policy

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

- The family must allow the PHA to inspect the unit at reasonable times and after reasonable notice, as described in Chapter 8 of this plan.
- The family must not commit any serious or repeated violation of the lease.

### HACB Policy

The HACB will determine if a family has committed serious or repeated violations of the lease based on available evidence, including but not limited to, a court-ordered eviction, or an owner's notice to evict, police reports, and affidavits from the owner, neighbors, or other credible parties with direct knowledge.

*Serious and repeated lease violations* will include, but not be limited to, nonpayment of rent, disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises and criminal activity. Generally, the criterion to be used is whether the reason for the eviction was through no fault of the tenant or guests. Any incidents of, or criminal activity related to, domestic violence, dating violence, sexual assault, or stalking will not be construed as serious or repeated lease violations by the victim [24 CFR 5.2005(c)(1)].

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

### HACB Policy

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

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

#### HACB Policy

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

- The family must promptly notify the PHA in writing if any family member no longer lives in the unit.
- If the PHA has given approval, a foster child or a live-in aide may reside in the unit. The PHA has the discretion to adopt reasonable policies concerning residency by a foster child or a live-in aide, and to define when PHA consent may be given or denied. For policies related to the request and approval/disapproval of foster children, foster adults, and live-in aides, see Chapter 3 (Sections I.K and I.M), and Chapter 11 (Section II.B).
- The family must not sublease the unit, assign the lease, or transfer the unit.

#### HACB Policy

Subleasing includes receiving payment to cover rent and utility costs by a person living in the unit who is not listed as a family member.

- The family must supply any information requested by the PHA to verify that the family is living in the unit or information related to family absence from the unit.
- The family must promptly notify the PHA when the family is absent from the unit.

#### HACB Policy

Notice is required under this provision only when all family members will be absent from the unit for an extended period. An extended period is defined as any period greater than fourteen (14) calendar days. Written notice must be provided to the HACB at the start of the extended absence.

- The family must pay utility bills and provide and maintain any appliances that the owner is not required to provide under the lease [Form HUD-52646, Voucher].
- The family must not own or have any interest in the unit, (other than in a cooperative and owners of a manufactured home leasing a manufactured home space).
- Family members must not commit fraud, bribery, or any other corrupt or criminal act in connection with the program. (See Chapter 14, Program Integrity for additional information).

- Family members must not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. See Chapter 12 for HUD and PHA's policies related to drug-related and violent criminal activity.
- Members of the household must not engage in abuse of alcohol in a way that threatens the health, safety or right to peaceful enjoyment of the other residents and persons residing in the immediate vicinity of the premises. See Chapter 12 for a discussion of HUD and PHA's policies related to alcohol abuse.
- An assisted family or member of the family must not receive HCV program assistance while receiving another housing subsidy, for the same unit or a different unit under any other federal, state or local housing assistance program.
- A family must not receive HCV program assistance while residing in a unit owned by a parent, child, grandparent, grandchild, sister or brother of any member of the family, unless the PHA has determined (and has notified the owner and the family of such determination) that approving rental of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities. [Form HUD-52646, Voucher]

## **PART II: SUBSIDY STANDARDS AND VOUCHER ISSUANCE**

### **5-II.A. OVERVIEW**

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

### **5-II.B. DETERMINING FAMILY UNIT (VOUCHER) SIZE [24 CFR 982.402; cfr 982.401(d)(2)(ii)]**

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

The following requirements apply when the PHA determines family unit size:

- The subsidy standards must provide for the smallest number of bedrooms needed to house a family without overcrowding. HQS standards allow two (2) people per bedroom or living/sleeping room.
- The subsidy standards must be consistent with space requirements under the housing quality standards.
- The subsidy standards must be applied consistently for all families of like size and composition.



- A child who is temporarily away from the home because of placement in foster care is considered a member of the family in determining the family unit size.
- A family that consists of a pregnant woman (with no other persons) must be treated as a two-person family.
- Any live-in aide (approved by the PHA to reside in the unit to care for a family member who is disabled or is at least 50 years of age) must be counted in determining the family unit size;
- Unless a live-in-aide resides with a family, the family unit size for any family consisting of a single person must be either a zero- or one-bedroom unit, as determined under the PHA subsidy standards.

#### HACB Policy

The HACB does not determine who shares a bedroom/sleeping room, but there must be at least one person per bedroom on the Voucher. The HACB's subsidy standards for determining voucher size shall be applied in a manner consistent with Fair Housing guidelines. For subsidy standards, an adult is a person eighteen (18) years or older. All standards in this section relate to the number of bedrooms on the Voucher, not the family's actual living arrangements.

Generally, the HACB assigns one-bedroom for up to two (2) individuals within the following guidelines:

1. Foster children will be included in determining unit size only if they will be in the unit for more than twelve (12) months.
2. Children under temporary guardianship for not less than six (6) months, will be included in determining unit size, upon prior verification of guardianship.
3. Live-in attendants will generally be provided a separate bedroom. No additional bedrooms are provided for the attendant's family.
4. Space will not be provided for a family member, other than a spouse, who will be absent most of the time, such as a member who is away in the military.
5. A single pregnant woman (with no other persons) will be treated as a two (2) person family.
6. Single person families shall be allocated up to a one-bedroom.

#### **5-III.C. EXCEPTIONS TO SUBSIDY STANDARDS**

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

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

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

#### HACB Policy

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

The family must request any exception to the subsidy standards in writing. The request must explain the need or justification for a larger family unit size, and must include appropriate documentation. Requests based on health-related reasons must be verified by a knowledgeable professional source (e.g., doctor or health professional), unless the disability and the disability-related request for accommodation is readily apparent or otherwise known. Request for other needs such as personal circumstances may be self-certified. The family's continued need for an additional bedroom due to special medical equipment must be re-verified at annual reexamination. The family's need for an additional bedroom due to other circumstances not covered under the auspices of a reasonable accommodation must be reviewed every two years at annual reexamination.

When a family requests to add an adult to the household the HACB will not issue a larger voucher until the family's first annual reexamination following the change in family size, if applicable, and/or if the family moves. A larger voucher may be issued for non-adult family members due to birth, adoption, marriage, or court-awarded custody at the family's first annual reexamination, if applicable, following the change in family size and/or if the family moves.

The HACB will notify the family of its determination within fourteen (14) calendar days of receiving the family's request. If a participant family's request is denied, the notice will inform the family of their right to request an informal hearing.

#### **5-III.D. VOUCHER ISSUANCE [24 CFR 982.302]**

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

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

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

HACB Policy

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

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

HACB Policy

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

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

**5-II.E. VOUCHER TERM AND EXTENSIONS**

**Voucher Term [24 CFR 982.303]**

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

HACB Policy

The initial voucher term will be sixty (60) calendar days.

The family must submit a Request for Tenancy Approval (RTA) and proposed lease within the sixty (60) day period unless the HACB grants an extension; Homeless preference vouchers will have an initial search term of one hundred twenty (120) days.

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

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

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

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

HACB Policy

The HACB will approve additional extensions only in the following circumstances:

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

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

Serious illness or death in the family

Other family emergency

Obstacles due to employment

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

Whether family size or other special circumstances make it difficult to find a suitable unit

Any request for an additional extension must include the reason(s) an additional extension is necessary. The HACB may require the family to provide documentation to support the request or obtain verification for a qualified third party.

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

The HACB will decide whether to approve or deny an extension request within fourteen (14) calendar days of the date the request is received, and will immediately provide the family written notice of its decision.

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

The PHA must provide for suspension of the initial or any extended term of the voucher from the date the family submits a request for PHA approval of the tenancy until the date the PHA notifies the family in writing whether the request has been approved or denied.

**Expiration of Voucher Term**

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

HACB Policy

If an applicant family's voucher term or extension expires before the PHA has approved a tenancy, the PHA will require the family to reapply for assistance.

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## Chapter 6

### INCOME AND SUBSIDY DETERMINATIONS

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

#### INTRODUCTION

A family's income determines eligibility for assistance and is also used to calculate the family's payment and the PHA's subsidy. The PHA will use the policies and methods described in this chapter to ensure that only eligible families receive assistance and that no family pays more or less than its obligation under the regulations. This chapter describes HUD regulations and PHA policies related to these topics in three parts as follows:

- **Part I: Annual Income.** HUD regulations specify the sources of income to include and exclude to arrive at a family's annual income. These requirements and PHA policies for calculating annual income are found in Part I.
- **Part II: Adjusted Income.** Once annual income has been established HUD regulations require the PHA to subtract from annual income any of five mandatory deductions for which a family qualifies. These requirements and PHA policies for calculating adjusted income are found in Part II.
- **Part III: Calculating Family Share and PHA Subsidy.** This part describes the statutory formula for calculating total tenant payment (TTP), the use of utility allowances, and the methodology for determining PHA subsidy and required family payment.

#### PART I: ANNUAL INCOME

##### 6-1.A. OVERVIEW

The general regulatory definition of *annual income* shown below is from 24 CFR 5.609.

5.609 Annual income.

(a) Annual income means all amounts, monetary or not, which:

(1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or

(2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and

(3) Which are not specifically excluded in paragraph [5.609(c)].

(4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

In addition to this general definition, HUD regulations establish policies for treating specific types of income and assets. The full texts of those portions of the regulations are provided in exhibits at the end of this chapter as follows:

- Annual Income Inclusions (Exhibit 6-1)
- Annual Income Exclusions (Exhibit 6-2)

- Treatment of Family Assets (Exhibit 6-3)
- Earned Income Disallowance for Persons with Disabilities (Exhibit 6-4)
- The Effect of Welfare Benefit Reduction (Exhibit 6-5)

Sections 6-I.B and 6-I.C discuss general requirements and methods for calculating annual income. The rest of this section describes how each source of income is treated for the purposes of determining annual income. HUD regulations present income inclusions and exclusions separately [24 CFR 5.609(b) and 24 CFR 5.609(c)]. In this plan, however, the discussions of income inclusions and exclusions are integrated by topic (e.g., all policies affecting earned income are discussed together in section 6-I.D). Verification requirements for annual income are discussed in Chapter 7.

**6-I.B. HOUSEHOLD COMPOSITION AND INCOME**

Income received by all family members must be counted unless specifically excluded by the regulations. It is the responsibility of the head of household to report changes in family composition. The rules on which sources of income are counted vary somewhat by family member. The chart below summarizes how family composition affects income determinations.

<b>Summary of Income Included and Excluded by Person</b>	
Live-in aides	Income from all sources is excluded [24 CFR 5.609(c)(5)].
Foster child or foster adult	Income from all sources is excluded [24 CFR 5.609(c)(2)].
Head, spouse, or co-head Other adult family members	All sources of income not specifically excluded by the regulations are included.
Children under 18 years of age	Employment income is excluded [24 CFR 5.609(c)(1)]. All other sources of income, except those specifically excluded by the regulations, are included.
Full-time students 18 years of age or older (not head, spouse, or co-head)	Employment income above \$480/year is excluded [24 CFR 5.609(c)(11)]. All other sources of income, except those specifically excluded by the regulations, are included.

**Temporarily Absent Family Members**

The income of family members approved to live in the unit will be counted, even if the family member is temporarily absent from the unit [HCV GB, p. 5-18].

HACB Policy

Generally an individual who is or is expected to be absent from the assisted unit for 90 consecutive days or less is considered temporarily absent and continues to be considered a family member. Generally an individual who is or is expected to be absent from the assisted unit for more than ninety (90) consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

### ***Absent Students***

#### HACB Policy

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

### ***Absences Due to Placement in Foster Care***

Children temporarily absent from the home as a result of placement in foster care are considered members of the family [24 CFR 5.403].

#### HACB Policy

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

### ***Absent Head, Spouse, or Co-head***

#### HACB Policy

An employed head, spouse, or co-head absent from the unit more than ninety (90) consecutive days due to employment, the HACB will consider the family member absent.

### ***Absence Due to Incarceration***

If the sole member is incarcerated for more than thirty (30) consecutive calendar days, she/he will be considered permanently absent. Any member of the household, other than the sole member, will be considered permanently absent if she/he is incarcerated for three (3) consecutive months. The PHA will determine if the reason for incarceration is for drug-related or violent criminal activity.

### ***Family Members Permanently Confined for Medical Reasons***

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

#### HACB Policy

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

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

## **Joint Custody of Dependents**

### HACB Policy

Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or participant family fifty one (51%) percent or more of the time.

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

## **Caretakers for a Child**

### HACB Policy

The approval of a caretaker is at the owner and HACB's discretion and subject to the owner and HACB's screening criteria. If neither a parent nor a designated guardian remains in a household receiving HCV assistance, the HACB will take the following actions.

- (1) If a responsible agency has determined that another adult is to be brought into the assisted unit to care for a child for an indefinite period, the designated caretaker will not be considered a family member until a determination of custody or legal guardianship is made.
- (2) If a caretaker has assumed responsibility for a child without the involvement of a responsible agency or formal assignment of custody or legal guardianship, the caretaker will be treated as a visitor for ninety (90) days. After the ninety (90) days has elapsed, the caretaker will be considered a family member unless information is provided that would confirm that the caretaker's role is temporary. In such cases the HACB will extend the caretaker's status as an eligible visitor. In cases where there is not a decision of custody assignment or legal guardianship made by a responsible agency, the HACB may permit the caretaker to assume the housing choice voucher providing all other screening criteria have been met.
- (3) At any time that custody or guardianship legally has been awarded to a caretaker, the housing choice voucher will be transferred to the caretaker.
- (4) During any period that a caretaker is considered a visitor, the income of the caretaker is not counted in annual income and the caretaker does not qualify the family for any deductions from income.

## **6-I.C. ANTICIPATING ANNUAL INCOME**

The PHA is required to count all income "anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date" [24 CFR 5.609(a)(2)]. Policies related to anticipating annual income are provided below.



### **Basis of Annual Income Projection**

The PHA generally will use current circumstances to determine anticipated income for the coming twelve (12) month period. HUD authorizes the PHA to use other than current circumstances to anticipate income when:

- An imminent change in circumstances is expected [HCV GB, p. 5-17]
- It is not feasible to anticipate a level of income over a twelve (12) month period (e.g., seasonal or cyclic income) [24 CFR 5.609(d)]
- The PHA believes that past income is the best available indicator of expected future income [24 CFR 5.609(d)]

PHAs are required to use HUD's Enterprise Income Verification (EIV) system in its entirety as a third party source to verify employment and income information, and to reduce administrative subsidy payment errors in accordance with HUD administrative guidance [24 CFR 5.233(a)(2)].

HUD allows PHAs to use tenant-provided documents (pay stubs) to project income once EIV data has been received in such cases where the family does not dispute the EIV employer data and where the PHA does not determine it is necessary to obtain additional third-party data.

#### HACB Policy

When EIV is obtained and the family does not dispute the EIV employer data, the HACB will use current tenant-provided documents to project annual income. When the tenant-provided documents are pay stubs, the HACB will make every effort to obtain current and consecutive pay stubs dated within the last sixty (60) days.

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

- If EIV or other UIV data is not available,
- If the family disputes the accuracy of the EIV employer data, and/or
- If the HACB determines additional information is needed.

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

When the HACB cannot readily anticipate income based upon current circumstances (e.g., in the case of seasonal employment, unstable working hours, or suspected fraud), the HACB will review and analyze historical data for patterns of employment, paid benefits, and receipt of other income and use the results of this analysis to establish annual income.

Any time current circumstances are not used to project annual income, a clear rationale for the decision will be documented in the file. In all such cases the family may present information and documentation to the HACB to show why the historic pattern does not represent the family's anticipated income.

### ***Known Changes in Income***

If the HACB verifies an upcoming increase or decrease in income, annual income will be calculated by applying each income amount to the appropriate part of the twelve (12) month period.

**Example:** An employer reports that a full-time employee who has been receiving \$8/hour will begin to receive \$8.25/hour in the eighth week after the effective date of the reexamination. In such a case the HACB would calculate annual income as follows:  $(\$8/\text{hour} \times 40 \text{ hours} \times 7 \text{ weeks}) + (\$8.25 \times 40 \text{ hours} \times 45 \text{ weeks})$ .

The family may present information that demonstrates that implementing a change before its effective date would create a hardship for the family. In such cases the HACB will calculate annual income using current circumstances and then require an interim reexamination when the change actually occurs. This requirement will be imposed even if the HACB's policy on reexaminations does not require interim reexaminations for other types of changes.

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

### **Projecting Income**

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

### **6-I.D. EARNED INCOME**

#### **Types of Earned Income Included in Annual Income**

##### ***Wages and Related Compensation***

The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services is included in annual income [24 CFR 5.609(b)(1)].

##### HACB Policy

For persons who regularly receive bonuses or commissions, the HACB will verify and then average amounts received for the two years preceding admission or reexamination. If only a (1) one year history is available, the HACB will use the prior year amounts. In either case the family may provide, and the HACB will consider, a credible justification for not using this history to anticipate future bonuses or commissions. If a new employee has not yet received any bonuses or commissions, the HACB will count only the amount estimated by the employer. The file will be documented appropriately.

##### ***Some Types of Military Pay***

All regular pay, special pay and allowances of a member of the Armed Forces are counted [24 CFR 5.609(b)(8)] except for the special pay to a family member serving in the Armed Forces who is exposed to hostile fire [24 CFR 5.609(c)(7)].

## **Types of Earned Income Not Counted in Annual Income**

### ***Temporary, Nonrecurring, or Sporadic Income [24 CFR 5.609(c)(9)]***

This type of income (including gifts) is not included in annual income. Sporadic income includes temporary payments from the U.S. Census Bureau for employment lasting no longer than one hundred eighty (180) days [Notice PIH 2009-19].

#### **HACB Policy**

Sporadic income is income that is not received periodically and cannot be reliably predicted. For example, the income of an individual who works occasionally as a handyman would be considered sporadic if future work could not be anticipated and no historic, stable pattern of income existed.

### ***Children's Earnings***

Employment income earned by children (including foster children) under the age of eighteen (18) years is not included in annual income [24 CFR 5.609(c)(1)]. (See Eligibility chapter for a definition of *foster children*.)

### ***Certain Earned Income of Full-Time Students***

Earnings in excess of \$480 for each full-time student eighteen (18) years old or older (except for the head, spouse, or co-head) are not counted [24 CFR 5.609(c)(11)]. To be considered "full-time," a student must be considered "full-time" by an educational institution with a degree or certificate program [HCV GB, p. 5-29].

### ***Income of a Live-in Aide***

Income earned by a live-in aide, as defined in [24 CFR 5.403], is not included in annual income [24 CFR 5.609(c)(5)]. (See Eligibility chapter for a full discussion of live-in aides.)

### ***Income Earned under Certain Federal Programs***

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

- Payments to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)
- Awards under the federal work-study program (20 U.S.C. 1087 uu)
- Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))
- Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))
- Allowances, earnings, and payments to participants in programs funded under the Workforce Investment Act of 1998 (29 U.S.C. 2931)

### ***Resident Service Stipend***

Amounts received under a resident service stipend are not included in annual income. A resident service stipend is a modest amount (not to exceed \$200 per individual per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the

quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time [24 CFR 5.600(c)(8)(iv)].

#### ***State and Local Employment Training Programs***

Incremental earnings and benefits to any family member resulting from participation in qualifying state or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff are excluded from annual income. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the training program [24 CFR 5.609(c)(8)(v)].

##### HACB Policy

The HACB defines *training program* as “a learning process with goals and objectives, generally having a variety of components, and taking place in a series of sessions over a period to time. It is designed to lead to a higher level of proficiency, and it enhances the individual's ability to obtain employment. It may have performance standards to measure proficiency. Training may include, but is not limited to: (1) classroom training in a specific occupational skill, (2) on-the-job training with wages subsidized by the program, or (3) basic education” [expired Notice PIH 98-2, p. 3].

The HACB defines *incremental earnings and benefits* as the difference between: (1) the total amount of welfare assistance and earnings of a family member prior to enrollment in a training program, and (2) the total amount of welfare assistance and earnings of the family member after enrollment in the program [expired Notice PIH 98-2, pp. 3–4].

In calculating the incremental difference, the HACB will use as the pre-enrollment income the total annualized amount of the family member's welfare assistance and earnings reported on the family's most recently completed HUD-50058.

End of participation in a training program must be reported in accordance with the HACB's interim reporting requirements.

#### ***HUD-Funded Training Programs***

Amounts received under training programs funded in whole or in part by HUD [24 CFR 5.609(c)(8)(i)] are excluded from annual income. Eligible sources of funding for the training include operating subsidy, Section 8 administrative fees, and modernization, Community Development Block Grant (CDBG), HOME program, and other grant funds received from HUD.

##### HACB Policy

To qualify as a training program, the program must meet the definition of *training program* provided above for state and local employment training programs.

#### ***Earned Income Tax Credit***

Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j)), are excluded from annual income [24 CFR 5.609(c)(17)]. Although many families receive the EITC annually when they file taxes, an EITC can also be received throughout the year. The prorated share of the annual EITC is included in the employee's payroll check.

### ***Earned Income Disallowance***

The earned income disallowance for persons with disabilities is discussed in section 6-1.E below.

#### **6-1.E. EARNED INCOME DISALLOWANCE FOR PERSONS WITH DISABILITIES [24 CFR 5.617; Streamlining Final Rule (SFR) Federal Register 3/8/16]**

The earned income disallowance (EID) encourages people with disabilities to enter the work force by not including the full value of increases in earned income for a period of time. The full text of 24 CFR 5.617 is included as Exhibit 6-4 at the end of this chapter. Eligibility criteria and limitations on the disallowance are summarized below.

#### **Eligibility**

This disallowance applies only to individuals in families already participating in the HCV program (not at initial examination). To qualify, the family must experience an increase in annual income that is the result of one of the following events:

- Employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment. *Previously unemployed* includes a person who annually has earned not more than the minimum wage applicable to the community multiplied by five hundred (500) hours. The applicable minimum wage is the federal minimum wage unless there is a higher state or local minimum wage.
- Increased earnings by a family member who is a person with disabilities and whose earnings increase during participation in an economic self-sufficiency or job-training program. A self-sufficiency program includes a program designed to encourage, assist, train, or facilitate the economic independence of HUD-assisted families or to provide work to such families [24 CFR 5.603(b)].
- New employment or increased earnings by a family member who is a person with disabilities and who has received benefits or services under Temporary Assistance for Needy Families (TANF) or any other state program funded under Part A of Title IV of the Social Security Act within the past six months. If the benefits are received in the form of monthly maintenance, there is no minimum amount. If the benefits or services are received in a form other than monthly maintenance, such as one-time payments, wage subsidies, or transportation assistance, the total amount received over the six (6) month period must be at least \$500.00.

#### **Calculation of the Disallowance**

Calculation of the earned income disallowance for an eligible member of a qualified family begins with a comparison of the member's current income with his or her "baseline income." The family member's baseline income is his or her income immediately prior to qualifying for the EID. The family member's baseline income remains constant throughout the period that he or she is participating in the EID.

While qualification for the disallowance is the same for all families, calculation of the disallowance will differ depending on when the family member qualified for the EID. Participants qualifying prior to May 9, 2016, will have the disallowance calculated under the "Original Calculation Method" described below which requires a maximum lifetime disallowance period of up to 48 consecutive months. Participants qualifying on or after May 9, 2016 will be subject to the "Revised Calculation Method" which shortens the lifetime disallowance period to 24 consecutive months.

Under both the original and new methods, the EID eligibility criteria, the benefit amount, the single lifetime eligibility requirement and the ability of the applicable family member to stop and restart employment during the eligibility period are the same.

**Original Calculation Method**

***Initial 12-Month Exclusion***

During the initial twelve (12) month exclusion period, the full amount (one hundred (100%) percent) of any increase in income attributable to new employment or increased earnings is excluded. The twelve (12) months are cumulative and need not be consecutive.

**HACB Policy**

The initial EID exclusion period will begin on the first of the month following the date an eligible member of a qualified family is first employed or first experiences an increase in earnings.

***Second 12-Month Exclusion***

During the second twelve (12) month exclusion period, the exclusion is reduced to half (fifty (50%) percent) of any increase in income attributable to employment or increased earnings. The twelve (12) months are cumulative and need not be consecutive.

***Lifetime Limitation***

The EID has a four-year (48-month) lifetime maximum. The four-year eligibility period begins at the same time that the initial exclusion period begins and ends forty-eight (48) months later. The one-time eligibility for the EID applies even if the eligible individual begins to receive assistance from another housing agency, if the individual moves between public housing and Section 8 assistance, or if there are breaks in assistance.

**HACB Policy**

During the forty-eight (48) month eligibility period, the HACB will schedule and conduct an interim reexamination each time there is a change in the family member's annual income that affects or is affected by the EID (e.g., when the family member's income falls to a level at or below his/her prequalifying income, when one of the exclusion periods ends, and at the end of the lifetime maximum eligibility period).

**Revised Calculation Method**

***Initial 12-Month Exclusion***

During the initial exclusion period of 12 consecutive months, the full amount (100 percent) of any increase in income attributable to new employment or increased earnings is excluded.

**HACB Policy**

The initial EID exclusion period will begin on the first of the month following the date an eligible member of a qualified family is first employed or first experiences an increase in earnings.

#### ***Second 12-Month Exclusion***

During the second exclusion period of 12 consecutive months, the PHA must exclude at least 50 percent of any increase in come attributable to employment or increased earnings.

##### HACB Policy

During the second 12-month exclusion period, the HACB will exclude 50 percent of any increase in income attributable to new employment or increased earnings.

#### ***Lifetime Limitation***

The EID has a two-year (24-month) lifetime maximum. The two-year eligibility period begins at the same time that the initial exclusion period begins and ends 24 months later. During the 24-month period, an individual remains eligible for EID even if they being to receive assistance from a different housing agency, move between Public Housing and Section 8 assistance, or have breaks in assistance.

#### **6-I.F. BUSINESS INCOME [24 CFR 5.609(b)(2)]**

Annual income includes “the net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family” [24 CFR 5.609(b)(2)].

#### **Business Expenses**

Net income is “gross income less business expense” [HCV GB, p. 5-19].

##### HACB Policy

To determine business expenses that may be deducted from gross income, the HACB will use current applicable Internal Revenue Service (IRS) rules for determining allowable business expenses [see IRS Publication 535], unless a topic is addressed by HUD regulations or guidance as described below.

#### **Business Expansion**

HUD regulations do not permit the PHA to deduct from gross income expenses for business expansion.

##### HACB Policy

*Business expansion* is defined as any capital expenditures made to add new business activities, to expand current facilities, or to operate the business in additional locations. For example, purchase of a street sweeper by a construction business for the purpose of adding street cleaning to the services offered by the business would be considered a business

expansion. Similarly, the purchase of a property by a hair care business to open at a second location would be considered a business expansion.

### **Capital Indebtedness**

HUD regulations do not permit the PHA to deduct from gross income the amortization of capital indebtedness.

#### HACB Policy

*Capital indebtedness* is defined as the principal portion of the payment on a capital asset such as land, buildings, and machinery. This means the HACB will allow as a business expense interest, but not principal, paid on capital indebtedness.

### **Negative Business Income**

If the net income from a business is negative, no business income will be included in annual income; a negative amount will not be used to offset other family income.

### **Withdrawal of Cash or Assets from a Business**

HUD regulations require the PHA to include in annual income the withdrawal of cash or assets from the operation of a business or profession unless the withdrawal reimburses a family member for cash or assets invested in the business by the family.

#### HACB Policy

Acceptable investments in a business include cash loans and contributions of assets or equipment. For example, if a member of an assisted family provided an up-front loan of \$2,000.00 to help a business get started, the HACB will not count as income any withdrawals from the business up to the amount of this loan until the loan has been repaid. Investments do not include the value of labor contributed to the business without compensation.

### **Co-owned Businesses**

#### HACB Policy

If a business is co-owned with someone outside the family, the family must document the share of the business it owns. If the family's share of the income is lower than its share of ownership, the family must document the reasons for the difference.

## **6-I.G. ASSETS [24 CFR 5.609(b)(3) and 24 CFR 5.603(b)]**

### **Overview**

There is no asset limitation for participation in the HCV program. However, HUD requires that the PHA include in annual income the anticipated "interest, dividends, and other net income of any kind from real or personal property" [24 CFR 5.609(b)(3)]. This section discusses how the income from various types of assets is determined. For most types of assets, the PHA must determine the value of the asset in order to compute income from the asset. Therefore, for each asset type, this section discusses:

- How the value of the asset will be determined
- How income from the asset will be calculated



Exhibit 6-1 provides the regulatory requirements for calculating income from assets [24 CFR 5.609(b)(3)], and Exhibit 6-3 provides the regulatory definition of *net family assets*. This section begins with a discussion of general policies related to assets and then provides HUD rules and PHA policies related to each type of asset.

Optional policies for family self-certification of assets are found in Chapter 7.

## **General Policies**

### ***Income from Assets***

The PHA generally will use current circumstances to determine both the value of an asset and the anticipated income from the asset. As is true for all sources of income, HUD authorizes the PHA to use other than current circumstances to anticipate income when (1) an imminent change in circumstances is expected (2) it is not feasible to anticipate a level of income over 12 months or (3) the PHA believes that past income is the best indicator of anticipated income. For example, if a family member owns real property that typically receives rental income but the property is currently vacant, the PHA can take into consideration past rental income along with the prospects of obtaining a new tenant.

#### HACB Policy

Anytime current circumstances are not used to determine asset income, a clear rationale for the decision will be documented in the file. In such cases the family may present information and documentation to the HACB to show why the asset income determination does not represent the family's anticipated asset income.

### ***Valuing Assets***

The calculation of asset income sometimes requires the PHA to make a distinction between an asset's market value and its cash value.

- The market value of an asset is its worth in the market (e.g., the amount a buyer would pay for real estate or the total value of an investment account).
- The cash value of an asset is its market value less all reasonable amounts that would be incurred when converting the asset to cash.

#### HACB Policy

Reasonable costs that would be incurred when disposing of an asset include, but are not limited to, penalties for premature withdrawal, broker and legal fees, and settlement costs incurred in real estate transactions [HCV GB, p. 5-28].

### ***Lump-Sum Receipts***

Payments that are received in a single lump sum, such as inheritances, capital gains, lottery winnings, insurance settlements, and proceeds from the sale of property, are generally considered assets, not income. However, such lump-sum receipts are counted as assets only if they are retained by a family in a form recognizable as an asset (e.g., deposited in a savings or checking account) [RHIP FAQs]. (For a discussion of lump-sum payments that represent the delayed start of a periodic payment, most of which are counted as income, see sections 6-I.H and 6-I.I.)

***Imputing Income from Assets [24 CFR 5.609(b)(3), Notice PIH 2012-29]***

When net family assets are \$5,000.00 or less, the PHA will include in annual income the actual income anticipated to be derived from the assets. When the family has net family assets in excess of \$5,000.00, the PHA will include in annual income the greater of (1) the actual income derived from the assets or (2) the imputed income. Imputed income from assets is calculated by multiplying the total cash value of all family assets by an average passbook savings rate as determined by the PHA.

- Note: The HUD field office no longer provides an interest rate for imputed asset income. The “safe harbor” is now for the PHA to establish a passbook rate within 0.75 percent of a national average.
- The PHA must review its passbook rate annually to ensure that it remains within 0.75 percent of the national average.

**HACB Policy**

The HACB will initially set the imputed asset passbook rate at the national rate established by the Federal Deposit Insurance Corporation (FDIC).

The HACB will review the passbook rate annually, in December of each year. The rate will not be adjusted unless the current PHA rate is no longer within 0.75 percent of the national rate. If it is no longer within 0.75 percent of the national rate, the passbook rate will be set at the current national rate.

Changes to the passbook rate will take effect on February 1 following the December review.

***Determining Actual Anticipated Income from Assets***

It may or may not be necessary for the PHA to use the value of an asset to compute the actual anticipated income from the asset. When the value is required to compute the anticipated income from an asset, the market value of the asset is used. For example, if the asset is a property for which a family receives rental income, the anticipated income is determined by annualizing the actual monthly rental amount received for the property; it is not based on the property’s market value. However, if the asset is a savings account, the anticipated income is determined by multiplying the market value of the account by the interest rate on the account.

***Withdrawal of Cash or Liquidation of Investments***

Any withdrawal of cash or assets from an investment will be included in income except to the extent that the withdrawal reimburses amounts invested by the family. For example, when a family member retires, the amount received by the family from a retirement investment plan is not counted as income until the family has received payments equal to the amount the family member deposited into the retirement investment plan.

***Jointly Owned Assets***

The regulation at 24 CFR 5.609(a)(4) specifies that annual income includes “amounts derived (during the twelve (12) month period) from assets to which any member of the family has access.”

### HACB Policy

If an asset is owned by more than one person and any family member has unrestricted access to the asset, the HACB will count the full value of the asset. A family member has unrestricted access to an asset when he or she can legally dispose of the asset without the consent of any of the other owners.

If an asset is owned by more than one person, including a family member, but the family member does not have unrestricted access to the asset, the HACB will prorate the asset according to the percentage of ownership. If no percentage is specified or provided for by state or local law, the HACB will prorate the asset evenly among all owners.

### ***Assets Disposed Of for Less than Fair Market Value [24 CFR 5.603(b)]***

HUD regulations require the PHA to count as a current asset any business or family asset that was disposed of for less than fair market value during the two years prior to the effective date of the examination/reexamination, except as noted below.

### ***Minimum Threshold***

The *HCV Guidebook* permits the PHA to set a threshold below which assets disposed of for less than fair market value will not be counted [HCV GB, p. 5-27].

### HACB Policy

The HACB will not include the value of assets disposed of for less than fair market value unless the cumulative fair market value of all assets disposed of during the past two years exceeds the gross amount received for the assets by more than \$5,000.00

When the two-year period expires, the income assigned to the disposed asset(s) also expires. If the two-year period ends between annual re-certifications, the family may request an interim recertification to eliminate consideration of the asset(s).

Assets placed by the family in non-revocable trusts are considered assets disposed of for less than fair market value except when the assets placed in trust were received through settlements or judgments.

### ***Separation or Divorce***

The regulation also specifies that assets are not considered disposed of for less than fair market value if they are disposed of as part of a separation or divorce settlement and the applicant or tenant receives important consideration not measurable in dollar terms.

### HACB Policy

All assets disposed of as part of a separation or divorce settlement will be considered assets for which important consideration not measurable in monetary terms has been received. In order to qualify for this exemption, a family member must be subject to a formal separation or divorce settlement agreement established through arbitration, mediation, or court order.

### ***Foreclosure or Bankruptcy***

Assets are not considered disposed of for less than fair market value when the disposition is the result of a foreclosure or bankruptcy sale.

### ***Family Declaration***

### HACB Policy

Families must sign a declaration form at initial certification and each annual recertification identifying all assets that have been disposed of for less than fair market value or declaring that no assets have been disposed of for less than fair market value. The HACB may verify the value of the assets disposed of if other information available to the HACB does not appear to agree with the information reported by the family.

### **Types of Assets**

#### ***Checking and Savings Accounts [PIH 2016-05]***

For regular checking accounts and savings accounts, *cash value* has the same meaning as *market value*. If a checking account does not bear interest, the anticipated income from the account is zero.

### HACB Policy

In determining the value of a checking account, the HACB will use the most current balance for accounts over \$5,000. In determining the value of a savings account, the HACB will use the current balance for accounts over \$5,000.

In determining the anticipated income from an interest-bearing checking or savings account, the HACB will multiply the value of the account by the current rate of interest paid on the account.

***Investment Accounts Such as Stocks, Bonds, Saving Certificates, and Money Market Funds [PIH 2016-05]*** Interest or dividends earned by investment accounts are counted as actual income from assets even when the earnings are reinvested. The cash value of such an asset is determined by deducting from the market value any broker fees, penalties for early withdrawal, or other costs of converting the asset to cash.

### HACB Policy

In determining the market value of an investment account, the HACB will use the value of the account on the most recent investment report for accounts over \$5,000.

How anticipated income from an investment account will be calculated depends on whether the rate of return is known. For assets that are held in an investment account with a known rate of return (e.g., savings certificates), asset income will be calculated based on that known rate (market value multiplied by rate of earnings). When the anticipated rate of return is not known (e.g., stocks), the HACB will calculate asset income based on the earnings for the most recent reporting period.

#### ***Equity in Real Property or Other Capital Investments***

Equity (cash value) in a property or other capital asset is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset [HCV GB, p. 5-25].

### HACB Policy

In determining the equity, the HACB will determine market value by examining recent sales of at least three properties in the surrounding or similar neighborhood that possess comparable factors that affect market value.

The HACB will first use the payoff amount for the loan (mortgage) as the unpaid balance to calculate equity. If the payoff amount is not available, the HACB will use the basic loan balance information to deduct from the market value in the equity calculation.

Equity in real property and other capital investments is considered in the calculation of asset income except for the following types of assets:

- Equity accounts in HUD homeownership programs [24 CFR 5.603(b)]
- The value of a home currently being purchased with assistance under the HCV program Homeownership Option for the first ten (10) years after the purchase date of the home [24 CFR 5.603(b)]
- Equity in owner-occupied cooperatives and manufactured homes in which the family lives [HCV GB, p. 5-25]
- Equity in real property when a family member's main occupation is real estate [HCV GB, p. 5-25]. This real estate is considered a business asset, and income related to this asset will be calculated as described in section 6-I.F.
- Interests in Indian Trust lands [24 CFR 5.603(b)]
- Real property and capital assets that are part of an active business or farming operation [HCV GB, p. 5-25]

A family may have real property as an asset in two ways: (1) owning the property itself and (2) holding a mortgage or deed of trust on the property. In the case of a property owned by a family member, the anticipated asset income generally will be in the form of rent or other payment for the use of the property. If the property generates no income, actual anticipated income from the asset will be zero.

In the case of a mortgage or deed of trust held by a family member, the outstanding balance (unpaid principal) is the cash value of the asset. The interest portion only of payments made to the family in accordance with the terms of the mortgage or deed of trust is counted as anticipated asset income.

#### HACB Policy

In the case of capital investments owned jointly with others not living in a family's unit, a prorated share of the property's cash value will be counted as an asset unless the HACB determines that the family receives no income from the property and is unable to sell or otherwise convert the asset to cash.

The PHA must also deduct from the equity the reasonable costs for converting the asset to cash. Using the formula for calculating equity specified above, the net cash value of real property is the market value of the loan (mortgage) minus the expenses to convert to cash [Notice PIH 2012-3].

#### HACB Policy

For the purposes of calculating expenses to convert to cash for real property, the HACB will use ten percent of the market value of the home.

### **Trusts**

A *trust* is a legal arrangement generally regulated by state law in which one party (the creator or grantor) transfers property to a second party (the trustee) who holds the property for the benefit of one or more third parties (the beneficiaries).

#### *Revocable Trusts*

If any member of a family has the right to withdraw the funds in a trust, the value of the trust is considered an asset [HCV GB, p. 5-25]. Any income earned as a result of investment of trust funds is counted as actual asset income, whether the income is paid to the family or deposited in the trust.

#### *Non-revocable Trusts*

In cases where a trust is not revocable by, or under the control of, any member of a family, the value of the trust fund is not considered an asset. However, any income distributed to the family from such a trust is counted as a periodic payment or a lump-sum receipt, as appropriate [24 CFR 5.603(b)]. (Periodic payments are covered in section 6-I.H. Lump-sum receipts are discussed earlier in this section.)

### **Retirement Accounts**

#### *Company Retirement/Pension Accounts*

In order to correctly include or exclude as an asset any amount held in a company retirement or pension account by an employed person, the PHA must know whether the money is accessible before retirement [HCV GB, p. 5-26].

While a family member is employed, only the amount the family member can withdraw without retiring or terminating employment is counted as an asset [HCV GB, p. 5-26].

After a family member retires or terminates employment, any amount distributed to the family member is counted as a periodic payment or a lump-sum receipt, as appropriate [HCV GB, p. 5-26], except to the extent that it represents funds invested in the account by the family member. (For more on periodic payments, see section 6-I.H.) The balance in the account is counted as an asset only if it remains accessible to the family member.

#### *IRA, Keogh, and Similar Retirement Savings Accounts*

IRA, Keogh, and similar retirement savings accounts are counted as assets even though early withdrawal would result in a penalty [HCV GB, p. 5-25].

### **Personal Property**

Personal property held as an investment, such as gems, jewelry, coin collections, antique cars, etc., is considered an asset [HCV GB, p. 5-25].

#### HACB Policy

In determining the value of personal property held as an investment, the HACB will use the family's estimate of the value. The HACB may obtain an appraisal to confirm the value of the asset if there is reason to believe that the family's estimated value is off by \$50 or

more. The family must cooperate with the appraiser, but cannot be charged any costs related to the appraisal.

Generally, personal property held as an investment generates no income until it is disposed of. If regular income is generated (e.g., income from renting the personal property), the amount that is expected to be earned in the coming year is counted as actual income from the asset.

Necessary items of personal property are not considered assets [24 CFR 5.603(b)].

#### HACB Policy

Necessary personal property consists of only those items not held as an investment, and may include clothing, furniture, household furnishings, jewelry, and vehicles, including those specially equipped for persons with disabilities.

#### ***Life Insurance***

The cash value of a life insurance policy available to a family member before death, such as a whole life or universal life policy, is included in the calculation of the value of the family's assets [HCV GB 5-25]. The cash value is the surrender value. If such a policy earns dividends or interest that the family could elect to receive, the anticipated amount of dividends or interest is counted as income from the asset whether or not the family actually receives it. Assets with no cash value such as term life insurance will be maintained in the participant file but do not need to be reported on the 50058.

#### **6-I.H. PERIODIC PAYMENTS**

Periodic payments are forms of income received on a regular basis. HUD regulations specify periodic payments that are and are not included in annual income.

##### **Periodic Payments Included in Annual Income**

- Periodic payments from sources such as social security, unemployment and welfare assistance, annuities, insurance policies, retirement funds, and pensions. However, periodic payments from retirement accounts, annuities, and similar forms of investments are counted only after they exceed the amount contributed by the family [24 CFR 5.609(b)(4) and (b)(3)].
- Disability or death benefits and lottery receipts paid periodically, rather than in a single lump sum [24 CFR 5.609(b)(4) and HCV, p. 5-14].

##### **Lump-Sum Payments for the Delayed Start of a Periodic Payment**

Most lump-sums received as a result of delays in processing periodic payments, such as unemployment or welfare assistance, are counted as income. However, lump-sum receipts for the delayed start of periodic social security or supplemental security income (SSI) payments are not counted as income. Additionally, any deferred disability benefits that are received in a lump-sum or in prospective monthly amounts from the Department of Veterans Affairs are to be excluded from annual income [24 CFR 5.609(c)(14)].

#### HACB Policy

When a delayed-start payment is received and reported during the period in which the HACB is processing an annual reexamination, the HACB will adjust the family share and HACB subsidy retroactively for the period the payment was intended to cover. The family may pay in full any amount due or request to enter into a repayment agreement with the HACB.

#### **Treatment of Overpayment Deductions from Social Security Benefits**

The PHA must make a special calculation of annual income when the Social Security Administration (SSA) overpays an individual, resulting in a withholding or deduction from his or her benefit amount until the overpayment is paid in full. The amount and duration of the withholding will vary depending on the amount of the overpayment and the percent of the benefit rate withheld. Regardless of the amount withheld or the length of the withholding period, the PHA must use the reduced benefit amount after deducting only the amount of the overpayment withholding from the gross benefit amount [Notice PIH ~~2012-10~~2018-24].

#### **Periodic Payments Excluded from Annual Income**

- Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the assisted family, who are unable to live alone) [24 CFR 5.609(c)(2)]. Kinship guardianship assistance payments (Kin-GAP) and other similar guardianship payments are treated the same as foster care payments and are likewise excluded from annual income [Notice PIH 2012-11].

##### HACB Policy

The HACB will exclude payments for the care of foster children and foster adults only if the care is provided through an official arrangement with a local welfare agency [HCV GB, p. 5-18].

- Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)].
- Amounts received under the Low-Income Home Energy Assistance Program (42 U.S.C. 1626(c)) [24 CFR 5.609(c)(17)].
- Amounts received under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q) [24 CFR 5.609(c)(17)].
- Earned Income Tax Credit (EITC) refund payments (26 U.S.C. 32(j)) [24 CFR 5.609(c)(17)].  
*Note:* EITC may be paid periodically if the family elects to receive the amount due as part of payroll payments from an employer.
- Lump-sums received as a result of delays in processing Social Security and SSI payments (see section 6-I.H.) [24 CFR 5.609(c)(14)].
- Lump-sums or prospective monthly amounts received as deferred disability benefits from the Department of Veterans Affairs (VA) [24 CFR 5.609(c)(14)].

#### **6-I.I. PAYMENTS IN LIEU OF EARNINGS**



Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay, are counted as income [24 CFR 5.609(b)(5)] if they are received either in the form of periodic payments or in the form of a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment. If they are received in a one-time lump sum (as a settlement, for instance), they are treated as lump-sum receipts [24 CFR 5.609(c)(3)]. (See also the discussion of periodic payments in section 6-I.H and the discussion of lump-sum receipts in section 6-I.G.)

## **6-I.J. WELFARE ASSISTANCE**

### **Overview**

Welfare assistance is counted in annual income. Welfare assistance includes Temporary Assistance for Needy Families (TANF) and any payments to individuals or families based on need that are made under programs funded separately or jointly by federal, state, or local governments [24 CFR 5.603(b)].

### **Sanctions Resulting in the Reduction of Welfare Benefits [24 CFR 5.615]**

The PHA must make a special calculation of annual income when the welfare agency imposes certain sanctions on certain families. The full text of the regulation at 24 CFR 5.615 is provided as Exhibit 6-5. The requirements are summarized below. This rule applies only if a family was receiving HCV assistance at the time the sanction was imposed.

#### ***Covered Families***

The families covered by 24 CFR 5.615 are those "who receive welfare assistance or other public assistance benefits ('welfare benefits') from a State or other public agency ('welfare agency') under a program for which Federal, State or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance" [24 CFR 5.615(b)]

#### ***Imputed Income***

When a welfare agency imposes a sanction that reduces a family's welfare income because the family commits fraud or fails to comply with the agency's economic self-sufficiency program or work activities requirement, the PHA must include in annual income "imputed" welfare income. The PHA must request that the welfare agency provide the reason for the reduction of benefits and the amount of the reduction of benefits. The imputed welfare income is the amount that the benefits were reduced as a result of the sanction.

This requirement does not apply to reductions in welfare benefits: (1) at the expiration of the lifetime or other time limit on the payment of welfare benefits, (2) if a family member is unable to find employment even though the family member has complied with the welfare agency economic self-sufficiency or work activities requirements, or (3) because a family member has not complied with other welfare agency requirements [24 CFR 5.615(b)(2)].

#### ***Offsets***

The amount of the imputed welfare income is offset by the amount of additional income the family begins to receive after the sanction is imposed. When the additional income equals or exceeds the imputed welfare income, the imputed income is reduced to zero [24 CFR 5.615(c)(4)].

#### **6-I.K. PERIODIC AND DETERMINABLE ALLOWANCES [24 CFR 5.609(b)(7)]**

Annual income includes periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing with an assisted family.

##### **Alimony and Child Support**

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

##### HACB Policy

The HACB will count court-awarded amounts for alimony and child support unless the HACB verifies that: (1) the payments are not being made, and (2) the family has made reasonable efforts to collect amounts due, including filing with courts or agencies responsible for enforcing payments [HCV GB, pp. 5-23 and 5-47].

Families who do not have court-awarded alimony and child support awards are not required to seek a court award and are not required to take independent legal action to obtain collection.

##### **Regular Contributions or Gifts**

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

##### HACB Policy

Examples of regular contributions include: (1) regular payment of a family's bills (e.g., utilities, telephone, rent, credit cards, and car payments), (2) cash or other liquid assets provided to any family member on a regular basis, and (3) "in-kind" contributions such as groceries and clothing provided to a family on a regular basis.

Non-monetary contributions will be valued at the cost of purchasing the items, as determined by the HACB. For contributions that may vary from month to month (e.g., utility payments), the HACB will include an average amount based upon past history.

#### **6-I.L. STUDENT FINANCIAL ASSISTANCE [24 CFR 5.609(b)(9)] and PIH 2015-21]**

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

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

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

- They are enrolled in an institution of higher education, as defined under the Higher Education Act (HEA) of 1965.

- They are seeking or receiving Section 8 assistance on their own—that is, apart from their parents—through the HCV program, the project-based voucher program, or the moderate rehabilitation program.
- They are under 24 years of age **OR** they have no dependent children.

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

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

- *Assistance under the Higher Education Act of 1965* includes Pell Grants, Federal Supplement Educational Opportunity Grants, Academic Achievement Incentive Scholarships, State Assistance under the Leveraging Educational Assistance Partnership Program, the Robert G. Byrd Honors Scholarship Program, and Federal Work Study programs.
- *Assistance from private sources* means assistance from nongovernmental sources, including parents, guardians, and other persons not residing with the student in an HCV assisted unit.
- *Tuition* will have the meaning given this term by the institution of higher education in which the student is enrolled and will include any other fees and charges required by the institution for enrollment [PIH 2015-21].

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

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

- Students residing with parents who are seeking or receiving Section 8 assistance
- Students who are enrolled in an educational institution that does **not** meet the 1965 HEA definition of *institution of higher education*
- Students who are over 23 **AND** have at least one dependent child, as defined in Section 3-II.E
- Students who are receiving financial assistance through a governmental program not authorized under the 1965 HEA.
- Students considered persons with disabilities as defined by 42 U.S.C. 1437a (b)(3)(E).

**6-I.M. ADDITIONAL EXCLUSIONS FROM ANNUAL INCOME**

Other exclusions contained in 24 CFR 5.609(c) and updated by FR Notice 2/20/14 that have not been discussed earlier in this chapter include the following:

- Reimbursement of medical expenses [24 CFR 5.609(c)(4)]

- Amounts received by participants in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred and which are made solely to allow participation in a specific program [24 CFR 5.609(c)(8)(iii)]
- Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS) [(24 CFR 5.609(c)(8)(ii)]
- Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era [24 CFR 5.609(c)(10)]
- Adoption assistance payments in excess of \$480 per adopted child [24 CFR 5.609(c)(12)]
- Refunds or rebates on property taxes paid on the dwelling unit [24 CFR 5.609(c)(15)]
- Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)]
- Amounts specifically excluded by any other federal statute [24 CFR 5.609(c)(17), FR Notice 5/20/14]. HUD publishes an updated list of these exclusions periodically. It includes:
  - (a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b))
  - (b) Benefits under Section 1780 of the School Lunch Act and Child Nutrition Act of 1966, including WIC
  - (c) Payments to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)
  - (d) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c))
  - (e) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e)
  - (f) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f))
  - (g) Payments received under programs funded in whole or in part under the Workforce Investment Act of 1998 (29 U.S.C. 2931)
  - (h) Deferred disability benefits from the Department of Veterans Affairs, whether received as a lump sum or in monthly prospective amounts
  - (i) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-04)
  - (j) Payments, funds or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (25 U.S.C. 1774f(b))
  - (k) A lump sum or periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the United States District Court case entitled *Elouise Cobell et al, v. Ken Salazar et al*, for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010

- (l) The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408)
- (m) Benefits under the Indian Veterans Housing Opportunity Act of 2010 (only applies to Native American housing programs)
- (n) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))
- (o) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in *In Re Agent-Orange* product liability litigation, M.D.L. No. 381 (E.D.N.Y.)
- (p) Payments received under 38 U.S.C. 1833(c) to children of Vietnam veterans born with spinal bifida, children of women Vietnam veterans born with certain birth defects, and children of certain Korean service veterans born with spinal bifida
- (q) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721)
- (r) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q)
- (s) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j))
- (t) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433)
- (u) Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under federal work-study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu). For Section 8 programs, the exception found in § 237 of Public Law 109-249 applies and requires that the amount of financial assistance in excess of tuition and mandatory fees shall be considered income in accordance with the provisions codified at 24 CFR 5.609(b)(9), except for those persons with disabilities as defined by 42 U.S.C. 1437a(b)(3)(E) (Pub. L. 109-249) (See Section 6-LL for exceptions.)(r) (v) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))
- (w) Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602)
- (x) Any amounts in an “individual development account” as provided by the Assets for Independence Act, as amended in 2002(y) Payments made from the proceeds of Indian tribal trust cases as described in Notice PIH 2013-30, “Exclusion from Income of Payments under Recent Tribal Trust Settlements” (25 U.S.C. 117b(a))

- (z) Major disaster and emergency assistance received under the Robert T. Stafford Disaster Relief and Emergency Assistance Act and comparable disaster assistance provided by states, local governments, and disaster assistance organizations

(aa) Distributions from an ABLÉ account, and actual or imputed interest on the ABLÉ account balance

## PART II: ADJUSTED INCOME

### 6-II.A. INTRODUCTION

#### Overview

HUD regulations require PHAs to deduct from annual income any of five mandatory deductions for which a family qualifies. The resulting amount is the family's adjusted income. Mandatory deductions are found in 24 CFR 5.611.

5.611(a) Mandatory deductions. In determining adjusted income, the responsible entity [PHA] must deduct the following amounts from annual income:

- (1) \$480 for each dependent;
- (2) \$400 for any elderly family or disabled family;
- (3) The sum of the following, to the extent the sum exceeds three percent of annual income:
  - (i) Unreimbursed medical expenses of any elderly family or disabled family;
  - (ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed. This deduction may not exceed the earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus; and
- (4) Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education.

This part covers policies related to these mandatory deductions. Verification requirements related to these deductions are found in Chapter 7.

#### Anticipating Expenses

##### HACB Policy

Generally, the HACB will use current circumstances to anticipate expenses. When possible, for costs that are expected to fluctuate during the year (e.g., child care during school and non-school periods and cyclical medical expenses), the HACB will estimate costs based on historic data and known future costs.

If a family has an accumulated debt for medical or disability assistance expenses, the HACB will include as an eligible expense the portion of the debt that the family expects to pay during the period for which the income determination is being made. However, amounts previously deducted will not be allowed even if the amounts were not paid as expected in a preceding period. The HACB may require the family to provide documentation of payments made in the preceding year.

**6-II.B. DEPENDENT DEDUCTION**

A deduction of \$480.00 is taken for each dependent [24 CFR 5.611(a)(1)]. *Dependent* is defined as any family member other than the head, spouse, or co-head who is under the age of eighteen (18) or who is eighteen (18) or older and is a person with disabilities or a full-time student. Foster children, foster adults, and live-in aides are never considered dependents [24 CFR 5.603(b)].

**6-II.C. ELDERLY OR DISABLED FAMILY DEDUCTION**

A single deduction of \$400.00 is taken for any elderly or disabled family [24 CFR 5.611(a)(2)]. An *elderly family* is a family whose head, spouse, co-head, or sole member is sixty-two (62) years of age or older, and a *disabled family* is a family whose head, spouse, co-head, or sole member is a person with disabilities [24 CFR 5.403].

**6-II.D. MEDICAL EXPENSES DEDUCTION [24 CFR 5.611(a)(3)(i)]**

Unreimbursed medical expenses may be deducted to the extent that, in combination with any disability assistance expenses, they exceed three percent of annual income.

The medical expense deduction is permitted only for families in which the head, spouse, or co-head is at least sixty-two(62) or is a person with disabilities. If a family is eligible for a medical expense deduction, the medical expenses of all family members are counted [VG, p. 28].

**Definition of Medical Expenses**

HUD regulations define *medical expenses* at 24 CFR 5.603(b) to mean “medical expenses, including medical insurance premiums, that are anticipated during the period for which annual income is computed, and that are not covered by insurance.”

HACB Policy

The most current IRS Publication 502, *Medical and Dental Expenses*, will be used to determine the costs that qualify as medical expenses.

Summary of Allowable Medical Expenses from IRS Publication 502	
Services of medical professionals	Substance abuse treatment programs
Surgery and medical procedures that are necessary, legal, non-cosmetic	Psychiatric treatment
Services of medical facilities	Ambulance services and some costs of transportation related to medical expenses
Hospitalization, long-term care, and in-home nursing services	The cost and care of necessary equipment related to a medical condition (e.g., eyeglasses/lenses, hearing aids, crutches, and artificial teeth)
Prescription medicines and insulin, but <u>not</u> nonprescription medicines even if recommended by a doctor	Cost and continuing care of necessary service animals
Improvements to housing directly related to medical needs (e.g., ramps for a wheel chair, handrails)	Medical insurance premiums or the cost of a health maintenance organization (HMO)

**Note:** This chart provides a summary of eligible medical expenses only. Detailed information is provided in IRS Publication 502. Medical expenses are considered only to the extent they are not reimbursed by insurance or some other source.

### **Families That Qualify for Both Medical and Disability Assistance Expenses**

#### HACB Policy

This policy applies only to families in which the head, spouse, or co-head is sixty two (62) or older or is a person with disabilities.

When expenses anticipated by a family could be defined as either medical or disability assistance expenses, the HACB will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

### **6-II.E. DISABILITY ASSISTANCE EXPENSES DEDUCTION [24 CFR 5.603(b) and 24 CFR 5.611(a)(3)(ii)]**

Reasonable expenses for attendant care and auxiliary apparatus for a disabled family member may be deducted if they: (1) are necessary to enable a family member eighteen (18) years or older to work, (2) are not paid to a family member or reimbursed by an outside source, (3) in combination with any medical expenses, exceed three percent of annual income, and (4) do not exceed the earned income received by the family member who is enabled to work.

#### **Earned Income Limit on the Disability Assistance Expense Deduction**

A family can qualify for the disability assistance expense deduction only if at least one family member (who may be the person with disabilities) is enabled to work [24 CFR 5.603(b)].

The disability expense deduction is capped by the amount of “earned income received by family members who are eighteen (18) years of age or older and who are able to work” because of the expense [24 CFR 5.611(a)(3)(ii)]. The earned income used for this purpose is the amount verified before any earned income disallowances or income exclusions are applied.

#### HACB Policy

The family must identify the family members enabled to work as a result of the disability assistance expenses. In evaluating the family’s request, the HACB will consider factors such as how the work schedule of the relevant family members relates to the hours of care provided, the time required for transportation, the relationship of the family members to the person with disabilities, and any special needs of the person with disabilities that might determine which family members are enabled to work.

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

### **Eligible Disability Expenses**

Examples of auxiliary apparatus are provided in the *HCV Guidebook* as follows: “Auxiliary apparatus are items such as wheelchairs, ramps, adaptations to vehicles, or special equipment to enable a blind person to read or type, but only if these items are directly related to permitting the disabled person or other family member to work” [HCV GB, p. 5-30].



HUD advises PHAs to further define and describe auxiliary apparatus [VG, p. 30].

### ***Eligible Auxiliary Apparatus***

#### HACB Policy

Expenses incurred for maintaining or repairing an auxiliary apparatus is eligible. In the case of an apparatus that is specially adapted to accommodate a person with disabilities (e.g., a vehicle or computer), the cost to maintain the special adaptations (but not maintenance of the apparatus itself) is an eligible expense. The cost of service animals trained to give assistance to persons with disabilities, including the cost of acquiring the animal, veterinary care, food, grooming, and other continuing costs of care, will be included.

### ***Eligible Attendant Care***

The family determines the type of attendant care that is appropriate for the person with disabilities.

#### HACB Policy

Attendant care includes, but is not limited to, reasonable costs for home medical care, nursing services, in-home or center-based care services, interpreters for persons with hearing impairments, and readers for persons with visual disabilities.

Attendant care expenses will be included for the period that the person enabled to work is employed plus reasonable transportation time. The cost of general housekeeping and personal services is not an eligible attendant care expense. However, if the person enabled to work is the person with disabilities, personal services necessary to enable the person with disabilities to work are eligible.

If the care attendant also provides other services to the family, the HACB will prorate the cost and allow only that portion of the expenses attributable to attendant care that enables a family member to work. For example, if the care provider also cares for a child who is not the person with disabilities, the cost of care must be prorated. Unless otherwise specified by the care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

### ***Payments to Family Members***

No disability assistance expenses may be deducted for payments to a member of an assisted family [24 CFR 5.603(b)]. However, expenses paid to a relative who is not a member of the assisted family may be deducted if they are not reimbursed by an outside source.

### ***Necessary and Reasonable Expenses***

The family determines the type of care or auxiliary apparatus to be provided and must describe how the expenses enable a family member to work. The family must certify that the disability assistance expenses are necessary and are not paid or reimbursed by any other source.

#### HACB Policy

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

may present, and the HACB will consider, the family's justification for costs that exceed typical costs in the area.

### **Families That Qualify for Both Medical and Disability Assistance Expenses**

#### HACB Policy

This policy applies only to families in which the head or spouse is sixty-two (62) or older or is a person with disabilities.

When expenses anticipated by a family could be defined as either medical or disability assistance expenses, the HACB will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

### **6-II.F. CHILD CARE EXPENSE DEDUCTION**

HUD defines *child care expenses* at 24 CFR 5.603(b) as "amounts anticipated to be paid by the family for the care of children under thirteen (13) years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income."

#### **Clarifying the Meaning of *Child* for This Deduction**

Child care expenses do not include child support payments made to another on behalf of a minor who is not living in an assisted family's household [VG, p. 26]. However, child care expenses for foster children that are living in the assisted family's household, are included when determining the family's child care expenses [HCV GB, p. 5-29].

#### **Qualifying for the Deduction**

##### ***Determining Who Is Enabled to Pursue an Eligible Activity***

#### HACB Policy

The family must identify the family member(s) enabled to pursue an eligible activity. The term *eligible activity* in this section means any of the activities that may make the family eligible for a child care deduction (seeking work, pursuing an education, or being gainfully employed).

In evaluating the family's request, the HACB will consider factors such as how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

##### ***Seeking Work***

#### HACB Policy

If the child care expense being claimed is to enable a family member to seek employment, the family must provide evidence of the family member's efforts to obtain employment at each reexamination. The deduction may be reduced or denied if the family member's job

search efforts are not commensurate with the child care expense being allowed by the HACB.

### ***Furthering Education***

#### HACB Policy

If the child care expense being claimed is to enable a family member to further his or her education, the member must be enrolled in school (academic or vocational) or participating in a formal training program. The family member is not required to be a full-time student, but the time spent in educational activities must be commensurate with the child care claimed.

### ***Being Gainfully Employed***

#### HACB Policy

If the child care expense being claimed is to enable a family member to be gainfully employed, the family must provide evidence of the family member's employment during the time that child care is being provided. Gainful employment is any legal work activity (full- or part-time) for which a family member is compensated.

### **Earned Income Limit on Child Care Expense Deduction**

When a family member looks for work or furthers his or her education, there is no cap on the amount that may be deducted for child care – although the care must still be necessary and reasonable. However, when child care enables a family member to work, the deduction is capped by “the amount of employment income that is included in annual income” [24 CFR 5.603(b)].

The earned income used for this purpose is the amount of earned income verified after any earned income disallowances or income exclusions are applied.

When the person who is enabled to work is a person with disabilities who receives the earned income disallowance (EID) or a full-time student whose earned income above \$480.00 is excluded, child care costs related to enabling a family member to work may not exceed the portion of the person's earned income that actually is included in annual income. For example, if a family member who qualifies for the EID makes \$15,000 but because of the EID only \$5,000.00 is included in annual income, child care expenses are limited to \$5,000.00.

The PHA must not limit the deduction to the least expensive type of child care. If the care allows the family to pursue more than one eligible activity, including work, the cap is calculated in proportion to the amount of time spent working [HCV GB, p. 5-30].

#### HACB Policy

When the child care expense being claimed is to enable a family member to work, only one family member's income will be considered for a given period of time. When more than one family member works during a given period, the HACB generally will limit allowable child care expenses to the earned income of the highest paid member. The family may provide information that supports a request to designate another family member as the person enabled to work.

### **Eligible Child Care Expenses**

The type of care to be provided is determined by the assisted family. The PHA may not refuse to give a family the child care expense deduction because there is an adult family member in the household that may be available to provide child care [VG, p. 26].

#### ***Allowable Child Care Activities***

##### HACB Policy

For school-age children, costs attributable to public or private school activities during standard school hours are not considered. Expenses incurred for supervised activities after school or during school holidays (e.g., summer day camp, after-school sports league) are allowable forms of child care.

The costs of general housekeeping and personal services are not eligible. Likewise, child care expenses paid to a family member who lives in the family's unit are not eligible; however, payments for child care to relatives who do not live in the unit are eligible.

If a child care provider also renders other services to a family or child care is used to enable a family member to conduct activities that are not eligible for consideration, the HACB will prorate the costs and allow only that portion of the expenses that is attributable to child care for eligible activities. For example, if the care provider also cares for a child with disabilities who is thirteen (13) or older, the cost of care will be prorated. Unless otherwise specified by the child care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

#### ***Necessary and Reasonable Costs***

Child care expenses will be considered necessary if: (1) a family adequately explains how the care enables a family member to work, actively seek employment, or further his or her education, and (2) the family certifies, and the child care provider verifies, that the expenses are not paid or reimbursed by any other source.

##### HACB Policy

Child care expenses will be considered for the time required for the eligible activity plus reasonable transportation time. For child care that enables a family member to go to school, the time allowed may include not more than one study hour for each hour spent in class.

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

## **PART III: CALCULATING FAMILY SHARE AND PHA SUBSIDY**

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

#### **TTP Formula [24 CFR 5.628]**

HUD regulations specify the formula for calculating the total tenant payment (TTP) for an assisted family. TTP is the highest of the following amounts, rounded to the nearest dollar:

- Thirty (30%) percent of the family's monthly adjusted income (adjusted income is defined in Part II)

- Ten (10%) percent of the family's monthly gross income (annual income, as defined in Part I, divided by 12)
- The welfare rent (in as-paid states only)
- A minimum rent between \$0 and \$50 that is established by the PHA

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

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

***Welfare Rent [24 CFR 5.628]***

HACB Policy

Welfare rent does not apply in this locality.

***Minimum Rent [24 CFR 5.630]***

HACB Policy

The minimum rent for this locality is \$50.00

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

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

***PHA Subsidy [24 CFR 982.505(b)]***

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

***Utility Reimbursement [24 CFR 982.514(b)]***

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

HACB Policy

The HACB will make utility reimbursements directly to the utility provider.

The PHA may make all utility reimbursement payments to qualifying families on a monthly basis or may make quarterly payments when the monthly reimbursement amount is \$15.00 or less. Reimbursements must be made once per calendar-year quarter and must be prorated if the family leaves the program in advance of its next quarterly reimbursement. The PHA must also adopt

hardship policies for families for whom receiving quarterly reimbursement would create a financial hardship.

HACB Policy

The HACB will issue all utility reimbursements monthly to utility provider(s).

**6-III.B. FINANCIAL HARDSHIPS AFFECTING MINIMUM RENT [24 CFR 5.630]**

HACB Policy

The financial hardship rules described below apply in this jurisdiction because the HACB has established a minimum rent of \$50.00

**Overview**

If the PHA establishes a minimum rent greater than zero (0.00), the PHA must grant an exemption from the minimum rent if a family is unable to pay the minimum rent because of financial hardship.

The financial hardship exemption applies only to families required to pay the minimum rent. If a family's TTP is higher than the minimum rent, the family is not eligible for a hardship exemption. If the PHA determines that a hardship exists, the family share is the highest of the remaining components of the family's calculated TTP.

**HUD-Defined Financial Hardship**

Financial hardship includes the following situations:

- (1) The family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program. This includes a family member who is a noncitizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996.

HACB Policy

A hardship will be considered to exist only if the loss of eligibility has an impact on the family's ability to pay the minimum rent.

For a family waiting for a determination of eligibility, the hardship period will end as of the first of the month following: (1) implementation of assistance, if approved, or (2) the decision to deny assistance. A family whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances.

- (2) The family would be evicted because it is unable to pay the minimum rent.

HACB Policy

For a family to qualify under this provision, the cause of the potential eviction must be the family's failure to pay rent to the owner or tenant-paid utilities.

- (3) Family income has decreased because of changed family circumstances, including the loss of employment.
- (4) A death has occurred in the family.

HACB Policy

In order to qualify under this provision, a family must describe how the death has created a financial hardship (e.g., because of funeral-related expenses or the loss of the family member's income).

(5) The family has experienced other circumstances determined by the PHA.

HACB Policy

The HACB has not established any additional hardship criteria.

**Implementation of Hardship Exemption**

***Determination of Hardship***

When a family requests a financial hardship exemption, the PHA must suspend the minimum rent requirement beginning the first of the month following the family's request.

The PHA then determines whether the financial hardship exists and whether the hardship is temporary or long-term.

HACB Policy

The HACB defines temporary hardship as a hardship expected to last ninety (90) days or less. Long-term hardship is defined as a hardship expected to last more than ninety (90) days.

When the minimum rent is suspended, the family share reverts to the highest of the remaining components of the calculated TTP. The example below demonstrates the effect of the minimum rent exemption.

<b>Example: Impact of Minimum Rent Exemption</b>			
Assume the PHA has established a minimum rent of \$35.			
<b>Family Share – No Hardship</b>		<b>Family Share – With Hardship</b>	
\$0	30% of monthly adjusted income	\$0	30% of monthly adjusted income
\$15	10% of monthly gross income	\$15	10% of monthly gross income
N/A	Welfare rent	N/A	Welfare rent
\$35	Minimum rent	\$35	Minimum rent
Minimum rent applies. TTP = \$35		Hardship exemption granted. TTP = \$15	

HACB Policy

To qualify for a hardship exemption, a family must submit a request for a hardship exemption in writing. The request must explain the nature of the hardship and how the hardship has affected the family's ability to pay the minimum rent.

The HACB will make the determination of hardship within thirty (30) calendar days.

***No Financial Hardship***

If the PHA determines there is no financial hardship, the PHA will reinstate the minimum rent and require the family to repay the amounts suspended.

HACB Policy

The HACB will require the family to repay the suspended amount within thirty (30) calendar days of the HACB's notice that a hardship exemption has not been granted.

***Temporary Hardship***

If the PHA determines that a qualifying financial hardship is temporary, the PHA must suspend the minimum rent for the ninety (90) day period beginning the first of the month following the date of the family's request for a hardship exemption.

At the end of the ninety (90) day suspension period, the family must resume payment of the minimum rent and must repay the PHA the amounts suspended. HUD requires the PHA to offer a reasonable repayment agreement, on terms and conditions established by the PHA. The PHA also may determine that circumstances have changed and the hardship is now a long-term hardship.

HACB Policy

The HACB will enter into a repayment agreement in accordance with the procedures found in Chapter 16 of this plan.

***Long-Term Hardship***

If the PHA determines that the financial hardship is long-term, the PHA must exempt the family from the minimum rent requirement for so long as the hardship continues. The exemption will apply from the first of the month following the family's request until the end of the qualifying hardship. When the financial hardship has been determined to be long-term, the family is not required to repay the minimum rent.

HACB Policy

The hardship period ends when any of the following circumstances apply:

- (1) At an interim or annual reexamination, the family's calculated TTP is greater than the minimum rent.
- (2) For hardship conditions based on loss of income, the hardship condition will continue to be recognized until new sources of income are received that are at least equal to the amount lost. For example, if a hardship is approved because a family no longer receives a \$60/month child support payment, the hardship will continue to exist until the family receives at least \$60/month in income from another source or once again begins to receive the child support.
- (3) For hardship conditions based upon hardship-related expenses, the minimum rent exemption will continue to be recognized until the cumulative amount exempted is equal to the expense incurred.

**6-III.C. APPLYING PAYMENT STANDARDS [24 CFR 982.505; 982.503(b)]**



## Overview

The PHA's schedule of payment standards is used to calculate housing assistance payments for HCV families. This section covers the application of the PHA's payment standards. The establishment and revision of the PHA's payment standard schedule are covered in Chapter 16.

*Payment standard* is defined as "the maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family)" [24 CFR 982.4(b)].

The payment standard for a family is the lower of (1) the payment standard for the family unit size, which is defined as the appropriate number of bedrooms for the family under the PHA's subsidy standards [24 CFR 982.4(b)], or (2) the payment standard for the size of the dwelling unit rented by the family.

If the PHA has established an exception payment standard for a designated part of a zip code area or FMR area and a family's unit is located in the exception area, the PHA must use the appropriate payment standard for the exception area.

The PHA is required to pay a monthly housing assistance payment (HAP) for a family that is the lower of (1) the payment standard for the family minus the family's TTP or (2) the gross rent for the family's unit minus the TTP.

If during the term of the HAP contract for a family's unit, the owner lowers the rent, the PHA will recalculate the HAP using the lower of the initial payment standard or the gross rent for the unit [HCV GB, p. 7-8].

## Changes in Payment Standards

When the PHA revises its payment standards during the term of the HAP contract for a family's unit, it will apply the new payment standards in accordance with HUD regulations.

### Decreases

If a PHA changes its payment standard schedule, resulting in a lower payment standard amount, during the term of a HAP contract, the PHA is not required to reduce the payment standard used to calculate subsidy for families under HAP contract as long as the HAP contract remains in effect [FR Notice 11/16/16].

However, if the PHA does choose to reduce the payment standard for families currently under HAP contract, the initial reduction to the payment standard may not be applied any earlier than the effective date of the family's second regular reexamination following the effective date of the decrease in the payment standard amount. At that point, the PHA may either reduce the payment standard to the current amount in effect on the PHA's payment standard schedule, or may reduce the payment standard to another amount that is higher than the normally applicable amount on the schedule. The PHA may also establish different policies for designated areas within their jurisdiction (e.g., different zip code areas).

In any case, the PHA must provide the family with at least 12 months' notice that the payment standard is being reduced before the effective date of the change. The PHA's policy on decreases in the payment standard during the term of the HAP contract apply to all families under HAP contract at the time of the effective date of the decrease in the payment standard within the designated area.

### HACB Policy

If the HACB changes its payment standard schedule resulting in a lower payment standard amount, during the term of a HAP contract, the HACB will not reduce the payment standard used to calculate subsidy for families under HAP contract as long as the HAP contract remains in effect.

The HACB will not establish different policies for decreases in the payment standard for designated areas within their jurisdiction.

### ***Increases***

If the payment standard is increased during the term of the HAP contract, the increased payment standard will be used to calculate the monthly housing assistance payment for the family beginning on the effective date of the family's first regular reexamination on or after the effective date of the increase in the payment standard.

Families requiring or requesting interim reexaminations will not have their HAP payments calculated using the higher payment standard until their next annual reexamination [HCV GB, p. 7-8].

### ***Changes in Family Unit Size***

Irrespective of any increase or decrease in the payment standard, if the family unit size increases or decreases during the HAP contract term, the new family unit size must be used to determine the payment standard for the family beginning at the family's first regular reexamination following the change in family unit size.

### **Reasonable Accommodation**

If a family requires a higher payment standard as a reasonable accommodation for a family member who is a person with disabilities, the PHA is allowed to establish a higher payment standard for the family of not more than 120 percent of the published FMR.

## **6-III.D. APPLYING UTILITY ALLOWANCES [24 CFR 982.517]**

### **Overview**

A PHA-established utility allowance schedule is used in determining family share and PHA subsidy. A family's utility allowance is determined by the size of dwelling unit leased by a family or the voucher unit size for which the family qualifies using PHA subsidy standards, whichever is lowest of the two. See Chapter 5 for information on the PHA's subsidy standards.

For policies on establishing and updating utility allowances, see Chapter 16.

### **Reasonable Accommodation**

HCV program regulations require a PHA to approve a utility allowance amount higher than shown on the PHA's schedule if a higher allowance is needed as a reasonable accommodation for a family member with a disability. For example, if a family member with a disability requires such an accommodation, the PHA will approve an allowance for air-conditioning, even if the PHA has determined that an allowance for air-conditioning generally is not needed.

The family must request the higher allowance and provide the PHA with an explanation of the need for the reasonable accommodation and information about the amount of additional allowance required [HCV GB, p. 18-8].

#### **Utility Allowance Revisions**

At reexamination, the PHA must use the PHA-current utility allowance schedule [HCV GB, p. 18-8].

##### HACB Policy

Revised utility allowances will be applied to a family's rent and subsidy calculations at the first annual reexamination that is effective after the allowance is adopted.

#### **6-III.E. PRORATED ASSISTANCE FOR MIXED FAMILIES [24 CFR 5.520]**

HUD regulations prohibit assistance to ineligible family members. A *mixed family* is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible family members. The PHA must prorate the assistance provided to a mixed family. The PHA will first determine assistance as if all family members were eligible and then prorate the assistance based upon the percentage of family members that actually are eligible. For example, if the PHA subsidy for a family is calculated at \$500.00 and two of four family members are ineligible, the PHA subsidy would be reduced to \$250.00.

**EXHIBIT 6-1: ANNUAL INCOME INCLUSIONS**

**24 CFR 5.609**

*(a) Annual income means all amounts, monetary or not, which:*

- (1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or
- (2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
- (3) Which are not specifically excluded in paragraph (c) of this section.
- (4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

*(b) Annual income includes, but is not limited to:*

- (1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
- (2) The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;

(3) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (b)(2) of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;

(4) The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in paragraph (c)(14) of this section);

(5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in paragraph (c)(3) of this section);

(6) Welfare assistance payments.

(i) Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income only to the extent such payments:

(A) Qualify as assistance under the TANF program definition at 45 CFR 260.31<sup>1</sup>; and

(B) Are not otherwise excluded under paragraph (c) of this section.

(ii) If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:

(A) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus

(B) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.

(7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling;

(8) All regular pay, special pay and allowances of a member of the Armed Forces (except as provided in paragraph (c)(7) of this section)

(9) For section 8 programs only and as provided in 24 CFR 5.612, any financial assistance, in excess of amounts received for tuition plus any other required fees and charges, that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), from private sources, or from an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except that financial assistance described in this paragraph is not considered annual income for persons over the age of 23 with dependent children. For purposes of this paragraph, "financial assistance" does not include loan proceeds for the purpose of determining income.

<b>HHS                      DEFINITION                      OF</b> <b>"ASSISTANCE"</b>
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**45 CFR: GENERAL TEMPORARY ASSISTANCE FOR NEEDY FAMILIES**

**260.31 What does the term "assistance" mean?**

(a)(1) The term "assistance" includes cash, payments, vouchers, and other forms of benefits designed to meet a family's ongoing basic needs (i.e., for food, clothing, shelter, utilities, household goods, personal care items, and general incidental expenses).

(2) It includes such benefits even when they are:

(i) Provided in the form of payments by a TANF agency, or other agency on its behalf, to individual recipients; and

(ii) Conditioned on participation in work experience or community service (or any other work activity under 261.30 of this chapter).

<sup>1</sup> Text of 45 CFR 260.31 follows.

(3) Except where excluded under paragraph (b) of this section, it also includes supportive services such as transportation and child care provided to families who are not employed.

(b) [The definition of “assistance”] excludes:

(1) Nonrecurring, short-term benefits that:

(i) Are designed to deal with a specific crisis situation or episode of need;

(ii) Are not intended to meet recurrent or ongoing needs; and

(iii) Will not extend beyond four months.

(2) Work subsidies (i.e., payments to employers or third parties to help cover the costs of employee wages, benefits, supervision, and training);

(3) Supportive services such as child care and transportation provided to families who are employed;

(4) Refundable earned income tax credits;

(5) Contributions to, and distributions from, Individual Development Accounts;

(6) Services such as counseling, case management, peer support, child care information and referral, transitional services, job retention, job advancement, and other employment-related services that do not provide basic income support; and

(7) Transportation benefits provided under a Job Access or Reverse Commute project, pursuant to section 404(k) of [the Social Security] Act, to an individual who is not otherwise receiving assistance.

**EXHIBIT 6-2: ANNUAL INCOME EXCLUSIONS**

**24 CFR 5.60(c)** Annual income does not include the following:

- (1) Income from employment of children (including foster children) under the age of 18 years;
- (2) Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);
- (3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in paragraph (b)(5) of this section);
- (4) Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- (5) Income of a live-in aide, as defined in Sec. 5.403;
- (6) Subject to paragraph (b)(9) of this section, the full amount of student financial assistance paid directly to the student or to the educational institution;
- (7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- (8) (i) Amounts received under training programs funded by HUD;
- (ii) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
- (iii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;
- (iv) Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the HACB or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the HACB's governing board. No resident may receive more than one such stipend during the same period of time;
- (v) Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program;
- (9) Temporary, nonrecurring or sporadic income (including gifts);
- (10) Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;
- (11) Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);
- (12) Adoption assistance payments in excess of \$480 per adopted child;

(13) [Reserved]

(14) Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum or prospective monthly amounts.

(15) Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit;

(16) Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or

(17) Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the Federal Register and distributed to HACBs and housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary. [See the following chart for a list of benefits that qualify for this exclusion.]

Sources of Income Excluded by Federal Statute from Consideration as Income for Purposes of Determining Eligibility or Benefits
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(i) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b));

(ii) Payments to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(f)(1), 5058);

(iii) Certain payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c));

(iv) Income derived from certain sub marginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e);

(v) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f));

(vi) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L- 94-540, section 6);

(vii) The first \$2000 of per capita shares received from judgment funds awarded by the National Indian Gaming Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first \$2000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408). This exclusion does not include proceeds of gaming operations regulated by the Commission;

(viii) Amounts of scholarships funded under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070), including awards under federal work-study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu). For Section 8 programs only (42 U.S.C. 1437f), any financial assistance in excess of the amounts received by an individual for tuition and any other required fees and charges under the Higher Education Act of 1965 (20 U.S.C. 1001 *et seq.*) from private sources, or an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall not be considered income to that individual if the individual is over the age of 23 with dependent children (Pub. L. 109-115, section 327) (as amended);



(ix) Payments received from programs funded under title V of the Older Americans Act of 1985 (42 U.S.C. 3056g);

(x) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund (Pub. L. 101-201) or any other fund established pursuant to the settlement in *In Re Agent Orange Liability Litigation*, M.D.L. No. 381 (E.D.N.Y.);

(xi) Payments received under the Maine Indian Claims Settlement Act of 1980 (Pub. L. 96-420, 25 U.S.C. 1728);

(xii) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q);

(xiii) Earned income tax credit (EITC) refund payments received on or after January 1, 1991, for programs administered under the United States Housing Act of 1937, title V of the Housing Act of 1949, section 101 of the Housing and Urban Development Act of 1965, and sections 221(d)(3), 235, and 236 of the National Housing Act (26 U.S.C. 32(l));

(xiv) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433);

(xv) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d));

(xvi) Any amount paid under the provisions of 38 U.S.C. 1833(c) to children of Vietnam veterans born with spina bifida (38 U.S.C. 1802-05), children of women Vietnam veterans born with

certain birth defects (38 U.S.C. 1811-16), and children of certain Korean service veterans born with spina bifida (38 U.S.C. 1821).

(xvii) Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602(c)); and

(xviii) Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C. 2931(a)(2)).

(xix) Any amount received under the Richard B. Russell School Lunch Act (42 U.S.C. 1760(e)) and the Child Nutrition Act of 1966 (42 U.S.C. 1780(b)), including reduced-price lunches and food under the Special Supplemental Food Program for Women, Infants, and Children (WIC);

(xx) Payments, funds or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (25 U.S.C. 1774f(b)).

(xxi) Payments from any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts (42 U.S.C. 1437a(b)(4));

(xxii) Compensation received by or on behalf of a veteran for service-connected disability, death, dependency, or indemnity compensation as provided by an amendment by the Indian Veterans Housing Opportunity Act of 2010 (Pub. L. 111-269; 25 U.S.C. 4103(9)) to the definition of income applicable to programs authorized under the Native American Housing Assistance and Self-

Determination Act (NAHASDA) (25 U.S.C. 4101 *et seq.*) and administered by the Office of Native American Programs;

(xxiii) A lump sum or a periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the case entitled *Elouise Cobell et al. v. Ken Salazar et al* 816 F. Supp. 2d 10 (Oct 5, 2011 D.D.C.) for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010 (Pub. L. 111-291);

(xxiv) An amounts in an “individual development account” as provided for by the Assets for Independence Act, as amended in 2002 (Pub. L. 107-110, 42 U.S.C. 604(b)(4);

(xxv) Per capital payments made from the proceeds of Indian Tribal Trust Cases as described in PIH Notice 2013-30 “Exclusion from Income Payments under Recent Tribal Trust Settlements” (25 U.S.C. 117b(1)); and

(xxvi) Major disaster and emergency assistance received by individuals and families under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Pub. L. 93-288, as amended) and comparable disaster assistance provided by States, local governments, and disaster assistance organizations (42 U.S.C. 5155(d)).

**EXHIBIT 6-3: TREATMENT OF FAMILY ASSETS**

**24 CFR 5.603(b) Net Family Assets**

(1) Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.

(2) In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income under Sec. 5.609.

(3) In determining net family assets, HACBs or owners, as applicable, shall include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefore.

In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

(4) For purposes of determining annual income under Sec. 5.609, the term "net family assets" does not include the value of a home currently being purchased with assistance under part 982, subpart M of this title. This exclusion is limited to the first 10 years after the purchase date of the home.

**EXHIBIT 6-4: EARNED INCOME DISALLOWANCE FOR PERSONS WITH DISABILITIES**

**24 CFR 5.617 Self-sufficiency incentives for persons with disabilities – Disallowance of increase in annual income.**

*(a) Applicable programs.* The disallowance of earned income provided by this section is applicable only to the following programs: HOME Investment Partnerships Program (24 CFR part 92); Housing Opportunities for Persons with AIDS (24 CFR part 574); Supportive Housing Program (24 CFR part 583); and the Housing Choice Voucher Program (24 CFR part 982).

*(b) Definitions.* The following definitions apply for purposes of this section.

*Baseline income.* The income immediately prior to implementation of the disallowance described in paragraph (c)(1) of this section of a person with disabilities (who is a member of a qualified family).

*Disallowance.* Exclusion from annual income.

*Previously unemployed* includes a person with disabilities who has earned, in the twelve months previous to employment, no more than would be received for 10 hours of work per week for 50 weeks at the established minimum wage.

*Qualified family.* A family residing in housing assisted under one of the programs listed in paragraph (a) of this section or receiving tenant-based rental assistance under one of the programs listed in paragraph (a) of this section.

(1) Whose annual income increases as a result of employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment;

(2) Whose annual income increases as a result of increased earnings by a family member who is a person with disabilities during participation in any economic self-sufficiency or other job training program; or

(3) Whose annual income increases, as a result of new employment or increased earnings of a family member who is a person with disabilities, during or within six months after receiving assistance, benefits or services under any state program for temporary assistance for needy families funded under Part A of Title IV of the Social Security Act, as determined by the responsible entity in consultation with the local agencies administering temporary assistance for needy families (TANF) and Welfare-to-Work (WTW) programs. The TANF program is not limited to monthly income maintenance, but also includes such benefits and services as one-time payments, wage subsidies and transportation assistance-- provided that the total amount over a six-month period is at least \$500.

*(c) Disallowance of increase in annual income—*

(1) *Initial twelve month exclusion.* During the 12-month period beginning on the date a member who is a person with disabilities of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, the responsible entity must exclude from annual income (as defined in the regulations governing the applicable program listed in paragraph (a) of this section) of a qualified family any increase in income of the family member who is a person with disabilities as a result of employment over prior income of that family member.

(2) *Second twelve month exclusion and phase-in.* Upon expiration of the 12-month period defined in paragraph (c)(1) of this section and for the subsequent 12-month period, the responsible entity must exclude from annual income of a qualified family at least 50 percent of any increase in income of such family member as a result of employment over the family member's baseline income.

(3) *Maximum 2-year disallowance.* The disallowance of increased income of an individual family member who is a person with disabilities as provided in paragraph (c)(1) of this section and a maximum of 12 months for disallowance under paragraph (c)(2) of this section, during the 24-month period starting from the initial exclusion under paragraph (c)(1) of this section.

(4) *Effect of changes on currently participating families.* Families eligible for and participating in the disallowance of earned income under this section prior to *May 9, 2016* will continue to be governed by this section in effect as it existed immediately prior to that date (see 24 CFR parts 0 to 199, revised as of April 1, 2016).

(d) *Inapplicability to admission.* The disallowance of increases in income as a result of employment of persons with disabilities under this section does not apply for purposes of admission to the program (including the determination of income eligibility or any income targeting that may be applicable).

**EXHIBIT 6-5: THE EFFECT OF WELFARE BENEFIT REDUCTION**

**24 CFR 5.615**

**Public housing program and Section 8 tenant-based assistance program: How welfare benefit reduction affects family income.**

*(a) Applicability.* This section applies to covered families who reside in public housing (part 960 of this title) or receive Section 8 tenant-based assistance (part 982 of this title).

*(b) Definitions.* The following definitions apply for purposes of this section:

*Covered families.* Families who receive welfare assistance or other public assistance benefits ("welfare benefits") from a State or other public agency ("welfare agency") under a program for which Federal, State, or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance.

*Economic self-sufficiency program.* See definition at Sec. 5.603.

*Imputed welfare income.* The amount of annual income not actually received by a family, as a result of a specified welfare benefit reduction, that is nonetheless included in the family's annual income for purposes of determining rent.

*Specified welfare benefit reduction.*

(1) A reduction of welfare benefits by the welfare agency, in whole or in part, for a family member, as determined by the welfare agency, because of fraud by a family member in connection with the welfare program; or because of welfare agency sanction against a family member for noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

(2) "Specified welfare benefit reduction" does not include a reduction or termination of welfare benefits by the welfare agency:

- (i) at expiration of a lifetime or other time limit on the payment of welfare benefits;
- (ii) because a family member is not able to obtain employment, even though the family

member has complied with welfare agency economic self-sufficiency or work activities requirements; or

(iii) because a family member has not complied with other welfare agency requirements.

*(c) Imputed welfare income.*

(1) A family's annual income includes the amount of imputed welfare income (because of a specified welfare benefits reduction, as specified in notice to the HACB by the welfare agency), plus the total amount of other annual income as determined in accordance with Sec. 5.609.

(2) At the request of the HACB, the welfare agency will inform the HACB in writing of the amount and term of any specified welfare benefit reduction for a family member, and the reason for such reduction, and will also inform the HACB of any subsequent changes in the term or amount of such specified welfare benefit reduction. The HACB will use this information to determine the amount of imputed welfare income for a family.

(3) A family's annual income includes imputed welfare income in family annual income, as determined at the HACB's interim or regular reexamination of family income and composition, during the term of the welfare benefits reduction (as specified in information provided to the HACB by the welfare agency).

(4) The amount of the imputed welfare income is offset by the amount of additional income a family receives that commences after the time the sanction was imposed. When such additional income from other sources is at least equal to the imputed

(5) The HACB may not include imputed welfare income in annual income if the family

was not an assisted resident at the time of sanction.

*(d) Review of HACB decision.*

(1) Public housing. If a public housing tenant claims that the HACB has not correctly calculated the amount of imputed welfare income in accordance with HUD requirements, and if the HACB denies the family's request to modify such amount, the HACB shall give the tenant written notice of such denial, with a brief explanation of the basis for the HACB determination of the amount of imputed welfare income. The HACB notice shall also state that if the tenant does not agree with the HACB determination, the tenant may request a grievance hearing in accordance with part 966, subpart B of this title to review the HACB determination. The tenant is not required to pay an escrow deposit pursuant to Sec. 966.55(e) for the portion of tenant rent attributable to the imputed welfare income in order to obtain a grievance hearing on the HACB determination.

(2) Section 8 participant. A participant in the Section 8 tenant-based assistance program may request an informal hearing, in accordance with Sec. 982.555 of this title, to review the HACB determination of the amount of imputed welfare income that must be included in the family's annual income in accordance with this section. If the family claims that such amount is not correctly calculated in accordance with HUD requirements, and if the HACB denies the family's request to modify such amount, the HACB shall give the family written notice of such denial, with a brief explanation of the basis for the HACB determination of the amount of imputed welfare income. Such notice shall also state that if the family does not agree with the HACB determination, the family may request an informal hearing on the determination under the HACB hearing procedure.

*(e) HACB relation with welfare agency.*

(1) The HACB must ask welfare agencies to inform the HACB of any specified welfare benefits reduction for a family member, the

reason for such reduction, the term of any such reduction, and any subsequent welfare agency determination affecting the amount or term of a specified welfare benefits reduction. If the welfare agency determines a specified welfare benefits reduction for a family member, and gives the HACB written notice of such reduction, the family's annual incomes shall include the imputed welfare income because of the specified welfare benefits reduction.

(2) The HACB is responsible for determining the amount of imputed welfare income that is included in the family's annual income as a result of a specified welfare benefits reduction as determined by the welfare agency, and specified in the notice by the welfare agency to the HACB. However, the HACB is not responsible for determining whether a reduction of welfare benefits by the welfare agency was correctly determined by the welfare agency in accordance with welfare program requirements and procedures, nor for providing the opportunity for review or hearing on such welfare agency determinations.

(3) Such welfare agency determinations are the responsibility of the welfare agency, and the family may seek appeal of such determinations through the welfare agency's normal due process procedures. The HACB shall be entitled to rely on the welfare agency notice to the HACB of the welfare agency's determination of a specified welfare benefits reduction.

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## Chapter 7

### VERIFICATION

[24 CFR 982.516, 24 CFR 982.551, 24 CFR 5.230, Notice PIH ~~2017-12~~2018-18]

#### INTRODUCTION

The PHA must verify all information that is used to establish the family's eligibility and level of assistance and is required to obtain written authorization from the family in order to collect the information. Applicants and program participants must cooperate with the verification process as a condition of receiving assistance. The PHA must not pass on the cost of verification to the family.

The PHA will follow the verification guidance provided by HUD in Notice PIH ~~2017-12~~2018-18 and any subsequent guidance issued by HUD. This chapter summarizes those requirements and provides supplementary PHA policies.

Part I describes the general verification process. Part II provides more detailed requirements related to family information, Part III provides information on income and assets, and Part IV covers mandatory deductions.

Verification policies, rules and procedures will be modified as needed to accommodate persons with disabilities. All information obtained through the verification process will be handled in accordance with the records management policies of the PHA, including Violence Against Women Reauthorization Act of 2013 confidentiality requirements outlined in 16-VI.B.

#### PART I: GENERAL VERIFICATION REQUIREMENTS

##### 7-I.A. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 982.516 AND 982.551, 24 CFR 5.230]

The family must supply any information that the PHA or HUD determines is necessary to the administration of the program and must consent to PHA verification of that information [24 CFR 982.551].

##### Consent Forms

It is required that all adult applicants and participants sign form HUD-9886, Authorization for Release of Information. The purpose of form HUD-9886 is to facilitate automated data collection and computer matching from specific sources and provides the family's consent only for the specific purposes listed on the form. HUD and the PHA may collect information from State Wage Information Collection Agencies (SWICAs) and current and former employers of adult family members. Only HUD is authorized to collect information directly from the Internal Revenue Service (IRS) and the Social Security Administration (SSA). Adult family members must sign other consent forms as needed to collect information relevant to the family's eligibility and level of assistance.

##### Penalties for Failing to Consent [24 CFR 5.232]

If any family member who is required to sign a consent form fails to do so, the PHA will deny admission to applicants and terminate assistance of participants. The family may request an informal review (applicants) or informal hearing (participants) in accordance with PHA procedures.

## 7-I.B. OVERVIEW OF VERIFICATION REQUIREMENTS

### HUD's Verification Hierarchy [Notice PIH ~~2017-12~~2018-18]

HUD mandates the use of the EIV system and offers administrative guidance on the use of other methods to verify family information and specifies the circumstances in which each method will be used. In general HUD requires the PHA to use the most reliable form of verification that is available and to document the reasons when the PHA uses a lesser form of verification.

In order of priority, the forms of verification that the PHA will use are:

- Up-front Income Verification (UIV) using HUD's Enterprise Income Verification (EIV) system
- Up-front Income Verification (UIV) using a non-HUD system
- Written Third-Party Verification (may be provided by applicant or participant)
- Written Third-party Verification Form
- Oral Third-party Verification
- Self-Certification

Each of the verification methods is discussed in subsequent sections below.

#### Requirements for Acceptable Documents

##### HACB Policy

Any documents used for verification must be the original (not photocopies) and generally must be dated within sixty (60) days of the date they are provided to the HACB. The documents must not be damaged, altered or in any way illegible.

Print-outs from Web pages are considered original documents.

The HACB staff member who views the original document must make a photocopy, annotate the copy with the name of the person who provided the document and the date the original was viewed, and sign the copy.

Any family self-certifications must be made in a format acceptable to the HACB and must be signed in the presence of a HACB representative or HACB notary public.

#### File Documentation

The PHA must document in the file how the figures used in income and rent calculations were determined. All verification attempts, information obtained, and decisions reached during the verification process will be recorded in the family's file in sufficient detail to demonstrate that the PHA has followed all of the verification policies set forth in this plan. The record should be sufficient to enable a staff member or HUD reviewer to understand the process followed and conclusions reached.

##### HACB Policy

The HACB will document, in the family file, the following:

- Reported family annual income
- Value of assets
- Expenses related to deductions from annual income

#### Other factors influencing adjusted income

When the PHA is unable to obtain third party verification, the PHA will document in the family file the reason that third-party verification was not available [24 CFR 982.516(a)(2); Notice PIH [2017-122018-18](#)].

#### **7-I.C. UP-FRONT INCOME VERIFICATION (UIV)**

Up-front income verification (UIV) refers to the PHA's use of the verification tools available from independent sources that maintain computerized information about earnings and benefits. UIV will be used to the extent that these systems are available to the PHA.

There may be legitimate differences between the information provided by the family and UIV-generated information. If the family disputes the accuracy of UIV data, no adverse action can be taken until the PHA has independently verified the UIV information and the family has been granted an opportunity to contest any adverse findings through the informal review/hearing process of the PHA.

See Chapter 6 for the PHA's policy on the use of UIV/EIV to project annual income.

#### **Upfront Income Verification Using HUD's Enterprise Income Verification (EIV) System (Mandatory)**

PHAs must use HUD's EIV system in its entirety as a third-party source to verify tenant employment and income information during mandatory reexaminations or recertifications of family composition and income in accordance with 24 CFR 5.236 and administrative guidance issued by HUD. The EIV system contains data showing earned income, unemployment benefits, social security benefits, and SSI benefits for participant families. The following policies apply to the use of HUD's EIV system.

#### ***EIV Income and IVT Reports***

The data shown on income and income validation tool (IVT) reports is updated quarterly. Data may be between 3 and 6 months old at the time reports are generated.

#### HACB Policy

The HACB will obtain income and IVT reports for annual reexaminations on a monthly basis. Reports will be generated as part of the regular reexamination process.

Income and IVT reports will be compared to family-provided information as part of the annual reexamination process. Income reports may be used in the calculation of annual income, as described in Chapter 6-I.C. Income reports may also be used to meet the regulatory requirement for third party verification, as described above. Policies for resolving discrepancies between income reports and family-provided information will be resolved as described in Chapter 6-I.C. and in this chapter.

Income and IVT reports will be used in interim reexaminations to identify any discrepancies between reported income and income shown in the EIV system, and as necessary to verify and calculate earned income, unemployment benefits, Social Security and/or SSI benefits. EIV will also be used to verify that families claiming zero income are not receiving income from any of these sources.

Income ~~and IVT~~ reports will be retained in participant files with the applicable annual or interim reexamination documents.

When the HACB determines through ~~income-EIV~~ reports and third-party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 14, Program Integrity.

#### ***EIV Discrepancy Reports***

The EIV discrepancy report is a tool for identifying families who may have concealed or underreported income. Data in the discrepancy report represents income for the past reporting periods and may be between six (6) months and (30) months old at the time reports are generated. Families who have not concealed or underreport income may appear on the discrepancy report in some circumstances, such as loss of job or addition of new family members. Income discrepancies may be identified through use of the EIV “Income Discrepancy Report” or by review of the discrepancy tab for the individual family.

##### HACB Policy

The HACB will generate the Income Discrepancy Report monthly at the 25% threshold. When the HACB determines that a participant appearing on the Income Discrepancy Report has not concealed or underreported income, the participant’s name will be placed on a list of “false positive” reviews. To avoid multiple reviews in this situation, participants appearing on this list will be eliminated from discrepancy processing until a subsequent interim or annual reexamination has been completed.

The HACB will review the EIV discrepancy tab during processing of annual and interim reexaminations. When it appears that a family may have concealed or underreported income, the HACB will request written third-party verification of the income in question. When the HACB determines through file review and third party verification that a family has concealed or underreported income, corrective action will be taken pursuant to the policies in Chapter 14, Program Integrity.

#### ***EIV Identity Verification***

The EIV system verifies tenant identities against SSA records. These records are compared to PIC data for a match on social security number, name, and date of birth.

PHAs are required to use EIV’s *Identity Verification Report* on a monthly basis to improve the availability of income information in EIV [Notice PIH ~~2017-12~~2018-18].

When identity verification for a participant fails, a message will be displayed within the EIV system and no income information will be displayed.

##### HACB Policy

The HACB will identify participants whose identity verification has failed by reviewing EIV’s *Identity Verification Report* on a monthly basis.

The HACB will attempt to resolve PIC/SSA discrepancies by obtaining appropriate documentation from the participant. When the HACB determines that discrepancies exist due to HACB errors such as spelling errors or incorrect birth dates, the errors will be corrected promptly.

### **Upfront Income Verification Using Non-HUD Systems (Optional)**

In addition to mandatory use of the EIV system, HUD encourages PHAs to utilize other upfront verification sources.

#### HACB Policy

The HACB will inform all applicants and participants of its use of the following UIV resources during the admission and reexamination process:

HUD's EIV system

### **7-1.D. THIRD-PARTY WRITTEN AND ORAL VERIFICATION**

HUD's current verification hierarchy defines two types of written third-party verification. The more preferable form, "written third-party verification," consists of an original document generated by a third-party source, which may be received directly from a third-party source or provided to the PHA by the family. If written third-party verification is not available, the PHA must attempt to obtain a "written third-party verification form." This is a standardized form used to collect information from a third party.

#### **Written Third-Party Verification [Notice PIH ~~2017-12~~; CFR ~~582.516~~2018-18]**

Written third-party verification documents must be original and authentic and may be supplied by the family or received from a third-party source.

Examples of acceptable tenant-provided documents include, but are not limited to: pay stubs, payroll summary reports, employer notice or letters of hire and termination, SSA benefit verification letters, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notices.

The PHA is required to obtain, at minimum, two current and consecutive pay stubs for determining annual income from wages.

The PHA may reject documentation provided by the family if the document is not an original, if the document appears to be forged, or if the document is altered, mutilated, or illegible.

#### HACB Policy

Third-party documents provided by the family must be dated within 60 days of the HACB request date.

If the HACB determines that third-party documents provided by the family are not acceptable, the HACB will explain the reason to the family and request additional documentation.

As verification of earned income, the HACB will require the family to provide the three (3) months of current and consecutive pay stubs.

### **Written Third-Party Verification Form**

When upfront verification is not available and the family is unable to provide written third-party documents, the PHA must request a written third-party verification form. HUD's position is that this traditional third-party verification method presents administrative burdens and risks which may be reduced through the use of family-provided third-party documents.

PHAs may mail, fax, or e-mail third-party written verification form requests to third-party sources.

HACB Policy

The HACB will send third-party verification forms directly to the third party.

Third-party verification forms will be sent when third-party verification documents are unavailable or are rejected by the HACB.

**Oral Third-Party Verification [Notice PIH 2017-122018-18]**

For third-party oral verification, PHAs contact sources, identified by UIV techniques or by the family, by telephone or in person.

Oral third-party verification is mandatory if neither form of written third-party verification is available.

Third-party oral verification may be used when requests for written third-party verification forms have not been returned within the time period requested by PHA.

PHAs should document in the file the date and time of the telephone call or visit, the name of the person contacted, the telephone number, as well as the information confirmed.

HACB Policy

In collecting third-party oral verification, HACB staff will record in the family's file the name and title of the person contacted, the date and time of the conversation (or attempt), the telephone number used, and the facts provided.

When any source responds verbally to the initial written request for verification the HACB will accept the verbal response as oral verification but will also request that the source complete and return any verification forms that were provided.

**When Third-Party Verification is Not Required [Notice PIH 2017-122018-18]**

Third-party verification may not be available in all situations. HUD has acknowledged that it may not be cost-effective or reasonable to obtain third-party verification of income, assets, or expenses when these items would have a minimal impact on the family's total tenant payment.

HACB Policy

If the family cannot provide original documents, the HACB will pay the service charge required to obtain third-party verification, unless it is not cost effective in which case a self-certification will be acceptable as the only means of verification. The cost of verification will not be passed on to the family.

The cost of postage and envelopes to obtain third-party verification of income, assets, and expenses is not an unreasonable cost [VG, p. 18].

**Primary Documents**

Third-party verification is not required when legal documents are the primary source, such as a birth certificate or other legal documentation of birth.

#### ***Imputed Assets***

HUD permits PHAs to accept a self-certification from a family as verification of assets disposed of for less than fair market value [HCV GB, p. 5-28].

##### HACB Policy

The HACB will accept a self-certification from a family as verification of assets disposed of for less than fair market value.

#### ***Value of Assets and Asset Income [24 CFR 982.516(a)]***

For families with net assets totaling \$5,000 or less, the PHA may accept the family's declaration of asset value and anticipated asset income. However, the PHA is required to obtain third-party verification of all assets regardless of the amount during the intake process and at least every three years thereafter.

##### HACB Policy

For families with net assets totaling \$5,000 or less, the HACB will accept the family's self-certification of the value of family assets and anticipated asset income when applicable. The family's declaration must show each asset and the amount of income expected from that asset. All family members 18 years of age and older must sign the family's declaration.

The HACB will use third-party documentation for assets as part of the intake process, whenever a family member is added to verify the individual's assets, and every three years thereafter.

### **7-I.E. SELF-CERTIFICATION**

When HUD requires third-party verification, self-certification, or "tenant declaration," is used as a last resort when the PHA is unable to obtain third-party verification.

Self-certification, however, is an acceptable form of verification when:

- A source of income is fully excluded
- Net family assets total \$5,000 or less and the PHA has adopted a policy to accept self-certification at annual recertification, when applicable
- The PHA has adopted a policy to implement streamlined annual recertifications for fixed sources of income (See Chapter 11)

When the PHA was required to obtain third-party verification but instead relies on a tenant declaration for verification of income, assets, or expenses, the family's file must be documented to explain why third-party verification was not available.

##### HACB Policy

When information cannot be verified by a third party or by review of documents, family members will be required to submit self-certifications attesting to the accuracy of the information they have provided to the HACB.

The HACB may require a family to certify that a family member does not receive a particular type of income or benefit.

The self-certification must be made in a format acceptable to the HACB and must be signed by the family member whose information or status is being verified. All self-certifications must be signed in the presence of a HACB representative or HACB notary public.

**PART II: VERIFYING FAMILY INFORMATION**

**7-II.A. VERIFICATION OF LEGAL IDENTITY**

HACB Policy

The HACB will require families to furnish verification of legal identity for each household member.

<b>Verification of Legal Identity for Adults</b>	<b>Verification of Legal Identity for Children</b>
Certificate of birth, naturalization papers	Certificate of birth
Church issued baptismal certificate	Adoption papers
Current, valid driver's license or Department of Motor Vehicles identification card	Custody agreement
U.S. military discharge (DD 214)	Health and Human Services ID
Current U.S. passport	Certified school records
Current employer identification card	

If a document submitted by a family is illegible for any reason or otherwise questionable, more than one of these documents may be required.

If none of these documents can be provided and at the HACB's discretion, a third party who knows the person may attest to the person's identity. The certification must be provided in a format acceptable to the HACB and be signed in the presence of a HACB representative or HACB notary public.

Legal identity will be verified for all applicants at the time of eligibility determination and in cases where the PHA has reason to doubt the identity of a person representing him or herself to be a participant.

**7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and Notice PIH ~~2012-10~~2018-24]**

The family must provide documentation of a valid social security number (SSN) for each member of the household, with the exception of individuals who do not contend eligible immigration status. Exemptions also include, existing program participants who were at least 62 years of age as of January 31, 2010, and had not previously disclosed an SSN.



The PHA must accept the following documentation as acceptable evidence of the social security number:

An original SSN card issued by the Social Security Administration (SSA)

An original SSA-issued document, which contains the name and SSN of the individual

An original document issued by a federal, state, or local government agency, which contains the name and SSN of the individual

The PHA may only reject documentation of an SSN provided by an applicant or participant if the document is not an original document, or if the original document has been altered, mutilated, is illegible, or appears to be forged.

HACB Policy

The HACB will explain to the applicant or participant the reasons the document is not acceptable and request that the individual obtain and submit acceptable documentation of the SSN to the HACB within ninety (90) days.

In the case of Moderate Rehabilitation Single Room Occupancy (SRO) individuals, the required documentation must be provided within ninety (90) calendar days from the date of admission into the program. The PHA must grant one additional ninety (90) day extension if it determines that the applicant's failure to comply was due to circumstances that were beyond the applicant's control and could not have been reasonably foreseen.

HACB Policy

The HACB will grant one additional ninety (90) day extension if needed for reasons beyond the participant's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency. If the individual fails to comply with SSN disclosure and documentation requirements upon expiration of the provided time period, the HACB will terminate the individual's assistance.

If an applicant family includes a child under 6 years of age who joined the household within the 6 months prior to the date of voucher issuance, an otherwise eligible family may be admitted to the program and the family must provide documentation of the child's SSN within 90 days of the effective date of the initial HAP contract. A 90-day extension will be granted if the PHA determines that the participant's failure to comply was due to unforeseen circumstances and was outside of the participant's control.

HACB Policy

The HACB will grant one additional 90-day extension if needed for reasons beyond the applicant's control, such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency.

When a participant requests to add a new household member who is at least six (6) years of age, or who is under the age of six (6) and has an SSN, the participant must provide the complete and accurate SSN assigned to each new member at the time of reexamination or recertification, in addition to the documentation required to verify it. The PHA may not add the new household member until such documentation is provided.

When a participant requests to add a new household member who has not been assigned an SSN, the participant must provide the SSN assigned to each new child and the required documentation within ninety (90) calendar days of the child being added to the household. A ninety (90) day extension will be granted if the PHA determines that the participant's failure to comply was due to unforeseen circumstances and was outside of the participant's control. During the period the PHA is awaiting documentation of the SSN, the child will be counted as part of the assisted household.

HACB Policy

The HACB will grant one additional ninety (90) day extension if needed for reasons beyond the participant's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency.

Social security numbers must be verified only once during continuously-assisted occupancy.

HACB Policy

The HACB will verify each disclosed SSN by:

Obtaining documentation from applicants and participants that is acceptable as evidence of social security numbers

Making a copy of the original documentation submitted, returning it to the individual, and retaining a copy in the file folder

Once the individual's verification status is classified as "verified," the PHA may at its discretion remove and destroy copies of documentation accepted as evidence of social security numbers. The retention of the EIV Summary Report or Income Report is adequate documentation of an individual's SSN.

HACB Policy

Once an individual's status is classified as "verified" in HUD's EIV system, the HACB will remove and destroy copies of documentation accepted as evidence of social security numbers unless HUD publishes a written mandatory requirement.

**7-II.C. DOCUMENTATION OF AGE**

A birth certificate or other official record of birth is the preferred form of age verification for all family members. For elderly family members an original document that provides evidence of the receipt of social security retirement benefits is acceptable.

HACB Policy

If an official record of birth or evidence of social security retirement benefits cannot be provided, the HACB will require the family to submit other documents that support the reported age of the family member (e.g., school records, driver's license if birth year is recorded) and to provide a self-certification.

Age must be verified only once during continuously-assisted occupancy.

**7-II.D. FAMILY RELATIONSHIPS**

Applicants and program participants are required to identify the relationship of each household member to the head of household. Definitions of the primary household relationships are provided in the Eligibility chapter.

HACB Policy

Family relationships are verified only to the extent necessary to determine a family's eligibility and level of assistance. Certification by the head of household normally is sufficient verification of family relationships.

**Marriage**

HACB Policy

Certification by the head of household is normally sufficient verification. If the HACB has reasonable doubts about a marital relationship for the purposes of increasing the voucher size, the HACB will require the family to document the marriage.

A marriage certificate generally is required to verify that a couple is married.

In the case of a common law marriage, the couple must demonstrate that they hold themselves to be married (e.g., by telling the community they are married, calling each other husband and wife, using the same last name, filing joint income tax returns).

**Separation or Divorce**

HACB Policy

Certification by the head of household is normally sufficient verification. If the HACB has reasonable doubts about a separation or divorce, the HACB will require the family to provide documentation of the divorce, or separation.

A certified copy of a divorce decree, signed by a court officer, is required to document that a couple is divorced.

A copy of a court-ordered maintenance or other court record is required to document a separation.

If no court document is available, documentation from a community-based agency will be accepted.

**Absence of Adult Member**

HACB Policy

If an adult member who was formerly a member of the household is reported to be permanently absent, the family must provide evidence to support that the person is no longer a member of the family (e.g., documentation of another address at which the person resides such as a lease or utility bill). The HACB will accept self-certification if the family cannot provide other documentation.

**Foster Children and Foster Adults**

HACB Policy

Third-party verification from the state or local government agency responsible for the placement of the individual with the family is required.

## 7-II.E. VERIFICATION OF STUDENT STATUS

### General Requirements

#### HACB Policy

The HACB requires families to provide information about the student status of all students who are eighteen (18) years of age or older. This information will be verified only if:

The family reports full-time student status for an adult other than the head, spouse, or co-head.

The family reports child care expenses to enable a family member to further his or her education.

The family includes a student enrolled in an *institution of higher education*.

### Restrictions on Assistance to Students Enrolled in Institutions of Higher Education

This section applies only to students who are seeking assistance on their own, separately from their parents. It does not apply to students residing with parents who are seeking or receiving HCV assistance.

#### HACB Policy

In accordance with the verification hierarchy described in Section 7-1.B, the HACB will determine whether the student is exempt from the restrictions in 24 CFR 5.612 by verifying any one of the following exemption criteria:

The student is enrolled at an educational institution that does not meet the definition of *institution of higher education* in the Higher Education Act of 1965 (see Section Exhibit 3-2).

The student is at least twenty-four (24) years old.

The student is a veteran, as defined in Section 3-II.E.

The student is married.

The student has at least one dependent child, as defined in Section 3-II.E.

The student is a person with disabilities, as defined in Section 3-II.E, and was receiving assistance prior to November 30, 2005.

If the HACB cannot verify at least one of these exemption criteria, the HACB will conclude that the student is subject to the restrictions on assistance at 24 CFR 5.612. In addition to verifying the student's income eligibility, the HACB will then proceed to verify either the student's parents' income eligibility (see Section 7-III.J) or the student's independence from his/her parents (see below).

### *Independent Student*

#### HACB Policy

The HACB will verify a student's independence from his/her parents to determine that the student's parents' income is not relevant for determining the student's eligibility by doing all of the following:

Either reviewing or verifying previous address information to determine whether the student has established a household separate from his/her parents for at least one year or reviewing and verifying documentation relevant to determining whether the student meets the U.S. Department of Education's definition of *independent student* (see Section 3-II.E)

Reviewing the student's prior year income tax returns to verify the student is independent or verifying the student meets the U.S. Department of Education's definition of *independent student* (see section 3-II.E) Requesting and obtaining written certification directly from the student's parents identifying the amount of support they will be providing to the student, even if the amount of support is \$0 except in cases in which the HACB determines that the student is a *vulnerable youth* (see section 3-II.E)

#### **7-II.F. DOCUMENTATION OF DISABILITY**

The PHA must verify the existence of a disability in order to allow certain income disallowances and deductions from income. The PHA is not permitted to inquire about the nature or extent of a person's disability [24 CFR 100.202(c)]. The PHA may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the PHA receives a verification document that provides such information, the PHA will not place this information in the tenant file. Under no circumstances will the PHA request a participant's medical record(s). For more information on health care privacy laws, see the Department of Health and Human Services' website at <http://www.hhs.gov/ocr/privacy/>.

The above cited regulation does not prohibit the following inquiries, provided these inquiries are made of all applicants, whether or not they are persons with disabilities [VG, p. 24]:

Inquiry into an applicant's ability to meet the requirements of ownership or tenancy

Inquiry to determine whether an applicant is qualified for a dwelling available only to persons with disabilities or to persons with a particular type of disability

Inquiry to determine whether an applicant for a dwelling is qualified for a priority available to persons with disabilities or to persons with a particular type of disability

Inquiring whether an applicant for a dwelling is a current illegal abuser or addict of a controlled substance

Inquiring whether an applicant has been convicted of the illegal manufacture or distribution of a controlled substance

#### **Family Members Receiving SSA Disability Benefits**

Verification of the receipt of disability benefits from the Social Security Administration (SSA) is sufficient verification of disability for the purpose of qualifying for waiting list preferences (if applicable) or certain income disallowances and deductions [VG, p. 23].

##### HACB Policy

For family members claiming disability who receive disability benefits from the SSA, the HACB will attempt to obtain information about disability benefits through the HUD Enterprise Income Verification (EIV) system. If documentation from HUD's EIV System

is not available, the HACB will request a current (dated within the last sixty (60) days) SSA benefit verification letter from each family member claiming disability status. If the family is unable to provide the document(s), the HACB will ask the family to request a benefit verification letter by either calling SSA at 1-800-772-1213, or by requesting it from [www.ssa.gov](http://www.ssa.gov). Once the applicant or participant receives the benefit verification letter they will be required to provide it to the HACB.

#### **Family Members Not Receiving SSA Disability Benefits**

Receipt of veteran's disability benefits, worker's compensation, or other non-SSA benefits based on the individual's claimed disability are not sufficient verification that the individual meets HUD's definition of disability in 24 CFR 5.403.

##### HACB Policy

For family members claiming disability who do not receive disability benefits from the SSA, a knowledgeable professional must provide third-party verification that the family member meets the HUD definition of disability. See the Eligibility chapter for the HUD definition of disability. The knowledgeable professional will verify whether the family member does or does not meet the HUD definition.

### **7-II.G. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5.508]**

#### **Overview**

Housing assistance is not available to persons who are not citizens, nationals, or eligible immigrants. Prorated assistance is provided for "mixed families" containing both eligible and ineligible persons. A detailed discussion of eligibility requirements is in the Eligibility chapter. This verifications chapter discusses HUD and PHA verification requirements related to citizenship status.

The family must provide a certification that identifies each family member as a U.S. citizen, a U.S. national, an eligible noncitizen or an ineligible noncitizen and submit the documents discussed below for each family member. Once eligibility to receive assistance has been verified for an individual it need not be collected or verified again during continuously-assisted occupancy. [24 CFR 5.508(g)(5)]

#### **U.S. Citizens and Nationals**

HUD requires a declaration for each family member who claims to be a U.S. citizen or national. The declaration must be signed personally by any family member eighteen (18) or older and by a guardian for minors.

The PHA may request verification of the declaration by requiring presentation of a birth certificate, United States passport or other appropriate documentation.

##### HACB Policy

Family members who claim U.S. citizenship or national status will not be required to provide additional documentation unless the HACB receives information indicating that an individual's declaration may not be accurate.

## **Eligible Immigrants**

### ***Documents Required***

All family members claiming eligible immigration status must declare their status in the same manner as U.S. citizens and nationals.

The documentation required for eligible noncitizens varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, age, and the date on which the family began receiving HUD-funded assistance. Exhibit 7-1 at the end of this chapter summarizes documents family members must provide.

### ***PHA Verification*** [HCV GB, pp. 5-3 and 5-7]

For family members age sixty-two (62) or older who claim to be eligible immigrants, proof of age is required in the manner described in 7-II.C. of this plan. No further verification of eligible immigration status is required.

For family members under the age of sixty-two (62) who claim to be eligible immigrants, the PHA must verify immigration status with the United States Citizenship and Immigration Services (USCIS).

The PHA will follow all USCIS protocols for verification of eligible immigration status.

## **7-II.H. VERIFICATION OF PREFERENCE STATUS**

The PHA must verify any preferences claimed by an applicant that determined placement on the waiting list.

### HACB Policy

The applicant must provide written third party verification of their preference status.

## **PART III: VERIFYING INCOME AND ASSETS**

Chapter 6, Part I of this plan describes in detail the types of income that are included and excluded and how assets and income from assets are handled. Any assets and income reported by the family must be verified. This part provides PHA policies that supplement the general verification procedures specified in Part I of this chapter.

## **7-III.A. EARNED INCOME**

### **Tips**

#### HACB Policy

Unless tip income is included in a family member's W-2 by the employer, persons who work in industries where tips are standard will be required to sign a certified estimate of tips received for the prior year and tips anticipated to be received in the coming year.

### **Wages**

#### HACB Policy

For wages other than tips, the family must provide originals of three months current, consecutive paystubs or if seasonal provide a copy of the last year's tax return.

### **7-III.B. BUSINESS AND SELF EMPLOYMENT INCOME**

#### HACB Policy

Business owners and self-employed persons will be required to provide:

An audited financial statement for the previous fiscal year if an audit was conducted. If an audit was not conducted, a statement of income and expenses must be submitted and the business owner or self-employed person must certify to its accuracy.

All schedules completed for filing federal and local taxes in the preceding year.

If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense, computed using straight-line depreciation rules.

The HACB will provide a format for any person who is unable to provide such a statement to record income and expenses for the coming year. The business owner/self-employed person will be required to submit the information requested and to certify to its accuracy at all future reexaminations.

At any reexamination the HACB may request documents that support submitted financial statements such as manifests, appointment books, cash books, or bank statements.

If a family member has been self-employed less than three (3) months, the HACB will accept the family member's certified estimate of income and schedule an interim reexamination in three (3) months. If the family member has been self-employed for three (3) to twelve (12) months the HACB will require the family to provide documentation of income and expenses for this period and use that information to project income.

### **7-III.C. PERIODIC PAYMENTS AND PAYMENTS IN LIEU OF EARNINGS**

For policies governing streamlined income determinations for fixed sources of income, please see Chapter 11.

#### **Social Security/SSI Benefits**

#### HACB Policy

To verify the SS/SSI benefits of applicants, the HACB will request a current (dated within the last sixty (60) days) SSA benefit verification letter from each family member that receives social security benefits. If the family is unable to provide the document(s), the HACB will help the applicant request a benefit verification letter from SSA's Web site at [www.ssa.gov](http://www.ssa.gov) or ask the family to request one by calling SSA at 1-800-772-1213. Once the applicant has received the benefit verification letter they will be required to provide it to the HACB.

To verify the SS/SSI benefits of participants, the HACB will obtain information about social security/SSI benefits through the HUD EIV System, and confirm with the participant(s) that the current listed benefit amount is correct. If the participant disputes the EIV-reported benefit amount, or if benefit information is not available in HUD systems, the HACB will request a current SSA benefit verification letter from each family member that receives social security benefits. If the family is unable to provide the document(s) the



HACB will help the participant request a benefit verification letter from SSA's Web site at [www.ssa.gov](http://www.ssa.gov) or ask the family to request one by calling SSA at 1-800-772-1213. Once the participant has received the benefit verification letter they will be required to provide it to the HACB.

### **7-III.D. ALIMONY OR CHILD SUPPORT**

#### HACB Policy

The methods the HACB will use to verify alimony and child support payments differ depending on whether the family declares that it receives regular payments.

If the family declares that it *receives regular payments*, verification will be obtained in the following order of priority:

Copies of the receipts and/or payment stubs for the sixty (60) days prior to HACB request

Third-party verification form from the state or local child support enforcement agency

Third-party verification form from the person paying the support

Family's self-certification of amount received

If the family declares that it *receives irregular or no payments*, in addition to the verification process listed above, the family must provide evidence that it has taken all reasonable efforts to collect amounts due. This may include:

A statement from any agency responsible for enforcing payment that shows the family has requested enforcement and is cooperating with all enforcement efforts

If the family has made independent efforts at collection, a written statement from the attorney or other collection entity that has assisted the family in these efforts

A copy of the separation or settlement agreement or a divorce decree stating the amount and type of support and payment schedules

A notarized self-declaration/affidavit from the family indicating the amount(s) received

**Note:** Families are not required to undertake independent enforcement action.

### **7-III.E. ASSETS AND INCOME FROM ASSETS**

#### **Assets Disposed of for Less than Fair Market Value**

The family must certify whether any assets have been disposed of for less than fair market value in the preceding two years. The PHA needs to verify only those certifications that warrant documentation [HCV GB, p. 5-28].

#### HACB Policy

The HACB will verify the value of assets disposed of only if:

The HACB does not already have a reasonable estimation of its value from previously collected information, or

The amount reported by the family in the certification appears obviously in error.

Example 1: An elderly participant reported a \$10,000 certificate of deposit at the last annual reexamination and the HACB verified this amount. Now the person reports that she has given this \$10,000 to her son. The HACB has a reasonable estimate of the value of the asset; therefore, reverification of the value of the asset is not necessary.

Example 2: A family member has disposed of its 1/4 share of real property located in a desirable area and has valued her share at approximately 5,000. Based upon market conditions, this declaration does not seem realistic. Therefore, the HACB will verify the value of this asset.

### **7-III.F. NET INCOME FROM RENTAL PROPERTY**

#### HACB Policy

The family must provide:

A current executed lease for the property that shows the rental amount or certification from the current tenant.

A self-certification from the family members engaged in the rental of property providing an estimate of expenses for the coming year and the most recent IRS Form 1040 with Schedule E (Rental Income). If schedule E was not prepared, the HACB will require the family members involved in the rental of property to provide a self-certification of income and expenses for the previous year and may request documentation to support the statement including: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.

### **7-III.G. RETIREMENT ACCOUNTS**

#### HACB Policy

The HACB will accept written third-party documents supplied by the family as evidence of the status of retirement accounts.

The type of original document that will be accepted depends upon the family member's retirement status.

*Before* retirement, the HACB will accept an original document from the entity holding the account with a date that shows it is the most recently scheduled statement for the account but in no case earlier than six (6) months from the effective date of the examination.

*Upon* retirement, the HACB will accept an original document from the entity holding the account that reflects any distributions of the account balance, any lump sums taken and any regular payments.

After retirement, the HACB will accept an original document from the entity holding the account dated no earlier than twelve (12) months before that reflects any distributions of the account balance, any lump sums taken and any regular payments.

### **7-III.H. INCOME FROM EXCLUDED SOURCES**

A detailed discussion of excluded income is provided in Chapter 6, Part I.

HUD guidance on verification of excluded income draws a distinction between income which is fully excluded and income which is only partially excluded.

For full excluded income, the PHA is **not** required to follow the verification hierarchy, document why third-party verification is not available, or report the income on the 50058. Fully excluded income is defined as income that is entirely excluded from the annual income determination (for example, food stamps, earned income of a minor, or foster care funds) [Notice PIH 2013-04].

PHAs may accept a family's signed application or reexamination form as self-certification of fully excluded income. They do not have to require additional documentation. However, if there is any doubt that a source of income qualifies for full exclusion; PHAs have the option of requiring additional verification.

For partially excluded income, the PHA **is** required to follow the verification hierarchy and all applicable regulations, and to report the income on the 50058. Partially excluded income is defined as income where only a certain portion of what is reported by the family qualifies to be excluded and the remainder is included in annual income (for example, the income of an adult full-time student, or income excluded under the earned income disallowance).

#### HACB Policy

The HACB will accept the family's self-certification as verification of fully excluded income. The HACB may request additional documentation if necessary to document the income source.

The HACB will verify the source and amount of partially excluded income as described in Part 1 of this chapter.

### **7-III.I. ZERO ANNUAL INCOME STATUS**

#### HACB Policy

The HACB will check UIV sources and/or request information from third-party sources to verify that certain forms of income such as unemployment benefits, TANF, SS, SSI, and earnings are not being received by families claiming to have zero annual income.

HACB may request credit checks for all adult members of families that report zero income. Such families will be required to sign a current authorization prior to requesting the credit report. Where credit reports show expenditures that are incompatible with the claim of zero income, the family will be required to disclose the income source in question. If a credit report indicates an income source, such as an employer, the HACB will verify the amount and type of income directly with the employer. If the family has misrepresented their income, the HACB will take corrective action in accordance with the termination policies contained in this Plan.

### **7-III.J. STUDENT FINANCIAL ASSISTANCE**

Any financial assistance, in excess of amounts received for tuition plus any required fees and charges, that a person attending an institution of higher education receives under the Higher Education Act of 1965, from private sources, or from an institution of higher education must be considered income unless the student is over the age of twenty-three (23) with dependent children, is a student with disabilities or is residing with parents who are seeking or receiving HCV assistance [24 CFR 5.609(b)(9), FR 4/10/06 and FR 7/24/12].

For students over the age of twenty-three (23) with dependent children, or students with disabilities, or students residing with parents who are seeking or receiving HCV assistance, the full amount of student financial assistance is excluded from annual income [24 CFR 5.609(c)(6)]. The full amount of student financial assistance is also excluded for students attending schools that do not qualify as institutions of higher education (as defined in Exhibit 3-2). Excluded amounts are verified only if, without verification, the PHA would not be able to determine whether or to what extent the income is to be excluded (see Section 7-III.H).

#### HACB Policy

For a student subject to having a portion of his/her student financial assistance included in annual income in accordance with 24 CFR 5.609(b)(9), the HACB will request written third-party verification of both the source and the amount. Family-provided documents from the educational institution attended by the student will be requested, as well as documents generated by any other person or entity providing such assistance, as reported by the student.

In addition, the HACB will request written verification of the student's tuition amount.

If the HACB is unable to obtain third-party written verification of the requested information, the HACB will pursue other forms of verification following the verification hierarchy in Section 7-I.B.

### **7-III.K. PARENTAL INCOME OF STUDENTS SUBJECT TO ELIGIBILITY RESTRICTIONS**

If a student enrolled at an institution of higher education is under the age of 24, is not a veteran, is not married, does not have a dependent child, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, the income of the student's parents must be considered when determining income eligibility, unless the student is determined independent from his or her parents or a *vulnerable youth* in accordance with PHA Policy [24 CFR 5.612, FR Notice 4/10/06, p. 18146, and FR Notice 9/21/16].

This provision does not apply to students residing with parents who are seeking or receiving HCV assistance. It is limited to students who are seeking or receiving assistance on their own, separately from their parents.

#### HACB Policy

If the HACB is required to determine the income eligibility of a student's parents, the HACB will request an income declaration and certification of income from the appropriate parent(s) (as determined in Section 3-II.E). The HACB will send the request directly to the parents, who will be required to certify to their income under penalty of perjury. The

parents will be required to submit the information directly to the HACB. The required information must be submitted (postmarked) within ten (10) business days of the date of the HACB's request or within any extended timeframe approved by the HACB.

The HACB reserves the right to request and review supporting documentation at any time if it questions the declaration or certification. Supporting documentation may include, but is not limited to, Internal Revenue Service (IRS) tax returns, consecutive and original pay stubs, bank statements, pension benefit statements, benefit award letters, and other official and authentic documents from a federal, state, or local agency.

#### **PART IV: VERIFYING MANDATORY DEDUCTIONS**

##### **7-IV.A. DEPENDENT AND ELDERLY/DISABLED HOUSEHOLD DEDUCTIONS**

The dependent and elderly/disabled family deductions require only that the PHA verify that the family members identified as dependents or elderly/disabled persons meet the statutory definitions. No further verifications are required.

###### **Dependent Deduction**

See Chapter 6 (6-II.B.) for a full discussion of this deduction. The PHA must verify that:

- Any person under the age of 18 for whom the dependent deduction is claimed is not the head, spouse, or co-head of the family and is not a foster child
- Any person age eighteen (18) or older for whom the dependent deduction is claimed is not a foster adult or live-in aide, and is a person with a disability or a full time student

###### **Elderly/Disabled Family Deduction**

See Eligibility chapter for a definition of elderly and disabled families and Chapter 6 (6-II.C.) for a discussion of the deduction. The PHA must verify that the head, spouse, or co-head is 62 years of age or older or a person with disabilities.

##### **7-IV.B. MEDICAL EXPENSE DEDUCTION**

Policies related to medical expenses are found in 6-II.D. The amount of the deduction will be verified following the standard verification procedures described in Part I.

###### **Amount of Expense**

###### HACB Policy

Families who claim medical expenses will be required to submit a certification as to whether or not any expense payments have been, or will be, reimbursed by an outside source. All expense claims will be verified by one or more of the methods listed below:

1. Written verification by a doctor, hospital or clinic personnel, dentist, pharmacist, of:
  - a) the anticipated medical costs to be incurred by the family and regular payments due on medical bills
  - b) the extent to which those expenses will be reimbursed by insurance or a government agency.

2. Written confirmation by the insurance company or employer of health insurance premiums to be paid by the family.
3. Written confirmation from the Social Security Administration of Medicare premiums to be paid by the family over the next twelve (12) months. A computer printout will be accepted.
4. For attendant care:
  - a) A reliable, knowledgeable professional's certification that the assistance of an attendant is necessary as a medical expense and a projection of the number of hours the care is needed for calculation purposes.
  - b) Attendant's written confirmation of hours of care provided and amount and frequency of payments received from the family or agency (or copies of canceled checks the family used to make those payments) or stubs from the agency providing the services.
5. Receipts, canceled checks, or pay stubs that verify medical costs and insurance expenses likely to be incurred in the next twelve (12) months.
6. Copies of payment agreements or most recent invoice that verify payments made on outstanding medical bills that will continue over all or part of the next twelve (12) months.
7. Receipts or other record of medical expenses incurred during the past twelve (12) months that can be used to anticipate future medical expenses. HACB may use this approach for "general medical expenses" such as non-prescription drugs and regular visits to doctors or dentists, but not for one-time, non-recurring expenses from the previous year.

The PHA will use mileage at the IRS rate, or cab, bus fare, or other public transportation cost for verification of the cost of transportation directly related to medical treatment.

In addition, the PHA must verify that:

- The household is eligible for the deduction.
- The costs to be deducted are qualified medical expenses.
- The expenses are not paid for or reimbursed by any other source.
- Costs incurred in past years are counted only once.

#### **Eligible Household**

The medical expense deduction is permitted only for households in which the head, spouse, or co-head is at least sixty-two (62), or a person with disabilities. The PHA must verify that the family meets the definition of an elderly or disabled family provided in the Eligibility chapter and as described in Chapter 7 (7-IV.A.) of this plan.

#### **Qualified Expenses**

To be eligible for the medical expenses deduction, the costs must qualify as medical expenses. See Chapter 6 (6-II.D.) for the PHA's policy on what counts as a medical expense.

### **Unreimbursed Expenses**

To be eligible for the medical expenses deduction, the costs must not be reimbursed by another source.

#### HACB Policy

The family will be required to certify that the medical expenses are not paid or reimbursed to the family from any source. If expenses are verified through a third party, the third party must certify that the expenses are not paid or reimbursed from any other source.

### **Expenses Incurred in Past Years**

#### HACB Policy

When anticipated costs are related to on-going payment of medical bills incurred in past years, the HACB will verify:

The anticipated repayment schedule

The amounts paid in the past, and

Whether the amounts to be repaid have been deducted from the family's annual income in past years

### **7-IV.C. DISABILITY ASSISTANCE EXPENSES**

Policies related to disability assistance expenses are found in 6-II.E. The amount of the deduction will be verified following the standard verification procedures described in Part I.

#### **Amount of Expense**

##### *Attendant Care*

#### HACB Policy

The HACB will accept written third-party documents provided by the family.

If family-provided documents are not available, the HACB will provide a third-party verification form directly to the care provider requesting the needed information.

Expenses for attendant care will be verified through:

Written third-party documents provided by the family, such as receipts or cancelled checks.

Third-party verification form signed by the provider, if family-provided documents are not available.

If third-party verification is not possible, written family certification as to costs anticipated to be incurred for the upcoming 12 months.

##### *Auxiliary Apparatus*

#### HACB Policy

Expenses for auxiliary apparatus will be verified through:

Written third-party documents provided by the family, such as billing statements for purchase of auxiliary apparatus, or other evidence of monthly payments or total payments that will be due for the apparatus during the upcoming 12 months.

Third-party verification form signed by the provider, if family-provided documents are not available.

If third-party verification is not possible, written family certification of estimated apparatus costs for the upcoming twelve (12) months.

In addition, the PHA must verify that:

- The family member for whom the expense is incurred is a person with disabilities (as described in 7-II.F above).
- The expense permits a family member, or members, to work (as described in 6-II.E.).
- The expense is not reimbursed from another source (as described in 6-II.E.).

#### **Family Member is a Person with Disabilities**

To be eligible for the disability assistance expense deduction, the costs must be incurred for attendant care or auxiliary apparatus expense associated with a person with disabilities. The PHA will verify that the expense is incurred for a person with disabilities (See 7-II.F.).

#### **Family Member(s) Permitted to Work**

The PHA must verify that the expenses claimed actually enable a family member, or members, (including the person with disabilities) to work.

##### HACB Policy

The HACB will request third-party verification from a rehabilitation agency or knowledgeable medical professional indicating that the person with disabilities requires attendant care or an auxiliary apparatus to be employed, or that the attendant care or auxiliary apparatus enables another family member, or members, to work (See 6-II.E.). This documentation may be provided by the family.

If third-party verification has been attempted and is either unavailable or proves unsuccessful, the family must certify that the disability assistance expense frees a family member, or members (possibly including the family member receiving the assistance), to work.

#### **Unreimbursed Expenses**

To be eligible for the disability expenses deduction, the costs must not be reimbursed by another source.

##### HACB Policy

The family will be required to certify that attendant care or auxiliary apparatus expenses are not paid by or reimbursed to the family from any source.



#### **7-IV.D. CHILD CARE EXPENSES**

Policies related to child care expenses are found in Chapter 6 (6-II.F). The amount of the deduction will be verified following the standard verification procedures described in Part I of this chapter. In addition, the PHA must verify that:

- The child is eligible for care (12 or younger).
- The costs claimed are not reimbursed.
- The costs enable a family member to work, actively seek work, or further their education.
- The costs are for an allowable type of child care.
- The costs are reasonable.

##### **Eligible Child**

To be eligible for the child care deduction, the costs must be incurred for the care of a child under the age of 13. The PHA will verify that the child being cared for (including foster children) is under the age of 13 (See 7-II.C.).

##### **Unreimbursed Expense**

To be eligible for the child care deduction, the costs must not be reimbursed by another source.

##### HACB Policy

The family (and the care provider) will be required to certify that the child care expenses are not paid or reimbursed to the family from any source.

##### **Pursuing an Eligible Activity**

The PHA must verify that the family member(s) that the family has identified as being enabled to seek work, pursue education, or be gainfully employed, are actually pursuing those activities.

##### HACB Policy

##### *Information to be Gathered*

The HACB will verify information about how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the time required for study (for students), the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

##### *Seeking Work*

Whenever possible the HACB will use documentation from a state or local agency that monitors work-related requirements (e.g., welfare or unemployment). In such cases the HACB will request family-provided verification from the agency of the member's job seeking efforts to date, and require the family to submit to the HACB any reports provided to the other agency.

In the event third-party verification is not available, the HACB will provide the family with a form on which the family member must record job search efforts. The HACB will review this information at each subsequent reexamination for which this deduction is claimed.

#### *Furthering Education*

The HACB will request third-party documentation to verify that the person permitted to further his or her education by the child care is enrolled and provide information about the timing of classes for which the person is registered. The documentation may be provided by the family.

#### *Gainful Employment*

The HACB will seek third-party verification of the work schedule of the person who is permitted to work by the child care. In cases in which two or more family members could be permitted to work, the work schedules for all relevant family members may be verified. The documentation may be provided by the family.

### **Allowable Type of Child Care**

The type of care to be provided is determined by the family, but must fall within certain guidelines, as discussed in Chapter 6.

#### HACB Policy

The HACB will verify that the type of child care selected by the family is allowable, as described in Chapter 6 (6-II.F).

The HACB will verify that the fees paid to the child care provider cover only child care costs (e.g., no housekeeping services or personal services) and are paid only for the care of an eligible child (e.g., prorate costs if some of the care is provided for ineligible family members).

The HACB will verify that the child care provider is not an assisted family member. Verification will be made through the head of household's declaration of family members who are expected to reside in the unit.

### **Reasonableness of Expenses**

Only reasonable child care costs can be deducted.

#### HACB Policy

The actual costs the family incurs will be compared with the HACB's established standards of reasonableness for the type of care in the locality to ensure that the costs are reasonable.

If the family presents a justification for costs that exceed typical costs in the area, the HACB will request additional documentation, as required, to support a determination that the higher cost is appropriate.

**EXHIBIT 7-1: SUMMARY OF DOCUMENTATION REQUIREMENTS  
FOR NONCITIZENS [HCV GB, pp. 5-9 and 5-10]**

- All noncitizens claiming eligible status must sign a declaration of eligible immigrant status on a form acceptable to the PHA.
- Except for persons 62 or older, all noncitizens must sign a verification consent form
- Additional documents are required based upon the person's status.

**Elderly Noncitizens**

- A person 62 years of age or older who claims eligible immigration status also must provide proof of age such as birth certificate, passport, or documents showing receipt of SS old-age benefits.

**All other Noncitizens**

- Noncitizens that claim eligible immigration status also must present the applicable USCIS document. Acceptable USCIS documents are listed below.

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>• Form I-551 Alien Registration Receipt Card (for permanent resident aliens)</li> <li>• Form I-94 Arrival-Departure Record annotated with one of the following: <ul style="list-style-type: none"> <li>• “Admitted as a Refugee Pursuant to Section 207”</li> <li>• “Section 208” or “Asylum”</li> <li>• “Section 243(h)” or “Deportation stayed by Attorney General”</li> <li>• “Paroled Pursuant to Section 221 (d)(5) of the USCIS”</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• Form I-94 Arrival-Departure Record with no annotation accompanied by: <ul style="list-style-type: none"> <li>• A final court decision granting asylum (but only if no appeal is taken);</li> <li>• A letter from a USCIS asylum officer granting asylum (if application is filed on or after 10/1/90) or from a USCIS district director granting asylum (application filed before 10/1/90);</li> <li>• A court decision granting withholding of deportation; or</li> <li>• A letter from an asylum officer granting withholding or deportation (if application filed on or after 10/1/90).</li> </ul> </li> </ul> |
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| <ul style="list-style-type: none"> <li>• Form I-688 Temporary Resident Card annotated “Section 245A” or Section 210”.</li> </ul> | <ul style="list-style-type: none"> <li>• Form I-688B Employment Authorization Card annotated “Provision of Law 274a.12(11)” or “Provision of Law 274a.12”.</li> </ul> |
|--|---|

- A receipt issued by the USCIS indicating that an application for issuance of a replacement document in one of the above listed categories has been made and the applicant’s entitlement to the document has been verified; or
- Other acceptable evidence. If other documents are determined by the USCIS to constitute acceptable evidence of eligible immigration status, they will be announced by notice published in the *Federal Register*

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## Chapter 8

### HOUSING QUALITY STANDARDS AND RENT REASONABLENESS DETERMINATIONS

[24 CFR 982  
Subpart I and 24 CFR 982.507]

#### INTRODUCTION

HUD requires that all units occupied by families receiving Housing Choice Voucher (HCV) assistance meet HUD's Housing Quality Standards (HQS) and permits the PHA to establish additional requirements. The use of the term "HQS" in this plan refers to the combination of both HUD and PHA-established requirements.

All units must pass an HQS inspection prior to the approval of a lease and at least once every 24 months during the term of the contract, and at other times as needed, to determine that the unit meets HQS.

HUD also requires PHAs to determine that rents for units under the program are reasonable when compared to comparable unassisted units in the market area.

This chapter explains HUD and PHA requirements related to housing quality and rent reasonableness as follows:

Part I. Physical Standards. This part discusses the physical standards required of units occupied by HCV-assisted families and identifies decisions about the acceptability of the unit that may be made by the family based upon the family's preference. It also identifies life-threatening conditions that must be addressed on an expedited basis.

Part II. The Inspection Process. This part describes the types of inspections the PHA will make and the steps that will be taken when units do not meet HQS.

Part III. Rent Reasonableness Determinations. This part discusses the policies the PHA will use to make rent reasonableness determinations.

Special HQS requirements for homeownership, manufactured homes, and other special housing types are discussed in Chapter 15 to the extent that they apply in this jurisdiction.

#### PART I: PHYSICAL STANDARDS

##### 8-I.A. GENERAL HUD REQUIREMENTS

###### HUD Performance and Acceptability Standards

HUD's performance and acceptability standards for HCV-assisted housing are provided in 24 CFR 982.401. These standards cover the following areas:

- Sanitary facilities
- Food preparation and refuse disposal
- Space and Security
- Thermal Environment

- Illumination and electricity
- Structure and materials
- Interior Air Quality
- Water Supply
- Lead-based paint
- Access
- Site and neighborhood
- Sanitary condition
- Smoke Detectors
- Carbon Monoxide Detectors

A summary of HUD performance criteria is provided in Attachment 8-1. Additional guidance on these requirements is found in the following HUD resources:

- Housing Choice Voucher Guidebook, Chapter 10.
- HUD Housing Inspection Manual for Section 8 Housing
- HUD Inspection Form, form HUD-52580 (3/01) and Inspection Checklist, form HUD-52580-A (9/00)
- HUD Notice 2003-31, Accessibility Notice: Section 504 of the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Architectural Barriers Act of 1968 and the Fair Housing Act of 1988.

#### **Tenant Preference Items**

HUD requires the PHA to enforce minimum HQS but also recognizes that certain judgments about the acceptability of the unit are left to the family. For example, the PHA must ensure that the unit contains the required sanitary facilities, but the family decides whether the cosmetic appearance of the facilities is acceptable. Attachment 8-2 summarizes those items that are considered tenant preferences.

#### **Modifications to Provide Accessibility**

Under the Fair Housing Act of 1988 an owner must not refuse the request of a family that contains a person with a disability to make necessary and reasonable modifications to the unit. Such modifications are at the family's expense. The owner may require restoration of the unit to its original condition if the modification would interfere with the owner or next occupant's full enjoyment of the premises. The owner may not increase a customarily required security deposit. However, the landlord may negotiate a restoration agreement that requires the family to restore the unit and, if necessary to ensure the likelihood of restoration, may require the tenant to pay a reasonable amount into an interest bearing escrow account over a reasonable period of time. The interest in any such account accrues to the benefit of the tenant. The owner may also require reasonable assurances that the quality of the work will be acceptable and that any required building permits will be obtained.[24 CFR 100.203; Notice 2003-31].

Modifications to units to provide access for a person with a disability must meet all applicable HQS requirements and conform to the design, construction, or alteration of facilities contained in the UFAS and the ADA Accessibility Guidelines (ADAAG) [28 CFR 35.151(c) and Notice 2003-31] See Chapter 2 of this plan for additional information on reasonable accommodations for persons with disabilities.

HACB Policy

Any owner that intends to negotiate a restoration agreement or require an escrow account must submit the agreement(s) to the HACB for review.

**8-1.B. ADDITIONAL LOCAL REQUIREMENTS**

The PHA may impose variations to the HQS as long as the additional criteria are not likely to adversely affect the health or safety of participant families or severely restrict housing choices for families. HUD approval is required for variations to the HQS. HUD approval is not required if the variations are clarifications of HUD's acceptability criteria or performance standards [24 CFR 982.401(a)(4)].

**Thermal Environment [HCV GB p.10-7]**

The PHA must define a "healthy living environment" for the local climate. This may be done by establishing a temperature that the heating system must be capable of maintaining, that is appropriate for the local climate.

HACB Policy

The heating system must be capable of maintaining an interior temperature of 65 degrees Fahrenheit between October 1 and May 1.

**Clarifications of HUD Requirements**

HACB Policy

As permitted by HUD, the HACB has adopted the following specific requirements that elaborate on HUD standards.

***Walls***

In areas where plaster or drywall is sagging, severely cracked, or otherwise damaged, it must be repaired or replaced.

***Windows***

Window sashes must be in good condition, solid and intact, and properly fitted to the window frame. Damaged or deteriorated sashes must be replaced.

Windows must be weather-stripped as needed to ensure a weather-tight seal and lockable.

Window screens must be in good condition (applies only if screens are present).

***Doors***

All exterior doors must be weather-tight to avoid any air or water infiltration, be lockable, have no holes, have all trim intact, have a threshold and all main swing entry doors must have a deadbolt with thumb turn.

All interior doors must have no holes, have all trim intact, and be openable without the use of a key. All bedrooms must have an installed privacy door.

**Floors**

All wood floors must be sanded to a smooth surface and sealed. Any loose or warped boards must be re-secured and made level. If they cannot be leveled, they must be replaced.

All floors must be in a finished state. Raw wood or unsealed concrete is not permitted.

All floors should have some type of base-shoe, trim, or sealing for a "finished look." Vinyl base-shoe is permitted.

**Sinks**

All sinks and commode water lines must have shut off valves, unless faucets are wall mounted.

**Toilets**

All worn or cracked toilet seats and tank lids must be replaced and toilet tank lid must fit properly.

**Security**

If window security bars or security screens are present on emergency exit windows, they must be equipped with a quick release system. The owner is responsible for ensuring that the family is instructed on the use of the quick release system.

**Bedrooms:**

Bedrooms in basements or attics are not allowed unless they meet local code requirements and must have adequate ventilation and emergency exit capability.

Minimum bedroom sizes will be seventy (70) square feet.

Bedrooms must have a permanently installed closet.

**Modifications:**

Modifications or adaptations to a unit due to a disability must meet all applicable HQS and building codes.

Extensions for repair items not required by HQS will be granted for modifications/adaptations to the unit if agreed to by the tenant and landlord. HACB will allow execution of the HAP contract if unit meets all requirements and the modifications do not affect the livability of the unit.

**8-I.C. LIFE-THREATENING CONDITIONS [24 CFR 982.404(a); FR Notice 1/18/17]**

HUD requires the PHA to define life-threatening conditions and to notify the owner or the family (whichever is responsible) of the corrections required. The responsible party must correct life-threatening conditions within twenty-four (24) hours of PHA notification.

HACB Policy

The following are considered life-threatening conditions:

Any condition that jeopardizes the security of the unit

Major plumbing leaks or flooding, waterlogged ceiling or floor in imminent danger of falling

Natural or LP gas or fuel oil leaks

A fuel storage vessel, fluid line, valve, or connection that supplies fuel to a HVAC unit is leaking or a strong odor is detected with potential for explosion or fire or that results in a health risk if inhaled

Any electrical problem or condition that could result in shock or fire

A light fixture is readily accessible, is not securely mounted to the ceiling or wall, and electrical connections or wires are exposed

A light fixture is hanging by its wires

A light fixture has a missing or broken bulb, and the open socket is readily accessible to the tenant during the day-to-day use of the unit

A receptacle (outlet) or switch is missing or broken and electrical connections or wires are exposed

An open circuit breaker position is not appropriately blanked off in a panel board, main panel board, or other electrical box that contains circuit breakers or fuses

A cover is missing from any electrical device box, panel box, switch gear box, control panel, etc. and there are exposed electrical connections

Any nicks, abrasions, or fraying of the insulation that exposes conducting wire

Exposed bare wires or electrical connections

Any condition that results in opening in electrical panels or electrical control device enclosures

Water leaking or ponding near any electrical device

Any condition that poses a serious risk of electrocution or fire and poses an immediate life-threatening condition

Absence of a working heating system when outside temperature is below sixty (60°) degrees Fahrenheit.

Utilities not in service, including no running hot water

Conditions that present the imminent possibility of injury

Obstacles that prevent safe entrance or exit from the unit

Any components that affect the function of the fire escape are missing or damaged



Stored items or other barriers restrict or prevent the use of the fire escape in the event of an emergency

The building's emergency exit is blocked or impeded, thus limiting the ability of occupants to exit in a fire or other emergency

Absence of a functioning toilet in the unit

Inoperable or missing smoke detectors

Missing, damaged, discharged, overcharged, or expired fire extinguisher (where required)

Gas/oil-fired water heater or heating, ventilation, or cooling system with missing, damaged, improper, or misaligned chimney venting

The chimney or venting system on a fuel-fired water heater is misaligned, negatively pitched, or damaged, which may cause improper or dangerous venting or gases

A gas dryer vent is missing, damaged, or is visually determined to be inoperable, or the dryer exhaust is not vented to the outside

A fuel-fired space heater is not properly vented or lacks available combustion air

A non-vented space heater is present

Safety devices on a fuel-fired space heater are missing or damaged

The chimney or venting system on a fuel-fired heating, ventilation, or cooling system is misaligned, negatively pitched, or damaged, which may cause improper or dangerous venting of gas

Deteriorating paint as defined at 24 CFR 35.110 in a unit built before 1978 that is to be occupied by a family with a child under six years of age if it would prevent the family from moving into the unit

Carbon monoxide detectors must be installed in single-family homes by July 1, 2011 and all other residential units by January 1, 2013 whenever a unit has appliances that require fossil fuels to generate any type of energy such as: gas burning fireplaces, heaters, stoves, dryers and any other appliance. The carbon monoxide detectors are required to be installed outside of each sleeping area or bedroom and on each level of a unit.

Air conditioning or swamp coolers are not required by the HQS standards and do not constitute a life-threatening condition if not present.

If an owner fails to correct life-threatening conditions as required by the HACB, the HACB will enforce the HQS in accordance with HUD requirements. See 8-II-G.

If a family fails to correct a family-caused life-threatening condition as required by the HACB, the HACB will enforce the family obligations. See 8-II.H.

The owner will be required to repair an inoperable smoke detector unless the HACB determines that the family has intentionally disconnected it (by removing batteries or other

means). In this case, the family will be required to repair the smoke detector within twenty-four (24) hours.

After July 1, 2015 any installations of battery operated smoke detectors (new installs or replacements) must be with detectors that have ten (10) year non-removable batteries, provide a place on the device to where the date of installation can be written, incorporate a hush feature and display the date of manufacture [California SB 1394 and SB 745].

#### **8-I.D. OWNER AND FAMILY RESPONSIBILITIES [24 CFR 982.404]**

##### **Family Responsibilities**

The family is responsible for correcting the following HQS deficiencies:

- Tenant-paid utilities not in service
- Failure to provide or maintain appliances owned by the family
- Damage to the unit or premises caused by a household member or guest beyond “normal wear and tear” that result in a breach of the HQS. "Normal wear and tear" is defined as items which could not be charged against the tenant's security deposit under state law or court practice.

##### **Owner Responsibilities**

The owner is responsible for all HQS violations not listed as a family responsibility above, even if the violation is caused by the family's living habits (e.g., vermin infestation). However, if the family's actions constitute a serious or repeated lease violation the owner may take legal action to evict the family.

#### **8-I.E. SPECIAL REQUIREMENTS FOR CHILDREN WITH ENVIRONMENTAL INTERVENTION BLOOD LEAD LEVEL [24 CFR 35.1225; FR Notice 1/13/17; Notice PIH 2017-13]**

If a PHA is notified by a public health department or other medical health care provider, or verifies information from a source other than a public health department or medical health care provider, that a child of less than six (6) years of age, living in an HCV-assisted unit has been identified as having an environmental intervention blood lead level, the PHA must complete a risk assessment of the dwelling unit within 15 calendar days after being notified by a public health department or other medical health care provider. The risk assessment must be completed in accordance with program requirements, and the result of the risk assessment must be immediately provided to the owner of the dwelling unit. In cases where the public health department has already completed an evaluation of the unit, this information must be provided to the owner.

Within thirty (30) days after receiving the risk assessment report from the PHA, or the evaluation from the public health department, the owner is required to complete the reduction of identified lead-based paint hazards in accordance with the lead-based paint regulations [24 CFR 35.1325 and 35.1330]. If the owner does not complete the “hazard reduction” as required, the dwelling unit is in violation of HQS and the PHA will take action in accordance with Section 8-II.G.

PHA reporting requirements, and data collection and record keeping responsibilities related to children with an environmental intervention blood lead level are discussed in Chapter 16.

For Housing Choice Voucher (HCV) units, when a child under 6 is identified with an EBLL, the PHA or the owner, as described below, must take certain steps. For the HCV program, the

regulations identify the PHA as the designated party for ensuring compliance with all the regulations. This includes the same steps as for public housing, except that the owner is responsible for some of the steps, and the PHA, other steps. In addition, for several steps, as described below, the PHA may wish to collaborate with the owner to expedite implementation.

The Owner is responsible for:

- **Initial notification of a confirmed case to HUD:** Notifying the HUD field office and the HUD Office of Lead Hazard Control and Healthy Homes of the case – that is, the child’s address – within 5 business days. The PHA may wish to collaborate with the owner on this notification process, such as by agreeing with the owner to be notified of the case by the owner and to forward the notification to the two HUD offices.
- **Initial notification of the public health department, when necessary:** When the owner is notified of the case by any medical health care professional other than the public health department, the owner shall notify the public health department of the name and address of the child within 5 business days. The PHA may wish to collaborate with the owner on this notification process, such as by agreeing with the owner to inform the public health department.
- **Verification of the case, when necessary:** When the owner receives information from a person who is not a medical health care provider that a case may have occurred, the owner should immediately convey the information to the PHA so the PHA may notify the public health department, if the PHA has indicated, or indicates at this item that it wishes to collaborate with the owner on implementation of the rule, as described below.
- **Control of lead-based paint hazards:** Completing the reduction of lead-based paint hazards in the index unit and common areas servicing that unit that were identified by the environmental investigation conducted by the PHA within 30 calendar days, using a certified lead-based paint abatement firm or certified lead renovation firm. Work shall include occupant protection, and clearance of the unit and common areas servicing that unit by an independent certified risk assessor or a trained dust sampling technician working under the risk assessor in accordance with section 35.1340.
- **Notification to other residents:** As already required by the LSHR, in a multiunit property, the owner must notify all residents of lead evaluation and hazard control activities.
- **Ongoing maintenance:** Maintaining covered housing without deteriorated paint if there is child under 6 in the family in accordance with sections 35.1220 and 35.1355(a).

The PHA is responsible for:

- **Verification of the case, when notification is not from a medical health care provider:** The PHA may wish to collaborate with the owner on this verification of an EBLL case, such as by agreeing with the owner to receive the information about the possible case. The PHA shall immediately verify the information with the public health department or other medical health care provider.
- **Environmental Investigation:** Conducting an environmental investigation of the child’s unit and the common areas servicing that unit in accordance with Chapter 16 of the HUD Guidelines. If lead-based paint hazards are found in the child’s unit (the index unit) in a multiunit property, see section 9 below regarding risk assessments to be conducted in other covered units with a child under age 6 and the common areas servicing those units.

- Monitoring of owner's compliance with LSHR:** Monitoring the owner's compliance with the LSHR in accordance with the Housing Assistance Payments (HAP) contract between the PHA and the owner. PHAs can perform oversight of this in conjunction with periodic Housing Quality Standards (HQS) inspections, but not at a frequency less than annually if there was deteriorated paint or known lead-based paint hazards identified in the child's unit or common areas servicing that unit. This includes such actions as (see above) monitoring the owner's:
  - o Notifying HUD of a confirmed case;
  - o Notifying the public health department when any other medical health care professional notified the owner of the case;
  - o Verifying the case when the owner receives information from a person who is not a medical health care provider that a case may have occurred;
  - o Ensuring that any required lead hazard control (including passing clearance) is complete;
  - o Ensuring that residents of other units in a multiunit property were notified of lead evaluation and hazard control activities; and
  - o Ensuring that ongoing maintenance of paint is conducted in accordance with sections 35.1220 and 35.1355(a).
- Control:** Ensuring the owner completes and clears the control of lead-based paint hazards identified in the Environmental Investigation of the index unit and the common areas servicing that unit. If lead-based paint hazards are found in the index unit in a multiunit property, and the risk assessments in other covered units with a child under age 6 and the common areas servicing those units identified lead-based paint hazards, control those lead-based paint hazards.

The PHA may wish to collaborate with the owner on the response, including providing the names of qualified and certified lead hazard control contractors, providing for the clearance examination, and ensuring notification to other residents in a multi-unit property.

The following table summarizes the responsibilities of PHAs and HCV rental property owners for compliance when a child in the HCV program is identified with an EBLL.

Activity	Responsible Entity	
	PHA	HCV Owner
Initial notification of confirmed case to HUD	▪	√
Verification, when necessary	√	▪
Initial notification of confirmed case to public health department, when necessary	▪	√
Environmental Investigation	√	
Lead Hazard Control		√
Clearance after work completed	▪	√
Notification to other residents		√

Ongoing LBP Maintenance		√
Monitoring of owner's compliance with LSHR and HQS	√	

\* The PHA may wish to collaborate with the owner on implementing this process, as described above.

**8-1.F. VIOLATION OF HQS SPACE STANDARDS [24 CFR 982.401, 24 CFR 982.403]**

A dwelling unit must:

- Provide adequate space and security for the family
- Have at least one bedroom or living/sleeping room for each two persons

A unit that does not meet these HQS space standards is defined as *overcrowded*.

A living room may be used as sleeping (bedroom) space, but no more than two persons may occupy the space [HCV GB p. 10-6]. A bedroom or living/sleeping room must have at least:

- One window
- Two electrical outlets in proper operating condition (permanent overhead or wall-mounted light fixtures may count as one of the required electrical outlets)

If the PHA determines that a unit is overcrowded because of an increase in family size or a change in family composition, the PHA must issue the family a new voucher, and the family and PHA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, the PHA must terminate the HAP contract in accordance with its terms.

**PART II: THE INSPECTION PROCESS**

**8-II.A. OVERVIEW [24 CFR 982.405]**

**Types of Inspections**

The PHA conducts the following types of inspections as needed. Each type of inspection is discussed in the paragraphs that follow.

- *Initial Inspections.* The PHA conducts initial inspections in response to a request from the family to approve a unit for participation in the HCV program. *Annual/Biennial Inspections.* HUD requires the PHA to inspect each unit under lease at least annually or biennially, depending on PHA policy, to confirm that the unit still meets HQS. The inspection may be conducted in conjunction with the family's annual reexamination but also may be conducted separately.
- *Special Inspections.* A special inspection may be requested by the owner, the family, or a third party as a result of problems identified with a unit between annual inspections.
- *Quality Control Inspections.* HUD requires that a sample of units be inspected by a supervisor or other qualified individual to evaluate the work of the inspector(s) and to ensure that inspections are performed in compliance with the HQS.

**Inspection of PHA-Owned Units [24 CFR 982.352(b)]**

The PHA must obtain the services of an independent entity to perform all HQS inspections in cases where an HCV family is receiving assistance in a PHA-owned unit. A PHA-owned unit is defined as a unit that is owned by the PHA that administers the assistance under the consolidated ACC (including a unit owned by an entity substantially controlled by the PHA). The independent agency must communicate the results of each inspection to the family and the PHA. The independent agency must be approved by HUD, and may be the unit of general local government for the PHA jurisdiction (unless the PHA is itself the unit of general local government or an agency of such government).

#### HACB Policy

The HACB may perform all HQS inspections if receives waiver from HUD.

#### **Inspection Costs [Notice PIH 2016-05]**

The PHA may not charge the family for unit inspections or reinspections [24 CFR 982.405(e)]. In the case of inspections of PHA-owned units, the PHA may compensate the independent agency from ongoing administrative fee for inspections performed. The PHA and the independent agency may not charge the family any fee or charge for the inspection [24 CFR.982.352(b)].

The PHA may not charge the owner for the inspection of the unit prior to the initial term of the lease or for a first inspection during assisted occupancy of the unit. However, the PHA may charge a reasonable fee to owners for reinspections in two situations: when the owner notifies the PHA that a repair has been made but the deficiency has not been corrected, and when the time for repairs has elapsed and the deficiency has not been corrected. Fees may not be imposed for tenant-caused damages, for cases in which the inspector could not gain access to the unit, or for new deficiencies discovered during a reinspection.

The owner may not pass the cost of a reinspection fee to the family. Reinspection fees must be added to the PHA's administrative fee reserves and may only be used for activities related to the provision of tenant-based assistance.

#### HACB Policy

The HACB will not charge a fee for failed reinspections.

#### **Notice and Scheduling**

The family must allow the PHA to inspect the unit at reasonable times with reasonable notice [24 CFR 982.551(d)].

#### HACB Policy

Both the family and the owner will be given reasonable notice of all inspections. Except in the case of a life threatening emergency, reasonable notice is considered to be not less than twenty-four (24) hours. Inspections may be scheduled and conducted between the hours of 8:00 a.m. and 5:00 p.m., unless otherwise agreed upon by the HACB and the family. Generally inspections will be conducted on business days only. In the case of a life threatening emergency, the HACB will give as much notice as possible, given the nature of the emergency. The HACB will notify the family in writing or by telephone to schedule an inspection.

#### **Owner and Family Inspection Attendance**

HUD permits the PHA to set policy regarding family and owner presence at the time of inspection [HCV GB p. 10-27].

HACB Policy

When a family occupies the unit at the time of inspection an adult family member must be present for the inspection. The presence of the owner or the owner's representative is encouraged but is not required. If the family is unable to be present, they must make prior arrangements for a responsible adult to be present to allow entry to the Housing Inspector or they must reschedule the appointment so that the inspection is completed within five (5) business days.

At initial inspection of a vacant unit, the HACB will inspect the unit in the presence of the owner or owner's representative. The presence of a family representative is permitted, but is not required.

**8-II.B. INITIAL HQS INSPECTION [24 CFR 982.401(a)]**

**Initial Inspections [FR Notice 1/18/17]**

The PHA may, but is not required to approve assisted tenancy and start HAP if the unit fails HQS inspection, but only if the deficiencies identified are non-life-threatening. Further, the PHA may, but is not required to, authorize occupancy if a unit passed an alternative inspection in the last 24 months.

HACB Policy

The unit must pass the HQS inspection on or before the effective date of the HAP contract.

The HACB will not rely on alternative inspections and will conduct an HQS inspection for each unit prior to executing a HAP contract with the owner.

**Timing of Initial Inspections**

HUD requires PHAs with fewer than 1,250 budgeted units to complete the initial inspection, determine whether the unit satisfies HQS, and notify the owner and the family of the determination within 15 days of submission of the Request for Tenancy Approval (RTA). For PHAs with 1,250 or more budgeted units, to the extent practicable such inspection and determination must be completed within 15 days. The 15-day period is suspended for any period during which the unit is not available for inspection [982.305(b)(2)].

HACB Policy

The HACB will complete the initial inspection, determine whether the unit satisfies HQS, and notify the owner and the family of the determination within fifteen (15) days of submission of the Request for Tenancy Approval (RTA).

**Inspection Results and Re-inspections**

HACB Policy

If any HQS violations are identified, the owner will be notified of the deficiencies and be given a time frame to correct them. If requested by the owner, the time frame for correcting the deficiencies may be extended by the HACB for good cause. The HACB will attempt to

re-inspect the unit within five (5) business days of the date the owner notifies the HACB that the required corrections have been made.

If the time period for correcting the deficiencies (or any HACB-approved extension) has elapsed, or the unit fails HQS at the time of the re-inspection, the HACB will notify the owner and the family that the unit has been rejected and that the family must search for another unit. The HACB may agree to conduct a second re-inspection, for good cause, at the request of the family and owner.

Following a failed re-inspection, the family may submit a new Request for Tenancy Approval after the owner has made repairs, if they are unable to locate another suitable unit.

### **Utilities**

Generally, at initial lease-up the owner is responsible for demonstrating that all utilities are in working order including those utilities that the family will be responsible for paying.

#### HACB Policy

If utility service is not available for testing at the time of the initial inspection, the HACB will allow the utilities to be placed in service after the unit has met all other HQS requirements. The HACB will re-inspect the unit to confirm that utilities are operational before the HAP contract is executed by the HACB.

### **Appliances [Form HUD-52580]**

#### HACB Policy

If the family is responsible for supplying the stove and/or refrigerator, the HACB will allow the stove and refrigerator to be placed in the unit after the unit has met all other HQS requirements. The required appliances must be in place before the HAP contract is executed by the HACB. The HACB will execute the HAP contract based upon a certification from the family that the appliances have been installed and are working. A confirmatory inspection will be scheduled within thirty (30) days of HAP contract approval.

### **8-II.C. ANNUAL/BIENNIAL HQS INSPECTIONS [24 CFR 982.405; 982.406; Notice PIH 2016-05]**

#### HACB Policy

Each unit under HAP contract must be inspected within 12 months of the last full HQS inspection.

The HACB will not relay on alternative inspection standards.

The HACB will accept the results of inspections performed by HUD or for other housing programs such as HOME or LIHTC.

### **Scheduling the Inspection**

#### HACB Policy

The HACB conducts an inspection in accordance with Housing Quality Standards at least annually so that the inspections are conducted at least annually, as required by Section



Eight Management Assessment Program (SEMAP). Special inspections may be scheduled between anniversary dates. In any case, all units will be inspected within ninety (90) to one hundred and twenty (120) calendar days prior to the anniversary date of the contract. HQS deficiencies which cause a unit to fail must be corrected by the landlord unless it is a fail for which the tenant is responsible. The family must allow the HACB to inspect the unit at reasonable times with reasonable notice [24 CFR 982.551 (d)]. Inspections will normally be conducted on business days. Reasonable hours to conduct an inspection are normally between 8:00 AM and 5:00 PM. The HACB will notify the family in writing or by telephone to schedule an inspection. Twenty four (24) hours' notice will be given to families prior to an inspection unless the family requests otherwise.

The family and owner will be notified of the date and time of the inspection appointment by mail or by phone. If the family is unable to be present, they must make prior arrangements for a responsible adult to be present to allow entry to the Housing Inspector or they must reschedule the appointment so that the inspection is completed within five (5) business days. The HACB will consider the family to have violated a Family Obligation and the family's assistance will be terminated in accordance with the termination procedure identified in Chapter 12 in the following cases:

1. The family does not contact the HACB to reschedule the inspection within five (5) business days after a missed appointment, or
2. The family misses two (2) consecutive scheduled or rescheduled appointments.

The PHA is under no obligation to automatically reschedule a missed appointment.

#### **8-II.D. SPECIAL INSPECTIONS [24 CFR 928.405(g)]**

If a participant or government official reports a life-threatening condition which the owner would be required to repair within 24 hours, the PHA must inspect the unit within 24 hours of notification. If the reported condition is not life-threatening, the PHA must inspect the unit within 15 days of notification.

##### HACB Policy

During a special inspection, the HACB generally will inspect only those deficiencies that were reported. However, the inspector will record any additional HQS deficiencies that are observed and will require the responsible party to make the necessary repairs.

If the annual inspection has been scheduled or is due within ninety (90) days of the date the special inspection is scheduled the HACB may elect to conduct a full annual inspection.

#### **8-II.E. QUALITY CONTROL INSPECTIONS [24 CFR 982.405(b); HCV GB, p. 10-32]**

HUD requires a PHA supervisor or other qualified person to conduct quality control inspections of a sample of units to ensure that each inspector is conducting accurate and complete inspections and that there is consistency in the application of the HQS.

The unit sample must include only units that have been inspected within the preceding three (3) months. The selected sample will include (1) each type of inspection (initial, annual, and special), (2) inspections completed by each inspector, and (3) units from a cross-section of neighborhoods.

## **8-II.F. INSPECTION RESULTS AND REINSPECTIONS FOR UNITS UNDER HAP CONTRACT**

### **Notification of Corrective Actions**

The owner and the family will be notified in writing of the results of all inspections. When an inspection identifies HQS failures, the PHA will determine (1) whether or not the failure is a life threatening condition and (2) whether the family or owner is responsible.

#### HACB Policy

When life threatening conditions are identified, the HACB will immediately notify both parties by telephone, facsimile, or email. The notice will specify who is responsible for correcting the violation. The corrective actions must be taken within twenty-four (24) hours of the HACB's notice.

When failures that are not life threatening are identified, the HACB will send the owner and the family a written notification of the inspection results within five (5) business days of the inspection. The written notice will specify who is responsible for correcting the violation, and the time frame within which the failure must be corrected. Generally not more than thirty (30) days will be allowed for the correction.

The notice of inspection results will inform the owner that if life threatening conditions are not corrected within twenty-four (24) hours, and non-life threatening conditions are not corrected within the specified time frame (or any HACB-approved extension), the owner's HAP will be abated in accordance with HACB Policy (see 8-II.G.). The maximum period of abatement is fifteen (15) calendar days. Likewise, in the case of family caused deficiencies, the notice will inform the family that if corrections are not made within the specified time frame (or any HACB-approved extension, if applicable) the family's assistance will be terminated in accordance with HACB Policy (see Chapter 12).

### **Extensions**

For conditions that are life-threatening, the PHA cannot grant an extension to the twenty-four (24) hour corrective action period. For conditions that are not life-threatening, the PHA may grant an exception to the required time frames for correcting the violation, if the PHA determines that an extension is appropriate [24 CFR 982.404].

#### HACB Policy

Extensions will be granted in cases where the HACB has determined that the owner has made a good faith effort to correct the deficiencies and is unable to for reasons beyond the owner's control. Reasons may include, but are not limited to:

A repair cannot be completed because required parts or services are not available.

A repair cannot be completed because of weather conditions.

A reasonable accommodation is needed because the family includes a person with disabilities.

The length of the extension will be determined on a case by case basis, but will not exceed sixty (60) days, except in the case of delays caused by weather conditions. In the case of weather conditions, extensions may be continued until the weather has improved sufficiently to make repairs possible. The necessary repairs must be made within fifteen (15) calendar days, once the weather conditions have subsided.

### **Reinspections**

#### HACB Policy

The HACB will conduct a re-inspection immediately following the end of the corrective period, or any HACB approved extension.

The family and owner will be given reasonable notice of the re-inspection appointment. If the deficiencies have not been corrected by the time of the re-inspection, the HACB will send a notice of abatement to the owner, or in the case of family caused violations, a notice of termination to the family, in accordance with HACB policies. The maximum period of the abatement is fifteen (15) days. If the HACB is unable to gain entry to the unit in order to conduct the scheduled re-inspection, the HACB will consider the family to have violated its obligation to make the unit available for inspection. This may result in termination of the family's assistance in accordance with Chapter 12.

### **HQS Repair Certification**

#### HACB Policy

The HACB inspector will determine during the failed inspection of a unit under HAP contract if the unit/owner is eligible to submit an HQS Repair Certification. If eligible, this will be conveyed in the notice of failed inspection along with the list of items requiring repair. The owner will have twenty (20) calendar days from the date of the failed inspection to complete and submit the form, and return to HACB with appropriate documentation, i.e., receipts, pictures, etc., that the items have been corrected. It is the owner's responsibility to obtain the participant's signature on the HQS Repair Certification Form prior to submitting to HACB.

Failure to return the Certification by the due date will result in an automatic fail. The unit will be placed in abatement the 1st of the following month with the contract set to cancel at the end of that month if the Certification has not been received during the abatement period.

#### Non-Emergency Fail Deficiencies Not Requiring Reinspection:

HACB will not require a re-inspection for any minor, non-life-threatening deficiency (e.g., interior loose door knobs, re-grouting bathtub/sink areas) if cleared by proper HQS Repair Certification.

The following deficiencies will not require a re-inspection if cleared by proper owner certification:

Inoperable gas wall or floor heater; Inoperable stove burner; Missing or broken refrigerator handle; Inoperable bathroom exhaust fan; Exterior Lighting; Damaged (not missing) outlet covers; Inoperable secondary smoke detectors; Presence of vermin/roaches; Minor faucet and/or plumbing leaks; Closet door off track; Striker plate on door is missing or damaged.

The deficiencies must be cleared by a HQS Repair Certification signed by owner and participant. If the certification is not approved by the HQS inspector a re-inspection must be performed. Appropriate third party documentation must be supplied where appropriate, including but not limited to the following: gas/utility receipt or invoice, repair invoices, pest control invoices, and photos.

### **8-II.G. ENFORCING OWNER COMPLIANCE**

If the owner fails to maintain the dwelling unit in accordance with HQS, the PHA must take prompt and vigorous action to enforce the owner obligations.

#### **HAP Abatement**

If an owner fails to correct HQS deficiencies by the time specified by the PHA, HUD requires the PHA to abate housing assistance payments no later than the first of the month following the specified correction period (including any approved extension) [24 CFR 985.3(f)]. No retroactive payments will be made to the owner for the period of time the rent was abated. Owner rents are not abated as a result of HQS failures that are the family's responsibility.

#### HACB Policy

The HACB will make all HAP abatements effective the first of the month following the expiration of the HACB specified correction period (including any extension).

The HACB will inspect abated units within five (5) business days of the owner's notification that the work has been completed. Payment will resume effective on the day the unit passes the second re-inspection.

During any abatement period the family continues to be responsible for its share of the rent. The owner must not seek payment from the family for abated amounts and may not use the abatement as cause for eviction.

#### **HAP Contract Termination**

The PHA must decide how long any abatement period will continue before the HAP contract will be terminated. The PHA should not terminate the contract until the family finds another unit, provided the family does so in a reasonable time [HCV GB p. 10-29] and must give the owner reasonable notice of the termination. The PHA will issue a voucher to permit the family to move to another unit as described in Chapter 10.

#### HACB Policy

The maximum length of time that a HAP may be abated is fifteen (15) days. However, if the owner completes corrections and notifies the HACB before the termination date of the

HAP contract, the HACB may rescind the termination notice if (1) the family still resides in the unit and wishes to remain in the unit and (2) the unit passes inspection.

Reasonable notice of HAP contract termination by the HACB is thirty (30) days.

If the family is unable to locate another suitable unit and wished to remain in the unit following HAP contract termination the family may submit the Request for Tenancy Approval for the current unit. The unit must pass the HQS inspection. No reinspection will be conducted. If the unit fails the HQS inspection the HACB will notify the owner and the family that the unit has been rejected and the family must locate another unit as described in Chapter 10.

### **8-II.H. ENFORCING FAMILY COMPLIANCE WITH HQS [24 CFR 982.404(b)]**

Families are responsible for correcting any HQS violations listed in paragraph 8.I.D. If the family fails to correct a violation within the period allowed by the PHA (and any extensions), the PHA will terminate the family's assistance, according to the policies described in Chapter 12.

If the owner carries out a repair for which the family is responsible under the lease, the owner may bill the family for the cost of the repair.

## **PART III: RENT REASONABLENESS [24 CFR 982.507]**

### **8-III.A. OVERVIEW**

Except in the case of certain LIHTC- and HOME-assisted units, no HAP contract can be approved until the PHA has determined that the rent for the unit is reasonable. The purpose of the rent reasonableness test is to ensure that a fair rent is paid for each unit rented under the HCV program.

HUD regulations define a reasonable rent as one that does not exceed the rent charged for comparable, unassisted units in the same market area. HUD also requires that owners not charge more for assisted units than for comparable units on the premises. This part explains the method used to determine whether a unit's rent is reasonable.

### **PHA-Owned Units [24 CFR 982.352(b)]**

In cases where an HCV family is receiving assistance in a PHA-owned unit, the PHA must obtain the services of an independent entity to determine rent reasonableness in accordance with program requirements, and to assist the family in negotiating the contract rent when the family requests assistance. A PHA-owned unit is defined as a unit that is owned by the PHA that administers the assistance under the consolidated ACC (including a unit owned by an entity substantially controlled by the PHA). The independent agency must communicate the results of the rent reasonableness determination to the family and the PHA. The independent agency must be approved by HUD, and may be the unit of general local government for the PHA jurisdiction (unless the PHA is itself the unit of general local government or an agency of such government).

### **8-III.B. WHEN RENT REASONABLENESS DETERMINATIONS ARE REQUIRED**

#### **Owner-Initiated Rent Determinations**

The PHA must make a rent reasonableness determination at initial occupancy and whenever the owner requests a rent adjustment.

The owner and family first negotiate the rent for a unit. The PHA (or independent agency in the case of PHA-owned units) will assist the family with the negotiations upon request. At initial occupancy the PHA must determine whether the proposed rent is reasonable before a HAP Contract is signed. The owner must not change the rent during the initial lease term. Subsequent requests for rent adjustments must be consistent with the lease between the owner and the family. Rent increases will not be approved unless any failed items identified by the most recent HQS inspection have been corrected.

#### HACB Policy

After the initial occupancy period, the owner may request a rent adjustment in accordance with the owner's lease. For rent increase requests after initial lease-up, the HACB may request owners to provide information about the rents charged for other units on the premises, if the premises include more than four (4) units. In evaluating the proposed rents in comparison to other units on the premises the HACB will consider unit size and length of tenancy in the other units.

The HACB will determine whether the requested increase is reasonable within fourteen (14) calendar days of receiving the request from the owner. The owner will be notified of the determination in writing.

All rents adjustments will be effective the first of the month following sixty (60) days after the HACB's receipt of the owner's request or on the date specified by the owner, whichever is later.

#### **PHA- and HUD-Initiated Rent Reasonableness Determinations**

HUD requires the PHA to make a determination of rent reasonableness (even if the owner has not requested a change) if there is a 10 percent decrease in the fair market rent that goes into effect at least sixty (60) days before the contract anniversary date. HUD also may direct the PHA to make a determination at any other time. The PHA may decide that a new determination of rent reasonableness is needed at any time.

#### HACB Policy

In addition to the instances described above, the HACB will make a determination of rent reasonableness at any time after the initial occupancy period if: (1) the HACB determines that the initial rent reasonableness determination was in error or (2) the HACB determines that the information provided by the owner about the unit or other units on the same premises was incorrect.

#### **LIHTC- and HOME-Assisted Units [24 CFR 982.507(c)]**

For units receiving low-income housing tax credits (LIHTCs) or units assisted under HUD's HOME Investment Partnerships (HOME) Program, a rent comparison with unassisted units is not required if the voucher rent does not exceed the rent for other LIHTC- or HOME-assisted units in the project that are not occupied by families with tenant-based assistance.

For LIHTC's, if the rent required by the owner does exceed the LIHTC rents for non-voucher families, the PHA must perform a rent comparability study in accordance with program regulations. In such cases, the rent shall not exceed the lesser of: (1) the reasonable rent as determined from the rent comparability study; or (2) the payment standard established by the PHA for the unit size involved.

### **8-III.C. HOW COMPARABILITY IS ESTABLISHED**

#### **Factors to Consider**

HUD requires PHAs to take into consideration the factors listed below when determining rent comparability. The PHA may use these factors to make upward or downward adjustments to the rents of comparison units when the units are not identical to the HCV-assisted unit.

- Location and age
- Unit size including the number of rooms and square footage of rooms
- The type of unit including construction type (e.g., single family, duplex, garden, low-rise, high-rise)
- The quality of the units including the quality of the original construction, maintenance and improvements made.
- Amenities, services, and utilities included in the rent

#### **Units that Must Not be Used as Comparables**

Comparable units must represent unrestricted market rents. Therefore, units that receive some form of federal, state, or local assistance that imposes rent restrictions cannot be considered comparable units. These include units assisted by HUD through any of the following programs: Section 8 project-based assistance, Section 236 and Section 221(d)(3) Below Market Interest Rate (BMIR) projects, HOME or Community Development Block Grant (CDBG) program-assisted units in which the rents are subsidized; units subsidized through federal, state, or local tax credits; units subsidized by the Department of Agriculture rural housing programs, and units that are rent-controlled by local ordinance [[Notice PIH 2002-22](#), [Notice PIH 2005-20](#), and [Notice PIH 2011-46](#)].

Notice PIH 2011-46, issued August 17, 2011, provides further guidance on rent reasonableness determinations and, in particular, addresses the issue of what constitutes an assisted unit. The notice includes guidance on determining reasonable rent for properties in the process of housing conversion actions.

#### **Rents Charged for Other Units on the Premises**

The Request for Tenancy Approval (HUD-52517) requires owners to provide information, on the form itself, about the rent charged for other unassisted comparable units on the premises if the premises include more than 4 units.

By accepting the PHA payment each month the owner certifies that the rent is not more than the rent charged for comparable unassisted units on the premises. If asked to do so, the owner must give the PHA information regarding rents charged for other units on the premises.

### **8-III.D. PHA RENT REASONABLENESS METHODOLOGY**

#### **How Market Data Is Collected**

##### HACB Policy

The HACB will utilize EZ-Reasonable Rent Determination to collect and maintain data on market rents in the HACB's jurisdiction. The data will be maintained by bedroom size and market areas. Market areas may be defined by zip codes, census tract, neighborhood, and identifiable natural or man-made boundaries. The data will be updated on an ongoing basis and rent information that is more than twelve (12) months old will be eliminated from the database.

### **How Rents Are Determined**

#### HACB Policy

The HACB will determine and document on a case-by-case basis that the approved contract rent is reasonable in comparison to rent for comparable unassisted units in the market. This applies to all units under the Section 8 umbrella of programs. The HACB will not approve a lease until it determines that the initial rent to owner is a reasonable rent. The HACB will re-determine the reasonable rent before any increase in the rent to owner is approved and if there is a five percent (5%) decrease in the published FMR, in effect for sixty (60) calendar days before the contract anniversary (for the unit size rented by the family) as compared with the FMR in effect one (1) year prior to the contract anniversary date. The HACB will re-determine rent reasonableness if directed by HUD and based on a need identified by the housing authority's auditing system. The HACB may elect to re-determine rent reasonableness 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 HACB.

The owner will be advised that by accepting each monthly housing assistance payment s/he will be certifying that the rent to owner is not more than rent charged by the owner for comparable unassisted units in the premises. If requested, the owner must give the HACB information on rents charged by the owner for other units in the premises or elsewhere.



## EXHIBIT 8-1: OVERVIEW OF HUD HOUSING QUALITY STANDARDS

Note: This document provides an overview of HQS. For more detailed information see the following documents:

- 24 CFR 982.401, Housing Quality Standards (HQS)
- Housing Choice Voucher Guidebook, Chapter 10.
- HUD Housing Inspection Manual for Section 8 Housing
- HUD Inspection Form, form HUD-52580 (3/01) and Inspection Checklist, form HUD-52580-A (9/00)

### **Sanitary Facilities**

The dwelling unit must include sanitary facilities within the unit. The sanitary facilities must be usable in privacy and must be in proper operating condition and adequate for personal cleanliness and disposal of human waste.

### **Food Preparation and Refuse Disposal**

The dwelling unit must have space and equipment suitable for the family to store, prepare, and serve food in a sanitary manner.

### **Space and Security**

The dwelling unit must provide adequate space and security for the family. This includes having at least one-bedroom or living/sleeping room for each two persons.

### **Thermal Environment**

The unit must have a safe system for heating the dwelling unit. Air conditioning is not required but if provided must be in proper operating condition. The dwelling unit must not contain unvented room heaters that burn gas, oil, or kerosene. Portable electric room heaters or kitchen stoves with built-in heating units are not acceptable as a primary source of heat for units located in climatic areas where permanent heat systems are required.

### **Illumination and Electricity**

Each room must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of occupants. The dwelling unit must have sufficient electrical sources so occupants can use essential electrical appliances. Minimum standards are set for different types of rooms. Once the minimum standards are met, the number, type and location of electrical sources are a matter of tenant preference.

### **Structure and Materials**

The dwelling unit must be structurally sound. Handrails are required when four (4) or more steps (risers) are present, and protective railings are required when porches, balconies, and stoops are thirty inches or more off the ground. The elevator servicing the unit must be working [if there is one]. Manufactured homes must have proper tie-down devices capable of surviving wind loads common to the area.

### **Interior Air Quality**

The dwelling unit must be free of air pollutant levels that threaten the occupants' health. There must be adequate air circulation in the dwelling unit. Bathroom areas must have one (1) openable window or other adequate ventilation. Any sleeping room must have at least one (1) window. If a window was designed to be opened, it must be in proper working order.

### **Water Supply**

The dwelling unit must be served by an approved public or private water supply that is sanitary and free from contamination. Plumbing fixtures and pipes must be free of leaks and threats to health and safety.

### **Lead-Based Paint**

Lead-based paint requirements apply to dwelling units built prior to 1978 that are occupied or can be occupied by families with children under six (6) years of age, excluding zero-bedroom dwellings. Owners must:

- Disclose known lead-based paint hazards to prospective tenants before the lease is signed,
- provide all prospective families with "Protect Your Family from Lead in Your Home",
- Stabilize deteriorated painted surfaces and conduct hazard reduction activities within 30 days when identified by the PHA
- Notify tenants each time such an activity is performed
- Conduct all work in accordance with HUD safe practices
- As part of ongoing maintenance ask each family to report deteriorated paint
- Maintain covered housing without deteriorated paint if there is a child under six (6) in the family.

For units occupied by environmental intervention blood lead level (lead poisoned) children under six (6) years of age, a risk assessment must be conducted (paid for by the PHA). If lead hazards are identified during the risk assessment, the owner must complete hazard reduction activities within 30 days.

See HCV GB p. 10-15 for a detailed description of these requirements. For additional information on lead-based paint requirements see 24 CFR 35, Subparts A, B, M, and R.

### **Access**

Use and maintenance of the unit must be possible without unauthorized use of other private properties. The building must provide an alternate means of exit in case of fire.

### **Site and Neighborhood**

The site and neighborhood must be reasonably free from disturbing noises and reverberations, excessive trash or vermin, or other dangers to the health, safety, and general welfare of the occupants.

**Sanitary Condition**

The dwelling unit and its equipment must be in sanitary condition and free of vermin and rodent infestation. The unit must have adequate barriers to prevent infestation.

**Smoke Detectors**

Smoke detectors must be installed in accordance with and meet the requirements of the National Fire Protection Association Standard (NFPA) 74 (or its successor standards). If the dwelling unit is occupied by any person with a hearing impairment, smoke detectors must have an appropriate alarm system as specified in NFPA 74 (or successor standards).

**Carbon Monoxide (CO) Alarms**

California Health and Safety Code Section 17926 stipulates that all dwellings intended for human occupancy that contain a fossil fuel burning heater or appliance, fireplace, or an attached garage must install Carbon Monoxide (CO) alarms. CO alarms are now required effective July 1, 2011 for single-family properties, and January 1, 2013 for multi-family properties. CO alarms must be either battery-powered or plug in with a battery backup. CO alarms must be installed outside of sleeping areas and on every level of a dwelling including the basement. To meet HQS standards, the HACB requires owners to fully comply with California Health and Safety Code Section 17926 regarding installation of CO alarms in dwelling units.

**Hazards and Health/Safety**

The unit, interior and exterior common areas accessible to the family, the site, and the surrounding neighborhood must be free of hazards to the family's health and safety.

**EXHIBIT 8-2: SUMMARY OF TENANT PREFERENCE AREAS  
RELATED TO HOUSING QUALITY**

Note: This document provides an overview of unit and site characteristics and conditions for which the family determines acceptability. For more detailed information see the following documents:

- Housing Choice Voucher Guidebook, Chapter 10.
- HUD Housing Inspection Manual for Section 8 Housing
- HUD Inspection Form, form HUD-52580 (3/01) and Inspection Checklist, form HUD-52580-A (9/00)

Provided the minimum housing quality standards have been met, HUD permits the family to determine whether the unit is acceptable with regard to the following characteristics.

- *Sanitary Facilities.* The family may determine the adequacy of the cosmetic condition and quality of the sanitary facilities, including the size of the lavatory, tub, or shower; the location of the sanitary facilities within the unit; and the adequacy of the water heater.
- *Food Preparation and Refuse Disposal.* The family selects size and type of equipment it finds acceptable. When the family is responsible for supplying cooking appliances, the family may choose to use a microwave oven in place of a conventional oven, stove, or range. When the owner is responsible for providing cooking appliances, the owner may offer a microwave oven in place of an oven, stove, or range only if other subsidized and unsubsidized units on the premises are furnished with microwave ovens only. The adequacy of the amount and type of storage space, the cosmetic conditions of all equipment, and the size and location of the kitchen are all determined by the family.
- *Space and Security.* The family may determine the adequacy of room sizes and room locations. The family is also responsible for deciding the acceptability of the type of door and window locks.
- *Energy conservation items.* The family may determine whether the amount of insulation, presence of absence of storm doors and windows and other energy conservation items are acceptable.
- *Illumination and Electricity.* The family may determine whether the location and the number of outlets and fixtures (over and above those required to meet HQS standards) are acceptable or if the amount of electrical service is adequate for the use of appliances, computers, or stereo equipment.
- *Structure and Materials.* Families may determine whether minor defects, such as lack of paint, or worn flooring or carpeting will affect the livability of the unit.
- *Indoor Air.* Families may determine whether window and door screens, filters, fans, or other devices for proper ventilation are adequate to meet the family's needs. However, if screens are present they must be in good condition.
- *Sanitary Conditions.* The family determines whether the sanitary conditions in the unit, including minor infestations, are acceptable.

- *Neighborhood conditions.* Families may determine whether neighborhood conditions such as the presence of drug activity, commercial enterprises, and convenience to shopping will affect the livability of the unit.

Families have no discretion with respect to lead-based paint standards and smoke detectors.

**EXHIBIT 8-3: REASONABLE RENT POLICY AND PROCEDURES  
EZ-REASONABLE RENT DETERMINATION (EZ-RRD) SYSTEM**

**I. STATEMENT OF COMPLIANCE WITH REASONABLE RENT REGULATIONS**

**Background**

The EZ-Reasonable Rent Determination (EZ-RRD) system is utilized to assist staff to conduct reasonable rent analysis for units to be assisted. The EZ-RRD system was designed to correct long-standing misconceptions and problems about reasonable rent analysis. For example, other systems allow the HACB Analyst to select the comparable units, allowing for possible favoritism, subjectivity and Fair Housing Issues. EZ-RRD automatically selects the best comparable units in the database using consistent and objective methods. Thus, the HACB and U.S. Department of Housing and Urban Development (HUD) are protected from fraud, waste, and mismanagement.

In another example, some systems look for comparable units based only on the same or similar rents. They do not account for differences in the characteristics between the assisted and comparable units. The EZ-RRD system uses the standard deviation method to enable proper comparisons of the unit to be assisted and comparable units with different characteristics, assuring the HACB that an “apples-to-apples” comparison is made.

HACB should always ensure the EZ-RRD database has an adequate number of current comparable units in all communities in which the Participants live as well as communities that may provide Expanded Housing Opportunities. Expanded Housing Opportunities is a HUD term that indicates a geographic area that may offer better housing quality, good public transportation, good schools, close proximity to jobs and services, etc.

The Policy represents a reasonable method per the Section 8 Housing Choice Voucher and SEMAP regulations, as well as the HUD Housing Choice Voucher Program Guidebook. It also represents a common-sense approach according to the HUD SEMAP Confirmatory Review and Reasonable Rent Quality Assurance protocols.

**Timing**

A unit will not be approved until it is determined that the requested rent by the owner/HACB is a reasonable rent. The HACB will also determine the reasonable rent before approving any increase in the rent or if there is a five percent (5%) decrease in the published FMR sixty (60) days before the contract anniversary as compared with the FMR in effect one year before the contract anniversary, or if directed by HUD. The HACB may elect to re-determine reasonable rent at any other time.

**Compliance with 24 CFR Section 982.507 Rent to Owner: Reasonable Rent and 24 CFR Section 985.3(b) Reasonable Rent**

The regulations do not require a specific method to be utilized. The only requirements for comparability at 24 CFR 982.507(b) is for the HACB to utilize unassisted units as comparable units and to consider all nine characteristics for each determination. Therefore, the reasonable rent system uses only unassisted units for comparable units. It also considers the following characteristics for each determination.

- Location

- Quality
- Size (by # of bedrooms, overall size and # of bedrooms)
- Unit type
- Age of the contract unit
- Amenities
- Housing services
- Maintenance
- Utilities to be provided by the owner

The only requirements for reasonable rent at 24 CFR 985.3(b) is for the HACB to have and implement a reasonable written method that uses all nine of the above characteristics. This Policy describes the reasonable method herein.

The EZ-Reasonable Rent Determination (EZ-RRD) Report documents implementation of this Policy. This Policy includes an example of this Report.

## II. STEP-BY-STEP EXPLANATION OF PROCEDURES

This section first explains the preparation needed to perform reasonable rent determinations; then it provides the steps to implement the reasonable rent determinations.

### **Preparation: Use of Location**

The first step in preparation concerns the location characteristic. Location has the greatest impact on rent. Therefore, this system gives the greatest weight to location.

To define location, the EZ-RRD Analysts divide the HACB's jurisdiction into three rental market value areas. Each unit to be assisted and each comparable unit is assigned to be in either a high, medium, or low rental market value location. Section II of this Policy provides an explanation of how these rental market values are determined.

### **Preparation: Assigning Maximum Value Points to HUD Required Characteristics**

EZ-RRD assigns maximum value points to each HUD required characteristic. These value points represent the economic value for each characteristic. Section III of this Policy provides an explanation of how the value points are determination.

### **Value Point Levels Applied to Each Characteristic**

Each characteristic is assigned a value point level. Characteristics with higher levels have more impact on the actual rent. Level V has the highest number of potential value points. Level I have the lowest number of potential points.

Each level has a value point range. The actual number of value points assigned to a characteristic is determined by the description of each characteristic in a particular unit. For example, for the quality characteristic, a unit with high quality will receive more value points than a unit with fair quality. The table below provides value levels and point ranges.

Characteristic	Value Point Level	Value Point Range
Location	V	15-23
HQS Quality	IV	10-18
Utilities Provided by Owner	IV	0-18
Building Structure (Unit Type)	IV	10-18
Overall Unit Size	III	8-13
Number of Bedrooms	II	4-9
Number of Bathrooms	II	4-9
Age	II	4-9
Amenities	II	0-9
Maintenance	I	1-5
Housing Services	I	0-5

### Implementation

Below are step-by-step procedures for performing each reasonable rent determination. These procedures include data entry into the web-based EZ-RRD system and analysis performed by the system.

1. After the HACB Analyst enters the address for the Unit to be Assisted, EZ-RRD provides the HACB Analyst with the option to select the best comparable units by filtering.

If the HACB does not filter, EZ-RRD will select the best comparable units from the database for the HACB's entire jurisdiction. If the HACB does not find it necessary to filter, the HACB Analyst skips this option.

However, some agencies may have large jurisdictions that are comprised of smaller geographic areas that have significantly different rental market values. These agencies may wish to filter to select the best comparable units only from within a specific smaller geographical area.

If filtering is utilized, a two-step process is required. First, the HACB Analyst selects the Filter Type from a drop-down menu. The Filter Type may be city, state, zip code, census tract, real estate code, neighborhood, custom 1 and custom 2. After selecting the filter type, the HACB Analyst mouse-clicks in the *Filter To* field. EZ-RRD displays all the filtering



options within the selected type. The HACB Analyst then selects the desired option. For example, some agencies may be comprised of several cities with significant rental market value differences. When the HACB Analyst selects filtering by city, all cities with comparable units will be displayed. The HACB Analyst then selects the desired city.

2. The HACB Analyst enters an accurate description of the unit to be assisted for each required characteristic. The HACB is responsible for accurate data input for each characteristic for the unit to be assisted. The HACB is responsible to confirm the accuracy of the data provided by the Landlord for the required characteristics. To ensure that accurate descriptions are entered the definitions for each description are provided on the system under “Help Me Decide” for each characteristic. In addition, these definitions are provided on a laminated guide called EZ-RRD Rent Reasonableness Determination Steps. It is provided in the detailed Reasonable Rent User’s Manual that is provided separate from this Policy.
3. Based on the descriptions entered into the EZ-RRD system, it assigns the appropriate values to each characteristic for the unit to be assisted.
4. EZ-RRD system totals the values of each characteristic for the unit to be assisted to obtain the unit’s Total Value Points.
5. EZ-RRD system analyzes the Total Value Points and descriptions of all characteristics for both the unit to be assisted and the comparable unit database. It locates units with exact points and characteristics to use as comparable units.
6. If there is not exact match, EZ-RRD system will next select comparable based on the databases search priorities listed on the following chart.

**Database Search Priorities Chart**

Priority #	Action
I	Exact match on all 9 required characteristics and total value points
II	Exact match to structure type, location, # of bedrooms, and same or similar total points for all required characteristics
III	Exact match to location, # of bedrooms, and same or similar total value points for all required characteristics

7. Through the above database search process, the three comparable units most similar to the unit to be assisted are selected. EZ-RRD system then populates the Reasonable Rent Determination Report (hereafter called Report) with the characteristic descriptions and total value points for the unit to be assisted and each of the three comparables. See sample Report below.

8. The EZ-RRD System analyzes the data for the Average Rents of Comparables, Average Value of Comparables, Unit to be Assisted Rent and Unit to be Assisted Value factors. Based on this analysis, EZ-RRD calculates the estimated reasonable market rent for the unit to be assisted. On the EZ-Reasonable Rent Determination Report, this figure is called the Recommended Reasonable Rent.
  
9. On the top of the Report, EZ-RRD displays the following analysis data:
  - a. Average Rents of Comparables
  - b. Averages Value of Comparables
  - c. Unit to be Assisted Rent
  - d. Unit to be Assisted Value
  - e. Recommended Reasonable Rent
  
10. The HACB Analyst reviews the five factors listed in the analysis data mentioned above. Based on this review, the HACB Analyst makes the final decision concerning reasonable rent. The Agency Analyst compares the Recommended Reasonable Rent figure with the Unit to be Assisted rent figure. Generally, if the Recommended Reasonable Rent figure is equal to or higher than the Unit to be Assisted rent, the HACB Analyst may determine the requested rent to be reasonable. The HACB Analyst may then select “Yes” on the Report, print it, and secure it in the tenant file. EZ-RDD will automatically fill in the Analyst’s name and date of the determination.

Generally, if the Recommended Reasonable Rent figure is less than the Unit to Be Assisted rent, the HACB Analyst may determine the rent is not reasonable. The HACB Analyst may then select “No” on the Report, print it, and secure it in the tenant file. EZ-RRD will automatically fill in the HACB’s name and date of the determination.

If a Request for a Reasonable Accommodation is made, see Section IV – Compliance with Fair Housing Regulations in this Policy.


**Sample Reasonable Rent Determination Report**

A sample Reasonable Rent Determination Report is provided below. The Value Point level and the actual value assigned to each characteristic in this sample are also provided.

As needed an optional Reasonable Rent Determination Standard Deviation Adjusted Report showing standard deviation comparisons may be used. This optional report illustrates the results of standard deviation calculations for the characteristics of unit size, unit type, quality, and age if needed.

Reasonable Rent Policy and Procedures

For illustration purposes only. Red lettering does not appear on system-generated reports. Used here to illustrate values assigned  
**EZ-Reasonable Rent Determination Report**

<b>Analysis Data:</b>		
Average Rent of Comparables:	\$1,289.67	 <p>© 2015 The Nelrod Company                  Fort Worth, Texas                  (817) 922-9000                  www.nelrod.com</p>
Average Value of Comparables:	47	
Unit To Be Assisted Rent:	\$900.00	
Unit To Be Assisted Value:	47	
<b>Recommended Reasonable Rent:</b>	<b>\$1,289.67</b>	
The analysis of the above data shows the requested rent for the unit to be assisted to be reasonable?		Yes
If YES above, the Requested Rent is reasonable:		11/16/2015
Staff Person Name		Date

Unit To Be Assisted	Comp 1	Comp 2	Comp 3
<b>Address</b>	<b>Address</b>	<b>Address</b>	<b>Address</b>
123 Test Avenue Any City, TX ****	4232 Crumley Way Anytown, TX 85643	9061 Amethyst Way Anytown, TX 85624	918 Terrace Lane Anytown, TX 05632
<b>User Defined</b>	<b>Genus Tract</b>	<b>Genus Tract</b>	<b>Genus Tract</b>
74.00	74.00	93.08	95.03
<b>Location **</b>	<b>Location **</b>	<b>Location **</b>	<b>Location **</b>
Low Rent Area Level V-15	Low Rent Area Level V-15	Low Rent Area Level V-15	Low Rent Area Level V-15
<b>Unit Size **</b>	<b>Unit Size **</b>	<b>Unit Size **</b>	<b>Unit Size **</b>
Medium Level III-B	Medium Level II-3	Medium Level III-B	Medium Level III-B
<b>Unit Type **</b>	<b>Unit Type **</b>	<b>Unit Type **</b>	<b>Unit Type **</b>
Single Family Level IV-18	Single Family Level IV-18	Single Family Level IV-15	Single Family Level IV-18
<b>Quality **</b>	<b>Quality **</b>	<b>Quality **</b>	<b>Quality **</b>
Fair Level IV-14	Good Level IV-14	Good Level IV-12	Good Level IV-14
<b>Age **</b>	<b>Age **</b>	<b>Age **</b>	<b>Age **</b>
21-30 Years Level II-6	6-20 Years Level II-6	30+ Years Level II-6	6-20 Years Level II-4
<b>Amenities **</b>	<b>Amenities **</b>	<b>Amenities **</b>	<b>Amenities **</b>
Cable/Internet ready, Covered and/or Off street Parking, Hardwood Floors, Range, Refrigerator, Washer/Dryer Hookups Level II-D	Cable/Internet ready, Carpeting, Central A/C Unit, Covered and/or Off street Parking, Dishwasher, Washer/Dryer Hookups, Other, Garage Level I-4	Cable/Internet ready, Ceiling Fan, Central A/C Unit, Covered and/or Off street Parking, Dishwasher, Garbage Disposal, Laundry Facilities, Range, Washer/Dryer Hookups, Working Fireplace, Other, Garage Level II-3	Cable/Internet ready, Carpeting, Central A/C Unit, Covered and/or Off street Parking, Dishwasher, Range, Washer/Dryer Hookups, Other, Garage Level II-3
<b>Housing Services **</b>	<b>Housing Services **</b>	<b>Housing Services **</b>	<b>Housing Services **</b>
No Services Level I-5	No Services Level I-6	No Services Level I-5	No Services Level I-6
<b>Maintenance ** Level I-5</b>	<b>Maintenance ** Level I-2</b>	<b>Maintenance ** Level I-2</b>	<b>Maintenance ** Level I-2</b>
Owner Provides Offsite Maintenance	Owner Provides Offsite Maintenance	Owner Provides Offsite Maintenance	Owner Provides Offsite Maintenance
<b>Paid Utilities ** Level IV-6</b>	<b>Paid Utilities ** Level IV-6</b>	<b>Paid Utilities ** Level IV-6</b>	<b>Paid Utilities ** Level IV-6</b>
None; Trash Collection, Water	None	None	None
<b>Bedrooms Level II-6</b>	<b>Bedrooms Level II-6</b>	<b>Bedrooms Level II-6</b>	<b>Bedrooms Level II-6</b>
3 Bedrooms	3 Bedrooms	3 Bedrooms	3 Bedrooms
<b>Bathrooms ** Level II-4</b>	<b>Bathrooms ** Level II-4</b>	<b>Bathrooms ** Level II-5</b>	<b>Bathrooms ** Level II-4</b>
1 Bathroom	2 Bathrooms	2 Bathrooms	2 Bathrooms
<b>Requested Rent</b>	<b>COL Rent</b>	<b>COL Rent</b>	<b>COL Rent</b>
\$900.00	\$1,297.00	\$1,768.00	\$1,274.00
<b>Value</b>	<b>Value</b>	<b>Value</b>	<b>Value</b>
47	47	47	47
<b>Date of Data</b>	<b>Date of Data</b>	<b>Date of Data</b>	<b>Date of Data</b>
11/16/2015	10/17/2015	10/12/2015	08/01/2015

Although the EZ-Reasonable Rent Determination system is an aid to provide data and analysis, the Agency is solely responsible for the reasonable rent determination herein.  
 \*\* Required in accordance with 24CFR§285.3(b)(3)(A)



### III. EXPLANATION OF TYPES OF ANALYSIS USED IN THE PROCEDURES

The EZ-RRD system uses three basic methods of analysis. They are determining high, medium, and low Rental Market Value Areas, Assigning Value Points to Characteristics, and Standard Deviation calculation.

#### **Determining High, Medium, and Low Rental Market Value Areas**

High, medium, and low rental areas, or submarkets within the HACB's jurisdiction, are determined through a process called Value of the Unit's Location. EZ-RRD Analysts perform extensive economic research. This research identifies the value of rental property in all areas of the HACB's jurisdiction. This research entails examining many factors that affect property values and rental values within each submarket. These factors include but are not limited to census tract income levels, percent of population above or below poverty, median family income, renter occupied units, owner occupied units, percent of vacant units, median house age, crime statistics, public transportation, population impaction, community parks and other amenities, hospitals, airports, recreational facilities, waterfront access, recent real estate developments, etc.

These factors are used to evaluate the comparable unit or the unit to be assisted as well as the immediate three to four block area surrounding each comparable unit and unit to be assisted to assign a high, medium, or low rental market value rating to each comparable unit and each unit to be assisted.

The high rental market value area consists of luxury communities in the most favorable locations. These communities are usually newer construction and may have additional community/association amenities such as recreational facilities or be on a waterfront. Individual properties may include state-of-the-art systems, modern appliances, and/or superior quality finishes.

A medium rental market value area is considered an average neighborhood or intermediate community. These areas are slightly less favorable than the luxury areas. These communities may include newer, larger homes and may include quality finishes. These areas may have additional amenities such as a fitness center, swimming pool, and recreational courts. Properties would contain adequate systems and appliances.

The lower rental market value area is a below average neighborhood, ranging from minimal to depleted or impoverished areas. Minimal communities often include older, smaller homes in good condition (that would be considered starter homes if being purchased). They may also include buildings in poor condition that have been abandoned or vandalized. These neighborhoods may have community parks and swimming pools.

#### **Assigning Value Points to Characteristics**

The value for each characteristic is based upon the economic research for the HACB's jurisdiction described above. In addition, it is based on several years of rental market research using an enormous, national, unassisted rental market unit sampling. Each HUD required characteristic was individually analyzed to represent its contribution accurately to the unit's total rental value. The specific values used are proprietary and cannot be disclosed.

For example, the HACB gives the highest weight to the location. Higher weights are also given to utilities paid for by the landlord, quality, and unit type. The lowest values are given to maintenance and services.

The value points for each characteristic are added for each unit to become the Total Value Point rating. This rating represents the unit's actual rental value. The Total Value Points for the unit to be assisted are compared with the Average Total Value Points for the three comparable units during the reasonable rent determination process. This process is illustrated on the sample Reasonable Rent Report provided above.

The methodology is also supported by the Housing Choice Voucher Program HUD Guidebook. This Guidebook refers to the Point and Dollars per Feature System.

### Standard Deviation Calculations

The EZ-RRD system uses the standard deviation procedure to compare differing characteristics between the unit to be assisted and the comparable units. Standard Deviation uses the value points assigned to each characteristic to calculate the appropriate rent for units having different characteristics. The following examples illustrate how the EZ-RRD system applies the standard deviation calculation.

1. The high-quality characteristic has a value of 16 points. The fair quality characteristic has a value of 13 points, a 19% difference ( $16-13 = 3$  point difference;  $3 \text{ points} \div 16 \text{ points} = 19\%$ ). If the other characteristics are the same and if the high-quality unit rents for \$1,000, the fair quality unit should rent at \$810.00 or 19% less.
2. The single-family structure type characteristic has a value of 18 points. The garden/walkup structure type characteristic receives 15 points or 17% less. If the other characteristics are the same, and the single-family unit rents for \$1,200.00, the garden/walkup unit should rent for \$996.00, or 17% less.

The above calculation is made for each characteristic with different descriptions during each reasonable rent determination. The results of these standard deviation calculations are presented in the Total Value Points. For example, using the sample Reasonable Rent Determination above, the following Total Value Points and rents were listed:

Average Total Value Points of Comparables:	78
Average Rents of Comparables:	\$738.00
Total Value Points of Assisted Unit:	78
Requested Rent of Assisted Unit:	\$925.00

After applying the standard deviation calculations, this system determined that the average comparable units and the unit to be assisted had the same total value. As the requested rent for the unit to be assisted unit is higher than the average of the comparable units, the requested rent is not reasonable.

This method is described in the HUD HCVP Guidebook, pages 9 to 10. It states the Analyst may need to review the database for (a) same number of bedrooms and building type but in a broader geographic location or (b) have the same number of bedrooms, are in the same geographic location, but are in other types of buildings. In addition, the HUD HCVP Guidebook provides the following example:

The proposed program unit is located in geographic Area A, has three bedrooms, and is a garden apartment. The proposed rent is \$1,220.00. There are no other garden apartments in Area A in the database. If there are other garden apartments

in Area A, the analyst might try to obtain information about them. However, if there are no other garden apartments in Area A, then the analyst might look at 3-bedroom single family homes in Area A and compare them with information on both garden apartments and single family homes in nearby Area B. The information found (all rents are gross rents) is:

Unit	Area A	Area B
3-bedroom garden apartment	(None)	\$1,400.00
3-bedroom single family home	\$1,400.00	\$1,600.00

The single family homes in Area B (that are similar to those in the database for Area A) are about 14 percent higher than garden apartments in Area B. If one estimates a rent for a garden apartment in Area A is 14 percent below that of the single family homes in Area A the result is \$1,228.00. Assuming the other factors for comparison are generally equal, this should provide one indication that the proposed rent is comparable.

#### IV. Compliance with Fair Housing Regulations

The HACB will ensure the reasonable rent determination process is not utilized to violate anyone’s fair housing rights. To accommodate a request for a reasonable accommodation, the HACB recognizes the Fair Housing regulations are stricter than the reasonable rent regulations. Therefore, the fair housing regulations will take precedence.

A participant may make a request for a reasonable accommodation when the EZ-RRD Report shows the rent is not reasonable or when the rent is so high the Participant would pay more than 40% of their monthly adjusted income toward the rent (24 CFR Part 982.508 – Maximum Family Share at Initial Occupancy). The HACB will take reasonable internal and external administrative remedies to grant regulatory acceptable requests for a reasonable accommodation when said requests are received.

Internal administrative remedies are efforts completely within the HACB’s control. As needed, the internal administrative remedies described below will be considered.

As a reasonable accommodation, the HACB may give a higher rating to four of the required reasonable rent characteristics as described below. These higher ratings may result in a higher total value of the unit to be assisted, and thus enables the EZ-RRD software to identify comparable units that may justify a higher rent.

Concerning the location characteristic, the staff should review the definitions for the rental market value area to be sure the most accurate rental market value area is being considered for the unit to be assisted.

Concerning the quality characteristic, the HACB may give a unit with features that address a specific disability an “Excellent” quality rating.

Concerning the amenities characteristic, the actual features that address a disability are considered amenities. The HACB may select the “Handicap Accessible” amenity and add one additional amenity in “Other”.

Concerning the landlord provided services characteristic, if the unit has services that aid people with disabilities, such as transportation, extra security, meals and package handling, the HACB can select “Landlord Provided Services”.

When the request for a reasonable accommodation concerns the 40% of the Monthly Adjusted Income (MAI) rule, the HACB may consider the internal administrative remedy of using a payment standard of 120% of the Fair Market Rent for the specific unit and participant in question (24 CFR 982.503(b)(1)(v)). The HACB does not need HUD approval for this action. The higher payment standard may bring the tenant’s rent share to under 40% of MAI thus allowing the HACB to approve the requested rent.

External administrative remedies involve efforts by the HACB and HUD. If the requested gross rent for a unit at initial occupancy exceeds the payment standard, and the tenant would pay more than 40% of their monthly adjusted income for rent, the HACB may request a waiver from HUD for the regulation at 24 CFR Part 982.508 – Maximum Family Share at Initial Occupancy. The waiver request would be to allow the family to pay more than 40% of their monthly adjusted income for rent.

As needed, another external administrative remedy the HACB will consider is to request a waiver from HUD from the regulation at 24 CFR Part 982.507 Rent to Owner’s Reasonable Rent. This waiver request would be to approve the rent for the unit in question even though it is not reasonable. (This section subject to change if cited regulations are changed or updated.)

#### **V. HACB Staff Training**

As new analysts and new supervisors are appointed, they will undergo training concerning the reasonable rent requirements and the EZ-RRD system. This training will include a review of:

- 24 CFR Section 982.507 Rent to Owner: Reasonable Rent
- 24 CFR Section 985.3(b) Reasonable Rent
- HUD Housing Choice Voucher Program Guidebook Chapter 9
- Reasonable Rent Policy
- EZ-RRD Procedures

The Analyst performing reasonable rent determinations will demonstrate proficiency for correctly performing the reasonable rent determination.

#### **VI. HACB Interaction with Landlords**

##### **Owner/Agent Relations**

The owner/agent will be advised by accepting each monthly housing assistant payment he/she will be certifying that:

- The Rent to Owner is not more than rent charged by the owner/agent for comparable unassisted units in the premises.
- The assisted family is currently occupying the unit and the assisted family is not in violation of lease obligations.

### **Owner/Agency Negotiations**

If owners object to the approved rent, they may submit all HUD required comparable data for at least three unassisted units. The data will be confirmed by the HACB and added to the existing comparable units' database. The HACB will then run a new determination.

### **VII. HACB-Owned Units**

Local government or independent entities (approved by HUD) must perform rent reasonableness determinations for HACB owned units leased by voucher holders. In these cases, the following arrangements may be made:

- The HACB may pay expenses associated with this service.
- The HACB may use administrative fee income to compensate the independent agencies for their services.
- The family cannot be charged for these services.

### **VIII. Collection of Unassisted Comparable Units**

Data for comparable units may be collected from the following sources:

- Onsite visits
- Real estate, Landlord/real estate investor groups, property managers
- Any publication with real estate ads
- Available Census Reports for the most recent years
- Various Internet sources
- Multiple Listing Service
- Newspaper ads followed by owner/agent interviews
- Owner/agency questionnaires
- Apartment and home rental guides
- Fair Housing groups
- Government sources
- Other method

### **IX. Calculation of the Recommended Reasonable Rent**

The EZ-RRD System automatically calculates the Recommended Reasonable Rent figure and prints that figure on the EZ-Reasonable Rent Determination Report (RRD). The Recommended Rent figure is determined through two automated calculations. First, the Average Rents of Comparables is divided by the Average Value of Comparables to obtain the average dollar value per value point of the comparable units. Second, this average dollar value is multiplied by the unit to be assisted value points to obtain the recommended rent.

The staff person performing the RRD compares the Recommended Reasonable Rent figure with the Unit to be Assisted Rent figure. If the recommended rent is equal or higher than the unit to be assisted rent, the requested rent is reasonable. The staff person marks "YES" on the RRD.



If the Recommended Rent is lower than the Unit to be Assisted rent, the request rent is not reasonable. The staff checks “NO” on the RRD and follows the process for unreasonable rent requests.

**EXHIBIT 8-4: OPTIONAL PHA OR OWNER'S ELEVATED BLOOD LEAD LEVEL  
CASE CHECKLIST**

This checklist is intended as a courtesy for optional use by a public housing authority (PHA) or Owner in tracking the main steps for responding to an elevated blood lead level (EBLL) case; it is not intended to be submitted to the HUD Field Office nor the HUD Office of Lead Control and Health Homes.

PHA code (if applicable):

PHA or owner name:

Date of EBLL test result:

Program: \_\_\_\_\_ Public Housing      Housing Choice Voucher      \_\_\_\_\_ Project-based Voucher  
Dwelling unit address and (if applicable) development name:

**Required Steps:**

\_\_\_ Verify EBLL case report with medical provider or health department, if report came from elsewhere.

\_\_\_ Maintain confidentiality for all records related to the EBLL, and ensure the identity of the child or family is not disclosed to other residents in the multiunit property.

\_\_\_ Notify HUD field office contact and [LeadRegulations@hug.gov](mailto:LeadRegulations@hug.gov) of EBLL case within 5 days (either directly or through PHA).

\_\_\_ Engage certified lead risk assessor to perform environmental investigation of child's unit within 15 days.

\_\_\_ Notify residents of child's unit of results of environmental investigation within 15 days directly, but not by posting in common area.

\_\_\_ If lead-based paint hazards are found in the child's unit or in a common area servicing that unit in a multiunit property, engage a certified lead abatement professional or certified renovation firm to control the hazards, and a certified lead risk assessor to conduct risk assessments of other assisted dwelling units with a child under age six ("other covered units").

\_\_\_ In a multiunit property, notify residents that lead-based evaluation will be performed.

\_\_\_ If lead-based paint hazards are identified in other covered units, engage a certified lead abatement professional or certified renovation firm, and notify other residents of the results of the risk assessment and that lead hazard control work will be performed.

\_\_\_ Ensure adequate occupant protection, including temporary relocation for EBLL family and/or other families, when required, until their dwelling unit passes clearance.

\_\_\_ Complete lead hazard control in child's unit and common area servicing that unit if lead-based paint hazards are identified, within 30 days of receiving environmental investigation report.

\_\_\_ Complete lead hazard control in other covered units and common areas servicing those units if lead-based paint hazards are identified, within 30 days of receiving environmental investigation report, if up to 20 other covered units, or 90 days, if over 20 other covered units.

\_\_\_ Ensure all dwelling units and common areas that received lead hazard control pass clearance as determined by a certified risk assessor.

\_\_\_ In multiunit property, notify other residents that lead hazard control work was completed, and results.

\_\_\_ Provide all documentation to the HUD field office contact in 10 business days.

\_\_\_ Disclose information about lead-based paint hazards and all new records and report to residents upon lease initiation or renewal (if not already disclosed).

## Chapter 9

### GENERAL LEASING POLICIES

#### INTRODUCTION

Chapter 9 covers the lease-up process from the family's submission of a Request for Tenancy Approval (RTA) to execution of the Housing Assistance Payment (HAP) contract.

In order for the PHA to assist a family in a particular dwelling unit, or execute a Housing Assistance Payments (HAP) contract with the owner of a dwelling unit, the PHA must determine that all the following program requirements are met:

- The unit itself must qualify as an eligible unit [24 CFR 982.305(a)]
- The unit must be inspected by the PHA and meet the Housing Quality Standards (HQS) [24 CFR 982.305(a)]
- The lease offered by the owner must be approvable and must include the required Tenancy Addendum [24 CFR 982.305(a)]
- The rent to be charged by the owner for the unit must be reasonable [24 CFR 982.305(a)]
- The owner must be an eligible owner, approvable by the PHA, with no conflicts of interest [24 CFR 982.306]
- For families initially leasing a unit only: Where the gross rent of the unit exceeds the applicable payment standard for the family, the share of rent to be paid by the family cannot exceed forty (40%) percent of the family's monthly adjusted income [24 CFR 982.305(a)]

#### 9-I.A. TENANT SCREENING

The PHA has no liability or responsibility to the owner or other persons for the family's behavior or suitability for tenancy [24 CFR 982.307(a)(1)].

The PHA may elect to screen applicants for family behavior or suitability for tenancy. See Chapter 3 for a discussion of the PHA's policies with regard to screening applicant families for program eligibility [24 CFR 982.307(a)(1)].

The owner is responsible for screening and selection of the family to occupy the owner's unit. At or before PHA approval of the tenancy, the PHA must inform the owner that screening and selection for tenancy is the responsibility of the owner [24 CFR 982.307(a)(2)]. The PHA must also inform the owner or manager of his/her rights and obligations under the Violence Against Women Reauthorization Act of 2013 (VAWA) [24 CFR 5.2005(a)(2)].

The PHA must provide the owner with the family's current and prior address (as shown in the PHA records); and the name and address (if known to the PHA) of the landlord at the family's current and prior address. [24 CFR 982.307 (b)(1)].

The PHA is permitted, but not required, to offer the owner other information in the PHA's possession about the family's tenancy [24 CFR 982.307(b)(2)].

The PHA's policy on providing information to the owner must be included in the family's briefing packet [24 CFR 982.307(b)(3)].

The PHA may not disclose to the owner any confidential information provided by the family in response to a PHA request for documentation of domestic violence, dating violence, sexual assault, or stalking except at the written request or with the written consent of the individual providing the documentation [24 CFR 5.2007(b)(4)].

HACB Policy

The HACB will not screen applicants for family behavior or suitability for tenancy.

The HACB will not provide additional screening information to the owner.

**9-I.B. REQUESTING TENANCY APPROVAL [Form HUD-52517]**

After the family is issued a voucher, the family must locate an eligible unit, with an owner or landlord willing to participate in the voucher program. Once a family finds a suitable unit and the owner is willing to lease the unit under the program, the owner and the family must request the PHA to approve the assisted tenancy in the selected unit.

The owner and the family must submit two documents to the PHA:

- Completed Request for Tenancy Approval (RTA) – Form HUD-52517
- Copy of the proposed lease, including the HUD-prescribed Tenancy Addendum – Form HUD-52641-A

The RTA contains important information about the rental unit selected by the family, including the unit address, number of bedrooms, structure type, year constructed, utilities included in the rent, and the requested beginning date of the lease, necessary for the PHA to determine whether to approve the assisted tenancy in this unit.

Owners must certify to the most recent amount of rent charged for the unit and provide an explanation for any difference between the prior rent and the proposed rent.

Owners must certify that they are not the parent, child, grandparent, grandchild, sister or brother of any member of the family, unless the PHA has granted a request for reasonable accommodation for a person with disabilities who is a member of the tenant household.

For units constructed prior to 1978, owners must either 1) certify that the unit, common areas, and exterior have been found to be free of lead-based paint by a certified inspector; or 2) attach a lead-based paint disclosure statement.

Both the RTA and the proposed lease must be submitted no later than the expiration date stated on the voucher. [HCV GB p.8-15].

HACB Policy

The RTA must be signed by both the family and the owner.

The owner may submit the RTA on behalf of the family.

Completed RTA (including the proposed dwelling lease) must be submitted as hard copies, in-person, by mail, by email, or by fax.

The family may not submit, and the HACB will not process, more than one (1) RTA at a time.

When the family submits the RTA the HACB will review the RTA for completeness.

If the RTA is incomplete (including lack of signature by family, owner, or both), or if the dwelling lease is not submitted with the RTA, the HACB will notify the family and the owner of the deficiencies.

Missing information and/or missing documents will only be accepted as hard copies, in-person, by mail, by email, or by fax. The HACB will not accept missing information over the phone.

When the family submits the RTA and proposed lease, the HACB will also review the terms of the RTA for consistency with the terms of the proposed lease.

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If the terms of the RTA are not consistent with the terms of the proposed lease, the HACB will notify the family and the owner of the discrepancies.

Corrections to the terms of the RTA and/or the proposed lease will only be accepted as hard copies, in-person, by mail, by email or by fax. The HACB will not accept corrections by phone.

Because of the time sensitive nature of the tenancy approval process, the HACB will attempt to communicate with the owner and family by phone, fax, or email. The HACB will use mail when the parties can't be reached by phone, fax, or e-mail.

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### 9-I.C. OWNER PARTICIPATION

The PHA does not formally approve an owner to participate in the HCV program. However, there are a number of criteria where the PHA may deny approval of an assisted tenancy based on past owner behavior, conflict of interest, or other owner-related issues. No owner has a right to participate in the HCV program [24 CFR 982.306(e)]

See Chapter 13 for a full discussion of owner qualification to participate in the HCV program.

### 9-I.D. ELIGIBLE UNITS

There are a number of criteria that a dwelling unit must meet in order to be eligible for assistance under the voucher program. Generally, a voucher-holder family may choose any available rental dwelling unit on the market in the PHA's jurisdiction. This includes the dwelling unit they are currently occupying.

#### Ineligible Units [24 CFR 982.352(a)]

The PHA may not assist a unit under the voucher program if the unit is a public housing or Indian housing unit; a unit receiving project-based assistance under section 8 of the 1937 Act (42 U.S.C. 1437f); nursing homes, board and care homes, or facilities providing continual psychiatric, medical, or nursing services; college or other school dormitories; units on the grounds of penal, reformatory, medical, mental, and similar public or private institutions; a unit occupied by its owner or by a person with any interest in the unit.

#### PHA-Owned Units [24 CFR 982.352(b)]

Otherwise eligible units that are owned or substantially controlled by the PHA issuing the voucher may also be leased in the voucher program. In order for a PHA-owned unit to be leased under the voucher program, the unit must not be ineligible housing and the PHA must inform the family, both orally and in writing, that the family has the right to select any eligible unit available for lease and that the family is free to select a PHA-owned unit without any pressure or steering by the PHA.

#### HACB Policy

The HACB has eligible HACB-owned units available for leasing under the voucher program.

#### **Special Housing Types [24 CFR 982 Subpart M]**

HUD regulations permit, but do not generally require, the PHA to permit families to use voucher assistance in a number of special housing types in accordance with the specific requirements applicable to those programs. These special housing types include single room occupancy (SRO) housing, congregate housing, group home, shared housing, manufactured home space (where the family owns the manufactured home and leases only the space), cooperative housing and homeownership option. See Chapter 15 for specific information and policies on any of these housing types that the PHA has chosen to allow.

The regulations do require the PHA to permit use of any special housing type if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

#### **Duplicative Assistance [24 CFR 982.352(c)]**

A family may not receive the benefit of HCV tenant-based assistance while receiving the benefit of any of the following forms of other housing subsidy, for the same unit or for a different unit:

- Public or Indian housing assistance;
- Other Section 8 assistance (including other tenant-based assistance);
- Assistance under former Section 23 of the United States Housing Act of 1937 (before amendment by the Housing and Community Development Act of 1974);
- Section 101 rent supplements;
- Section 236 rental assistance payments;
- Tenant-based assistance under the HOME Program;
- Rental assistance payments under Section 521 of the Housing Act of 1949 (a program of the Rural Development Administration);
- Any local or State rent subsidy;
- Section 202 supportive housing for the elderly;
- Section 811 supportive housing for persons with disabilities; (11) Section 202 projects for non-elderly persons with disabilities (Section 162 assistance); or
- Any other duplicative federal, State, or local housing subsidy, as determined by HUD. For this purpose, 'housing subsidy' does not include the housing component of a welfare payment, a social security payment received by the family, or a rent reduction because of a tax credit.

**Housing Quality Standards (HQS) [24 CFR 982.305 and 24 CFR 982.401]**

In order to be eligible, the dwelling unit must be in decent, safe and sanitary condition. This determination is made using HUD’s Housing Quality Standards (HQS) and/or equivalent state or local standards approved by HUD. See Chapter 8 for a full discussion of the HQS standards, as well as the process for HQS inspection at initial lease-up.

**Unit Size**

In order to be eligible, the dwelling unit must be appropriate for the number of persons in the household. A family must be allowed to lease an otherwise acceptable dwelling unit with fewer bedrooms than the number of bedrooms stated on the voucher issued to the family, provided the unit meets the applicable HQS space requirements [24 CFR 982.402(d)]. The family must be allowed to lease an otherwise acceptable dwelling unit with more bedrooms than the number of bedrooms stated on the voucher issued to the family. See Chapter 5 for a full discussion of subsidy standards.

**Rent Reasonableness [24 CFR 982.305 and 24 CFR 982.507]**

In order to be eligible, the dwelling unit must have a reasonable rent. The rent must be reasonable in relation to comparable unassisted units in the area and must not be in excess of rents charged by the owner for comparable, unassisted units on the premises. See Chapter 8 for a full discussion of rent reasonableness and the rent reasonableness determination process.

**Rent Burden [24 CFR 982.508]**

Where a family is initially leasing a unit and the gross rent of the unit exceeds the applicable payment standard for the family, the dwelling unit rent must be at a level where the family’s share of rent does not exceed forty (40%) percent of the family’s monthly adjusted income. See Chapter 6 for a discussion of calculation of gross rent, the use of payment standards, and calculation of family income, family share of rent and HAP.

**9-I.E. LEASE AND TENANCY ADDENDUM**

The family and the owner must execute and enter into a written dwelling lease for the assisted unit. This written lease is a contract between the tenant family and the owner; the PHA is not a party to this contract.

The tenant must have legal capacity to enter a lease under State and local law. 'Legal capacity' means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner [24 CFR 982.308(a)]

**Lease Form and Tenancy Addendum [24 CFR 982.308]**

If the owner uses a standard lease form for rental to unassisted tenants in the locality or the premises, the lease must be in such standard form. If the owner does not use a standard lease form for rental to unassisted tenants, the owner may use another form of lease. The HAP contract prescribed by HUD contains the owner's certification that if the owner uses a standard lease form for rental to unassisted tenants, the lease is in such standard form.

All provisions in the HUD-required Tenancy Addendum must also be added word-for-word to the owner's standard lease form, for use with the assisted family. The Tenancy Addendum includes the tenancy requirements for the program and the composition of the household as approved by



the PHA. As a part of the lease, the tenant shall have the right to enforce the Tenancy Addendum against the owner and the terms of the Tenancy Addendum shall prevail over any other provisions of the lease.

#### HACB Policy

The HACB does not provide a model or standard dwelling lease for owners to use in the HCV program.

#### **Lease Information [24 CFR 982.308(d)]**

The assisted dwelling lease must contain all of the required information as listed below:

- The names of the owner and the tenant:
- The unit rented (address, apartment number, and any other information needed to identify the contract unit)
- The term of the lease (initial term and any provisions for renewal)
- The amount of the monthly rent to owner
- A specification of what utilities and appliances are to be supplied by the owner, and what utilities and appliances are to be supplied by the family

#### **Term of Assisted Tenancy**

The initial term of the assisted dwelling lease must be for at least one year [24 CFR 982.309]. The initial lease term is also stated in the HAP contract.

The HUD program regulations permit the PHA to approve a shorter initial lease term if certain conditions are met.

#### HACB Policy

The HACB will approve an initial lease term of less than one (1) year.

During the initial term of the lease, the owner may not raise the rent to owner [24 CFR 982.309].

Any provisions for renewal of the dwelling lease will be stated in the dwelling lease [HCV Guidebook, pg. 8-22]. There are no HUD requirements regarding any renewal extension terms, except that they must be in the dwelling lease if they exist.

The PHA may execute the HAP contract even if there is less than one (1) year remaining from the beginning of the initial lease term to the end of the last expiring funding increment under the consolidated ACC. [24 CFR 982.309(b)].

#### **Security Deposit [24 CFR 982.313 (a) and (b)]**

The owner may collect a security deposit from the tenant. The PHA may prohibit security deposits in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants. However, if the PHA chooses to do so, language to this effect must be added to Part A of the HAP contract [Form HUD-52641].

#### HACB Policy

The HACB will allow the owner to collect any security deposit amount the owner determines is appropriate. Therefore, no modifications to the HAP contract will be necessary.

### **Separate Non-Lease Agreements between Owner and Tenant**

Owners may not demand or accept any rent payment from the family in excess of the rent to the owner minus the PHA's housing assistance payments to the owner [24 CFR 982.451(b)(4)].

The owner may not charge the tenant extra amounts for items customarily included in rent in the locality, or provided at no additional cost to unsubsidized tenants in the premises [24 CFR 982.510(c)].

#### HACB Policy

The HACB permits owners and families to execute separate, non-lease agreements for services, appliances (other than range and refrigerator) and other items that are not included in the lease.

Any items, appliances, or other services that are customarily provided to unassisted families as part of the dwelling lease with those families, or are permanently installed in the dwelling unit must be included in the dwelling lease for the assisted family. These items, appliances or services cannot be placed under a separate non-lease agreement between the owner and family. Side payments for additional rent, or for items, appliances or services customarily provided to unassisted families as part of the dwelling lease for those families, are prohibited.

Any items, appliances, or other services that are not customarily provided to unassisted families as part of the dwelling lease with those families, are not permanently installed in the dwelling unit and where the family has the sole option of not utilizing the item, appliance or service, may be included in a separate non-lease agreement between the owner and the family.

The family is not liable and cannot be held responsible under the terms of the assisted dwelling lease for any charges pursuant to a separate non-lease agreement between the owner and the family. Non-payment of any charges pursuant to a separate non-lease agreement between the owner and the family cannot be a cause for eviction or termination of tenancy under the terms of the assisted dwelling lease.

Separate non-lease agreements that involve additional items, appliances or other services may be considered amenities offered by the owner and may be taken into consideration when determining the reasonableness of the rent for the property.

### **PHA Review of Lease**

The PHA will review the dwelling lease for compliance with all applicable requirements.

#### HACB Policy

If the dwelling lease is incomplete or incorrect, the HACB will notify the family and the owner of the deficiencies. Missing and corrected lease information will only be accepted

as hard copies, in-person, by mail, by email, or by fax. The HACB will not accept missing and corrected information over the phone

Because the initial leasing process is time-sensitive, the HACB will attempt to communicate with the owner and family by phone, fax, or e-mail. The HACB will use mail when the parties can't be reached by phone, fax, or e-mail.

The PHA is permitted, but is not required, to review the lease to determine if the lease complies with State and local law and is permitted to decline to approve the tenancy if the PHA determines that the lease does not comply with State or local law [24 CFR 982.308(c)]

#### HACB Policy

The HACB will not review the owner's lease for compliance with state/local law.

### **9-1.F. TENANCY APPROVAL [24 CFR 982.305]**

After receiving the family's Request for Tenancy Approval, with proposed dwelling lease, the PHA must promptly notify the family and owner whether the assisted tenancy is approved.

Prior to approving the assisted tenancy and execution of a HAP contract, the PHA must ensure that all required actions and determinations, discussed in Part I of this chapter have been completed.

These actions include ensuring that the unit is eligible; the unit has been inspected by the PHA and meets the Housing Quality Standards (HQS); the lease offered by the owner is approvable and includes the required Tenancy Addendum; the rent to be charged by the owner for the unit must be reasonable; where the family is initially leasing a unit and the gross rent of the unit exceeds the applicable payment standard for the family, the share of rent to be paid by the family does not exceed 40 percent of the family's monthly adjusted income [24 CFR 982.305(a)]; the owner is an eligible owner, not disapproved by the PHA, with no conflicts of interest [24 CFR 982.306]; the family and the owner have executed the lease, including the Tenancy Addendum, and the lead-based paint disclosure information [24 CFR 982.305(b)].

#### HACB Policy

The HACB will complete its determination within fourteen (14) calendar days of receiving all required information.

If the terms of the RTA/proposed lease are changed for any reason, including but not limited to negotiation with the HACB, the HACB will obtain corrected copies of the RTA and proposed lease, signed by the family and the owner.

Any changes agreed upon by the landlord and tenant must be initialed and dated by both parties.

If the HACB determines that the tenancy cannot be approved for any reason, the owner and the family will be notified in writing and given the opportunity to address any reasons for disapproval. The HACB will instruct the owner and family of the steps that are necessary to approve the tenancy.

Where the tenancy is not approvable because the unit is not approvable, the family must continue to search for eligible housing within the timeframe of the issued voucher.

If the tenancy is not approvable due to rent affordability (including rent burden and rent reasonableness), the HACB will attempt to negotiate the rent with the owner. If a new, approvable rent is negotiated, the tenancy will be approved. If the owner is not willing to negotiate an approvable rent, the family must continue to search for eligible housing within the timeframe of the issued voucher.

#### **9-I.G. HAP CONTRACT EXECUTION [24 CFR 982.305]**

The HAP contract is a written agreement between the PHA and the owner of the dwelling unit occupied by a housing choice voucher assisted family. Under the HAP contract, the PHA agrees to make housing assistance payments to the owner on behalf of a specific family occupying a specific unit and obliges the owner to comply with all program requirements.

The HAP contract format is prescribed by HUD.

If the PHA has given approval for the family of the assisted tenancy, the owner and the PHA execute the HAP contract.

The term of the HAP contract must be the same as the term of the lease [24 CFR 982.451(a)(2)].

The PHA is permitted to execute a HAP contract even if the funding currently available does not extend for the full term of the HAP contract.

The PHA must make a best effort to ensure that the HAP contract is executed before the beginning of the lease term. Regardless, the HAP contract must be executed no later than 60 calendar days from the beginning of the lease term.

The PHA may not pay any housing assistance payment to the owner until the HAP contract has been executed. If the HAP contract is executed during the period of sixty (60) calendar days from the beginning of the lease term, the PHA will pay housing assistance payments after execution of the HAP contract (in accordance with the terms of the HAP contract), to cover the portion of the lease term before execution of the HAP contract (a maximum of sixty (60) days).

Any HAP contract executed after the sixty (60) day period is void, and the PHA may not pay any housing assistance payment to the owner.

##### HACB Policy

Owners who have not previously participated in the HCV program may attend a meeting with the HACB in which the terms of the Tenancy Addendum and the HAP contract will be explained.

The owner and the assisted family will execute the dwelling lease and the owner must provide a copy to the HACB. The HACB will ensure that both the owner and the assisted family receive copies of the dwelling lease.

The owner and the HACB will execute the HAP contract. The HACB will not execute the HAP contract until the owner has submitted IRS form W-9. The HACB will ensure that the owner receives a copy of the executed HAP contract.

See Chapter 13 for a discussion of the HAP contract and contract provisions.

#### **9-I.H. CHANGES IN LEASE OR RENT [24 CFR 982.308]**

If the tenant and the owner agree to any changes in the lease, such changes must be in writing, and the owner must immediately give the PHA a copy of such changes. The lease, including any changes, must remain in accordance with the requirements of this chapter.

Generally, PHA approval of tenancy and execution of a new HAP contract are not required for changes in the lease. However, under certain circumstances, voucher assistance in the unit shall not be continued unless the PHA has approved a new tenancy in accordance with program requirements and has executed a new HAP contract with the owner. These circumstances include:

- Changes in lease requirements governing tenant or owner responsibilities for utilities or appliances
- Changes in lease provisions governing the term of the lease
- The family moves to a new unit, even if the unit is in the same building or complex

In these cases, if the HCV assistance is to continue, the family must submit a new Request for Tenancy Approval (RTA) along with a new dwelling lease containing the altered terms. A new tenancy must then be approved in accordance with this chapter.

Where the owner is changing the amount of rent, the owner must notify the PHA of any changes in the amount of the rent to owner at least sixty (60) days before any such changes go into effect [24 CFR 982.308(g)(4)]. The PHA will agree to such an increase only if the amount of the rent to owner is considered reasonable according to the rent reasonableness standards discussed in Chapter 8. If the requested rent is not found to be reasonable, the owner must either reduce the requested rent increase, or give the family notice in accordance with the terms of the lease.

No rent increase is permitted during the initial term of the lease [24 CFR 982.309(a)(3)].

#### HACB Policy

Where the owner is requesting a rent increase, the HACB will determine whether the requested increase is reasonable within fourteen (14) calendar days of receiving the request from the owner. The owner will be notified of the determination in writing.

Rent increases will go into effect on the first of the month following the sixty (60) day period after the owner notifies the HACB of the rent change or on the date specified by the owner, whichever is later.

## Chapter 10

### MOVING WITH CONTINUED ASSISTANCE AND PORTABILITY

#### INTRODUCTION

Freedom of housing choice is a hallmark of the housing choice voucher (HCV) program. In general, HUD regulations impose few restrictions on where families may live or move with HCV assistance. This chapter sets forth HUD regulations and PHA policies governing moves within or outside the PHA's jurisdiction in two parts:

**Part I: Moving with Continued Assistance.** This part covers the general rules that apply to all moves by a family assisted under the PHA's HCV program, whether the family moves to another unit within the PHA's jurisdiction or to a unit outside the PHA's jurisdiction under portability.

**Part II: Portability.** This part covers the special rules that apply to moves by a family under portability, whether the family moves out of or into the PHA's jurisdiction. This part also covers the special responsibilities that the PHA has under portability regulations and procedures.

#### PART I: MOVING WITH CONTINUED ASSISTANCE

##### 10-I.A. ALLOWABLE MOVES

HUD lists five regulatory conditions and the statutory condition under The Violence Against Women Reauthorization Act (VAWA) in which an assisted family is allowed to move to a new unit with continued assistance. Permission to move is subject to the restrictions set forth in section 10-I.B.

- The family has a right to terminate the lease on notice to the owner (for the owner's breach or otherwise) and has given a notice of termination to the owner in accordance with the lease [24 CFR 982.354(b)(3)]. If the family terminates the lease on notice to the owner, the family must give the PHA a copy of the notice at the same time [24 CFR 982.354(d)(1)].
- The lease for the family's unit has been terminated by mutual agreement of the owner and the family [24 CFR 982.354(b)(1)(ii)].

##### HACB Policy

If the family and the owner mutually agree to terminate the lease for the family's unit, the family must give the HACB a copy of the termination agreement.

- The owner has given the family a notice to vacate, has commenced an action to evict the family, or has obtained a court judgment or other process allowing the owner to evict the family [24 CFR 982.354(b)(2)]. The family must give the PHA a copy of any owner eviction notice [24 CFR 982.551(g)].
- The family or a member of the family is or has been the victim of domestic violence, dating violence, sexual assault, or stalking and the move is needed to protect the health or safety of the family or family member [24 CFR 982.354(b)(4)]. This condition applies even when the family has moved out of its unit in violation of the lease, with or without prior notification to

the PHA, if the family or family member who is the victim reasonably believed that he or she was imminently threatened by harm from further violence if he or she remained in the unit [24 CFR 982.354(b), 24 CFR 982.353(b)]. The PHA must adopt an emergency transfer plan as required by regulations at 24 CFR 5.2007(e).

#### HACB Policy

If a family requests permission to move with continued assistance based on a claim that the move is necessary to protect the health or safety of a family member who is or has been the victim of domestic violence, dating violence, sexual assault, or stalking, the HACB will request documentation in accordance with section 16-IX.D of this plan.

The HACB reserves the right to waive the documentation requirement if it determines that a statement or other corroborating evidence from the family or family member will suffice. In such cases the PHA will document the waiver in the family's file.

The HACB has adopted an emergency transfer plan, which is included as Exhibit 16-3 to this plan.

- The PHA has terminated the HAP contract for the family's unit for the owner's breach [24 CFR 982.354(b)(1)(i)].
- The PHA determines that the family's current unit does not meet the HQS space standards because of an increase in family size or a change in family composition. In such cases, the PHA must issue the family a new voucher, and the family and PHA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for the family, the PHA must terminate the HAP contract for the family's old unit in accordance with the HAP contract terms and must notify both the family and the owner of the termination. The HAP contract terminates at the end of the calendar month that follows the calendar month in which the PHA gives notice to the owner. [24 CFR 982.403(a) and (c)]

#### **10-I.B. RESTRICTIONS ON MOVES**

A family's right to move is generally contingent upon the family's compliance with program requirements [24 CFR 982.1(b)(2)]. HUD specifies two conditions under which the PHA may deny a family permission to move and two ways in which the PHA may restrict moves by a family.

##### **Denial of Moves**

HUD regulations permit the PHA to deny a family permission to move under the following conditions:

##### ***Insufficient Funding***

The PHA may deny a family permission to move both within and outside the PHA's jurisdiction (as under portability) if the PHA does not have sufficient funding for continued assistance [24 CFR 982.354(e)(1)]. However, Notice PIH 2016-09 significantly restricts the ability of PHAs to deny permission to move due to insufficient funding and places further requirements on PHAs regarding moves denied due to lack of funding. The requirements found in this notice are mandatory.

#### HACB Policy

The HACB will deny a family permission to move on grounds that the HACB does not have sufficient funding for continued assistance if (a) the move is initiated by the family, not the owner or the HACB; (b) the HACB can demonstrate that the move will, in fact, result in higher subsidy costs; (c) the HACB can demonstrate, in accordance with the policies in Part VIII of Chapter 16, that it does not have sufficient funding in its annual budget to accommodate the higher subsidy costs; and (d) for portability moves, the receiving PHA is not absorbing the voucher.

If the PHA does not have sufficient funding for continued assistance, but the family must move from their unit (e.g., the unit failed HQS), the family may move to a higher cost unit if the move is within the PHA's jurisdiction. The PHA, however, will not allow the family to move under portability in this situation if the family wishes to move to a higher cost area.

For both moves within the PHA's jurisdiction and outside under portability, the PHA will not deny a move due to insufficient funding if the PHA previously approved the move and subsequently experienced a funding shortfall if the family cannot remain in their current unit. The PHA will rescind the voucher in this situation if the family will be allowed to remain in their current unit.

The HACB will create a list of families whose moves have been denied due to insufficient funding. The PHA will keep the family's request open indefinitely, and when funds become available, the families on this list will take precedence over families on the waiting list. The HACB will use the same procedures for notifying families with open requests to move when funds become available as those used for the waiting list as specified in section 4-III.D of this Administrative Plan.

The HACB will inform the family of its policy regarding moves denied due to insufficient funding in a letter to the family at the time the move is denied.

#### ***Grounds for Denial or Termination of Assistance***

The PHA has grounds for denying or terminating the family's assistance [24 CFR 982.354(e)(2)]. VAWA allows exceptions to these grounds for denial or termination of assistance for families who are otherwise in compliance with program obligations, but have moved to protect the health or safety of an individual who is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, and who reasonably believed he or she was imminently threatened by harm from further violence if they remained in the unit [24 CFR 982.353(b)].

#### **HACB Policy**

If the HACB has grounds for denying or terminating a family's assistance, the HACB will act on those grounds in accordance with the regulations and policies set forth in Chapters 3 and 12, respectively. In general, it will not deny a family permission to move for this reason; however, it retains the discretion to do so under special circumstances. Refer to sections 3-III.G and 12-II.E for VAWA provisions.

#### **Restrictions on Elective Moves [24 CFR 982.354(e)]**

HUD regulations permit the PHA to prohibit any elective move by a participant family during the family's initial lease term. They also permit the PHA to prohibit more than one (1) elective move by a participant family during any twelve (12) month period. However, such prohibitions, if



adopted, do not apply when the family or a member of the family is or has been the victim of domestic violence, dating violence, sexual assault, or stalking and the move is needed to protect the health or safety of the family or family member. (For the policy on documentation of abuse, see section 10-I-A.) In addition, the PHA may not establish a policy permitting moves only at reexamination [Notice PIH 2016-09].

#### HACB Policy

The HACB will deny a family permission to make an elective move during the family's initial lease term. This policy applies to moves within the HACB's jurisdiction or outside it under portability.

The HACB will also deny a family permission to make more than one (1) elective move during any twelve (12) month period. This policy applies to all assisted families residing in the HACB's jurisdiction.

The HACB will consider exceptions to these policies for the following reasons: to protect the health or safety of a family member (e.g., lead-based paint hazards, domestic violence, witness protection programs), to accommodate a change in family circumstances (e.g., new employment, school attendance in a distant area), or to address an emergency situation over which a family has no control.

In addition, the HACB will allow exceptions to these policies for purposes of reasonable accommodation of a family member who is a person with disabilities (see Chapter 2).

### **10-I.C. MOVING PROCESS**

#### **Notification**

If a family wishes to move to a new unit, the family must notify the PHA and the owner before moving out of the old unit or terminating the lease on notice to the owner [24 CFR 982.354(d)(2)]. If the family wishes to move to a unit outside the PHA's jurisdiction under portability, the notice to the PHA must specify the area where the family wishes to move [24 CFR 982.354(d)(2)]. The notices must be in writing [24 CFR 982.5].

#### **Approval**

##### HACB Policy

Upon receipt of a family's notification that it wishes to move, the HACB will determine whether the move is approvable in accordance with the regulations and policies set forth in sections 10-I.A and 10-I.B. The HACB will notify the family in writing of its determination within fourteen (14) calendar days following receipt of the family's notification.

### **Reexamination of Family Income and Composition**

#### HACB Policy

For families approved to move to a new unit within the HACB's jurisdiction, the HACB will perform a new annual reexamination in accordance with the policies set forth in Chapter 11 of this plan.

For families moving into or families approved to move out of the HACB's jurisdiction under portability, the HACB will follow the policies set forth in Part II of this chapter.

### **Voucher Issuance and Briefing**

#### HACB Policy

For families approved to move to a new unit within the HACB's jurisdiction, the HACB will issue a new voucher within fourteen (14) calendar days of the HACB's written approval to move. No briefing is required for these families. The HACB will follow the policies set forth in Chapter 5 on voucher term, extension, and expiration. If a family does not locate a new unit within the term of the voucher and any extensions, the family may remain in its current unit with continued voucher assistance if the owner agrees and the HACB approves. Otherwise, the family will lose its assistance.

For families moving into or families approved to move out of the HACB's jurisdiction under portability, the HACB will follow the policies set forth in Part II of this chapter.

### **Housing Assistance Payments [24 CFR 982.311(d)]**

When a family moves out of an assisted unit, the PHA may not make any housing assistance payment to the owner for any month **after** the month the family moves out. The owner may keep the housing assistance payment for the month when the family moves out of the unit.

If a participant family moves from an assisted unit with continued tenant-based assistance, the term of the assisted lease for the new assisted unit may begin during the month the family moves out of the first assisted unit. Overlap of the last housing assistance payment (for the month when the family moves out of the old unit) and the first assistance payment for the new unit, is not considered to constitute a duplicative housing subsidy.

### **Zero HAP Families Who Wish to Move [24 CFR 982.455]**

A participant who is not receiving any subsidy, but whose HAP contract is still in force, may request a voucher to move to a different unit. The PHA must issue a voucher to move unless it has grounds to deny assistance under the program regulations. However, if the PHA determines no subsidy would be paid at the new unit, the PHA may refuse to enter into a HAP contract on behalf of the family.

#### HACB Policy

If a zero HAP family requests to move to a new unit, the family will be issued a voucher to move. The HACB will enter into a HAP contract if no subsidy will be paid and the original expiration date of the one hundred eighty (180) day period remains.

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## **PART II: PORTABILITY**

### **10-II.A. OVERVIEW**

Within the limitations of the regulations and this plan, a participant family or an applicant family that has been issued a voucher has the right to use tenant-based voucher assistance to lease a unit

anywhere in the United States providing that the unit is located within the jurisdiction of a PHA administering a tenant-based voucher program [24 CFR 982.353(b)]. The process by which a family obtains a voucher from one PHA and uses it to lease a unit in the jurisdiction of another PHA is known as portability. The PHA that issues the voucher is called the **initial PHA**. The PHA that has jurisdiction in the area to which the family wants to move is called the **receiving PHA**.

The receiving PHA has the option of administering the family's voucher for the initial PHA or absorbing the family into its own program. Under the first option, the receiving PHA provides all housing services for the family and bills the initial PHA for the family's housing assistance payments and the fees for administering the family's voucher. Under the second option, the receiving PHA pays for the family's assistance with its own program funds, and the initial PHA has no further relationship with the family. The initial PHA must contact the receiving PHA via email or other confirmed delivery method to determine whether the receiving PHA will administer or absorb the initial PHA's voucher. Based on the receiving PHA's response, the initial PHA must determine whether they will approve or deny the portability request [Notice PIH 2016-09].

PHAs commonly act as both the initial and receiving PHA because families may move into or out of their jurisdiction under portability. Each role involves different responsibilities. The PHA will follow the rules and policies in section 10-II.B when it is acting as the initial PHA for a family. It will follow the rules and policies in section 10-II.C when it is acting as the receiving PHA for a family.

In administering portability, the initial PHA and the receiving PHA must comply with financial procedures required by HUD, including the use of HUD-required forms [24 CFR 982.355(3)(5)].

PHAs must also comply with billing and payment deadlines. HUD may reduce an administrative fee to an initial or receiving PHA if the PHA does not comply with HUD portability requirements [24 CFR 982.355(e)(7)].

## **10-II.B. INITIAL PHA ROLE**

### **Allowable Moves under Portability**

A family may move with voucher assistance only to an area where there is at least one PHA administering a voucher program [24 CFR 982.353(b)]. If there is more than one PHA in the area, the initial PHA provides the family with the contact information for the receiving PHAs that serve the area, and the family selects the receiving PHA. The family must inform the initial PHA which PHA it has selected. If the family prefers not to select the receiving PHA, the initial PHA will select the receiving PHA on behalf of the family [24 CFR 982.355(b)].

Applicant families that have been issued vouchers as well as participant families may qualify to lease a unit outside the PHA's jurisdiction under portability. HUD regulations and PHA Policy, determines whether a family qualifies.

### ***Applicant Families***

Under HUD regulations, most applicant families qualify to lease a unit outside the PHA's jurisdiction under portability. However, HUD gives the PHA discretion to deny a portability move by an applicant family for the same two reasons that it may deny any move by a participant family: insufficient funding and grounds for denial or termination of assistance. If a PHA intends to deny a family permission to move under portability due to insufficient funding, the PHA must notify HUD within 10 business days of the determination to deny the move [24 CFR 982.355(e)].

### HACB Policy

In determining whether or not to deny an applicant family permission to move under portability because the PHA lacks sufficient funding or has grounds for denying assistance to the family, the initial PHA will follow the policies established in section 10-I.B of this chapter. If the PHA does deny the move due to insufficient funding, the PHA will notify HUD in writing within 10 business days of the PHA's determination to deny the move.

In addition, the PHA may establish a policy denying the right to portability to nonresident applicants during the first twelve (12) months after they are admitted to the program [24 CFR 982.353(c)].

### HACB Policy

If neither the head of household nor the spouse/co-head of an applicant family had a domicile (legal residence) in the PHA's jurisdiction at the time that the family's initial application for assistance was submitted, the family must lease a unit within the initial PHA's jurisdiction for at least twelve (12) months before requesting portability.

The PHA will consider exceptions to this policy for purposes of reasonable accommodation (see Chapter 2) or reasons related to domestic violence, dating violence, sexual assault, or stalking. The streamlining portability rule as outlined in Notice PIH 2016-09 also recommend PHA's consider approving such requests when there is a reasonable cause (such as an educational opportunity).

### ***Participant Families***

Under HUD regulations, participant families qualify to lease a unit outside the PHA's jurisdiction under portability. However, HUD gives the PHA discretion to deny a portability move by a participant family for the same two reasons that it may deny a portability move by an applicant family: insufficient funding and grounds for denial or termination of assistance.

### HACB Policy

In determining whether or not to deny a participant family permission to move under portability because the PHA lacks sufficient funding or has grounds for denying assistance to the family, the initial PHA will follow the policies established in section 10-I.B of this chapter.

The initial PHA must not provide portable assistance for a participant if a family has moved out of its assisted unit in violation of the lease [24 CFR 982.353(b)]. The Violence Against Women Reauthorization Act of 2013 (VAWA) creates an exception to this prohibition for families who are otherwise in compliance with program obligations but have moved to protect the health or safety of a family member who is or has been a victim of domestic violence, dating violence, sexual assault, or stalking and who reasonably believed he or she was imminently threatened by harm from further violence if they remained in the unit [24 CFR 982.353(b)].

### HACB Policy

The PHA will determine whether a participant family may move out of the PHA's jurisdiction with continued assistance in accordance with the regulations and policies set forth here and in sections 10-I.A and 10-I.B of this chapter. The PHA will notify the family

of its determination in accordance with the approval policy set forth in section 10-IC of this chapter.

## **Determining Income Eligibility**

### ***Applicant Families***

An applicant family may lease a unit in a particular area under portability only if the family is income eligible for admission to the voucher program in that area [24 CFR 982.353(d)(3)]. The family must specify the area to which the family wishes to move [24 CFR 982.355(c)(1)].

The initial PHA is responsible for determining whether the family is income eligible in the area to which the family wishes to move [24 CFR 982.355(d)(1), 24 CFR 982.355(9)]. If the applicant family is not income eligible in that area, the PHA must inform the family that it may not move there and receive voucher assistance [Notice PIH 2016-09].

### ***Participant Families***

The income eligibility of a participant family is not redetermined if the family moves to a new jurisdiction under portability [24 CFR 982.353(d)(2)].

## **Reexamination of Family Income and Composition**

No new reexamination of family income and composition is required for an applicant family.

### **HACB Policy**

For a participant family approved to move out of its jurisdiction under portability, the PHA generally will conduct a reexamination of family income and composition only if the family's annual reexamination must be completed on or before the initial billing deadline specified on form HUD-52665, Family Portability Information.

The PHA will make any exceptions to this policy necessary to remain in compliance with HUD regulations.

## **Briefing**

The regulations and policies on briefings set forth in Chapter 5 of this plan require the PHA to provide information on portability to all applicant families that qualify to lease a unit outside the PHA's jurisdiction under the portability procedures. Therefore, no special briefing is required for these families.

### **HACB Policy**

No formal briefing will be required for a participant family wishing to move outside the PHA's jurisdiction under portability. However, the PHA will provide the family with the same oral and written explanation of portability that it provides to applicant families selected for admission to the program (see Chapter 5).

The PHA will provide the name, address, and phone of the contact for the PHAs in the jurisdiction to which they wish to move. If there is more than one PHA with jurisdiction over the area to which the family wishes to move, the PHA will advise the family that the family selects the receiving PHA and notify the PHA of which receiving PHA was selected.

The PHA will provide the family with contact information for all of the receiving PHAs that serve the area. The PHA will not provide any additional information about receiving PHAs in the area. The PHA will further notify the family that if the family prefers not to select the receiving PHA, the PHA will select the receiving PHA on behalf of the family. In this case, the PHA will not provide the family with information for all receiving PHAs in the area.

The PHA will advise the family that they will be under the receiving PHA's policies and procedures, including screening, subsidy standards voucher extension policies, and payment standards.

### **Voucher Issuance and Term**

An applicant family has no right to portability until after the family has been issued a voucher [24 CFR 982.353(b)]. In issuing vouchers to applicant families, the PHA will follow the regulations and procedures set forth in Chapter 5.

#### HACB Policy

For participating families approved to move under portability, the PHA will issue a new voucher within fourteen (14) calendar days of the PHA's written approval to move.

The initial term of the voucher will be ninety (90) days.

### **Voucher Extensions and Expiration**

#### HACB Policy

The PHA will approve no extensions to a voucher issued to an applicant or participant family porting out of the PHA's jurisdiction except under the following circumstances: (a) the initial term of the voucher will expire before the portable family will be issued a voucher by the receiving PHA, (b) the family decides to return to the initial PHA's jurisdiction and search for a unit there, or (c) the family decides to search for a unit in a third PHA's jurisdiction. In such cases, the policies on voucher extensions set forth in Chapter 5, section 5-II.E, of this plan will apply, including the requirement that the family apply for an extension in writing prior to the expiration of the initial voucher term.

To receive or continue receiving assistance under the initial PHA's voucher program, a family that moves to another PHA's jurisdiction under portability must be under HAP contract in the receiving PHA's jurisdiction within ninety (90) days following the expiration date of the initial PHA's voucher term (including any extensions). (See below under "Initial Billing Deadline" for one exception to this policy.)

### **Preapproval Contact with the Receiving PHA**

Prior to approving a family's request to move under portability, the initial PHA must contact the receiving PHA via e-mail or other confirmed delivery method to determine whether the receiving PHA will bill or absorb the family's voucher. Based on the receiving PHA's response, the initial PHA must determine whether they will approve or deny the move [24 CFR 982.3-55(c)(3)].

#### HACB Policy

The PHA will use e-mail, when possible, to contact the receiving PHA regarding whether the receiving PHA will bill or absorb the family's voucher.

### **Initial Notification to the Receiving PHA**

After approving a family's request to move under portability, the initial PHA must promptly notify the receiving PHA via email or other confirmed delivery method to expect the family [24 CFR 982.355(c)(3), 24 CFR 982.355(c)(7)]. The initial PHA must also advise the family how to contact and request assistance from the receiving PHA [24 CFR 982.355(c)(6)].

#### HACB Policy

Because the portability process is time-sensitive, the PHA will notify the receiving PHA by phone, fax, or e-mail to expect the family. The initial PHA will also ask the receiving PHA to provide any information the family may need upon arrival, including the name, fax, email address and telephone number of the staff person responsible for business with incoming portable families and procedures related to appointments for voucher issuance. The PHA will pass this information along to the family. The PHA will also ask for the name, address, telephone number, fax and email of the person responsible for processing the billing information.

### **Sending Documentation to the Receiving PHA**

The initial PHA is required to send the receiving PHA the following documents:

- Form HUD-52665, Family Portability Information, with Part I filled out [Notice PIH 2016-09]
- A copy of the family's voucher [Notice PIH 2016-09]
- A copy of the family's most recent form HUD-50058, Family Report, or, if necessary in the case of an applicant family, family and income information in a format similar to that of form HUD-50058 [24 CFR 982.355(c)(7), Notice PIH 2016-09]
- Copies of the income verifications backing up the form HUD-50058, including a copy of the family's current EIV data [24 CFR 982.355(c)(7), Notice PIH 2016-09]

#### HACB Policy

In addition to these documents, the PHA will provide the following information, if available, to the receiving PHA:

Social security numbers (SSNs)

Documentation of SSNs for all nonexempt household members whose SSNs have not been verified through the EIV system

Documentation of legal identity

Documentation of citizenship or eligible immigration status

Documentation of participation in the earned income disallowance (EID) benefit

Documentation of participation in a family self-sufficiency (FSS) program

The PHA will notify the family in writing regarding any information provided to the receiving PHA [HCV GB, p. 13-3].

### **Initial Billing Deadline [Notice PIH 2016-09]**

The deadline for submission of initial billing is ninety (90) days following the expiration date of the voucher issued to the family by the initial PHA. In cases when suspension of the voucher delays

the initial billing submission, the receiving PHA must notify the initial PHA of delayed billing before the billing deadline and document the delay is due to the suspension. In this case, the initial PHA must extend the billing deadline by 30 days.

If the initial PHA does not receive a billing notice by the deadline and does not intend to honor a late billing submission, it must notify the initial PHA in writing. The initial PHA may report to HUD the receiving PHA's failure to comply with the deadline.

If the initial PHA will honor the late billing, no action is required.

#### HACB Policy

If the PHA has not received an initial billing notice from the receiving PHA within the billing deadline, it will contact the receiving PHA to inform them that it will not honor a late billing submission and will return any subsequent billings that it receives on behalf of the family. The PHA will send the receiving PHA a written confirmation of its decision by mail.

The PHA will allow an exception to this policy if the family includes a person with disabilities and the late billing is a result of a reasonable accommodation granted to the family by the receiving PHA.

#### **Monthly Billing Payments [24 CFR 982.355(e), Notice PIH 2016-09]**

If the receiving PHA is administering the family's voucher, the receiving PHA bills the initial PHA for housing assistance payments and administrative fees. When reimbursing for administrative fees, the initial PHA must promptly reimburse the receiving PHA for the lesser of 80 percent of the initial PHA ongoing administrative fee or 100 percent of the receiving PHA's ongoing administrative fee for each program unit under contract on the first day of the month for which the receiving PHA is billing the initial PHA under portability. If the administrative fees are prorated for the HCV program, the proration will apply to the amount of the administrative fee for which the receiving PHA may bill [24 CFR 982.355(e)(2)].

The initial PHA is responsible for making billing payments in a timely manner. The first billing amount is due within 30 calendar days after the initial PHA receives Part II of form HUD-52665 from the receiving PHA. Subsequent payments must be **received** by the receiving PHA no later than the fifth business day of each month.

The initial PHA may not terminate or delay making payments under existing portability billing arrangements as a result of over leasing or funding shortfalls. The PHA must manage its tenant-based program in a manner that ensures that it has the financial ability to provide assistance for families that move out of its jurisdiction under portability and are not absorbed by receiving PHAs as well as for families that remain within its jurisdiction.

#### HACB Policy

The HACB will utilize direct deposit to ensure that the payment is received by the deadline. If the initial PHA extends the term of the voucher, the receiving PHA's voucher will expire 30 calendar days from the new expiration date of the initial PHA's voucher.

#### **Annual Updates of Form HUD-50058**

If the initial PHA is being billed on behalf of a portable family, it should receive an updated form HUD-50058 each year from the receiving PHA. If the initial PHA fails to receive an updated 50058



by the family's annual reexamination date, the initial PHA should contact the receiving PHA to verify the status of the family. The initial PHA must continue paying the receiving PHA based on the last form HUD-50058 received, unless instructed otherwise by HUD. The initial PHA may seek absorption of the vouchers by following steps outlined in the Notice PIH 2016-09.

**Denial or Termination of Assistance [24 CFR 982.355(c)(17)]**

At any time, either the initial PHA or the receiving PHA may make a determination to deny or terminate assistance with the family in accordance with 24 CFR 982.552 and 24 CFR 982.553. (For PHA policies on denial and termination, see Chapters 3 and 12, respectively.)

**10-II.C. RECEIVING PHA ROLE**

If a family has a right to lease a unit in the receiving PHA's jurisdiction under portability, the receiving PHA must provide assistance for the family [24 CFR 982.355(10)]. HUD may determine in certain instances that a PHA is not required to accept incoming portable families, such as a PHA in a declared disaster area. However, the PHA must have approval in writing from HUD before refusing any incoming portable families [24 CFR 982.355(b)].

Administration of the voucher must be in accordance with the receiving PHA's policies. This requirement also applies to policies of Moving to Work agencies. The receiving PHA procedures and preferences for selection among eligible applicants do not apply to the family, and the receiving PHA waiting list is not used [24 CFR 982.355(c)(10)]. The family's unit, or voucher, size is determined in accordance with the subsidy standards of the receiving PHA [24 CFR 982.355(12)], and the receiving PHA's policies on extensions of the voucher term apply [24 CFR 982.355(c)(14)].

**Responding to Initial PHA's Request [24 CFR 982.355(c)]**

The receiving PHA must respond via e-mail or other confirmed delivery method to the initial PHA's inquiry to determine whether the family's voucher will be billed or absorbed [24 CFR 982.355(c)(3)]. If the receiving PHA informs the initial PHA that they will be absorbing the voucher, the receiving PHA cannot reverse its decision at a later date without consent of the initial PHA [24 CFR 982.355(c)(4)].

HACB Policy

The PHA will use e-mail, when possible, to respond to the initial PHA's request as to whether the family's voucher will be billed or absorbed.

**Initial Contact with Family**

When a family moves into the PHA's jurisdiction under portability, the family is responsible for promptly contacting the PHA and complying with the PHA's procedures for incoming portable families [24 CFR 982.355(c)(8)]. The family's failure to comply may result in denial or termination of the receiving PHA's voucher [24 CFR 982.355(c)(8)].

If the voucher issued to the family by the initial PHA has expired, the receiving PHA must contact the initial PHA to determine if it will extend the voucher [24 CFR 982.355(c)(13)]. An informal hearing is not required when a voucher has expired without the family leasing a unit.

HACB Policy

If for any reason the receiving PHA refuses to process or provide assistance to a family under the portability procedures, the family must be given the opportunity for an informal review or hearing [Notice PIH 2016-09]. (For more on this topic, see later under “Denial or Termination of Assistance.”)

### **Briefing**

HUD allows the receiving PHA to require a briefing for an incoming portable family as long as the requirement does not unduly delay the family’s search [Notice PIH 2016-09].

#### HACB Policy

The PHA will require the family to attend a briefing. The PHA will provide the family with a briefing packet (as described in Chapter 5) and, in an individual briefing, will orally inform the family about the PHA’s payment and subsidy standards, procedures for requesting approval of a unit, the unit inspection process, and the leasing process. The PHA will suggest that the family attend a full briefing at a later date.

### **Income Eligibility and Reexamination**

The receiving PHA does not redetermine eligibility for a portable family that was already receiving assistance in the initial PHA’s voucher program [24 CFR 982.355(c)(9)]. If the receiving PHA opts to conduct a new reexamination for a current participant family, the receiving PHA may not delay issuing the family a voucher or otherwise delay approval of a unit [24 CFR 982.355(c)(11)].

#### HACB Policy

For any family moving into its jurisdiction under portability, the PHA will conduct a new reexamination of family income and composition. However, the PHA will not delay issuing the family a voucher for this reason. Nor will the PHA delay approving a unit for the family until the reexamination process is complete unless the family is an applicant and the PHA cannot otherwise confirm that the family is income eligible for admission to the program in the area where the unit is located.

In conducting its own reexamination, the PHA will rely upon any verification’s provided by the initial PHA to the extent that they (a) accurately reflect the family’s current circumstances and (b) were obtained within the last one hundred twenty (120) days. Any new information may be verified by documents provided by the family and adjusted, if necessary, when third party verification is received.

### **Voucher Issuance**

When a family moves into its jurisdiction under portability, the receiving PHA is required to issue the family a voucher [24 CFR 982.355(c)(13)]. The family must submit a request for tenancy approval to the receiving PHA during the term of the receiving PHA’s voucher [24 CFR 982.355(c)(15)].

#### ***Timing of Voucher Issuance***

HUD expects the receiving PHA to issue the voucher within two weeks after receiving the family’s paperwork from the initial PHA if the information is in order, the family has contacted the receiving PHA, and the family complies with the receiving PHA’s procedures [Notice PIH 2016-09].

### HACB Policy

When family ports into its jurisdiction, the PHA will issue the family a voucher based on the paperwork provided by the initial PHA unless the family's paperwork from the initial PHA is incomplete, the family's voucher from the initial PHA has expired or the family does not comply with the PHA's procedures. The PHA will update the family's information when verification has been completed.

### ***Voucher Term***

The term of the receiving PHA's voucher may not expire 30 calendar days from the expiration of the initial PHA's voucher [24 CFR 982.355(c)(13)]. If the initial PHA extends the term of the voucher, the receiving PHA's voucher may not expire before 30 days from the new expiration date of the initial PHA's voucher [Notice PIH 2016.09].

### HACB Policy

The receiving PHA's voucher will expire 30 calendar days from the expiration date of the initial PHA's voucher. If the initial PHA extends the term of the voucher, the receiving PHA's voucher will expire 30 calendar days from the new expiration date of the initial PHA's voucher.

### ***Voucher Extensions [24 CFR 982.355(c)(14), Notice 2016-09]***

Once the receiving PHA issues the portable family a voucher, the receiving PHA's policies on extensions of the voucher term apply. The receiving PHA must inform the initial PHA of any extension granted to the term of the voucher. It must also bear in mind the billing deadline provided by the initial PHA. Unless willing and able to absorb the family, the receiving PHA should ensure that any voucher expiration date would leave sufficient time to process a request for tenancy approval, execute a HAP contract, and deliver the initial billing to the initial PHA.

### HACB Policy

The PHA generally will not extend the term of the voucher that it issues to an incoming portable family unless the PHA plans to absorb the family into its own program, in which case it will follow the policies on voucher extension set forth in section 5-II.E.

The PHA will consider an exception to this policy as a reasonable accommodation to a person with disabilities (see Chapter 2).

### ***Voucher Suspensions [24 CFR 982.303, 24 CFR 982.355(c)(15)]***

If the family submits a request for tenancy approval during the term of the receiving PHA's voucher, the PHA must suspend the term of that voucher. The term of the voucher stops from the date that the family submits a request for PHA approval of the tenancy until the date the PHA notifies the family in writing whether the request has been approved or denied [24 CFR 982.4(b)] (see Section 5-II.E.)

### ***Notifying the Initial PHA***

The receiving PHA must promptly notify the initial PHA if the family has leased an eligible unit under the program or if the family fails to submit a request for tenancy approval for an eligible unit within the term of the receiving PHA's voucher [24 CFR 982.355(c)(16)]. The receiving PHA is required to use Part II of form HUD-52665, Family Portability Information, for this purpose

[Notice PIH 2016-09]. (For more on this topic and the deadline for notification, see below under “Administering a Portable Family’s Voucher.”)

If an incoming portable family ultimately decides not to lease in the jurisdiction of the receiving PHA but instead wishes to return to the initial PHA’s jurisdiction or to search in another jurisdiction, the receiving PHA must refer the family back to the initial PHA. In such a case the voucher of record for the family is once again the voucher originally issued by the initial PHA. Any extension of search time provided by the receiving PHA’s voucher is only valid for the family’s search in the receiving PHA’s jurisdiction [Notice PIH 2016-09].

### **Administering a Portable Family’s Voucher**

#### ***Portability Billing [24 CFR 982.355(3)]***

To cover assistance for a portable family that was not absorbed, the receiving PHA bills the initial PHA for housing assistance payments and administrative fees. The amount of the housing assistance payment for a portable family in the receiving PHA’s program is determined in the same manner as for other families in the receiving PHA’s program.

The receiving PHA may bill the initial PHA for the lesser of 80 percent of the initial PHA’s ongoing administrative fee or 100 percent of the receiving PHA’s ongoing administrative fee for each program unit under contract on the first day of the month for which the receiving PHA is billing the initial PHA under portability. If the administrative fees are prorated for the HCV program, the proration will apply to the amount of the administrative fee for which the receiving PHA may bill (i.e., the receiving PHA may bill for the lesser of 80 percent of the initial PHA’s prorated ongoing administrative fee or 100 percent of the receiving PHA’s ongoing administrative fee).

If both PHAs agree, the PHAs may negotiate a different amount of reimbursement.

#### HACB Policy

Unless the PHA negotiates a different amount of reimbursement with the initial PHA, the PHA will bill the initial PHA the maximum amount of administrative fee allowed, ensuring any administrative fee proration has been properly applied.

#### ***Initial Billing Deadline***

If a portable family’s search for a unit is successful and the receiving PHA intends to administer the family’s voucher, the receiving PHA must submit its initial billing notice (Part II of form HUD-52665) in time that the notice will be **received** no later than 60 days following the expiration date of the family’s voucher issued by the initial PHA [Notice PIH 2016-09]. This deadline may be extended for 30 additional days if the delay is due to suspension of the voucher’s term (see Initial Billing Section). A copy of the family’s form HUD-50058, Family Report, completed by the receiving PHA must be attached to the initial billing notice. The receiving PHA may send these documents by mail, fax, or e-mail.

#### HACB Policy

The PHA will send its initial billing notice by fax or e-mail, if necessary, to meet the billing deadline but will also send the notice by regular mail.

If the receiving PHA fails to send the initial billing by the deadline, it is required to absorb the family into its own program unless (a) the initial PHA is willing to accept the late submission or (b) HUD requires the initial PHA to honor the late submission (e.g., because the receiving PHA is overleased) [Notice PIH 2016-09].

***Ongoing Notification Responsibilities [Notice PIH 2016-09, HUD-52665]***

**Annual Reexamination.** The receiving PHA must send the initial PHA a copy of a portable family's updated form HUD-50058 after each annual reexamination for the duration of time the receiving PHA is billing the initial PHA on behalf of the family, regardless of whether there is a change in the billing amount.

**HACB Policy**

The PHA will send a copy of the updated HUD-50058 by regular mail no later than fourteen (14) calendar days after the effective date of the reexamination

**Change in Billing Amount.** The receiving PHA is required to notify the initial PHA, using form HUD-52665, of any change in the billing amount for the family as a result of:

- A change in the HAP amount (because of a reexamination, a change in the applicable payment standard, a move to another unit, etc.)
- An abatement or subsequent resumption of the HAP payments
- Termination of the HAP contract
- Payment of a damage/vacancy loss claim for the family
- Termination of the family from the program

The timing of the notice of the change in the billing amount should correspond with the notification to the owner and the family in order to provide the initial PHA with advance notice of the change. Under no circumstances should the notification be later than fourteen (14) calendar days following the effective date of the change in the billing amount. If the receiving PHA fails to send Form HUD-52665 within fourteen (14) days of effective date of billing changes, the initial PHA is not responsible for any increase prior to notification. If the change resulted in a decrease in the monthly billing amount, the initial PHA will offset future monthly payments until the difference is reconciled.

***Late Payments [Notice PIH 2016-09]***

If the initial PHA fails to make a monthly payment for a portable family by the fifth business day of the month, the receiving PHA must promptly notify the initial PHA in writing of the deficiency. The notice must identify the family, the amount of the billing payment, the date the billing payment was due, and the date the billing payment was received (if it arrived late). The receiving PHA must send a copy of the notification to the Office of Public Housing (OPH) in the HUD area office with jurisdiction over the receiving PHA. If the initial PHA fails to correct the problem by the second month following the notification, the receiving PHA may request by memorandum to the director of the OPH with jurisdiction over the receiving PHA that HUD transfer the unit in question. A copy of the initial notification and any subsequent correspondence between the PHAs on the matter

must be attached. The receiving PHA must send a copy of the memorandum to the initial PHA. If the OPH decides to grant the transfer, the billing arrangement on behalf of the family ceases with the transfer, but the initial PHA is still responsible for any outstanding payments due to the receiving PHA.

#### ***Overpayments [Notice PIH 2016-09]***

In all cases where the receiving PHA has received billing payments for billing arrangements no longer in effect, the receiving PHA is responsible for returning the full amount of the overpayment (including the portion provided for administrative fees) to the initial PHA.

In the event that HUD determines billing payments have continued for at least three months because the receiving PHA failed to notify the initial PHA that the billing arrangement was terminated, the receiving PHA must take the following steps:

- Return the full amount of the overpayment, including the portion provided for administrative fees, to the initial PHA.
- Once full payment has been returned, notify the Office of Public Housing in the HUD area office with jurisdiction over the receiving PHA of the date and the amount of reimbursement to the initial PHA.

At HUD's discretion, the receiving PHA will be subject to the sanctions spelled out in Notice PIH 2016-09.

#### ***Denial or Termination of Assistance***

At any time, the receiving PHA may make a determination to deny or terminate assistance to a portable family for family action or inaction [24 CFR 982.355(c)(17)].

In the case of a termination, the PHA should provide adequate notice of the effective date to the initial PHA to avoid having to return a payment. In no event should the receiving PHA fail to notify the initial PHA later than fourteen (14) calendar days following the effective date of the termination of the billing arrangement [HUD-52665; Notice PIH 2016-09].

##### HACB Policy

If the PHA elects to deny or terminate assistance for a portable family, the PHA will notify the initial PHA within fourteen (14) calendar days after the informal review or hearing decision if the denial or termination is upheld. The PHA will base its denial or termination decision on the policies set forth in Chapter 3 or Chapter 12, respectively. The informal review or hearing will be held in accordance with the policies in Chapter 16. The receiving PHA will furnish the initial PHA with a copy of the review or hearing decision.

#### **Absorbing a Portable Family**

The receiving PHA may absorb an incoming portable family into its own program when the PHA executes a HAP contract on behalf of the family or at any time thereafter providing that (a) the PHA has funding available under its annual contributions contract (ACC) [24 CFR 982.355(d)(1), Notice PIH 2016-09].

If the receiving PHA absorbs a family from the point of admission, the admission will be counted against the income targeting obligation of the receiving PHA [24 CFR 982.201(b)(2)(vii)].

If the receiving PHA absorbs a family after providing assistance for the family under a billing arrangement with the initial PHA, the receiving PHA must send an updated form HUD-52665 to the initial PHA no later than 14 calendar days following the effective date of the termination of the billing arrangement [Notice PIH 2016-09].

HACB Policy

If the PHA decides to absorb a portable family upon the execution of a HAP contract on behalf of the family, PHA will notify the initial PHA by the initial billing deadline specified on form HUD-52665. The effective date of the HAP contract will be the effective date of the absorption.

If the PHA decides to absorb a family after that, it will provide the initial PHA within thirty (30) days' advance notice, but no later than 14 calendar days following the effective date of the termination of the billing arrangement.

Following the absorption of an incoming portable family, the family is assisted with funds available under the consolidated ACC for the receiving PHA's voucher program [24 CFR 982.355(d)], and the receiving PHA becomes the initial PHA in any subsequent moves by the family under portability [24 CFR 982.355(e)(4)].

## Chapter 11

### REEXAMINATIONS

#### INTRODUCTION

The PHA is required to reexamine each family's income and composition at least annually, and to adjust the family's level of assistance accordingly. Interim reexaminations are also needed in certain situations. This chapter discusses both annual and interim reexaminations, and the recalculation of family share and subsidy that occurs as a result. HUD regulations and PHA policies concerning reexaminations are presented in three parts:

Part I: Annual Reexaminations. This part discusses the process for conducting annual reexaminations.

Part II: Interim Reexaminations. This part details the requirements for families to report changes in family income and composition between annual reexaminations.

Part III: Recalculating Family Share and Subsidy Amount. This part discusses the recalculation of family share and subsidy amounts based on the results of annual and interim reexaminations.

Policies governing reasonable accommodation, family privacy, required family cooperation, and program abuse, as described elsewhere in this plan, apply to both annual and interim reexaminations.

#### PART I: ANNUAL REEXAMINATIONS [24 CFR 982.516]

##### 11-I.A. OVERVIEW

The PHA must conduct a reexamination of family income and composition at least annually. This includes gathering and verifying current information about family composition, income, and expenses. Based on this updated information, the family's income and rent must be recalculated. This part discusses the schedule for annual reexaminations, the information to be collected and verified, and annual reexamination effective dates.

##### 11-I.B. STREAMLINED ANNUAL REEXAMINATIONS [24 CFR 982.516(b)]

HUD permits PHAs to streamline the income determination process for family members with fixed sources of income. While third-party verification of all income sources must be obtained during the intake process and every three years thereafter, in the intervening years the PHA may determine income from fixed sources by applying a verified cost of living adjustment (COLA) or rate of interest. The PHA may, however, obtain third-party verification of all income, regardless of the source. Further, upon request of the family, the PHA must perform third-party verification of all income sources.

Fixed sources of income include Social Security and SSI benefits, pensions, annuities, disability or death benefits, and other sources of income subject to a COLA or rate of interest. The determination of fixed income may be streamlined even if the family also receives income from other non-fixed sources.



Two streamlining options are available, depending upon the percentage of the family's income that is received from fixed sources. If at least 90 percent of the family's income is from fixed sources, the PHA may streamline the verification of fixed income and may choose whether to verify non-fixed income amounts in years where no fixed-income review is required. If the family receives less than 90 percent of its income from fixed sources, the PHA may streamline the verification of fixed income and must verify non-fixed income annually.

#### HACB Policy

The HACB will streamline the annual reexamination process by applying the verified COLA or interest rate to fixed-income sources. The HACB will document in the file how the determination that a source of income was fixed was made.

If a family member with a fixed source of income is added, the HACB will use third-party verification of all income amounts for that family member.

If verification of the COLA or rate of interest is not available, the HACB will obtain third-party verification of income amounts.

Third-party verification of fixed sources of income will be obtained during the intake process and at least once every three years thereafter.

Third-party verification of non-fixed income will be obtained annually regardless of the percentage of family income received from fixed sources.

### **11-I.C. SCHEDULING ANNUAL REEXAMINATIONS**

The PHA must establish a policy to ensure that the annual reexamination for each family is completed *within* a 12-month period, and may require reexaminations more frequently [HCV GB p. 12-1].

#### HACB Policy

The HACB will begin the annual reexamination process 120 days in advance of its scheduled effective date. Generally, the HACB will schedule annual reexamination effective dates to coincide with the family's anniversary date.

*Anniversary date* is defined as 12 months from the effective date of the family's last annual reexamination or, during a family's first year in the program, from the effective date of the family's initial examination (admission).

If the family moves to a new unit, the HACB will perform a new annual reexamination.

The HACB also may schedule an annual reexamination for completion prior to the anniversary date for administrative purposes.

#### **Notification of and Participation in the Annual Reexamination Process**

The PHA is required to obtain the information needed to conduct annual reexaminations. How that information will be collected is left to the discretion of the PHA. However, PHAs should give tenants who were not provided the opportunity the option to complete Form HUD-92006 at this time [Notice PIH 2009-36].

### HACB Policy

Families generally are required to participate in an annual reexamination process.

Annual reexamination packets will be sent by first-class mail and will inform the family of the information and documentation that must be returned to the HACB.

## **11-I.D. CONDUCTING ANNUAL REEXAMINATIONS**

As part of the annual reexamination process, families are required to provide updated information to the PHA regarding the family's income, expenses, and composition [24 CFR 982.551(b)].

### HACB Policy

If the family does not provide the required documents or information within the required time period (plus any extensions), the family will be sent a notice of termination (See Chapter 12).

Additionally, HUD recommends that at annual reexaminations PHAs ask whether the tenant, or any member of the tenant's household, is subject to a lifetime sex offender registration requirement in any state [Notice PIH 2012-28].

### HACB Policy

The recertification packet will ask whether the tenant, or any member of the tenant's household, is subject to a lifetime sex offender registration requirement in any state. The HACB will use the Dru Sjodin National Sex Offender database to verify the information provided by the tenant.

If the PHA proposes to terminate assistance based on lifetime sex offender registration information, the PHA must notify the household of the proposed action and must provide the subject of the record and the tenant a copy of the record and an opportunity to dispute the accuracy and relevance of the information prior to termination. [24 CFR 5.903(f) and 5.905(d)] (See Chapter 12).

The information provided by the family generally must be verified in accordance with the policies in Chapter 7. Unless the family reports a change, or the PHA has reason to believe a change has occurred in information previously reported by the family, certain types of information that are verified at admission typically do not need to be re-verified on an annual basis. These include:

- Legal identity
- Age
- Social security numbers
- A person's disability status
- Citizenship or immigration status

If adding a new family member to the unit causes overcrowding according to the housing quality standards (HQS) (see Chapter 8), the PHA must issue the family a new voucher, and the family and PHA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, the PHA must terminate the HAP contract in accordance with its terms [24 CFR 982.403].

**11-I.E. DETERMINING ONGOING ELIGIBILITY OF CERTAIN STUDENTS [24 CFR 982.552(b)(5)]**

Section 327 of Public Law 109-115 established new restrictions on the ongoing eligibility of certain students (both part- and full-time) who are enrolled in institutions of higher education.

If a student enrolled in an institution of higher education is under the age of 24, is not a veteran, is not married, does not have a dependent child, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, the student’s eligibility must be reexamined along with the income eligibility of the student’s parents on an annual basis. In these cases, both the student and the student’s parents must be income eligible for the student to continue to receive HCV assistance. If, however, a student in these circumstances is determined independent from his or her parents or is considered a *vulnerable youth* in accordance with PHA Policy, the income of the student’s parents will not be considered in determining the student’s ongoing eligibility.

Students who reside with parents in an HCV assisted unit are not subject to this provision. It is limited to students who are receiving assistance on their own, separately from their parents.

HACB Policy

During the annual reexamination process, the HACB will determine the ongoing eligibility of each student who is subject to the eligibility restrictions in 24 CFR 5.612 by reviewing the student’s individual income as well as the income of the student’s parents. If the student has been determined “independent” from his/her parents or is considered a *vulnerable youth* based on the policies in Sections 3-II.E and 7-II.E, the parents’ income will not be reviewed.

If the student is no longer income eligible based on his/her own income or the income of his/her parents, the student’s assistance will be terminated in accordance with the policies in Section 12-I.D.

If the student continues to be income eligible based on his/her own income and the income of his/her parents (if applicable), the HACB will process a reexamination in accordance with the policies in this chapter.

**11-I.F. EFFECTIVE DATES**

The PHA must establish policies concerning the effective date of changes that result from an annual reexamination [24 CFR 982.516].

HACB Policy

In general, an *increase* in the family share of the rent that results from an annual reexamination will take effect on the family’s anniversary date, and the family will be notified at least 30 days in advance.

If less than 30 days remain before the scheduled effective date, the increase will take effect on the first of the month following the end of the 30-day notice period.

If a family moves to a new unit, the increase will take effect on the effective date of the new lease and HAP contract, and no 30-day notice is required.

If the HACB chooses to schedule an annual reexamination for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by the HACB, but will always allow for the 30-day notice period.

If the family causes a delay in processing the annual reexamination, *increases* in the family share of the rent will be applied retroactively, to the scheduled effective date of the annual reexamination. The family will be responsible for any overpaid subsidy and may be offered a repayment agreement in accordance with the policies in Chapter 16.

In general, a *decrease* in the family share of the rent that results from an annual reexamination will take effect on the family's anniversary date.

If a family moves to a new unit, the decrease will take effect on the effective date of the new lease and HAP contract.

If the HACB chooses to schedule an annual reexamination for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by the HACB.

If the family causes a delay in processing the annual reexamination, *decreases* in the family share of the rent will be applied prospectively, from the first day of the month following completion of the reexamination processing.

Delays in reexamination processing are considered to be caused by the family if the family fails to provide information requested by the HACB by the date specified, and this delay prevents the HACB from completing the reexamination as scheduled.

## **PART II: INTERIM REEXAMINATIONS [24 CFR 982.516]**

### **11-II.A. OVERVIEW**

Family circumstances may change between annual reexaminations. HUD and PHA policies dictate what kinds of information about changes in family circumstances must be reported, and under what circumstances the PHA must process interim reexaminations to reflect those changes. HUD regulations also permit the PHA to conduct interim reexaminations of income or family composition at any time. When an interim reexamination is conducted, only those factors that have changed are verified and adjusted [HCV GB, p. 12-10].

In addition to specifying what information the family must report, HUD regulations permit the family to request an interim determination if other aspects of the family's income or composition changes. The PHA must complete the interim reexamination within a reasonable time after the family's request.

This part includes HUD and PHA policies describing what changes families are required to report, what changes families may choose to report, and how the PHA will process both PHA- and family-initiated interim reexaminations.

### **11-II.B. CHANGES IN FAMILY AND HOUSEHOLD COMPOSITION**

The family is required to report all changes in family composition. The PHA must adopt policies prescribing when and under what conditions the family must report changes in income and family

composition. However, due to family obligations under the program, the PHA has limited discretion in this area.

HACB Policy

The HACB will conduct interim reexaminations to account for any changes in household composition that occur between annual reexaminations.

**New Family Members Not Requiring PHA Approval**

The addition of a family member as a result of birth, adoption, or court-awarded custody does not require PHA approval. However, the family is required to promptly notify the PHA of the addition [24 CFR 982.551(h)(2)].

HACB Policy

The family must inform the HACB of the birth, adoption, or court-awarded custody of a child within fourteen (14) calendar days.

**New Family and Household Members Requiring Approval**

With the exception of children who join the family as a result of birth, adoption, or court-awarded custody, a family must request PHA approval to add a new family member [24 CFR 982.551(h)(2)] or other household member (live-in aide or foster child) [24 CFR 982.551(h)(4)].

When any new family member is added, the PHA must make appropriate adjustments in the family share of the rent and the HAP payment at the effective date of either the annual or interim reexamination [24 CFR 982.516(e)(2)].

If a change in family size causes a violation of Housing Quality Standards (HQS) space standards (see Chapter 8), the PHA must issue the family a new voucher, and the family and PHA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, the PHA must terminate the family's HAP contract in accordance with its terms [24 CFR 982.403].

HACB Policy

Families must request HACB approval to add a new family member, live-in aide, foster child, or foster adult. Requests must be made in writing and approved by the HACB prior to the individual moving into the unit.

The HACB will not approve the addition of a new family or household member unless the individual meets the HACB's eligibility criteria (see Chapter 3) and documentation requirements (see Chapter 7, Part II). In addition, the new household member must be approved by the landlord.

The HACB will not approve the addition of a foster child or foster adult if it will cause a violation of HQS space standards.

If the HACB determines that an individual does not meet the HACB's eligibility criteria or documentation requirements, the HACB will notify the family in writing of its decision to deny approval of the new family or household member and the reasons for the denial.

The HACB will make its determination within 14 calendar days of receiving all information required to verify the individual's eligibility.

### **Departure of a Family or Household Member**

Families must promptly notify the PHA if any family member no longer lives in the unit

[24 CFR 982.551(h)(3)]. Because household members are considered when determining the family unit (voucher) size [24 CFR 982.402], the PHA also needs to know when any live-in aide, foster child, or foster adult ceases to reside in the unit.

#### HACB Policy

If a household member ceases to reside in the unit, the family must inform the HACB within 14 calendar days. This requirement also applies to a family member who has been considered temporarily absent at the point that the family concludes the individual is permanently absent.

If a live-in aide, foster child, or foster adult ceases to reside in the unit, the family must inform the HACB within 14 calendar days.

### **11-II.C. CHANGES AFFECTING INCOME OR EXPENSES**

Interim reexaminations can be scheduled either because the PHA has reason to believe that changes in income or expenses may have occurred, or because the family reports a change. When a family reports a change, the PHA may take different actions depending on whether the family reported the change voluntarily, or because it was required to do so.

#### **PHA-Initiated Interim Reexaminations**

PHA-initiated interim reexaminations are those that are scheduled based on circumstances or criteria defined by the PHA. They are not scheduled because of changes reported by the family.

#### HACB Policy

The HACB will conduct interim reexaminations in each of the following instances:

For families receiving the Earned Income Disallowance (EID), the HACB will conduct an interim reexamination at the start and conclusion of the 24-month eligibility period.

If the family has reported zero income, the HACB will conduct an interim reexamination every 3 months as long as the family continues to report that they have no income.

If at the time of the annual reexamination, it is not feasible to anticipate a level of income for the next 12 months (e.g. seasonal or cyclic income), the HACB will schedule an interim reexamination to coincide with the end of the period for which it is feasible to project income.

If at the time of the annual reexamination, tenant declarations were used on a provisional basis due to the lack of third-party verification, and third-party verification becomes available, the HACB will conduct an interim reexamination.

The HACB may conduct an interim reexamination at any time in order to correct an error in a previous reexamination, or to investigate a tenant fraud complaint.

### **Family-Initiated Interim Reexaminations**

The PHA must adopt policies prescribing when and under what conditions the family must report changes in family income or expenses [24 CFR 982.516(c)]. In addition, HUD regulations require that the family be permitted to obtain an interim reexamination any time the family has experienced a change in circumstances since the last determination [24 CFR 982.516(b)(2)].

#### ***Required Reporting***

HUD regulations give the PHA the freedom to determine the circumstances under which families will be required to report changes affecting income.

##### HACB Policy

Families are required to report all increases in income, including new employment, within 14 calendar days of the date the change takes effect.

The HACB will conduct interim Recertification's when families have an increase in income of \$200.00 or more per month. If the increase is less than \$200.00 per month, the HACB will defer the rent increase until the family's next annual Recertification. The family will be given a 30-day notice before increasing the rent. Families will be required to report all increases in income/assets within fourteen (14) days of the increase.

Families are not required to report any other changes in income or expenses.

#### ***Optional Reporting***

The family may request an interim reexamination any time the family has experienced a change in circumstances since the last determination [24 CFR 982.516(b)(2)]. The PHA must process the request if the family reports a change that will result in a reduced family income [HCV GB, p. 12-9].

If a family reports a decrease in income from the loss of welfare benefits due to fraud or non-compliance with a welfare agency requirement to participate in an economic self-sufficiency program, the family's share of the rent will not be reduced [24 CFR 5.615]. For more information regarding the requirement to impute welfare income see Chapter 6.

##### HACB Policy

If a family reports a change that it was not required to report and that would result in an increase in the family share of the rent, the HACB will note the information in the tenant file, but will not conduct an interim reexamination.

If a family reports a change that it was not required to report and that would result in a decrease in the family share of rent, the HACB will conduct an interim reexamination. See Section 11-II.D. for effective dates.

Families may report changes in income or expenses at any time.

## 11-III.D. PROCESSING THE INTERIM REEXAMINATION

### Method of Reporting

#### HACB Policy

The family may notify the HACB of changes either orally or in writing. If the family provides oral notice, the HACB will require the family to submit the changes in writing.

Generally, the family will not be required to attend an interview for an interim reexamination. However, if the HACB determines that an interview is warranted, the family may be required to attend.

Based on the type of change reported, the HACB will determine the documentation the family will be required to submit. The family must submit any required information or documents within 14 calendar days of receiving a request from the HACB. This time frame may be extended for good cause with HACB approval. The HACB will accept required documentation by mail, by email, by fax, or in person.

### Effective Dates

The PHA must establish the time frames in which any changes that result from an interim reexamination will take effect [24 CFR 982.516(d)]. The changes may be applied either retroactively or prospectively, depending on whether there is to be an increase or a decrease in the family share of the rent, and whether the family reported any required information within the required time frames [HCV GB, p. 12-10].

#### HACB Policy

If the family share of the rent is to *increase*:

The increase generally will be effective on the first of the month following 30 days' notice to the family.

If a family fails to report a change within the required time frames, or fails to provide all required information within the required time frames, the increase will be applied retroactively, to the date it would have been effective had the information been provided on a timely basis. The family will be responsible for any overpaid subsidy and may be offered a repayment agreement in accordance with the policies in Chapter 16.

If the family share of the rent is to *decrease*:

The decrease will be effective on the first day of the month following the month in which the change was reported and all required documentation was submitted. In cases where the change cannot be verified until after the date the change would have become effective, the change will be made retroactively.

## PART III: RECALCULATING FAMILY SHARE AND SUBSIDY AMOUNT

### 11-III.A. OVERVIEW

After gathering and verifying required information for an annual or interim reexamination, the PHA must recalculate the family share of the rent and the subsidy amount, and notify the family and owner of the changes [24 CFR 982.516(d)(2), HCV 12-6 and 12-10]. While the basic policies



that govern these calculations are provided in Chapter 6, this part lays out policies that affect these calculations during a reexamination.

### **11-III.B. CHANGES IN PAYMENT STANDARDS AND UTILITY ALLOWANCES**

In order to calculate the family share of the rent and HAP amount correctly, changes in payment standards, subsidy standards, or utility allowances may need to be updated and included in the PHA's calculations.

Specific policies governing how subsidy standards, payment standards, and utility allowances are applied are discussed below.

#### **Payment Standards [24 CFR 982.505]**

The family share of the rent and HAP calculations must use the correct payment standard for the family, taking into consideration the family unit size, the size of unit, and the area in which the unit is located [HCV GB, p. 12-5]. See Chapter 6 for information on how to select the appropriate payment standard.

When the PHA changes its payment standards or the family's situation changes, new payment standards are applied at the following times:

- If the PHA's payment standard amount changes during the term of the HAP contract, the date on which the new standard is applied depends on whether the standard has increased or decreased:
  - If the payment standard amount has *increased*, the increased payment standard will be applied at the *first annual* reexamination following the effective date of the increase in the payment standard.
  - If the payment standard amount has *decreased* during the term of a HAP contract, the PHA is not required to reduce the payment standard as the HAP contract remains in effect. At the family's *second annual* reexamination, the PHA may, but is not required to, apply the decreased payment standard or may gradually implement the reduced payment standard (See Chapter 6 for the PHA's policy on decreases in the payment standard).
- If the family moves to a new unit, or a new HAP contract is executed due to changes in the lease (even if the family remains in place) the current payment standard applicable to the family will be used when the new HAP contract is processed.

#### **Subsidy Standards [24 CFR 982.505(c)(4)]**

If there is a change in the family unit size that would apply to a family during the HAP contract term, either due to a change in family composition, or a change in the PHA's subsidy standards (see Chapter 5), the new family unit size must be used to determine the payment standard amount for the family at the family's *first annual* reexamination following the change in family unit size.

#### **Utility Allowances [24 CFR 982.517(d)]**

The family share of the rent and HAP calculations must reflect any changes in the family's utility arrangement with the owner, or in the PHA's utility allowance schedule [HCV GB, p. 12-5]. Chapter 16 discusses how utility allowance schedules are established.

When there are changes in the utility arrangement with the owner, the PHA must use the utility allowances in effect at the time the new lease and HAP contract are executed.

At reexamination, the PHA must use the PHA current utility allowance schedule [HCV GB, p. 18-8].

HACB Policy

Revised utility allowances will be applied to a family's rent and subsidy calculations at the first annual reexamination after the allowance is adopted.

**11-III.C. NOTIFICATION OF NEW FAMILY SHARE AND HAP AMOUNT**

The PHA must notify the owner and family of any changes in the amount of the HAP payment [HUD-52641, HAP Contract]. The notice must include the following information [HCV GB, p. 12-6]:

The amount and effective date of the new HAP payment

The amount and effective date of the new family share of the rent

The amount and effective date of the new tenant rent to owner

The family must be given an opportunity for an informal hearing regarding the PHA's determination of their annual or adjusted income, and the use of such income to compute the housing assistance payment [24 CFR 982.555(a)(1)(i)] (see Chapter 16).

**11-III.D. DISCREPANCIES**

During an annual or interim reexamination, the PHA may discover that information previously reported by the family was in error, or that the family intentionally misrepresented information. In addition, the PHA may discover errors made by the PHA. When errors resulting in the overpayment or underpayment of subsidy are discovered, corrections will be made in accordance with the policies in Chapter 13.

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## Chapter 12

### TERMINATION OF ASSISTANCE AND TENANCY

HUD regulations specify mandatory and optional grounds for which a PHA can terminate a family's assistance. They also specify the circumstances under which an owner may terminate the tenancy of an assisted family. This chapter describes the policies that govern mandatory and optional terminations of assistance, and termination of tenancy by the owner. It is presented in three parts:

Part I: Grounds for Termination of Assistance. This part describes the various circumstances under which assistance under the program can be terminated by the family or by the PHA.

Part II: Approach to Termination of Assistance. This part describes the policies and the process that the PHA will use in evaluating decisions on whether to terminate assistance due to actions or inactions of the family where termination is an option. It specifies the alternatives that the PHA may consider in lieu of termination, the criteria the PHA will use when deciding what action to take, and the steps the PHA must take when terminating a family's assistance.

Part III: Termination of Tenancy by the Owner. This part describes the HUD policies that govern the owner's right to terminate an assisted tenancy.

#### PART I: GROUNDS FOR TERMINATION OF ASSISTANCE

##### 12-I.A. OVERVIEW

HUD requires the PHA to terminate assistance for certain actions and inactions of the family and when the family no longer requires assistance due to increases in family income. HUD permits the PHA to terminate assistance for certain other actions or inactions of the family. In addition, a family may decide to withdraw from the program and terminate their HCV assistance at any time by notifying the PHA.

##### 12-I.B. FAMILY NO LONGER REQUIRES ASSISTANCE [24 CFR 982.455]

As a family's income increases, the amount of the housing assistance payment decreases. If the amount of assistance provided by the PHA is reduced to zero the family's assistance terminates automatically 180 days after the last HAP payment.

###### HACB Policy

If a participating family receiving zero assistance experiences a change in circumstances that would result in a HAP payment to the owner, the family must notify the HACB of the change and request an interim reexamination before the expiration of the one hundred-eighty (180) day period.

##### 12-I.C. FAMILY CHOOSES TO TERMINATE ASSISTANCE

The family may request that the PHA terminate housing assistance payments on behalf of the family at any time.

#### HACB Policy

The request to terminate assistance should be made in writing and signed by the head of household and spouse or co-head, if applicable. Before terminating the family's assistance, the HACB will follow the notice requirements in Section 12-II.F.

### **12-I.D. MANDATORY TERMINATION OF ASSISTANCE**

HUD requires the PHA to terminate assistance in the following circumstances.

#### **Eviction [24 CFR 982.552(b)(2), Pub.L. 109-162]**

The PHA must terminate assistance whenever a family is evicted from a unit assisted under the HCV program for a serious or repeated violation of the lease. As discussed further in section 12-II.E, incidents of actual or threatened domestic violence, dating violence, sexual assault, or stalking may not be construed as serious or repeated violations of the lease by the victim or threatened victim of such violence or stalking.

#### HACB Policy

A family will be considered *evicted* if the family moves after a legal eviction order has been issued, whether or not physical enforcement of the order was necessary.

If a family moves after the owner has given the family an eviction notice for serious or repeated lease violations but before a legal eviction order has been issued, termination of assistance is not mandatory. However, the HACB will determine whether the family has committed serious or repeated violations of the lease based on available evidence and may terminate assistance or take any of the alternative measures described in Section 12-II.C and other factors as described in Sections 12-II.E. Upon consideration of such alternatives and factors, the HACB may, on a case-by-case basis, choose not to terminate assistance.

Serious and repeated lease violations will include, but not be limited to, nonpayment of rent, disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises and criminal activity. Generally, the criteria to be used is whether the reason for the eviction was through no fault of the tenant or guests.

#### **Failure to Provide Consent [24 CFR 982.552(b)(3)]**

The PHA must terminate assistance if any family member fails to sign and submit any consent form they are required to sign for a regular or interim reexamination. See Chapter 7 for a complete discussion of consent requirements.

#### **Failure to Document Citizenship [24 CFR 982.552(b)(4) and [24 CFR 5.514(c)]**

The PHA must terminate assistance if (1) a family fails to submit required documentation within the required timeframe concerning any family member's citizenship or immigration status; (2) a family submits evidence of citizenship and eligible immigration status in a timely manner, but United States Citizenship and Immigration Services (USCIS) primary and secondary verification does not verify eligible immigration status of the family; or (3) a family member, as determined by the PHA, has knowingly permitted another individual who is not eligible for assistance to reside (on a permanent basis) in the unit.

For (3) above, such termination must be for a period of at least twenty-four (24) months. This does not apply to ineligible noncitizens already in the household where the family's assistance has been prorated. See Chapter 7 for a complete discussion of documentation requirements.

**Failure to Disclose and Document Social Security Numbers [24 CFR 5.218(c), Notice PIH 2012-102018-24]**

The PHA must terminate assistance if a participant family fails to disclose the complete and accurate social security numbers of each household member and the documentation necessary to verify each social security number.

However, if the family is otherwise eligible for continued program assistance, and the PHA determines that the family's failure to meet the SSN disclosure and documentation requirements was due to circumstances that could not have been foreseen and were outside of the family's control, the PHA may defer the family's termination and provide the opportunity to comply with the requirement within a period not to exceed ninety (90) calendar days from the date the PHA determined the family to be noncompliant.

HACB Policy

The HACB will defer the family's termination and provide the family with the opportunity to comply with the requirement for a period of ninety (90) calendar days for circumstances beyond the participant's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency, if there is a reasonable likelihood that the participant will be able to disclose an SSN by the deadline.

**Methamphetamine Manufacture or Production [24 CFR 982.553(b)(1)(ii)]**

The PHA must terminate assistance if any household member has ever been convicted of the manufacture or production of methamphetamine on the premises of federally-assisted housing.

**Lifetime Registered Sex Offenders [Notice PIH 2012-28]**

Should a PHA discover that a member of an assisted household was subject to a lifetime registration requirement at admission and was erroneously admitted after June 25, 2001, the PHA must immediately terminate assistance for the household member.

In this situation, the PHA must offer the family the opportunity to remove the ineligible family member from the household. If the family is unwilling to remove that individual from the household, the PHA must terminate assistance for the household.

**Failure of Students to Meet Ongoing Eligibility Requirements [24 CFR 982.552(b)(5) and FR 4/10/06]**

If a student enrolled at an institution of higher education is under the age of twenty-four (24), is not a veteran, is not married, does not have dependent children, is not residing with his/her parents in an HCV assisted household, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, the PHA must terminate the student's assistance if, at the time of reexamination, either the student's income or the income of the student's parents (if applicable) exceeds the applicable income limit.

If a participant household consists of both eligible and ineligible students, the eligible students shall not be terminated, but must be issued a voucher to move with continued assistance in

accordance with program regulations and PHA policies, or must be given the opportunity to lease in place if the terminated ineligible student members elect to move out of the assisted unit.

**Death of the Sole Family Member [24 CFR 982.311(d) and Notice PIH 2010-9]**

The PHA must immediately terminate program assistance for deceased single member households.

**12-I.E. MANDATORY POLICIES AND OTHER AUTHORIZED TERMINATIONS**

**Mandatory Policies [24 CFR 982.553(b) and 982.551(l)]**

HUD requires the PHA to establish policies that permit the PHA to terminate assistance if the PHA determines that:

- Any household member is currently engaged in any illegal use of a drug, or has a pattern of illegal drug use that interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents
- Any 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
- Any household member has violated the family's obligation not to engage in any drug-related criminal activity
- Any household member has violated the family's obligation not to engage in violent criminal activity

***Use of Illegal Drugs and Alcohol Abuse***

HACB Policy

The HACB will terminate a family's assistance if any household member is currently engaged in any illegal use of a drug, or has a pattern of illegal drug use that interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.

The HACB will terminate assistance if any household member's abuse or pattern of abuse of alcohol threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

*Currently engaged in* is defined as any use of illegal drugs during the previous twelve months.

The HACB will consider all credible evidence, including but not limited to, convictions, or eviction of household members related to the use of illegal drugs or abuse of alcohol.

A record of arrest(s) will not be used as the basis for the termination or proof that the participant engaged in disqualifying criminal activity.

In making its decision to terminate assistance, the HACB will consider alternatives as described in Section 12-II.C and other factors described in Sections 12-II.D and 12-II.E. Upon consideration of such alternatives and factors, the HACB may, on a case-by-case basis, choose not to terminate assistance.

***Drug-Related and Violent Criminal Activity [24 CFR 5.100]***

*Drug* means a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).

*Drug-related criminal activity* is defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or possession of drug-related paraphernalia, or the possession of a drug with intent to manufacture, sell, distribute or use the drug.

*Violent criminal activity* means any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.

**HACB Policy**

The HACB will terminate a family’s assistance if any household member has violated the family’s obligation not to engage in any drug-related or violent criminal activity during participation in the HCV program.

The HACB will consider all credible evidence, including but not limited to, convictions of household members related to drug-related or violent criminal activity, and any eviction or notice to evict based on drug-related or violent criminal activity.

A record of arrest(s) will not be used as the basis for the termination or proof that the participant engaged in disqualifying criminal activity.

In making its decision to terminate assistance, the HACB will consider alternatives as described in Section 12-II.C and other factors described in Sections 12-II.D and 12-II.E. Upon consideration of such alternatives and factors, the HACB may, on a case-by-case basis, choose not to terminate assistance.

**Other Authorized Reasons for Termination of Assistance [24 CFR 982.552(c), Pub.L. 109-162]**

HUD permits the PHA to terminate assistance under a number of other circumstances. It is left to the discretion of the PHA whether such circumstances in general warrant consideration for the termination of assistance. As discussed further in section 12-II.E, the Violence Against Women Reauthorization Act of 2013 explicitly prohibits PHAs from considering incidents of, or criminal activity related to, domestic violence, dating violence, sexual assault, or stalking as reasons for terminating the assistance of a victim of such abuse.

**HACB Policy**

The HACB will not terminate a family’s assistance because of the family’s failure to meet its obligations under the Family Self-Sufficiency program.

The HACB **will** terminate a family’s assistance if:

The family has failed to comply with any family obligations under the program. See Exhibit 12-1 for a listing of family obligations and related HACB policies.

Any family member has been evicted from federally-assisted housing in the last five years.

Any HACB has ever terminated assistance under the program for any member of the family.



Any family member has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.

The family currently owes rent or other amounts to any HACB in connection with Section 8 or public housing assistance under the 1937 Act.

The family has not reimbursed any HACB for amounts the HACB paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease.

The family has breached the terms of a repayment agreement entered into with the HACB.

A family member has engaged in or threatened violent or abusive behavior toward the HACB or HACB personnel.

*Abusive or violent behavior towards HACB personnel* includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.

*Threatening* refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

In making its decision to terminate assistance, the HACB will consider alternatives as described in Section 12-II.C and other factors described in Sections 12-II.D and 12-II.E. Upon consideration of such alternatives and factors, the HACB may, on a case-by-case basis, choose not to terminate assistance.

***Family Absence from the Unit [24 CFR 982.312]***

The family may be absent from the unit for brief periods. The PHA must establish a policy on how long the family may be absent from the assisted unit. However, the family may not be absent from the unit for a period of more than one hundred-eighty (180) consecutive calendar days for any reason. Absence in this context means that no member of the family is residing in the unit.

HACB Policy

If the family is absent from the unit for more than thirty (30) consecutive calendar days, the family's assistance will be terminated. Notice of termination will be sent in accordance with Section 12-II.E. If the absent family consist of a sole member and the reason for the absence is a military deployment, the family may be absent from the unit for no more than one-hundred and eighty (180) consecutive calendar days.

***Insufficient Funding [24 CFR 982.454]***

The PHA may terminate HAP contracts if the PHA determines, in accordance with HUD requirements, that funding under the consolidated ACC is insufficient to support continued assistance for families in the program.

HACB Policy

The HACB will determine whether there is sufficient funding to pay for currently assisted families according to the policies in Part VIII of Chapter 16. If the HACB determines there is a shortage of funding, prior to terminating any HAP contracts, the HACB will determine

if any other actions can be taken to reduce program costs. If after implementing all reasonable cost cutting measures there is not enough funding available to provide continued assistance for current participants, the HACB will terminate HAP contracts as a last resort.

Prior to terminating any HAP contracts, the HACB will inform the local HUD field office. The HACB will terminate the minimum number needed in order to reduce HAP costs to a level within the HACB's annual budget authority.

If the HACB must terminate HAP contracts due to insufficient funding, the HACB will do so in accordance with the following criteria and instructions:

Category 1: Families who have committed program fraud or abuse within the past 6 months.

Within each group below, the HACB will terminate HAP contracts according to the date the HACB first notified the family of the debt, starting with the most recent. If more than one family received notice on the same day, the HACB will rank the notices for that date using a random method.

First, the HACB will terminate families who owe the HACB money but are not yet under repayment agreement.

Second, the HACB will terminate families who owe the HACB money, are under repayment agreement, but have made at least one late payment.

Third, the HACB will terminate families who owe the HACB money, are under repayment agreement, and have made all payments in accordance with the repayment agreement.

Category 2: Families who committed program fraud or abuse 6-12 months ago.

Terminations based on issues unrelated to family behavior:

- First in, first out. Under this option the HACB would terminate families according to the date of the family's admission to the program, starting with those who have been receiving assistance the longest. As long as this type of policy exempts elderly and disabled families, it is consistent with the philosophy of "time limits" for housing assistance under HUD's Flexible Voucher Program proposal, as well as the conference report recommendation to protect elderly and disabled families.
- Last in, first out. Under this option the HACB would terminate families according to the date of the family's admission to the program, starting with those most recently admitted.
- Random method. Under this option the HACB would randomly select families for termination.
- When adopting this type of termination policy, HACB should consider how elderly/disabled families will be protected (because these families are reasonably expected to require long-term housing assistance) and if other types of families will also be protected (e.g. families with children under age 18). For example, the HACB could choose to apply the selected criteria to families in the following order:

1. Non-elderly, non-disabled single member families.
  2. Non-elderly, non-disabled families with no children under the age of eighteen (18).
  3. Non-elderly, non-disabled families with children under the age of eighteen (18).
  4. Elderly and disabled families.
- Terminating families based on arbitrary grounds (last in, first out and random method) are the least desirable options and are likely to receive the most opposition from interested parties.

## **PART II: APPROACH TO TERMINATION OF ASSISTANCE**

### **12-II.A. OVERVIEW**

The PHA is required by regulation to terminate a family's for certain actions or inactions of the family. For other types of actions or inactions of the family, the regulations give the PHA the authority to either terminate the family's assistance or to take another action. This part discusses the various actions the PHA may choose to take when it has discretion, and outlines the criteria the PHA will use to make its decision about whether or not to terminate assistance. It also specifies the requirements for the notification to the family of the PHA's intent to terminate assistance.

### **12-II.B. METHOD OF TERMINATION [24 CFR 982.552(a)(3)]**

Termination of assistance for a participant may include any or all of the following:

- Terminating housing assistance payments under a current HAP contract,
- Refusing to enter into a new HAP contract or approve a lease, or
- Refusing to process a request for or to provide assistance under portability procedures.

### **12-II.C. ALTERNATIVES TO TERMINATION OF ASSISTANCE**

#### **Change in Household Composition**

As a condition of continued assistance, the PHA may require that any household member who participated in or was responsible for an offense no longer resides in the unit [24 CFR 982.552(c)(2)(ii)].

#### HACB Policy

As a condition of continued assistance, the head of household must certify that the culpable family member has vacated the unit and will not be permitted to visit or to stay as a guest in the assisted unit. The family must present evidence of the former family member's current address upon HACB's request.

#### **Repayment of Family Debts**

#### HACB Policy

If a family owes amounts to the HACB, as a condition of continued assistance, the HACB will require the family to repay the full amount or to enter into a repayment agreement, within thirty (30) days of receiving notice from the HACB of the amount owed. See Chapter 16 for policies on repayment agreements.

## **12-II.D. CRITERIA FOR DECIDING TO TERMINATE ASSISTANCE**

### **Consideration of Circumstances [24 CFR 982.552(c)(2)(i)]**

The PHA is permitted, but not required, to consider all relevant circumstances when determining whether a family's assistance should be terminated.

#### HACB Policy

The HACB will consider the following facts and circumstances when making its decision to terminate assistance:

The seriousness of the case, especially with respect to how it would affect other residents' safety or property

The effects that termination of assistance may have on other members of the family who were not involved in the action or failure to act

The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities or (as discussed further in section 12-II.E) a victim of domestic violence, dating violence, sexual assault, or stalking

The length of time since the violation occurred, including the age of the individual at the time of the conduct, as well as the family's recent history and the likelihood of favorable conduct in the future

In the case of drug or alcohol abuse, whether the culpable household member has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully

The HACB will require the participant to submit evidence of the household member's successful completion of a supervised drug or alcohol rehabilitation program, or evidence of otherwise having been rehabilitated successfully.

In the case of program abuse, the dollar amount of the overpaid assistance and whether or not a false certification was signed by the family

### **Reasonable Accommodation [24 CFR 982.552(c)(2)(iv)]**

If the family includes a person with disabilities, the HACB's decision to terminate the family's assistance is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

#### HACB Policy

If a family indicates that the behavior of a family member with a disability is the reason for a proposed termination of assistance, the HACB will determine whether the behavior is related to the disability. If so, upon the family's request, the HACB will determine whether alternative measures are appropriate as a reasonable accommodation. The HACB will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed termination of assistance. See Chapter 2 for a discussion of reasonable accommodation.

## **12-11.E. TERMINATING THE ASSISTANCE OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING**

This section describes the protections against termination of assistance that The Violence Against Women Reauthorization Act of 2013 (VAWA) provides for victims of domestic violence, dating violence, sexual assault, and stalking. For general VAWA requirements, key VAWA definitions, and PHA policies pertaining to notification, documentation, and confidentiality, see section 16-IX of this plan.

### **VAWA Protections against Termination**

VAWA provides four specific protections against termination of HCV assistance for victims of domestic violence, dating violence, sexual assault, or stalking. (*Note:* The second, third and fourth protections also apply to terminations of tenancy or occupancy by owners participating in the HCV program as do the limitations discussed under the next heading.)

First, VAWA provides that a PHA may not terminate assistance to a family that moves out of an assisted unit in violation of the lease, with or without prior notification to the PHA, if the move occurred to protect the health or safety of a family member who is or has been the victim of domestic violence, dating violence, sexual assault, or stalking and who reasonably believed he or she was imminently threatened by harm from further violence if he or she remained in the unit [24 CFR 982.354(b)(4)].

Second, it provides that an incident or incidents of actual or threatened domestic violence, dating violence, sexual assault, or stalking may not be construed either as a serious or repeated lease violation by the victim or as good cause to terminate the assistance of the victim [24 CFR 5.2005(c)(1)].

Third, it provides that criminal activity directly related to domestic violence, dating violence, sexual assault, or stalking may not be construed as cause for terminating the assistance of a tenant if a member of the tenant's household, a guest, or another person under the tenant's control is the one engaging in the criminal activity and the tenant or ~~immediate family member~~ affiliated individual or other individual is the actual or threatened victim of the domestic violence, dating violence, sexual assault, or stalking [24 CFR 5.2005(c)(2)].

Fourth, it gives PHAs the authority to terminate assistance to any tenant or lawful occupant who engages in criminal acts of physical violence against family members or others without terminating assistance to, or otherwise penalizing, the victim of the violence [24 CFR 5.2009(a)].

### **Limitations on VAWA Protections [24 CFR 5.2005(d) and (e)]**

VAWA does not limit the authority of a PHA to terminate the assistance of a victim of abuse for reasons unrelated to domestic violence, dating violence, sexual assault, or stalking so long as the PHA does not subject the victim to a more demanding standard than it applies to other program participants [24 CFR 5.2005(d)(1)].

Likewise, VAWA does not limit the authority of a PHA to terminate the assistance of a victim of domestic violence, dating violence, sexual assault, or stalking if the PHA can demonstrate an actual and imminent threat to other tenants or those employed or providing service to the assisted property if the victim is not terminated from assistance [24 CFR 5.2005(d)(2)].

HUD regulations define *actual and imminent threat* to mean words, gestures, actions, or other indicators of a physical threat that (a) is real, (b) would occur within an immediate time frame, and (c) could result in death or serious bodily harm [24 CFR 5.2005(d)(2) and (e)]. In determining whether an individual would pose an actual and imminent threat, the factors to be considered include:

- The duration of the risk
- The nature and severity of the potential harm
- The likelihood that the potential harm will occur
- The length of time before the potential harm would occur [24 CFR 5.2005(e)]

Even when a victim poses an actual and imminent threat, however, HUD regulations authorize a PHA to terminate the victim's assistance "only when there are no other actions that could be taken to reduce or eliminate the threat" [24 CFR 5.2005(d)(3)].

#### HACB Policy

In determining whether a program participant who is a victim of domestic violence, dating violence, sexual assault, or stalking is an actual and imminent threat to other tenants or those employed at or providing service to a property, the HACB will consider the following, and any other relevant factors:

Whether the threat is toward an employee or tenant other than the victim of domestic violence, dating violence, sexual assault, or stalking

Whether the threat is a physical danger beyond a speculative threat

Whether the threat is likely to happen within a short period of time

Whether the threat to other tenants or employees can be eliminated in some other way, such as by helping the victim relocate to a confidential location or seeking a legal remedy to prevent the perpetrator from acting on the threat

If the participant wishes to contest the HACB's determination that he or she is an actual and imminent threat to other tenants or employees, the participant may do so as part of the informal hearing.

#### **Documentation of Abuse [24 CFR 5.2007]**

##### HACB Policy

When an individual facing termination of assistance for reasons related to domestic violence, dating violence, sexual assault, or stalking claims protection under VAWA, the

HACB will request that the individual provide documentation supporting the claim in accordance with the policies in section 16-IX.D of this plan.

The HACB reserves the right to waive the documentation requirement if it determines that a statement or other corroborating evidence from the individual will suffice. In such cases the HACB will document the waiver in the individual's file.

### **Terminating the Assistance of a Domestic Violence Perpetrator**

Although VAWA provides protection against termination of assistance for victims of domestic violence, it does not provide such protection for perpetrators. VAWA gives the PHA the explicit authority to "terminate assistance to any individual who is a tenant or lawful occupant and who engages in criminal acts of physical violence against family members or others" without terminating assistance to "or otherwise penalizing the victim of such violence who is also a tenant or lawful occupant" [24 CFR 5.2009(a)]. This authority is not dependent on a bifurcated lease or other eviction action by an owner against an individual family member. Further, this authority supersedes any local, state, or other federal law to the contrary. However, if the PHA chooses to exercise this authority, it must follow any procedures prescribed by HUD or by applicable local, state, or federal law regarding termination of assistance. This means that the PHA must follow the same rules when terminating assistance to an individual as it would when terminating the assistance of an entire family [3/16/07 *Federal Register* notice on the applicability of VAWA to HUD programs].

#### HACB Policy

The HACB will terminate assistance to a family member if the HACB determines that the family member has committed criminal acts of physical violence against other family members or others. This action will not affect the assistance of the remaining, nonculpable family members.

In making its decision, the HACB will consider all credible evidence, including, but not limited to, a signed certification (form HUD-5382) or other documentation of abuse submitted to the HACB by the victim in accordance with this section and section 16-IX.D. The HACB will also consider the factors in section 12-II.D. Upon such consideration, the HACB may on a case-by-case basis choose not to terminate the assistance of the culpable family member.

If the HACB does terminate the assistance of the culpable family member, it will do so in accordance with applicable law, HUD regulations and the policies in this plan.

### **12-II.F. TERMINATION NOTICE**

HUD regulations require PHAs to provide written notice of termination of assistance to a family only when the family is entitled to an informal hearing. However, since the family's HAP contract and lease will also terminate when the family's assistance terminates [form HUD-52641], it is a good business practice to provide written notification to both owner and family anytime assistance will be terminated, whether voluntarily or involuntarily.

#### HACB Policy

Whenever a family's assistance will be terminated, the HACB will send a written notice of termination to the family and to the owner. The HACB will also send a form HUD-5382

to the family with the termination notice. The notice will state the date on which the termination will become effective. This date generally will be at least 30 calendar days following the date of the termination notice, but exceptions will be made whenever HUD rules, other HACB policies, or the circumstances surrounding the termination require.

When the HACB notifies an owner that a family's assistance will be terminated, the HACB will, if appropriate, advise the owner of his/her right to offer the family a separate unassisted lease.

If a family whose assistance is being terminated is entitled to an informal hearing, the notice of termination that the PHA sends to the family must meet the additional HUD and PHA notice requirements discussed in section 16-III.C of this plan. VAWA 2013 expands notification requirements to require PHAs to provide notice of VAWA rights and the HUD 5382 form when a PHA terminates a household's housing benefits.

#### HACB Policy

Whenever the HACB decides to terminate the family's assistance because of the family's action or failure to act, the HACB will include in its termination notice the VAWA information described in section 16-IX.C of this plan and a form HUD-5382. The HACB will request in writing that a family member wishing to claim protection under VAWA notify the HACB within 14 business days.

Still other notice requirements apply in two situations:

- If a criminal record is the basis of a family's termination, the PHA must provide a copy of the record to the subject of the record and the tenant so that they have an opportunity to dispute the accuracy and relevance of the record [24 CFR 982.553(d)(2)].
- If immigration status is the basis of the family's termination, as discussed in section 12.I.D, the special notice requirements in section 16-III.D must be followed.

### **PART III: TERMINATION OF TENANCY BY THE OWNER**

#### **12-III.A. OVERVIEW**

Termination of an assisted tenancy is a matter between the owner and the family; the PHA is not directly involved. However, the owner is under some constraints when terminating an assisted tenancy, termination of tenancy for certain reasons will also result in termination of assistance as discussed in this section.

#### **12-III.B. GROUNDS FOR OWNER TERMINATION OF TENANCY [24 CFR 982.310 and Form HUD-52641-A, Tenancy Addendum, Pub.L. 109-162]**

During the term of the lease, the owner is not permitted to terminate the tenancy except for serious or repeated violations of the lease, certain violations of state or local law, or other good cause.

##### **Serious or Repeated Lease Violations**

The owner is permitted to terminate the family's tenancy for serious or repeated violations of the terms and conditions of the lease, except when the violations are related to incidents of actual or threatened domestic violence, dating violence, sexual assault or stalking and the victim is protected from eviction by The Violence Against Women Reauthorization Act 2013 (see section 12-II.E).



A serious lease violation includes failure to pay rent or other amounts due under the lease. However, the PHA's failure to make a HAP payment to the owner is not a violation of the lease between the family and the owner.

#### **Violation of Federal, State, or Local Law**

The owner is permitted to terminate the tenancy if a family member violates federal, state, or local law that imposes obligations in connection with the occupancy or use of the premises.

#### **Criminal Activity or Alcohol Abuse**

The owner may terminate tenancy during the term of the lease if any *covered person*, meaning any member of the household, a guest or another person under the tenant's control commits any of the following types of criminal activity (for applicable definitions see 24 CFR 5.100):

- Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of the premises by, other residents (including property management staff residing on the premises);
- Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of their residences by, persons residing in the immediate vicinity of the premises;
- Any violent criminal activity on or near the premises; or
- Any drug-related criminal activity on or near the premises.

However, in the case of criminal activity directly related to domestic violence, dating violence, sexual assault or stalking, if the tenant or an affiliated individual is the victim, the criminal activity may not be construed as cause for terminating the victim's tenancy (see section 12-II.E).

The owner may terminate tenancy during the term of the lease if any member of the household is:

- Fleeing to avoid prosecution, custody, or confinement after conviction for a crime or an attempt to commit a crime that is a felony under the laws of the place from which the individual flees, or that, in the case of the State of New Jersey, is a high misdemeanor; or
- Violating a condition of probation or parole imposed under federal or state law.

The owner may terminate tenancy for criminal activity by a household member in accordance with this section if the owner determines that the household member has committed the criminal activity, regardless of whether the household member has been arrested or convicted for such activity.

The owner may terminate tenancy during the term of the lease if any member of the household has engaged in abuse of alcohol that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

#### **Evidence of Criminal Activity**

The owner may terminate tenancy and evict by judicial action a family for criminal activity by a covered person if the owner determines 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 the standard of proof used for a criminal conviction. This is the case except in certain incidents where the criminal activity directly relates to domestic violence, dating violence,

sexual assault, or stalking and the tenant or an affiliated individual of the victim is the victim or threatened victim of the domestic violence, dating violence, sexual assault, or stalking.

#### **Other Good Cause**

During the initial 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. During the initial lease term or during any extension term, other good cause includes the disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises.

After the initial lease term, “other good cause” for termination of tenancy by the owner includes:

- Failure by the family to accept the offer of a new lease or revision;
- The owner's desire to use the unit for personal or family use, or for a purpose other than as a residential rental unit; or
- A business or economic reason for termination of the tenancy (such as sale of the property, renovation of the unit, or desire to lease the unit at a higher rent).

After the initial lease term, the owner may give the family notice at any time, in accordance with the terms of the lease.

#### **12-III.C. EVICTION [24 CFR 982.310(e) and (f) and Form HUD-52641-A, Tenancy Addendum]**

The owner must give the tenant a written notice that specifies the grounds for termination of tenancy during the term of the lease. The tenancy does not terminate before the owner has given this notice, and the notice must be given at or before commencement of the eviction action.

The notice of grounds may be included in, or may be combined with, any owner eviction notice to the tenant.

Owner eviction notice means a notice to vacate, or a complaint or other initial pleading used under state or local law to commence an eviction action. The owner may only evict the tenant from the unit by instituting a court action. The owner must give the PHA a copy of any eviction notice at the same time the owner notifies the family. The family is also required to give the PHA a copy of any eviction notice (see Chapter 5).

##### HACB Policy

If the eviction action is finalized in court, the owner must provide the HACB with documentation related to the eviction, including notice of the eviction date, as soon as possible, but no later than five (5) business days following the court-ordered eviction.

#### **12-III.D. DECIDING WHETHER TO TERMINATE TENANCY [24 CFR 982.310(h), 24 CFR 982.310(h)(4)]**

An owner who has grounds to terminate a tenancy is not required to do so, and may consider all of the circumstances relevant to a particular case before making a decision. These might include:

- The nature of the offending action
- The seriousness of the offending action;

- The effect on the community of the termination, or of the owner's failure to terminate the tenancy;
- The extent of participation by the leaseholder in the offending action;
- The effect of termination of tenancy on household members not involved in the offending activity;
- The demand for assisted housing by families who will adhere to lease responsibilities;
- The extent to which the leaseholder has shown personal responsibility and taken all reasonable steps to prevent or mitigate the offending action;
- The effect of the owner's action on the integrity of the program.

The owner may require a family to exclude a household member in order to continue to reside in the assisted unit, where that household member has participated in or been culpable for action or failure to act that warrants termination.

In determining whether to terminate tenancy for illegal use of drugs or alcohol abuse by a household member who is no longer engaged in such behavior, the owner may consider whether such household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program, or has otherwise been rehabilitated successfully (42 U.S.C. 13661). For this purpose, the owner may require the tenant to submit evidence of the household member's current participation in, or successful completion of, a supervised drug or alcohol rehabilitation program or evidence of otherwise having been rehabilitated successfully.

The owner's termination of tenancy actions must be consistent with the fair housing and equal opportunity provisions in 24 CFR 5.105.

An owner's decision to terminate tenancy for incidents related to domestic violence, dating violence, sexual assault, or stalking is limited by The Violence Against Women Reauthorization Act of 2013 (VAWA) and the conforming regulations in 24 CFR Part 5, Subpart L. (See Section 12-II.E.)

#### **12-III.E. EFFECT OF TENANCY TERMINATION ON THE FAMILY'S ASSISTANCE**

If a termination is not due to a serious or repeated violation of the lease, and if the PHA has no other grounds for termination of assistance, the PHA may issue a new voucher so that the family can move with continued assistance (see Chapter 10).

## EXHIBIT 12-1: STATEMENT OF FAMILY OBLIGATIONS

Following is a listing of a participant family's obligations under the HCV program:

- The family must supply any information that the PHA or HUD determines to be necessary, including submission of required evidence of citizenship or eligible immigration status.
- The family must supply any information requested by the PHA or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition.
- The family must disclose and verify social security numbers and sign and submit consent forms for obtaining information.
- Any information supplied by the family must be true and complete.
- The family is responsible for any Housing Quality Standards (HQS) breach by the family caused by failure to pay tenant-provided utilities or appliances, or damages to the dwelling unit or premises beyond normal wear and tear caused by any member of the household or guest.

### HACB Policy

Damages beyond normal wear and tear will be considered to be damages which could be assessed against the security deposit.

- The family must allow the PHA to inspect the unit at reasonable times and after reasonable notice, as described in Chapter 8 of this plan.
- The family must not commit any serious or repeated violation of the lease.

### HACB Policy

The HACB will determine if a family has committed serious or repeated violations of the lease based on available evidence, including but not limited to, a court-ordered eviction, or an owner's notice to evict, police reports, and affidavits from the owner, neighbors, or other credible parties with direct knowledge.

Serious and repeated lease violations will include, but not be limited to, nonpayment of rent, disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises and criminal activity. Generally, the criterion to be used is whether the reason for the eviction was through no fault of the tenant or guests. Any incidents of, or criminal activity related to, domestic violence, dating violence, sexual assault or stalking will not be construed as serious or repeated lease violations by the victim [24 CFR 5.2005(c)(1)].

- The family must notify the PHA and the owner before moving out of the unit or terminating the lease.

### HACB Policy

The family must comply with lease requirements regarding written notice to the owner. The family must provide written notice to the HACB at the same time the owner is notified.

- The family must promptly give the PHA a copy of any owner eviction notice.
- The family must use the assisted unit for residence by the family. The unit must be the family's only residence.

- The composition of the assisted family residing in the unit must be approved by the PHA. The family must promptly notify the PHA in writing of the birth, adoption, or court-awarded custody of a child. The family must request PHA approval to add any other family member as an occupant of the unit.

HACB Policy

The request to add a family member must be submitted in writing and approved prior to the person moving into the unit. The HACB will determine eligibility of the new member in accordance with the policies in Chapter 3.

- The family must promptly notify the PHA in writing if any family member no longer lives in the unit.
- If the PHA has given approval, a foster child or a live-in aide may reside in the unit. The PHA has the discretion to adopt reasonable policies concerning residency by a foster child or a live-in aide, and to define when PHA consent may be given or denied. For policies related to the request and approval/disapproval of foster children, foster adults, and live-in aides, see Chapter 3 (Sections I.K and I.M), and Chapter 11 (Section II.B).
- The family must not sublease the unit, assign the lease, or transfer the unit.

HACB Policy

Subleasing includes receiving payment to cover rent and utility costs by a person living in the unit who is not listed as a family member.

- The family must supply any information requested by the PHA to verify that the family is living in the unit or information related to family absence from the unit.
- The family must promptly notify the PHA when the family is absent from the unit.

HACB Policy

Notice is required under this provision only when all family members will be absent from the unit for an extended period. An extended period is defined as any period greater than thirty (30) calendar days. Written notice must be provided to the HACB at the start of the extended absence.

- The family must pay utility bills and provide and maintain any appliances that the owner is not required to provide under the lease [Form HUD-52646, Voucher].
- The family must not own or have any interest in the unit, (other than in a cooperative and owners of a manufactured home leasing a manufactured home space).
- Family members must not commit fraud, bribery, or any other corrupt or criminal act in connection with the program. (See Chapter 14, Program Integrity for additional information).
- Family members must not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. See Chapter 12 for HUD and PHA policies related to drug-related and violent criminal activity.
- Members of the household must not engage in abuse of alcohol in a way that threatens the health, safety or right to peaceful enjoyment of the other residents and persons residing in the

immediate vicinity of the premises. See Chapter 12 for a discussion of HUD and PHA policies related to alcohol abuse.

- An assisted family or member of the family must not receive HCV program assistance while receiving another housing subsidy, for the same unit or a different unit under any other federal, state or local housing assistance program.
- A family must not receive HCV program assistance while residing in a unit owned by a parent, child, grandparent, grandchild, sister or brother of any member of the family, unless the PHA has determined (and has notified the owner and the family of such determination) that approving rental of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities. [Form HUD-52646, Voucher]

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## Chapter 13

### OWNERS

#### INTRODUCTION

Owners play a major role in the HCV program by supplying decent, safe, and sanitary housing for participating families.

The term “owner” refers to any person or entity with the legal right to lease or sublease a unit to a participant in the HCV program [24 CFR 982.4(b)]. The term “owner” includes a principal or other interested party [24 CFR 982.453; 24 CFR 982.306(f)], such as a designated agent of the owner.

Owners have numerous responsibilities under the program, including screening and leasing to families, maintaining the dwelling unit, enforcing the lease, and complying with various contractual obligations.

The chapter is organized in two parts:

**Part I: Owners in the HCV Program.** This part discusses the role of an owner in the PHA’s HCV program and highlights key owner rights and responsibilities.

**Part II: HAP Contracts.** This part explains provisions of the HAP contract and the relationship between the PHA and the owner as expressed in the HAP contract.

For detailed information about HCV program responsibilities and processes, including PHA policies in key areas, owners will need to refer to several other chapters in this plan. Where appropriate, Chapter 13 will reference the other chapters.

#### PART I. OWNERS IN THE HCV PROGRAM

##### 13-I.A. OWNER RECRUITMENT AND RETENTION [HCV GB, pp. 2-4 to 2-6]

###### Recruitment

PHAs are responsible for ensuring that very low income families have access to all types and ranges of affordable housing in the PHA’s jurisdiction, particularly housing outside areas of poverty or minority concentration. A critical element in fulfilling this responsibility is for the PHA to ensure that a sufficient number of owners, representing all types and ranges of affordable housing in the PHA’s jurisdiction, are willing to participate in the HCV program.

To accomplish this objective, PHAs must identify and recruit new owners to participate in the program.

###### HACB Policy

The HACB will conduct owner outreach to ensure that owners are familiar with the program and its advantages. The HACB will actively recruit property owners with property located outside areas of poverty and minority concentration. These outreach strategies will include:

Distributing printed material about the program to property owners and managers

Contacting property owners and managers by phone or in-person



Holding owner recruitment/information meetings at least once a year

Participating in community based organizations comprised of private property and apartment owners and managers

Developing working relationships with owners and real estate brokers associations

Outreach strategies will be monitored for effectiveness, and adapted accordingly.

### **Retention**

In addition to recruiting owners to participate in the HCV program, the PHA must also provide the kind of customer service that will encourage participating owners to remain active in the program.

#### HACB Policy

All HACB activities that may affect an owner's ability to lease a unit will be processed as rapidly as possible, in order to minimize vacancy loss for owners.

The HACB will provide owners with a handbook that explains the program, including HUD and HACB policies and procedures, in easy-to-understand language.

The HACB will give special attention to helping new owners succeed through activities such as:

Providing the owner with a designated HACB contact person.

Coordinating inspection and leasing activities between the HACB, the owner, and the family.

Initiating telephone contact with the owner to explain the inspection process, and providing an inspection booklet and other resource materials about HUD housing quality standards.

Providing other written information about how the program operates, including answers to frequently asked questions.

Additional services may be undertaken on an as-needed basis, and as resources permit.

### **13-I.B. BASIC HCV PROGRAM REQUIREMENTS**

HUD requires the PHA to assist families in their housing search by providing the family with a list of landlords or other parties known to the PHA who may be willing to lease a unit to the family, or to help the family find a unit. Although the PHA cannot maintain a list of owners that are pre-qualified to participate in the program, owners may indicate to the PHA their willingness to lease a unit to an eligible HCV family, or to help the HCV family find a unit [24 CFR 982.301(b)(11)].

#### HACB Policy

Owners that wish to indicate their willingness to lease a unit to an eligible HCV family or to help the HCV family find a unit must notify the HACB. The HACB will maintain a listing of such owners and provide this listing to the HCV family as part of the informational briefing packet

When a family approaches an owner to apply for tenancy, the owner is responsible for screening the family and deciding whether to lease to the family, just as the owner would with any potential unassisted tenant. The PHA has no liability or responsibility to the owner or other persons for the

family's behavior or suitability for tenancy. See Chapters 3 and 9 for more detail on tenant family screening policies and process.

If the owner is willing, the family and the owner must jointly complete a Request for Tenancy Approval (RTA, Form HUD 52517), which constitutes the family's request for assistance in the specified unit, and which documents the owner's willingness to lease to the family and to follow the program's requirements. When submitted to the PHA, this document is the first step in the process of obtaining approval for the family to receive the financial assistance it will need in order to occupy the unit. Also submitted with the RTA is a copy of the owner's proposed dwelling lease, including the HUD-required Tenancy Addendum (Form HUD-52641-A). See Chapter 9 for more detail on request for tenancy approval policies and process.

HUD regulations stipulate requirements for the approval of an assisted tenancy.

The owner must be qualified to participate in the program [24 CFR 982.306]. Some owners are precluded from participating in the program, or from renting to a particular family, either because of their past history with this or another federal housing program, or because of certain conflicts of interest. Owner qualifications are discussed later in this chapter.

The selected unit must be of a type that is eligible for the program [24 CFR 982.305(a)]. Certain types of dwelling units cannot be assisted under the HCV program. Other types may be assisted under certain conditions. See chapter 9 for more detail on unit eligibility policies and process.

The selected unit must meet HUD's Housing Quality Standards (HQS) and/or equivalent state or local standards approved by HUD [24 CFR 982.305(a)]. The PHA will inspect the owner's dwelling unit at least annually to ensure that the unit continues to meet HQS requirements. See chapter 8 for a discussion of the HQS standards and policies for HQS inspections at initial lease-up and throughout the family's tenancy.

The PHA must determine that the proposed rent for the unit is reasonable [24 CFR 982.305(a)]. The rent must be reasonable in relation to comparable unassisted units in the area and must not be in excess of rents charged by the owner for comparable, unassisted units on the premises. See Chapter 8 for a discussion of requirements and policies on rent reasonableness, rent comparability and the rent reasonableness determination process.

At initial lease-up of a unit, if the gross rent exceeds the applicable payment standard, the PHA must ensure that the family share does not exceed forty (40%) percent of the family's monthly adjusted income [24 CFR 982.305(a)]. See chapter 6 for a discussion of the calculation of family income, family share of rent and HAP.

The dwelling lease must comply with all program requirements [24 CFR 982.308]. Owners are encouraged to use their standard leases when renting to an assisted family. The HUD Tenancy Addendum must be added word-for-word to the owner's lease. See chapter 9 for a discussion of the dwelling lease and tenancy addendum, including lease terms and provisions.

The PHA and the owner must execute a Housing Assistance Payment (HAP) Contract (Form HUD-52641). The HAP contract format is prescribed by HUD. See chapter 9 for a discussion of the HUD requirements for execution of the HAP contract.

### **13-I.C. OWNER RESPONSIBILITIES [24 CFR 982.452]**

The basic owner responsibilities in the HCV program are outlined in the regulations as follows:

- Complying with all of the owner's obligations under the Housing Assistance Payments (HAP) contract and the lease
- Performing all management and rental functions for the assisted unit, including selecting a voucher-holder to lease the unit, and deciding if the family is suitable for tenancy of the unit
- Maintaining the unit in accordance with the Housing Quality Standards (HQS), including performance of ordinary and extraordinary maintenance
- Complying with equal opportunity requirements
- Preparing and furnishing to the PHA information required under the HAP contract
- Collecting the security deposit, the tenant rent and any charges for unit damage by the family.
- Enforcing tenant obligations under the dwelling lease
- Paying for utilities and services that are not the responsibility of the family as specified in the lease
- Allowing reasonable modifications to a dwelling unit occupied or to be occupied by a disabled person [24 CFR 100.203]
- Comply with the Violence Against Women Reauthorization Act of 2013 (VAWA) when screening prospective HCV tenants or terminating the tenancy of an HCV family (see generally 24 USC 1043e-11; 24 CFR Part 5, Subpart L; 24 CFR 982.310(h)(4); and 24 CFR 982.452(b)(1)).

### **13-I.D. OWNER QUALIFICATIONS**

The PHA does not formally approve an owner to participate in the HCV program. However, there are a number of criteria where the PHA may deny approval of an assisted tenancy based on past owner behavior, conflict of interest, or other owner-related issues. No owner has a right to participate in the HCV program [24 CFR 982.306(e)].

#### **Owners Barred from Participation [24 CFR 982.306(a) and (b)]**

The PHA must not approve the assisted tenancy if the PHA has been informed that the owner has been debarred, suspended, or subject to a limited denial of participation under 24 CFR part 24. HUD may direct the PHA not to approve a tenancy request if a court or administrative agency has determined that the owner violated the Fair Housing Act or other federal equal opportunity requirements, or if such an action is pending.

#### **Leasing to Relatives [24 CFR 982.306(d), HCV GB p. 11-2]**

The PHA must not approve a tenancy if the owner is the parent, child, grandparent, grandchild, sister, or brother of any member of the family. The PHA may make an exception as a reasonable accommodation for a family member with a disability. The owner is required to certify that no such relationship exists. This restriction applies at the time that the family receives assistance under the HCV program for occupancy of a particular unit. Current contracts on behalf of owners and families that are related may continue, but any new leases or contracts for these families may not be approved.

#### **Conflict of Interest [24 CFR 982.161; HCV GB p. 8-19]**

The PHA must not approve a tenancy in which any of the following classes of persons has any interest, direct or indirect, during tenure or for one year thereafter:

- Any present or former member or officer of the PHA (except a participant commissioner)
- Any employee of the PHA, or any contractor, subcontractor or agent of the PHA, who formulates policy or who influences decisions with respect to the programs
- Any public official, member of a governing body, or State or local legislator, who exercises functions or responsibilities with respect to the programs
- Any member of the Congress of the United States

HUD may waive the conflict of interest requirements, except for members of Congress, for good cause. The PHA must submit a waiver request to the appropriate HUD Field Office for determination.

Any waiver request submitted by the PHA must include the following [HCV Guidebook pp.11-2 and 11-3]:

- Complete statement of the facts of the case;
- Analysis of the specific conflict of interest provision of the HAP contract and justification as to why the provision should be waived;
- Analysis of and statement of consistency with state and local laws. The local HUD office, the PHA, or both parties may conduct this analysis. Where appropriate, an opinion by the state's attorney general should be obtained;
- Opinion by the local HUD office as to whether there would be an appearance of impropriety if the waiver were granted;
- Statement regarding alternative existing housing available for lease under the HCV program or other assisted housing if the waiver is denied;
- If the case involves a hardship for a particular family, statement of the circumstances and discussion of possible alternatives;
- If the case involves a public official or member of the governing body, explanation of his/her duties under state or local law, including reference to any responsibilities involving the HCV program;
- If the case involves employment of a family member by the PHA or assistance under the HCV program for an eligible PHA employee, explanation of the responsibilities and duties of the position, including any related to the HCV program;
- If the case involves an investment on the part of a member, officer, or employee of the PHA, description of the nature of the investment, including disclosure/divestiture plans.

Where the PHA has requested a conflict of interest waiver, the PHA may not execute the HAP contract until HUD has made a decision on the waiver request.

#### HACB Policy

In considering whether to request a conflict of interest waiver from HUD, the HACB will consider the certain factors such as consistency of the waiver with state and local laws; the existence of alternative housing available to families; the individual circumstances of a

particular family; the specific duties of individuals whose positions present a possible conflict of interest; the nature of any financial investment in the property and plans for disclosure/divestiture; and the possible appearance of impropriety.

**Owner Actions That May Result in Disapproval of a Tenancy Request [24 CFR 982.306(c)]**

HUD regulations permit the PHA to disapprove a request for tenancy for various actions and inactions of the owner.

If the PHA disapproves a request for tenancy because an owner is not qualified, it may not terminate the HAP contract for any assisted families that are already living in the owner's properties unless the owner has violated the HAP contract for those units [HCV GB p. 11-4].

HACB Policy

The HACB will refuse to approve a request for tenancy if the HACB becomes aware that any of the following are true:

The owner has violated obligations under a HAP contract under Section 8 of the 1937 Act (42 U.S.C. 1437f);

The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;

The owner has engaged in any drug-related criminal activity or any violent criminal activity;

The owner has a history or practice of non-compliance with the HQS for units leased under the tenant-based programs, or with applicable housing standards for units leased with project-based Section 8 assistance or leased under any other federal housing program;

The owner has a history or practice of failing to terminate tenancy of tenants of units assisted under Section 8 or any other federally assisted housing program for activity engaged in by the tenant, any member of the household, a guest or another person under the control of any member of the household that: (i) Threatens the right to peaceful enjoyment of the premises by other residents; (ii) Threatens the health or safety of other residents, of employees of the HACB, or of owner employees or other persons engaged in management of the housing; (iii) Threatens the health or safety of, or the right to peaceful enjoyment of their residences, by persons residing in the immediate vicinity of the premises; or (iv) Is drug-related criminal activity or violent criminal activity;

The owner has a history or practice of renting units that fail to meet state or local housing codes; or

The owner has not paid state or local real estate taxes, fines, or assessment.

In considering whether to disapprove owners for any of the discretionary reasons listed above, the HACB will consider any mitigating factors. Such factors may include, but are not limited to, the seriousness of the violation in relation to program requirements, the impact on the ability of families to lease units under the program, health and safety of participating families, among others. Upon consideration of such circumstances, the HACB may, on a case-by-case basis, choose to approve an owner.

## **Legal Ownership of Unit**

The following represents PHA Policy on legal ownership of a dwelling unit to be assisted under the HCV program.

### HACB Policy

The HACB will only enter into a contractual relationship with the legal owner of a qualified unit. No tenancy will be approved without acceptable documentation of legal ownership (e.g., deed of trust, proof of taxes for most recent year). If the legal owner is located out of the jurisdiction of HACB (Butte County) the HACB will request the owner provide a contact person within the HACB jurisdiction who is responsible to respond to requests for HQS repairs and other related program issues.

## **13-I.E. NON-DISCRIMINATION [HAP Contract – Form HUD-52641]**

The owner must not discriminate against any person because of race, color, religion, sex, national origin, age, familial status, or disability, in connection with any actions or responsibilities under the HCV program and the HAP contract with the PHA.

The owner must cooperate with the PHA and with HUD in conducting any equal opportunity compliance reviews and complaint investigations in connection with the HCV program and the HAP contract with the PHA.

See Chapter 2 for a more thorough discussion of Fair Housing and Equal Opportunity requirements in the HCV program.

## **PART II. HAP CONTRACTS**

### **13-II.A. OVERVIEW**

The HAP contract represents a written agreement between the PHA and the owner of the dwelling unit occupied by a HCV assisted family. The contract spells out the owner's responsibilities under the program, as well as the PHA's obligations. Under the HAP contract, the PHA agrees to make housing assistance payments to the owner on behalf the family approved by the PHA to occupy the unit.

The HAP contract is used for all HCV program tenancies except for assistance under the Section 8 homeownership program, and assistance to families that own a manufactured home and use their assistance to lease the space for the manufactured home. See chapter 15 for a discussion of any special housing types included in the PHA's HCV program.

When the PHA has determined that the unit meets program requirements and the tenancy is approvable, the PHA and owner must execute the HAP contract. See chapter 9 for a discussion of the leasing process, including provisions for execution of the HAP contract.

### **13-II.B. HAP CONTRACT CONTENTS**

The HAP contract format is required by HUD, specifically Housing Assistance Payment (HAP) Contract, Form HUD-52641.

The HAP contract contains three parts.

Part A of the contract includes basic contract information: the names of the tenant and all household members, the address of the contract unit, start and end dates of initial lease term, the amount of initial monthly rent to owner, the amount of initial housing assistance payment, the utilities and appliances to be supplied by owner and tenant, and the signatures of the PHA representative and owner [HCV Guidebook, pp 11-10 and 11-11].

In general, the HAP contract cannot be modified. However, PHAs do have the discretion to add language to Part A of the HAP contract which prohibits the owner from collecting a security deposit in excess of private market practices or in excess of amounts charged to unassisted tenants. PHA Policy on the amount of security deposit an owner may collect is found in chapter 9.

PHAs also have the discretion to add language to Part A of the HAP contract that defines when the housing assistance payment by the PHA is deemed received by the owner (e.g., upon mailing by the PHA or actual receipt by the owner).

#### HACB Policy

The HACB has not adopted a policy that defines when the housing assistance payment by the HACB is deemed received by the owner. Therefore, no modifications to the HAP contract will be necessary.

Part B is the body of the contract. It describes in detail program requirements affecting the owner and owner roles and responsibilities under the HCV program. Most of the requirements contained in Part B of the HAP contract are outlined elsewhere in this plan. Topics addressed in Part B include:

- Lease of Contract Unit
- Maintenance, Utilities, and Other Services
- Term of HAP Contract
- Provision and Payment of Utilities and Appliances
- Rent to Owner: Reasonable Rent
- PHA Payment to Owner
- Prohibition of Discrimination
- Owner's Breach of HAP Contract
- PHA and HUD Access to Premises and Owner's Records
- Exclusion of Third Party Rights
- Conflict of Interest
- Assignment of the HAP Contract
- Written Notices
- Entire Agreement Interpretation

Part C of the contract includes the Tenancy Addendum (Form HUD-52641-A). The addendum sets forth the tenancy requirements for the program and the composition of the household, as approved by the PHA. The tenant has the right to enforce the Tenancy Addendum against the owner. The terms of the Tenancy Addendum prevail over any other provisions of the lease.

### **13-II.C. HAP CONTRACT PAYMENTS**

#### **General**

During the term of the HAP contract, and subject to the provisions of the HAP contract, the PHA must make monthly HAP payments to the owner on behalf of the family, at the beginning of each month. If a lease term begins after the first of the month, the HAP payment for the first month is prorated for a partial month.

The amount of the HAP payment is determined according to the policies described in Chapter 6, and is subject to change during the term of the HAP contract. The PHA must notify the owner and the family in writing of any changes in the HAP payment.

HAP payments can be made only during the lease term, and only while the family is residing in the unit.

The monthly HAP payment by the PHA is credited toward the monthly rent to owner under the family's lease. The total of the rent paid by the tenant and the HAP payment is equal to the rent to owner as specified in the lease.

The family is not responsible for payment of the HAP payment, and the PHA is not responsible for payment of the family share of rent.

The family's share of the rent cannot be more than the difference between the rent to owner and the HAP payment. The owner may not demand or accept any rent payment from the tenant in excess of this maximum [24 CFR 982.451(b)(4)]. The owner may not charge the tenant extra amounts for items customarily included in rent in the locality, or provided at no additional cost to unsubsidized tenants in the premises [24 CFR 982.510(c)]. See chapter 9 for a discussion of separate, non-lease agreements for services, appliances and other items that are not included in the lease.

If the owner receives any excess HAP from the PHA, the excess amount must be returned immediately. If the PHA determines that the owner is not entitled to all or a portion of the HAP, the PHA may deduct the amount of overpayment from any amounts due to the owner, including amounts due under any other Section 8 HCV contract. See Chapter 16 for additional detail on owner reimbursement of HAP overpayments.

#### HACB Policy

Owners must sign up for Direct Deposit with the HACB to receive monthly HAP payments.

#### **Owner Certification of Compliance**

Unless the owner complies with all provisions of the HAP contract, the owner is not entitled to receive housing assistance payments under the HAP contract [HAP Contract – Form HUD-52641].

By endorsing the monthly check from the PHA, the owner certifies to compliance with the terms of the HAP contract. This includes certification that the owner is maintaining the unit and premises in accordance with HQS; that the contract unit is leased to the tenant family and, to the best of the owner's knowledge, the family resides in the unit as the family's only residence; the rent to owner does not exceed rents charged by the owner for comparable unassisted units on the premises; and that the owner does not receive (other than rent to owner) any additional payments or other consideration for rent of the contract unit during the HAP term.



**Late HAP Payments [24 CFR 982.451(a)(5)]**

The PHA is responsible for making HAP payments promptly when due to the owner, in accordance with the terms of the HAP contract. After the first two calendar months of the HAP contract term, the HAP contract provides for late penalties if the PHA fails to make the HAP payment on time.

Penalties for late HAP payments can only be imposed if 1) the penalties are in accordance with generally accepted local rental market practices and law governing penalties for late payment by tenants; 2) it is the owner's normal business practice to charge late payment penalties for both assisted and unassisted families; and 3) the owner charges the assisted family for late payment of the family's share of the rent.

The PHA is not required to pay a late payment penalty if HUD determines that the payment is late for reasons beyond the PHA's control. In addition, late payment penalties are not required if the PHA intentionally delays or denies payment as a remedy to an owner breach of the HAP contract [HCV Guidebook p. 11-7].

**Termination of HAP Payments [24 CFR 982.311(b)]**

The PHA must continue making housing assistance payments to the owner in accordance with the HAP contract as long as the tenant continues to occupy the unit and the HAP contract is not violated.

HAP payments terminate when the HAP contract terminates or when the tenancy is terminated in accordance with the terms of the lease.

If the owner has initiated eviction proceedings against the family and the family continues to reside in the unit, the PHA must continue to make housing assistance payments to the owner until the owner has obtained a court judgment or other process allowing the owner to evict the tenant.

HACB Policy

The owner must inform the HACB when the owner has initiated eviction proceedings against the family and the family continues to reside in the unit.

The owner must inform the HACB when the owner has obtained a court judgment or other process allowing the owner to evict the tenant, and provide the HACB with a copy of such judgment or determination.

After the owner has obtained a court judgment or other process allowing the owner to evict the tenant, the HACB will continue to make HAP payments to the owner until the family actually moves from the unit or until the family is physically evicted from the unit, whichever is earlier. The owner must inform the HACB of the date when the family actually moves from the unit or the family is physically evicted from the unit.

**13-ILD. BREACH OF HAP CONTRACT [24 CFR 982.453]**

Any of the following actions by the owner constitutes a breach of the HAP contract:

- If the owner violates any obligations under the HAP contract including failure to maintain the unit in accordance with HQS
- If the owner has violated any obligation under any other HAP contract under Section 8

- If the owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program
- For projects with mortgages insured by HUD or loans made by HUD, if the owner has failed to comply with the regulations for the applicable program; or if the owner has committed fraud, bribery or any other corrupt or criminal act in connection with the mortgage or loan
- If the owner has engaged in drug-related criminal activity
- If the owner has committed any violent criminal activity

If the PHA determines that a breach of the HAP contract has occurred, it may exercise any of its rights and remedies under the HAP contract.

The PHA rights and remedies against the owner under the HAP contract include recovery of any HAP overpayment, suspension of housing assistance payments, abatement or reduction of the housing assistance payment, termination of the payment or termination of the HAP contract. The PHA may also obtain additional relief by judicial order or action.

The PHA must notify the owner of its determination and provide in writing the reasons for the determination. The notice may require the owner to take corrective action by an established deadline. The PHA must provide the owner with written notice of any reduction in housing assistance payments or the termination of the HAP contract.

#### HACB Policy

Before the HACB invokes a remedy against an owner, the HACB will evaluate all information and documents available to determine if the contract has been breached.

If relevant, the HACB will conduct an audit of the owner's records pertaining to the tenancy or unit.

If it is determined that the owner has breached the contract, the HACB will consider all of the relevant factors including the seriousness of the breach, the effect on the family, the owner's record of compliance and the number and seriousness of any prior HAP contract violations.

### **13-II.E. HAP CONTRACT TERM AND TERMINATIONS**

The term of the HAP contract runs concurrently with the term of the dwelling lease [24 CFR 982.451(a)(2)], beginning on the first day of the initial term of the lease and terminating on the last day of the term of the lease, including any lease term extensions.

The HAP contract and the housing assistance payments made under the HAP contract terminate if [HCV Guidebook pp.11-4 and 11-5, pg. 15-3]:

- The owner or the family terminates the lease;
- The lease expires;
- The PHA terminates the HAP contract;
- The PHA terminates assistance for the family;

- The family moves from the assisted unit. In this situation, the owner is entitled to keep the housing assistance payment for the month when the family moves out of the unit.
- 180 calendar days have elapsed since the PHA made the last housing assistance payment to the owner;
- The family is absent from the unit for longer than the maximum period permitted by the PHA;
- The Annual Contributions Contract (ACC) between the PHA and HUD expires
- The PHA elects to terminate the HAP contract.

HACB Policy

The HACB may elect to terminate the HAP contract in each of the following situations:

Available program funding is not sufficient to support continued assistance for families in the program [24 CFR 982.454];

The unit does not meet HQS size requirements due to change in family composition [24 CFR 982.403] – see chapter 8;

The unit does not meet HQS [24 CFR 982.404] – see chapter 8;

The family breaks up [HUD Form 52641] – see chapter 3;

The owner breaches the HAP contract [24 CFR 982.453(b)] – see Section 13-II.D.

If the PHA terminates the HAP contract, the PHA must give the owner and the family written notice. The notice must specify the reasons for the termination and the effective date of the termination. Once a HAP contract is terminated, no further HAP payments may be made under that contract [HCV Guidebook pg.15-4].

HACB Policy

In all cases, the HAP contract terminates at the end of the calendar month that follows the calendar month in which the HACB gives written notice to the owner. The owner is not entitled to any housing assistance payment after this period, and must return to the HACB any housing assistance payment received after this period.

If the family moves from the assisted unit into a new unit, even if the new unit is in the same building or complex as the assisted unit, the HAP contract for the assisted unit terminates. A new HAP contract would be required [HCV GB, p. 11-17].

When the family moves from an assisted unit into a new unit, the term of the HAP contract for the new unit may begin in the same month in which the family moves out of its old unit. This is not considered a duplicative subsidy [HCV GB, p. 8-22].

**13-II.F. CHANGE IN OWNERSHIP/ASSIGNMENT OF THE HAP CONTRACT [HUD-52641]**

The HAP contract cannot be assigned to a new owner without the prior written consent of the PHA.

An owner under a HAP contract must notify the PHA in writing prior to a change in the legal ownership of the unit. The owner must supply all information as requested by the PHA.

Prior to approval of assignment to a new owner, the new owner must agree to be bound by and comply with the HAP contract. The agreement between the new owner and the former owner must be in writing and in a form that the PHA finds acceptable. The new owner must provide the PHA with a copy of the executed agreement.

HACB Policy

Assignment of the HAP contract will be approved only if the new owner is qualified to become an owner under the HCV program according to the policies in Section 13-I.D. of this chapter.

The HACB must receive a signed, written request from the existing owner stating the name and address of the new HAP payee and the effective date of the assignment in order to change the HAP payee under an outstanding HAP contract.

Within 14 calendar days of receiving the owner's request, the HACB will inform the current owner in writing whether the assignment may take place.

The new owner must provide a written certification to the HACB that includes:

A copy of the escrow statement or other document showing the transfer of title and recorded deed;

A copy of the owner's IRS Form W-9, Request for Taxpayer Identification Number and Certification, or the social security number of the new owner;

The effective date of the HAP contract assignment;

A written agreement to comply with the terms of the HAP contract; and

A certification that the new owner is not a prohibited relative.

If the new owner does not agree to an assignment of the HAP contract, or fails to provide the necessary documents, the HACB will terminate the HAP contract with the old owner. If the new owner wants to offer the family a new lease, and the family elects to stay with continued assistance, the HACB will process the leasing in accordance with the policies in chapter 9.

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## Chapter 14

### PROGRAM INTEGRITY

#### INTRODUCTION

The PHA is committed to ensuring that subsidy funds made available to the PHA are spent in accordance with HUD requirements.

This chapter covers HUD and PHA policies designed to prevent, detect, investigate, and resolve instances of program abuse or fraud. It also describes the actions that will be taken in the case of unintentional errors and omissions.

Part I: Preventing, Detecting, and Investigating Errors and Program Abuse. This part presents PHA policies related to preventing, detecting, and investigating errors and program abuse.

Part II: Corrective Measures and Penalties. This part describes the corrective measures the PHA must and may take when errors or program abuses are found.

#### PART I: PREVENTING, DETECTING, AND INVESTIGATING ERRORS AND PROGRAM ABUSE

##### 14-1.A. PREVENTING ERRORS AND PROGRAM ABUSE

HUD created the Enterprise Income Verification (EIV) system to provide PHAs with a powerful tool for preventing errors and detecting program abuse. PHAs are required to use the EIV system in its entirety in accordance with HUD administrative guidance [24 CFR 5.233]. PHAs are further required to:

- Provide applicants and participants with form HUD-52675, “Debts Owed to PHAs and Terminations”
- Require all adult members of an applicant or participant family to acknowledge receipt of form HUD-52675 by signing a copy of the form for retention in the family file

##### HACB Policy

To ensure that the HACB’s HCV program is administered according to the highest ethical and legal standards, the HACB will employ a variety of techniques to ensure that both errors and intentional program abuse are rare.

The HACB will discuss program compliance and integrity issues during the voucher briefing sessions described in Chapter 5.

The HACB will provide each applicant and participant with a copy of “Is Fraud Worth It?” (form HUD-1141-OIG), which explains the types of actions a family must avoid and the penalties for program abuse.

The HACB will provide each applicant and participant with a copy of “What You Should Know about EIV,” a guide to the Enterprise Income Verification (EIV) system published by HUD as an attachment to Notice PIH 2017-12. In addition, the

HACB will require the head of each household to acknowledge receipt of the guide by signing a copy for retention in the family file.

The HACB will place a warning statement about the penalties for fraud (as described in 18 U.S.C. 1001 and 1010) on key HACB forms and form letters that request information from a family or owner.

HACB staff will be required to review and explain the contents of all HUD- and HACB-required forms prior to requesting family member signatures.

At every regular reexamination, HACB staff will explain any changes in HUD regulations or HACB policy that affect program participants.

The HACB will require first-time owners (or their agents) to participate in a briefing session on HAP contract requirements.

The HACB will provide owners with ongoing information about the program, with an emphasis on actions and situations to avoid.

The HACB will provide each HACB employee with the necessary training on program rules and the organization's standards of conduct and ethics.

For purposes of this chapter the term *error* refers to an unintentional error or omission. *Program abuse or fraud* refers to a single act or pattern of actions that constitute a false statement, omission, or concealment of a substantial fact, made with the intent to deceive or mislead.

#### **14-I.B. DETECTING ERRORS AND PROGRAM ABUSE**

In addition to taking steps to prevent errors and program abuse, the PHA will use a variety of activities to detect errors and program abuse.

##### **Quality Control and Analysis of Data**

Under the Section 8 Management Assessment Program (SEMAP), HUD requires the PHA to review a random sample of tenant records annually to determine if the records conform to program requirements and to conduct quality control inspections of a sample of units to ensure HQS compliance [24 CFR, Part 985]. (See Chapter 16 for additional information about SEMAP requirements).

##### HACB Policy

In addition to the SEMAP quality control requirements, the HACB will employ a variety of methods to detect errors and program abuse.

The HACB routinely will use HUD and other non-HUD sources of up-front income verification. This includes private or public databases available to the HACB.

At each annual reexamination, current information provided by the family will be compared to information provided at the last annual reexamination to identify inconsistencies and incomplete information.

The HACB will compare family-reported income and expenditures to detect possible unreported income.

##### **Independent Audits and HUD Monitoring**

OMB Circular A-133 requires all PHAs that expend \$500,000.00 or more in federal awards annually to have an independent audit (IPA). In addition, HUD conducts periodic on-site and automated monitoring of PHA activities and notifies the PHA of errors and potential cases of program abuse.

HACB Policy

The HACB will use the results reported in any IPA or HUD monitoring reports to identify potential program abuses as well as to assess the effectiveness of the HACB error detection and abuse prevention efforts.

**Individual Reporting of Possible Errors and Program Abuse**

HACB Policy

The HACB will encourage staff, program participants, and the public to report possible program abuse.

**14-I.C. INVESTIGATING ERRORS AND PROGRAM ABUSE**

**When the PHA Will Investigate**

HACB Policy

The HACB will review all referrals, specific allegations, complaints, and tips from any source including other agencies, companies, and individuals, to determine if they warrant investigation. In order for the HACB to investigate, the allegation must contain at least one independently-verifiable item of information, such as the name of an employer or the name of an unauthorized household member.

The HACB will investigate when inconsistent or contradictory information is detected through file reviews and the verification process.

**Consent to Release of Information [24 CFR 982.516]**

The PHA may investigate possible instances of error or abuse using all available PHA and public records. If necessary, the PHA will require HCV families to sign consent forms for the release of additional information.

**Analysis and Findings**

HACB Policy

The HACB will base its evaluation on a preponderance of the evidence collected during its investigation.

*Preponderance of the evidence* is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence that as a whole shows that the fact sought to be proved is more probable than not. Preponderance of evidence may not be determined by the number of witnesses, but by the greater weight of all evidence

For each investigation the HACB will determine (1) whether an error or program abuse has occurred, (2) whether any amount of money is owed the HACB, and (3) what corrective measures or penalties will be assessed.



### **Consideration of Remedies**

All errors and instances of program abuse must be corrected prospectively. Whether the PHA will enforce other corrective actions and penalties depends upon the nature of the error or program abuse.

#### HACB Policy

In the case of family-caused errors or program abuse, the HACB will take into consideration (1) the seriousness of the offense and the extent of participation or culpability of individual family members, (2) any special circumstances surrounding the case, (3) any mitigating circumstances related to the disability of a family member, (4) the effects of a particular remedy on family members who were not involved in the offense.

In the case of owner-caused errors or program abuse, the HACB will take into consideration (1) the seriousness of the offense, (2) the length of time since the violation has occurred, and (3) the effects of a particular remedy on family members who were not involved in the offense.

### **Notice and Appeals**

#### HACB Policy

The HACB will inform the relevant party in writing of its findings and remedies within 14 calendar days of the conclusion of the investigation. The notice will include (1) a description of the error or program abuse, (2) the basis on which the HACB determined the error or program abuses, (3) the remedies to be employed, and (4) the family's right to appeal the results through the informal review or hearing process, if applicable (see Chapter 16).

## **PART II: CORRECTIVE MEASURES AND PENALTIES**

### **14-II.A. SUBSIDY UNDER- OR OVERPAYMENTS**

A subsidy under- or overpayment includes (1) an incorrect housing assistance payment to the owner, (2) an incorrect family share established for the family, and (3) an incorrect utility reimbursement to a family.

#### **Corrections**

Whether the incorrect subsidy determination is an overpayment or underpayment of subsidy, the PHA must promptly correct the HAP, family share, and any utility reimbursement prospectively.

#### HACB Policy

Increases in the family share will be implemented on the first of the month following a written 30-day notice.

Any decreases in family share will become effective the first of the month following the discovery of the error.

#### **Reimbursement**

Whether the family or owner is required to reimburse the PHA or the PHA is required to make retroactive subsidy payments to the owner or family depends upon which party is responsible for

the incorrect subsidy payment and whether the action taken was an error or program abuse. Policies regarding reimbursement are discussed in the three sections that follow.

#### **14-ILB. FAMILY-CAUSED ERRORS AND PROGRAM ABUSE**

Family obligations and general administrative requirements for participating in the program are discussed throughout this plan. This section deals specifically with errors and program abuse by family members.

An incorrect subsidy determination caused by a family generally would be the result of incorrect reporting of family composition, income, assets, or expenses, but also would include instances in which the family knowingly allows the PHA to use incorrect information provided by a third party.

##### **Family Reimbursement to PHA [HCV GB pp. 22-12 to 22-13]**

###### HACB Policy

In the case of family-caused errors or program abuse, the family will be required to repay any excess subsidy received. The HACB may, but is not required to, offer the family a repayment agreement in accordance with Chapter 16. If the family fails to repay the excess subsidy, the HACB will terminate the family's assistance in accordance with the policies in Chapter 12.

##### **PHA Reimbursement to Family [HCV GB p. 22-12]**

###### HACB Policy

The HACB will not reimburse the family for any underpayment of assistance when the underpayment clearly is caused by the family.

##### **Prohibited Actions**

An applicant or participant in the HCV program must not knowingly:

- Make a false statement to the PHA [Title 18 U.S.C. Section 1001].
- Commit fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program [24 CFR 982.552(c)(iv)].

###### HACB Policy

Any of the following will be considered evidence of family program abuse:

Payment to the owner in excess of amounts authorized by the HACB for rent, security deposit, and additional services

Offering bribes or illegal gratuities to the HACB Board of Commissioners, employees, contractors, or other HACB representatives

Offering payments or other incentives to the owner or a third party as an inducement for the third party to make false or misleading statements to the HACB on the family's behalf

Use of a false name or the use of falsified, forged, or altered documents

Intentional misreporting of family information or circumstances (e.g. income, family composition)

Omitted facts that were obviously known by a family member (e.g., not reporting employment income)

Admission of program abuse by an adult family member

The HACB may determine other actions to be program abuse based upon a preponderance of the evidence, as defined earlier in this chapter.

### **Penalties for Program Abuse**

In the case of program abuse caused by a family the PHA may, at its discretion, impose any of the following remedies.

- The PHA may require the family to repay excess subsidy amounts paid by the PHA, as described earlier in this section.
- The PHA may require, as a condition of receiving or continuing assistance, that a culpable family member not reside in the unit. See policies in Chapter 3 (for applicants) and Chapter 12 (for participants).
- The PHA may deny or terminate the family's assistance following the policies set forth in Chapter 3 and Chapter 12 respectively.
- The PHA may refer the family for state or federal criminal prosecution as described in section 14-II.E.

### **14-II.C. OWNER-CAUSED ERROR OR PROGRAM ABUSE**

Owner requirements that are part of the regular process of offering, leasing, and maintaining a unit (e.g., HQS compliance, fair housing) are addressed in the appropriate chapters of this plan. This section focuses on errors and program abuse by owners.

An incorrect subsidy determination caused by an owner generally would be the result of an incorrect owner statement about the characteristics of the assisted unit (e.g., the number of bedrooms, which utilities are paid by the family). It also includes accepting duplicate housing assistance payments for the same unit in the same month, or after a family no longer resides in the unit.

#### **Owner Reimbursement to the PHA**

In all cases of overpayment of subsidy caused by the owner, the owner must repay to the PHA any excess subsidy received. The PHA may recover overpaid amounts by withholding housing assistance payments due for subsequent months, or if the debt is large, the PHA may allow the owner to pay in installments over a period of time [HCV GB p. 22-13].

#### HACB Policy

In cases where the owner has received excess subsidy, the HACB will require the owner to repay the amount owed in accordance with the policies in Section 16-IV.B.

### **Prohibited Owner Actions**

An owner participating in the HCV program must not:

- Make any false statement to the PHA [Title 18 U.S.C. Section 1001].

- Commit fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program [24 CFR 982.453(a)(3)] including:

HACB Policy

Any of the following will be considered evidence of owner program abuse:

- Charging the family rent above or below the amount specified by the HACB
- Charging a security deposit other than that specified in the family’s lease
- Charging the family for services that are provided to unassisted tenants at no extra charge
- Knowingly accepting housing assistance payments for any month(s) after the family has vacated the unit
- Knowingly accepting incorrect or excess housing assistance payments
- Offering bribes or illegal gratuities to the HACB Board of Commissioners, employees, contractors, or other HACB representatives
- Offering payments or other incentives to an HCV family as an inducement for the family to make false or misleading statements to the HACB
- Residing in the unit with an assisted family
- ~~Entering into a lease with a voucher holder that has not been approved by HACB.~~Committing sexual or other harassment, either quid pro quo or hostile environment, based on the protected classes defined in Chapter 2
- Retaliating against any applicant or participant reporting/alleging sexual or other harassment, either quid pro quo or hostile environment, based on the protected classes defined in Chapter 2

**Remedies and Penalties**

When the PHA determines that the owner has committed program abuse, the PHA may take any of the following actions:

- Require the owner to repay excess housing assistance payments, as discussed earlier in this section and in accordance with the policies in Chapter 16.
- Terminate the HAP contract (See Chapter 13).
- Bar the owner from future participation in any PHA programs.
- Refer the case to state or federal officials for criminal prosecution as described in section 14-II.E.

**14-II.D. PHA-CAUSED ERRORS OR PROGRAM ABUSE**

The responsibilities and expectations of PHA staff with respect to normal program administration are discussed throughout this plan. This section specifically addresses actions of a PHA staff member that are considered errors or program abuse related to the HCV program. Additional standards of conduct may be provided in the PHA personnel policy.

PHA-caused incorrect subsidy determinations include (1) failing to correctly apply HCV rules regarding family composition, income, assets, and expenses, (2) assigning the incorrect voucher size to a family, and (3) errors in calculation.

#### **Repayment to the PHA**

Neither a family nor an owner is required to repay an overpayment of subsidy if the error or program abuse is caused by PHA staff [HCV GB. 22-12].

#### **PHA Reimbursement to Family or Owner**

The PHA must reimburse a family for any underpayment of subsidy, regardless of whether the underpayment was the result of staff-caused error or staff or owner program abuse. Funds for this reimbursement must come from the PHA's administrative fee reserves [HCV GB p. 22-12].

#### **Prohibited Activities**

##### HACB Policy

Any of the following will be considered evidence of program abuse by HACB staff:

- Failing to comply with any HCV program requirements for personal gain

- Failing to comply with any HCV program requirements as a result of a conflict of interest relationship with any applicant, participant, or owner

- Seeking or accepting anything of material value from applicants, participating families, vendors, owners, contractors, or other persons who provide services or materials to the HACB

- Disclosing confidential or proprietary information to outside parties

- Gaining profit as a result of insider knowledge of HACB activities, policies, or practices

- Misappropriating or misusing HCV funds

- Destroying, concealing, removing, or inappropriately using any records related to the HCV program

- Committing any other corrupt or criminal act in connection with any federal housing program

#### **14-II.E. CRIMINAL PROSECUTION**

##### HACB Policy

When the HACB determines that program abuse by an owner, family, or HACB staff member has occurred and the amount of overpaid subsidy meets or exceeds the threshold for prosecution under local or state law, the HACB will refer the matter to the appropriate entity for prosecution. When the amount of overpaid assistance meets or exceeds the federal threshold, the case will also be referred to the HUD Office of Inspector General (OIG).

Other criminal violations related to the HCV program will be referred to the appropriate local, state, or federal entity.

#### **14-ILF. FRAUD AND PROGRAM ABUSE RECOVERIES**

The PHA may retain a portion of program fraud losses that the PHA recovers from a family or owner through litigation, court order, or a repayment agreement [24 CFR 982.163].

The PHA must be the principal party initiating or sustaining the action to recover amounts due from tenants that are due as a result of fraud and abuse. 24 CFR 792.202 permits the PHA to retain the greater of:

- 50 percent of the amount it actually collects from a judgment, litigation (including settlement of a lawsuit) or an administrative repayment agreement, or
- Reasonable and necessary costs that the PHA incurs related to the collection including costs of investigation, legal fees, and agency collection fees.

The family must be afforded the opportunity for an informal hearing in accordance with requirements in 24 CFR 982.555.

If HUD incurs costs on behalf of the PHA related to the collection, these costs must be deducted from the amount retained by the PHA.

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## Chapter 15

### SPECIAL HOUSING TYPES

[24 CFR 982 Subpart M]

#### INTRODUCTION

The PHA may permit a family to use any of the special housing types discussed in this chapter. However, the PHA is not required to permit families receiving assistance in its jurisdiction to use these housing types, except that PHAs must permit use of any special housing type if needed as a reasonable accommodation for a person with a disability. The PHA also may limit the number of families who receive HCV assistance in these housing types and cannot require families to use a particular housing type. No special funding is provided for special housing types.

#### HACB Policy

Families will not be permitted to use any special housing types, unless use is needed as a reasonable accommodation so that the program is readily accessible to a person with disabilities with the exception of Shared Housing where an assisted family may share a unit with other persons assisted under the HCV program or with other unassisted persons.

Special housing types include single room occupancy (SRO), congregate housing, group homes, shared housing, cooperative housing, manufactured homes where the family owns the home and leases the space, and homeownership [24 CFR 982.601].

This chapter consists of the following seven parts. Each part contains a description of the housing type and any special requirements associated with it. Except as modified by this chapter, the general requirements of the HCV program apply to special housing types.

Part I: Single Room Occupancy

Part II: Congregate Housing

Part III: Group Homes

Part IV: Shared Housing

Part V: Cooperative Housing

Part VI: Manufactured Homes (including manufactured home space rental)

Part VII: Homeownership

#### **PART I: SINGLE ROOM OCCUPANCY**

[24 CFR 982.602 through 982.605]

#### **15-I.A. OVERVIEW**

A single room occupancy (SRO) unit provides living and sleeping space for the exclusive use of the occupant but requires the occupant to share sanitary and/or food preparation facilities with others. More than one person may not occupy an SRO unit. HCV regulations do not limit the number of units in an SRO facility, but the size of a facility may be limited by local ordinances.



When providing HCV assistance in an SRO unit, a separate lease and HAP contract are executed for each assisted person, and the standard form of the HAP contract is used.

#### **15-I.B. PAYMENT STANDARD, UTILITY ALLOWANCE, AND HAP CALCULATION**

The payment standard for SRO housing is seventy-five (75%) percent of the zero-bedroom payment standard amount on the PHA's payment standard schedule.

The utility allowance for an assisted person residing in SRO housing is seventy-five (75%) percent of the zero-bedroom utility allowance.

The HAP for an assisted occupant in an SRO facility is the lower of the SRO payment standard amount minus the TTP or the gross rent for the unit minus the TTP.

#### **15-I.C. HOUSING QUALITY STANDARDS (HQS)**

HQS requirements described in Chapter 8 apply to SRO housing except as modified below.

- *Access:* Access doors to the SRO unit must have working locks for privacy. The occupant must be able to access the unit without going through any other unit. Each unit must have immediate access to two or more approved
- means of exit from the building, appropriately marked and leading to safe and open space at ground level. The SRO unit must also have any other means of exit required by State or local law.
- *Fire Safety:* All SRO facilities must have a sprinkler system that protects major spaces. "Major spaces" are defined as hallways, common areas, and any other areas specified in local fire, building, or safety codes. SROs must also have hard-wired smoke detectors, and any other fire and safety equipment required by state or local law.

Sanitary facilities and space and security standards must meet local code requirements for SRO housing. In the absence of local code standards the requirements discussed below apply [24 CFR 982.605].

- *Sanitary Facilities:* At least one flush toilet that can be used in privacy, a lavatory basin, and a bathtub or shower in proper operating condition must be provided for each six persons (or fewer) residing in the SRO facility. If the SRO units are leased only to men, flush urinals may be substituted for up to one half of the required number of toilets. Sanitary facilities must be reasonably accessible from a common hall or passageway, and may not be located more than one floor above or below the SRO unit. They may not be located below grade unless the SRO units are located on that level.
- *Space and Security:* An SRO unit must contain at least 110 square feet of floor space, and at least four square feet of closet space with an unobstructed height of at least five feet, for use by the occupant. If the closet space is less than four square feet, the habitable floor space in the SRO unit must be increased by the amount of the deficiency. Exterior doors and windows accessible from outside the SRO unit must be lockable.

Because no children live in SRO housing, the housing quality standards applicable to lead-based paint do not apply.

## **PART II: CONGREGATE HOUSING**

[24 CFR 982.606 through 982.609]

### **15-II.A. OVERVIEW**

Congregate housing is intended for use by elderly persons or persons with disabilities. A congregate housing facility contains a shared central kitchen and dining area and a private living area for the individual household that includes at least a living room, bedroom and bathroom. Food service for residents must be provided.

If approved by the PHA, a family member or live-in aide may reside with the elderly person or person with disabilities. The PHA must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

When providing HCV assistance in congregate housing, a separate lease and HAP contract are executed for each assisted family, and the standard form of the HAP contract is used.

### **15-II.B. PAYMENT STANDARD, UTILITY ALLOWANCE, AND HAP CALCULATION**

The payment standard for an individual unit in a congregate housing facility is based on the number of rooms in the private living area. If there is only one room in the unit (not including the bathroom or the kitchen, if a kitchen is provided), the PHA must use the payment standard for a zero-bedroom unit. If the unit has two or more rooms (other than the bathroom and the kitchen), the PHA must use the one-bedroom payment standard.

The HAP for an assisted occupant in a congregate housing facility is the lower of the applicable payment standard minus the TTP or the gross rent for the unit minus the TTP.

The gross rent for the unit for the purpose of calculating HCV assistance is the shelter portion (including utilities) of the resident's monthly housing expense only. The residents' costs for food service should not be included in the rent for a congregate housing unit.

### **15-II.C. HOUSING QUALITY STANDARDS**

HQS requirements as described in Chapter 8 apply to congregate housing except for the requirements stated below.

Congregate housing must have (1) a refrigerator of appropriate size in the private living area of each resident; (2) a central kitchen and dining facilities located within the premises and accessible to the residents, and (3) food service for the residents, that is not provided by the residents themselves.

The housing quality standards applicable to lead-based paint do not apply.

## **PART III: GROUP HOME**

[24 CFR 982.610 through 982.614 and HCV GB p. 7-4]

### **15-III.A. OVERVIEW**

A group home is a state-licensed facility intended for occupancy by elderly persons and/or persons with disabilities. Except for live-in aides, all persons living in a group home, whether assisted or

not, must be elderly persons or persons with disabilities. Persons living in a group home must not require continuous medical or nursing care.

A group home consists of bedrooms for residents, which can be shared by no more than two people, and a living room, kitchen, dining area, bathroom, and other appropriate social, recreational, or community space that may be shared with other residents.

No more than twelve (12) persons may reside in a group home including assisted and unassisted residents and any live-in aides.

If approved by the PHA, a live-in aide may live in the group home with a person with disabilities. The PHA must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

When providing HCV assistance in a group home, a separate lease and HAP contract is executed for each assisted family, and the standard form of the HAP contract is used.

### **15-III.B. PAYMENT STANDARD, UTILITY ALLOWANCE, AND HAP CALCULATION**

Unless there is a live-in aide, the family unit size for an assisted occupant of a group home must be zero- or one-bedroom, depending on the PHA's subsidy standard. If there is a live-in aide, the aide must be counted in determining the household's unit size.

The payment standard used to calculate the HAP is the lower of the payment standard for the family unit size or the prorata share of the payment standard for the group home size. The prorated share is calculated by dividing the number of persons in the assisted household by the number of persons (assisted and unassisted) living in the group home.

The HAP for an assisted occupant in a group home is the lower of the payment standard minus the TTP or the gross rent minus the TTP.

The utility allowance for an assisted occupant in a group home is the prorata share of the utility allowance for the group home.

The rents paid for participants residing in group homes are subject to generally applicable standards for rent reasonableness. The rent for an assisted person must not exceed the prorata portion of the reasonable rent for the group home. In determining reasonable rent, the PHA should consider whether sanitary facilities and facilities for food preparation and service are common facilities or private facilities.

### **15-III.C. HOUSING QUALITY STANDARDS**

HQS requirements described in Chapter 8 apply to group homes except for the requirements stated below.

- *Sanitary Facilities:* A group home must have at least one bathroom in the facility, with a flush toilet that can be used in privacy, a fixed basin with hot and cold running water, and a shower or bathtub with hot and cold running water. A group home may contain private or common bathrooms. However, no more than four residents can be required to share a bathroom.
- *Food Preparation and Service:* Group home units must contain a kitchen and dining area with adequate space to store, prepare, and serve food. The facilities for food preparation and service may be private or may be shared by the residents. The kitchen must contain a range, an oven,

a refrigerator, and a sink with hot and cold running water. The sink must drain into an approvable public or private disposal system.

- *Space and Security:* Group homes must contain at least one-bedroom of appropriate size for every two people, and a living room, kitchen, dining area, bathroom, and other appropriate social, recreational, or community space that may be shared with other residents.
- *Structure and Material:* To avoid any threat to the health and safety of the residents, group homes must be structurally sound. Elevators must be in good condition. Group homes must be accessible to and usable by residents with disabilities.
- *Site and Neighborhood:* Group homes must be located in a residential setting. The site and neighborhood should be reasonably free from hazards to the health, safety, and general welfare of the residents, and should not be subject to serious adverse conditions, such as:
  - Dangerous walks or steps
  - Instability
  - Flooding, poor drainage
  - Septic tank back-ups
  - Sewage hazards
  - Mud slides
  - Abnormal air pollution
  - Smoke or dust
  - Excessive noise
  - Vibrations or vehicular traffic
  - Excessive accumulations of trash
  - Vermin or rodent infestation, and
  - Fire hazards.

The housing quality standards applicable to lead-based paint do not apply.

**PART IV: SHARED HOUSING**  
[24 CFR 982.615 through 982.618]

**15-IV.A. OVERVIEW**

Shared housing is a single housing unit occupied by an assisted family and another resident or residents. The shared unit consists of both common space for use by the occupants of the unit and separate private space for each assisted family.

An assisted family may share a unit with other persons assisted under the HCV program or with other unassisted persons. The owner of a shared housing unit may reside in the unit, but housing assistance may not be paid on behalf of the owner. The resident owner may not be related by blood or marriage to the assisted family.

If approved by the PHA, a live-in aide may reside with the family to care for a person with disabilities. The PHA must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

When providing HCV assistance in shared housing, a separate lease and HAP contract are executed for each assisted family, and the standard form of the HAP contract is used.

#### 15-IV.B. PAYMENT STANDARD, UTILITY ALLOWANCE AND HAP CALCULATION

The payment standard for a family in shared housing is the lower of the payment standard for the family unit size or the prorata share of the payment standard for the shared housing unit size.

The prorated share is calculated by dividing the number of bedrooms available for occupancy by the assisted family in the private space by the total number of bedrooms in the unit.

The HAP for a family in shared housing is the lower of the payment standard minus the TTP or the gross rent minus the TTP. The utility allowance for an assisted family living in shared housing is the lower of the utility allowance for the family unit size (voucher size) or the prorata share of the utility allowance for the shared housing unit.

**Example:** A family holds a 2-bedroom voucher. The family decides to occupy 3 out of 4 bedrooms available in the unit.

The utility allowance for a 4-bedroom unit equals \$200

The utility allowance for a 2-bedroom unit equals \$100

The prorata share of the utility allowance is \$150 (3/4 of \$200)

The PHA will use the 2-bedroom utility allowance of \$100

The rents paid for families living in shared housing are subject to generally applicable standards for rent reasonableness. The rent paid to the owner for the assisted family must not exceed the prorata portion of the reasonable rent for the shared unit. In determining reasonable rent, the PHA should consider whether sanitary and food preparation areas are private or shared.

#### 15-IV.C. HOUSING QUALITY STANDARDS

The PHA may not give approval to reside in shared housing unless the entire unit, including the portion of the unit available for use by the assisted family under its lease, meets the housing quality standards.

HQS requirements described in Chapter 8 apply to shared housing except for the requirements stated below.

- *Facilities Available for the Family:* Facilities available to the assisted family, whether shared or private, must include a living room, a bathroom, and food preparation and refuse disposal facilities.
- *Space and Security:* The entire unit must provide adequate space and security for all assisted and unassisted residents. The private space for each assisted family must contain at least one bedroom for each two persons in the family. The number of bedrooms in the private space of an assisted family must not be less than the family unit size. A zero-bedroom or one-bedroom unit may not be used for shared housing.

**PART V: COOPERATIVE HOUSING**  
[24 CFR 982.619]

**15-V.A. OVERVIEW**

This part applies to rental assistance for a cooperative member residing in cooperative housing. It does not apply to assistance for a cooperative member who has purchased membership under the HCV homeownership option, or to rental assistance for a family that leases a cooperative housing unit from a cooperative member.

A cooperative is a form of ownership (nonprofit corporation or association) in which the residents purchase memberships in the ownership entity. Rather than being charged “rent” a cooperative member is charged a “carrying charge.”

When providing HCV assistance in cooperative housing, the standard form of the HAP contract is used.

**15-V.B. PAYMENT STANDARD, UTILITY ALLOWANCE AND HAP CALCULATION**

The payment standard and utility allowance are determined according to regular HCV program requirements.

The HAP for a cooperative housing unit is the lower of the payment standard minus the TTP or the monthly carrying charge for the unit, plus any utility allowance, minus the TTP. The monthly carrying charge includes the member’s share of the cooperative debt service, operating expenses, and necessary payments to cooperative reserve funds. The carrying charge does not include down payments or other payments to purchase the cooperative unit or to amortize a loan made to the family for this purpose.

**15-V.C. HOUSING QUALITY STANDARDS**

All standard HQS requirements apply to cooperative housing units. There are no additional HQS requirements.

**PART VI: MANUFACTURED HOMES**  
[24 CFR 982.620 through 982.624; FR Notice 1/18/17]

**15-VI.A. OVERVIEW**

A manufactured home is a manufactured structure, transportable in one or more parts, that is built on a permanent chassis, and designed for use as a principal place of residence. HCV-assisted families may occupy manufactured homes in two different ways.

- (1) A family can choose to rent a manufactured home already installed on a space and the PHA must permit it. In this instance program rules are the same as when a family rents any other residential housing, except that there are special HQS requirements as provided in 15-VI.D below.
- (2) HUD also permits an otherwise eligible family that owns a manufactured home to rent a space for the manufactured home and receive HCV assistance with the rent for the space as well as certain other housing expenses. PHAs may, but are not required to, provide assistance for such families.

## **15-VI.B. SPECIAL POLICIES FOR MANUFACTURED HOME OWNERS WHO LEASE A SPACE**

### **Family Income**

In determining the annual income of families leasing manufactured home spaces, the value of the family's equity in the manufactured home in which the family resides is not counted as a family asset.

### **Lease and HAP Contract**

There is a separate Tenancy Addendum (Form 52642-a) and separate HAP Contract (Form 52642) for this special housing type.

## **15-VI.C. PAYMENT STANDARD, UTILITY ALLOWANCE AND HAP CALCULATION [FR Notice 1/18/17]**

### **Payment Standards**

The PHA payment standard for manufactured homes is determined in accordance with 24 CFR 928.505 and is the payment standard used for the PHA's HCV program. It is based on the applicable FMR for the area in which the manufactured home space is located.

The payment standard for the family is the lower of the family unit size (voucher size) or the payment standard for the number of bedrooms in the manufactured home.

### **Utility Allowance**

The PHA must establish utility allowances for manufactured home space rental. For the first twelve (12) months of the initial lease term only, the allowance must include an amount for a utility hook-up charge if the family actually incurred a hook-up charge because of a move. This allowance will not be given to a family that leases in place. Utility allowances for manufactured home space must not include the costs of digging a well or installing a septic system.

If the amount of the monthly assistance payment for a family exceeds the monthly rent for the manufactured home space (including the owner's monthly management and maintenance charges), the PHA may pay the remainder to the family, lender, or utility company.

### **Space Rent**

The rent for the manufactured home space (including other eligible housing expenses) is the total of:

- The rent charged for the manufactured home space;
- Owner maintenance and management charges for the space;
- The monthly payments made by the family to amortize the cost of purchasing the manufactured home, including any required insurance and property taxes; and
- The applicable allowance for tenant-based utilities.

### **Amortization Costs**

The monthly payment made by the family to amortize the cost of purchasing the manufactured home is the debt service established at the time of application to a lender for financing the purchase of the manufactured home if monthly payments are still being made. Any increases in debt service due to refinancing after purchase of the home may not be included in the amortization cost. Debt

service for set-up charges incurred by a family may be included in the monthly amortization payments made by the family. In addition, set-up charges incurred before the family became an assisted family may be included in the amortization cost if month payments are still being made to amortize the charges.

**Housing Assistance Payment**

The HAP for a manufactured home space under the housing choice voucher program is the lower of the payment standard minus the TTP or the manufactured home space rent (including other eligible housing expenses) minus the TTP.

**Rent Reasonableness**

Initially, and annually thereafter the PHA must determine that the rent for the manufactured home space is reasonable based on rents for comparable manufactured home spaces. The PHA must consider the location and size of the space, and any services and maintenance to be provided by the owner. By accepting the monthly HAP check, the owner certifies that the rent does not exceed rents charged by the owner for comparable unassisted spaces in the manufactured home park or elsewhere.

**15-VI.D. HOUSING QUALITY STANDARDS**

Under either type of occupancy described in 15-VI.A above, the manufactured home must meet all HQS performance requirements and acceptability criteria discussed in Chapter 8 of this plan. In addition, the following requirement applies:

***Manufactured Home Tie-Down***

A manufactured home must be placed on the site in a stable manner, and must be free from hazards such as sliding or wind damage. The home must be securely anchored by a tie-down device that distributes and transfers the loads imposed by the unit to appropriate ground anchors to resist overturning and sliding.

**PART VII: HOMEOWNERSHIP**

[24 CFR 982.625 through 982.643]

**15-VII.A. OVERVIEW [24 CFR 982.625]**

The homeownership option is used to assist a family residing in a home purchased and owned by one or more members of the family. A family assisted under this option may be newly admitted or an existing participant in the HCV program. The PHA must have the capacity to operate a successful HCV homeownership program as defined by the regulations.

There are two forms of homeownership assistance described in the regulations: monthly homeownership assistance payments, or a single down payment assistance grants. However, PHAs may not offer down payment assistance until and unless funding is allocated by Congress. Since this has not yet happened, only monthly homeownership assistance may be offered.

The PHA must offer homeownership assistance if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities. It is the sole responsibility of the PHA to determine whether it is reasonable to implement a homeownership program as a reasonable accommodation. The PHA must determine what is reasonable based on the specific circumstances and individual needs of the person with a disability. The PHA may



determine that it is not reasonable to offer homeownership assistance as a reasonable accommodation in cases where the PHA has otherwise opted not to implement a homeownership program.

The PHA must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

#### **15-VIL.B. FAMILY ELIGIBILITY [24 CFR 982.627]**

The family must meet all of the requirements listed below before the commencement of homeownership assistance. The PHA may also establish additional initial requirements as long as they are described in the PHA administrative plan.

- The family must have been admitted to the Housing Choice Voucher program.
- The family must qualify as a first-time homeowner, or may be a cooperative member.
- The family must meet the Federal minimum income requirement. The family must have a gross annual income equal to the Federal minimum wage multiplied by 2000, based on the income of adult family members who will own the home. The PHA may establish a higher income standard for families. However, a family that meets the federal minimum income requirement (but not the PHA's requirement) will be considered to meet the minimum income requirement if it can demonstrate that it has been pre-qualified or pre-approved for financing that is sufficient to purchase an eligible unit.
- For disabled families, the minimum income requirement is equal to the current SSI monthly payment for an individual living alone, multiplied by 12.
- For elderly or disabled families, welfare assistance payments for adult family members who will own the home will be included in determining whether the family meets the minimum income requirement. It will not be included for other families.
- The family must satisfy the employment requirements by demonstrating that one or more adult members of the family who will own the home at commencement of homeownership assistance is currently employed on a full-time basis (the term 'full-time employment' means not less than an average of 30 hours per week); and has been continuously so employed during the year before commencement of homeownership assistance for the family.
- The employment requirement does not apply to elderly and disabled families. In addition, if a family, other than an elderly or disabled family includes a person with disabilities, the PHA must grant an exemption from the employment requirement if the PHA determines that it is needed as a reasonable accommodation.
- The family has not defaulted on a mortgage securing debt to purchase a home under the homeownership option
- Except for cooperative members who have acquired cooperative membership shares prior to commencement of homeownership assistance, no family member has a present ownership interest in a residence at the commencement of homeownership assistance for the purchase of any home.

- Except for cooperative members who have acquired cooperative membership shares prior to the commencement of homeownership assistance, the family has entered a contract of sale in accordance with 24 CFR 982.631(c).

**15-VII.C. SELECTION OF FAMILIES [24 CFR 982.626]**

Unless otherwise provided (under the homeownership option), the PHA may limit homeownership assistance to families or purposes defined by the PHA, and may prescribe additional requirements for commencement of homeownership assistance for a family. Any such limits or additional requirements must be described in the PHA administrative plan.

If the PHA limits the number of families that may participate in the homeownership option, the PHA must establish a system by which to select families to participate.

**15-VII.D. ELIGIBLE UNITS [24 CFR 982.628]**

In order for a unit to be eligible, the PHA must determine that the unit satisfies all of the following requirements:

- The unit must meet HUD’s “eligible housing” requirements. The unit may not be any of the following:
  - A public housing or Indian housing unit;
  - A unit receiving Section 8 project-based assistance;
  - A nursing home, board and care home, or facility providing continual psychiatric, medical or nursing services;
  - A college or other school dormitory;
  - On the grounds of penal, reformatory, medical, mental, or similar public or private institutions.
- The unit must be under construction or already exist at the time the family enters into the contract of sale.
- The unit must be a one-unit property or a single dwelling unit in a cooperative or condominium.
- The unit must have been inspected by the PHA and by an independent inspector designated by the family.
- The unit must meet Housing Quality Standards (see Chapter 8).
- For a unit where the family will not own fee title to the real property (such as a manufactured home), the home must have a permanent foundation and the family must have the right to occupy the site for at least 40 years.
- For PHA-owned units all of the following conditions must be satisfied:
  - The PHA informs the family, both orally and in writing, that the family has the right to purchase any eligible unit and a PHA-owned unit is freely selected by the family without PHA pressure or steering;
  - The unit is not ineligible housing;

- The PHA obtains the services of an independent agency to inspect the unit for compliance with HQS, review the independent inspection report, review the contract of sale, determine the reasonableness of the sales price and any PHA provided financing. All of these actions must be completed in accordance with program requirements.

The PHA must not approve the unit if the PHA has been informed that the seller is debarred, suspended, or subject to a limited denial of participation.

**15-VI.E. ADDITIONAL PHA REQUIREMENTS FOR SEARCH AND PURCHASE [24 CFR 982.629]**

It is the family’s responsibility to find a home that meets the criteria for voucher homeownership assistance. The PHA may establish the maximum time that will be allowed for a family to locate and purchase a home, and may require the family to report on their progress in finding and purchasing a home. If the family is unable to purchase a home within the maximum time established by the PHA, the PHA may issue the family a voucher to lease a unit or place the family’s name on the waiting list for a voucher.

**15-VI.F. HOMEOWNERSHIP COUNSELING [24 CFR 982.630]**

Before commencement of homeownership assistance for a family, the family must attend and satisfactorily complete the pre-assistance homeownership and housing counseling program required by the PHA. HUD suggests the following topics for the PHA-required pre-assistance counseling:

- Home maintenance (including care of the grounds);
- Budgeting and money management;
- Credit counseling;
- How to negotiate the purchase price of a home;
- How to obtain homeownership financing and loan pre-approvals, including a description of types of financing that may be available, and the pros and cons of different types of financing;
- How to find a home, including information about homeownership opportunities, schools, and transportation in the PHA jurisdiction;
- Advantages of purchasing a home in an area that does not have a high concentration of low-income families and how to locate homes in such areas;
- Information on fair housing, including fair housing lending and local fair housing enforcement agencies; and
- Information about the Real Estate Settlement Procedures Act (12 U.S.C. 2601 et seq.) (RESPA), state and Federal truth-in-lending laws, and how to identify and avoid loans with oppressive terms and conditions.

The PHA may adapt the subjects covered in pre-assistance counseling (as listed) to local circumstances and the needs of individual families.

The PHA may also offer additional counseling after commencement of homeownership assistance (ongoing counseling). If the PHA offers a program of ongoing counseling for participants in the homeownership option, the PHA shall have discretion to determine whether the family is required to participate in the ongoing counseling.

If the PHA does not use a HUD-approved housing counseling agency to provide the counseling, the PHA should ensure that its counseling program is consistent with the counseling provided under HUD's Housing Counseling program.

### **15-VII.G. HOME INSPECTIONS, CONTRACT OF SALE, AND PHA DISAPPROVAL OF SELLER [24 CFR 982.631]**

#### **Home Inspections**

The PHA may not commence monthly homeownership assistance payments for a family until the PHA has inspected the unit and has determined that the unit passes HQS.

An independent professional inspector selected by and paid for by the family must also inspect the unit. The independent inspection must cover major building systems and components, including foundation and structure, housing interior and exterior, and the roofing, plumbing, electrical, and heating systems. The independent inspector must be qualified to report on property conditions, including major building systems and components.

The PHA may not require the family to use an independent inspector selected by the PHA. The independent inspector may not be a PHA employee or contractor, or other person under control of the PHA. However, the PHA may establish standards for qualification of inspectors selected by families under the homeownership option.

The PHA may disapprove a unit for assistance based on information in the independent inspector's report, even if the unit was found to comply with HQS.

#### **Contract of Sale**

Before commencement of monthly homeownership assistance payments, a member or members of the family must enter into a contract of sale with the seller of the unit to be acquired by the family. The family must give the PHA a copy of the contract of sale. The contract of sale must:

- Specify the price and other terms of sale by the seller to the purchaser;
- Provide that the purchaser will arrange for a pre-purchase inspection of the dwelling unit by an independent inspector selected by the purchaser;
- Provide that the purchaser is not obligated to purchase the unit unless the inspection is satisfactory to the purchaser;
- Provide that the purchaser is not obligated to pay for any necessary repairs; and
- Contain a certification from the seller that the seller has not been debarred, suspended, or subject to a limited denial of participation under CFR part 24.

#### **Disapproval of a Seller**

In its administrative discretion, the PHA may deny approval of a seller for the same reasons a PHA may disapprove an owner under the regular HCV program [see 24 CFR 982.306(c)].

#### **15-VII.H. FINANCING [24 CFR 982.632]**

The PHA may establish requirements for financing purchase of a home under the homeownership option. This may include requirements concerning qualification of lenders, terms of financing, restrictions concerning debt secured by the home, lender qualifications, loan terms, and affordability of the debt. The PHA must establish policies describing these requirements in the administrative plan.

A PHA may not require that families acquire financing from one or more specified lenders, thereby restricting the family's ability to secure favorable financing terms.

#### **15-VIII. CONTINUED ASSISTANCE REQUIREMENTS; FAMILY OBLIGATIONS [24 CFR 982.633]**

Homeownership assistance may only be paid while the family is residing in the home. If the family moves out of the home, the PHA may not continue homeownership assistance after the month when the family moves out. The family or lender is not required to refund to the PHA the homeownership assistance for the month when the family moves out.

Before commencement of homeownership assistance, the family must execute a statement in which the family agrees to comply with all family obligations under the homeownership option.

The family must comply with the following obligations:

- The family must comply with the terms of the mortgage securing debt incurred to purchase the home, or any refinancing of such debt.
- The family may not convey or transfer ownership of the home, except for purposes of financing, refinancing, or pending settlement of the estate of a deceased family member. Use and occupancy of the home are subject to 24 CFR 982.551 (h) and (i).
- The family must supply information to the PHA or HUD as specified in 24 CFR 982.551(b). The family must further supply any information required by the PHA or HUD concerning mortgage financing or refinancing, sale or transfer of any interest in the home, or homeownership expenses.
- The family must notify the PHA before moving out of the home.
- The family must notify the PHA if the family defaults on the mortgage used to purchase the home.
- No family member may have any ownership interest in any other residential property.
- The family must comply with the obligations of a participant family described in 24 CFR 982.551, except for the following provisions which do not apply to assistance under the homeownership option: 24 CFR 982.551(c), (d), (e), (f), (g) and (j).

#### **15-VII.J. MAXIMUM TERM OF HOMEOWNER ASSISTANCE [24 CFR 982.634]**

Except in the case of a family that qualifies as an elderly or disabled family, other family members (described below) shall not receive homeownership assistance for more than:

- Fifteen years, if the initial mortgage incurred to finance purchase of the home has a term of 20 years or longer; or

- Ten years, in all other cases.

The maximum term described above applies to any member of the family who:

- Has an ownership interest in the unit during the time that homeownership payments are made; or
- Is the spouse of any member of the household who has an ownership interest in the unit during the time homeownership payments are made.

In the case of an elderly family, the exception only applies if the family qualifies as an elderly family at the start of homeownership assistance. In the case of a disabled family, the exception applies if at any time during receipt of homeownership assistance the family qualifies as a disabled family.

If, during the course of homeownership assistance, the family ceases to qualify as a disabled or elderly family, the maximum term becomes applicable from the date homeownership assistance commenced. However, such a family must be provided at least 6 months of homeownership assistance after the maximum term becomes applicable (provided the family is otherwise eligible to receive homeownership assistance).

If the family has received such assistance for different homes, or from different PHAs, the total of such assistance terms is subject to the maximum term described in this part.

**15-VIL.K. HOMEOWNERSHIP ASSISTANCE PAYMENTS AND HOMEOWNERSHIP EXPENSES [24 CFR 982.635]**

The monthly homeownership assistance payment is the lower of: the voucher payment standard minus the total tenant payment, or the monthly homeownership expenses minus the total tenant payment.

In determining the amount of the homeownership assistance payment, the PHA will use the same payment standard schedule, payment standard amounts, and subsidy standards as those described elsewhere in this plan for the Housing Choice Voucher program. The payment standard for a family is the greater of (i) the payment standard as determined at the commencement of homeownership assistance for occupancy of the home, or (ii) the payment standard at the most recent regular reexamination of family income and composition since the commencement of homeownership assistance for occupancy of the home.

The PHA may pay the homeownership assistance payments directly to the family, or at the PHA's discretion, to a lender on behalf of the family. If the assistance payment exceeds the amount due to the lender, the PHA must pay the excess directly to the family.

Homeownership assistance for a family terminates automatically 180 calendar days after the last homeownership assistance payment on behalf of the family. However, a PHA may grant relief from this requirement in those cases where automatic termination would result in extreme hardship for the family.

The PHA must adopt policies for determining the amount of homeownership expenses to be allowed by the PHA in accordance with HUD requirements.

Homeownership expenses (not including cooperatives) only include amounts allowed by the PHA to cover:

- Principal and interest on initial mortgage debt, any refinancing of such debt, and any mortgage insurance premium incurred to finance purchase of the home;
- Real estate taxes and public assessments on the home;
- Home insurance;
- The PHA allowance for maintenance expenses;
- The PHA allowance for costs of major repairs and replacements;
- The PHA utility allowance for the home;
- Principal and interest on mortgage debt incurred to finance costs for major repairs, replacements or improvements for the home. If a member of the family is a person with disabilities, such debt may include debt incurred by the family to finance costs needed to make the home accessible for such person, if the PHA determines that allowance of such costs as homeownership expenses is needed as a reasonable accommodation so that the homeownership option is readily accessible to and usable by such person;
- Land lease payments where a family does not own fee title to the real property on which the home is located; [see 24 CFR 982.628(b)].
- For a condominium unit, condominium operating charges or maintenance fees assessed by the condominium homeowner association.

Homeownership expenses for a cooperative member may only include amounts allowed by the PHA to cover:

- The cooperative charge under the cooperative occupancy agreement including payment for real estate taxes and public assessments on the home;
- Principal and interest on initial debt incurred to finance purchase of cooperative membership shares and any refinancing of such debt;
- Home insurance;
- The PHA allowance for maintenance expenses;
- The PHA allowance for costs of major repairs and replacements;
- The PHA utility allowance for the home; and
- Principal and interest on debt incurred to finance major repairs, replacements or improvements for the home. If a member of the family is a person with disabilities, such debt may include debt incurred by the family to finance costs needed to make the home accessible for such person, if the PHA determines that allowance of such costs as homeownership expenses is needed as a reasonable accommodation so that the homeownership option is readily accessible to and usable by such person.
- Cooperative operating charges or maintenance fees assessed by the cooperative homeowner association.

**15-VIII. PORTABILITY [24 CFR 982.636, 982.637, 982.353(b) and (c), 982.552, 982.553]**

Subject to the restrictions on portability included in HUD regulations and PHA policies, a family may exercise portability if the receiving PHA is administering a voucher homeownership program and accepting new homeownership families. The receiving PHA may absorb the family into its voucher program, or bill the initial PHA.

The family must attend the briefing and counseling sessions required by the receiving PHA. The receiving PHA will determine whether the financing for, and the physical condition of the unit, are acceptable. The receiving PHA must promptly notify the initial PHA if the family has purchased an eligible unit under the program, or if the family is unable to purchase a home within the maximum time established by the PHA.

#### **15-VILM. MOVING WITH CONTINUED ASSISTANCE [24 CFR 982.637]**

A family receiving homeownership assistance may move with continued tenant-based assistance. The family may move with voucher rental assistance or with voucher homeownership assistance. Continued tenant-based assistance for a new unit cannot begin so long as any family member holds title to the prior home.

The PHA may deny permission to move to a new unit with continued voucher assistance:

- If the PHA has insufficient funding to provide continued assistance.
- In accordance with 24 CFR 982.638, regarding denial or termination of assistance.
- In accordance with the PHA's policy regarding number of moves within a 12-month period.

The PHA must deny the family permission to move to a new unit with continued voucher rental assistance if:

- The family defaulted on an FHA-insured mortgage; and
- The family fails to demonstrate that the family has conveyed, or will convey, title to the home, as required by HUD, to HUD or HUD's designee; and the family has moved, or will move, from the home within the period established or approved by HUD.

#### **15-VILN. DENIAL OR TERMINATION OF ASSISTANCE [24 CFR 982.638]**

At any time, the PHA may deny or terminate homeownership assistance in accordance with HCV program requirements in 24 CFR 982.552 (Grounds for denial or termination of assistance) or 24 CFR 982.553 (Crime by family members).

The PHA may also deny or terminate assistance for violation of participant obligations described in 24 CFR Parts 982.551 or 982.633 and in accordance with its own policy.

The PHA must terminate voucher homeownership assistance for any member of family receiving homeownership assistance that is dispossessed from the home pursuant to a judgment or order of foreclosure on any mortgage (whether FHA insured or non-FHA) securing debt incurred to purchase the home, or any refinancing of such debt.



## Chapter 16

### PROGRAM ADMINISTRATION

#### INTRODUCTION

This chapter discusses administrative policies and practices that are relevant to the activities covered in this plan. The policies are discussed in seven parts as described below:

Part I: Administrative Fee Reserve. This part describes the PHA's policies with regard to oversight of expenditures from its administrative fee reserve.

Part II: Setting Program Standards and Schedules. This part describes what payment standards are, and how they are updated, as well as how utility allowances are established and revised.

Part III: Informal Reviews and Hearings. This part outlines the requirements and procedures for informal reviews and hearings, and for informal hearings regarding citizenship status.

Part IV: Owner or Family Debts to the PHA. This part describes policies for recovery of monies that the PHA has overpaid on behalf of families, or to owners, and describes the circumstances under which the PHA will offer repayment agreements to owners and families. Also discussed are the consequences for failure to make payments in accordance with a repayment agreement.

Part V: Section 8 Management Assessment Program (SEMAP). This part describes what the SEMAP scores represent, how they are established, and how those scores affect a PHA.

Part VI: Record-Keeping. All aspects of the program involve certain types of record-keeping. This part outlines the privacy rights of applicants and participants and record retention policies the PHA will follow.

Part VII: Reporting and Record Keeping for Children with Environmental Intervention Blood Lead Level. This part describes the PHA's responsibilities for reporting, data collection, and record keeping relative to children with environmental intervention blood lead levels that are less than six years of age, and are receiving HCV assistance.

Part VIII: Determination of Insufficient Funding. This part describes the PHA's policies for determining if there is sufficient funding to issue vouchers, to approve moves to higher cost units or areas, and to continue assistance for all participant families.

#### **PART I: ADMINISTRATIVE FEE RESERVE [24 CFR 982.155]**

The PHA will maintain administrative fee reserves, or unrestricted net position (UNP) for the program to pay program administrative expenses in excess of administrative fees paid by HUD for a PHA fiscal year. HUD appropriations acts beginning with FFY2004 have specified that administrative fee funding may be used only for activities related to the provision of the HCV assistance, including related development activities. Notice PIH 2012-9 cites two examples of related development activities: unit modification for accessibility purposes and development of project-based voucher units. The notice makes clear that other activities may also qualify as related development activities. Administrative fees that remain in the UNP account from funding prior to

2004 may be used for “other housing purposes permitted by state and local law”, in accordance with 24 CFR 982.155(b)(1).

If a PHA has not adequately administered its HCV program, HUD may prohibit use of funds in the UNP Account and may direct the PHA to use funds in that account to improve administration of the program, for HCV HAP expenses, or to reimburse ineligible expenses in accordance with the regulation at 24 CFR 982.155(b)(3).

HUD requires the PHA Board of Commissioners or other authorized officials to establish the maximum amount that may be charged against the UNP account without specific approval.

#### HACB Policy

Expenditures from the post-2003 UNP account will be made in accordance with applicable federal requirements. Expenditures will not exceed \$50,000 per occurrence without the prior approval of the HACB’s Board of Commissioners.

Expenditures from the pre-2004 UNP account will be made in accordance with applicable federal requirements require prior approval of the HACB’s Board of Commissioners.

## **PART II: SETTING PROGRAM STANDARDS AND SCHEDULES**

### **16-II.A. OVERVIEW**

Although many of the program’s requirements are established centrally by HUD, the HCV program’s regulations recognize that some flexibility is required to allow the PHA to adapt the program to local conditions. This part discusses how the PHA establishes and updates certain schedules and standards that are used to administer the program locally. Details about how these schedules are applied to individual families are provided in other chapters. The schedules and standards discussed here include:

- *Payment Standards*, which dictate the maximum subsidy a family can receive (application of the payment standards is discussed in Chapter 6); and
- *Utility Allowances*, which specify how a family’s payment should be adjusted to account for tenant-paid utilities (application of utility allowances is discussed in Chapter 6).

#### HACB Policy

Copies of the payment standard and utility allowance schedules are available for review in the HACB offices during normal business hours.

Families, owners, and members of the public may submit written comments on the schedules discussed in this part, at any time, for consideration during the next revision cycle.

The HACB will maintain documentation to support its annual review of payment standards and utility allowance schedules. This documentation will be retained for at least three (3) years.

Establishing and updating the PHA passbook rate, which is used to calculate imputed income from assets, is covered in Chapter 6 (see Section 6-IG.).

### **16-II.B. PAYMENT STANDARDS [24 CFR 982.503; HCV GB, Chapter 7]**

The payment standard sets the maximum subsidy payment a family can receive from the PHA each month [24 CFR 982.505(a)]. Payment standards are based on Fair Market Rents (FMRs) published annually by HUD. FMRs are set at a percentile within the rent distribution of standard quality rental housing units in each FMR area. For most jurisdictions FMRs are set at the fortieth (40<sup>th</sup>) percentile of rents in the market area.

The PHA must establish a payment standard schedule that establishes payment standard amounts for each FMR area within the PHA's jurisdiction, and for each unit size within each of the FMR areas. For each unit size, the PHA may establish a single payment standard amount for the whole FMR area, or may set different payment standards for different parts of the FMR area. Unless HUD grants an exception, the PHA is required to establish a payment standard within a "basic range" established by HUD – between ninety (90%) and one hundred ten (110%) percent of the published FMR for each unit size.

### **Updating Payment Standards**

When HUD updates its FMRs, the PHA must update its payment standards if the standards are no longer within the basic range [24 CFR 982.503(b)]. HUD may require the PHA to make further adjustments if it determines that rent burdens for assisted families in the PHA's jurisdiction are unacceptably high [24 CFR 982.503(g)].

#### HACB Policy

The HACB will review the appropriateness of the payment standards on an annual basis when the new FMR is published, and at other times as determined necessary. In addition to ensuring the payment standards are always within the "basic range" the HACB will consider the following factors when determining whether an adjustment should be made to the payment standard schedule:

**Funding Availability:** The HACB will review the budget to determine the impact projected subsidy adjustments will have on funding available for the program and the number of families served. The HACB will compare the number of families who could be served under revised payment standard amounts with the number assisted under current payment standard amounts.

**Rent Burden of Participating Families:** Rent burden will be determined by identifying the percentage of families, for each unit size, that are paying more than thirty (30%) percent of their monthly adjusted income as the family share. When forty (40%) percent or more of families, for any given unit size, are paying more than thirty (30%) percent of adjusted monthly income as the family share, the HACB will consider increasing the payment standard. In evaluating rent burdens, the HACB will not include families renting a larger unit than their family unit size.

**Quality of Units Selected:** The HACB will review the quality of units selected by participant families when making the determination of the percent of income families are paying for housing, to ensure that payment standard increases are only made when needed to reach the mid-range of the market.

**Changes in Rent to Owner:** The HACB may review a sample of the units to determine how often owners are increasing or decreasing rents and the average percent of increases/decreases by bedroom size.

**Unit Availability:** The HACB will review the availability of units for each unit size, particularly in areas with low concentrations of poor and minority families.

**Lease-up Time and Success Rate:** The HACB will consider the percentage of families that are unable to locate suitable housing before the voucher expires and whether families are leaving the jurisdiction to find affordable housing.

Changes to payment standard amounts will be effective on January 1<sup>st</sup> of every year, or within three months of FMR effective date, whichever is earlier. The effective date is applicable both to HUD-required revisions and to discretionary revisions.

#### **Exception Payment Standards [24 CFR 982.503(c)]**

The PHA must request HUD approval to establish payment standards that are higher than the basic range. At HUD's sole discretion, HUD may approve a payment standard amount that is higher than the basic range for a designated part of the FMR area. HUD may approve an exception payment standard amount (in accordance with program requirements) for all units, or for all units of a given size, leased by program families in the exception area. Any PHA with jurisdiction in the exception area may use the HUD-approved exception payment standard amount. The total population of all HUD-approved exception areas in an FMR area may not include more than fifty (50%) percent of the population of the FMR area.

#### **Voluntary Use of Small Area FMRs [24 CFR 982.503, Notice PIH 2018-01]**

PHAs that administer vouchers in a metropolitan area where the adoptions of small area FMRs (SAFMRs) is not required my request approval from HUD to voluntarily adopt SAFMRs. SAFMRs may be voluntarily adopted for one or more zip code areas.

#### HACB Policy

The HACB will not voluntarily adopt the use of SAFMRs.

#### **Unit-by-Unit Exceptions [24 CFR 982.503(b); 24 CFR 982.505(d); Notice PIH 2010-26]**

Unit-by-unit exceptions to the PHA's payment standards generally are not permitted. However, an exception may be made as a reasonable accommodation for a family that includes a person with disabilities. (See Chapter 2 for a discussion of reasonable accommodations.) This type of exception does not affect the PHA's payment standard schedule.

When needed as a reasonable accommodation, the PHA may make an exception to the payment standard without HUD approval if the exception amount does not exceed one hundred twenty (120%) percent of the applicable FMR for the unit size [24 CFR 982.503(b)]. The PHA may request HUD approval for an exception to the payment standard for a particular family if the required amount exceeds one hundred twenty (120%) percent of the FMR.

#### HACB Policy

A family that requires a reasonable accommodation may request a higher payment standard at the time the Request for Tenancy Approval (RFTA) is submitted. The family must document the need for the exception. In order to approve an exception, or request an exception from HUD, the HACB must determine that:

There is a shortage of affordable units that would be appropriate for the family;

The family's TTP would otherwise exceed forty (40%) percent of adjusted monthly income; and

The rent for the unit is reasonable.

#### **"Success Rate" Payment Standard Amounts [24 CFR 982.503(e)]**

If a substantial percentage of families have difficulty finding a suitable unit, the PHA may request a "success rate payment standard" that applies to the entire jurisdiction. If approved by HUD, a success rate payment standard allows the PHA to set its payment standards at 90-110 percent of a higher FMR (the 50<sup>th</sup>, rather than the 40<sup>th</sup> percentile FMR). To support the request, the PHA must demonstrate that during the most recent 6-month period for which information is available:

- Fewer than seventy-five (75%) percent of families who were issued vouchers became participants;
- The PHA had established payment standards for all unit sizes, and for the entire jurisdiction, at one hundred ten (110%) percent of the published FMR; and
- The PHA had a policy of allowing voucher holders who made sustained efforts to locate units at least ninety (90) days to search for a unit.

Although HUD approves the success rate payment standard for all unit sizes in the FMR area, the PHA may choose to adjust the payment standard for only some unit sizes in all, or a designated part, of the PHA's jurisdiction within the FMR area.

#### **Decreases in the Payment Standard below the Basic Range [24 CFR 982.503(d)]**

The PHA must request HUD approval to establish a payment standard amount that is lower than the basic range. At HUD's sole discretion, HUD may approve establishment of a payment standard lower than the basic range. HUD will not approve a lower payment standard if the family share for more than forty (40%) percent of program participants exceeds thirty (30%) percent of adjusted monthly income.

#### **16-II.C. UTILITY ALLOWANCES [24 CFR 982.517]**

A PHA-established utility allowance schedule is used in determining family share and PHA subsidy. The PHA must maintain a utility allowance schedule for (1) all tenant-paid utilities, (2) the cost of tenant-supplied refrigerators and ranges, and (3) other tenant-paid housing services such as trash collection.

The utility allowance schedule must be determined based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. In developing the schedule, the PHA must use normal patterns of consumption for the community as a whole, and current utility rates.

The utility allowance must include the utilities and services that are necessary in the locality to provide housing that complies with housing quality standards. Costs for telephone, cable/satellite television, and internet services are not included in the utility allowance schedule.

In the utility allowance schedule, the PHA must classify utilities and other housing services according to the following general categories: space heating; air conditioning; cooking; water

heating; water; sewer; trash collection; other electric; cost of tenant-supplied refrigerator; cost of tenant-supplied range; and other specified housing services.

The cost of each utility and housing service must be stated separately by unit size and type. Chapter 18 of the *HCV Guidebook* provides detailed guidance to the PHA about establishing utility allowance schedules.

### **Air Conditioning**

An allowance for air-conditioning must be provided when the majority of housing units in the market have central air-conditioning or are wired for tenant-installed air conditioners.

#### HACB Policy

The HACB has included an allowance for air-conditioning in its schedule. Central air-conditioning or a portable air conditioner must be present in a unit before the HACB will apply this allowance to a family's rent and subsidy calculations.

### **Reasonable Accommodation**

HCV program regulations require a PHA to approve a utility allowance amount higher than shown on the PHA's schedule if a higher allowance is needed as a reasonable accommodation for a family member with a disability. For example, if a family member with a disability requires such an accommodation, the PHA will approve an allowance for air-conditioning, even if the PHA has determined that an allowance for air-conditioning generally is not needed (See Chapter 2 for policies regarding the request and approval of reasonable accommodations).

### **Utility Allowance Revisions**

The PHA must review its schedule of utility allowances each year, and must revise the schedule if there has been a change of ten (10%) percent or more in any utility rate since the last time the allowance for that utility was revised. HACBs utility allowances will be effective October 1<sup>st</sup> of every year.

The PHA must maintain information supporting its annual review of utility allowance and any revisions made in its utility allowance schedule.

## **PART III: INFORMAL REVIEWS AND HEARINGS**

### **16-III.A. OVERVIEW**

Both applicants and participants have the right to disagree with and appeal certain decisions of the PHA that may adversely affect them. PHA decisions that may be appealed by applicants and participants are discussed in this section. The process for applicant appeals of PHA decisions is called the "informal review". For participants (or applicants denied admission because of citizenship issues), the appeal process is called an "informal hearing". PHAs are required to include informal review procedures for applicants and informal hearing procedures for participants in their administrative plans [24 CFR 982.54(d)(12) and (13)].

### **16-III.B. INFORMAL REVIEWS**

Informal reviews are provided for program applicants. An applicant is someone who has applied for admission to the program, but is not yet a participant in the program. Informal reviews are

intended to provide a “minimum hearing requirement” [24 CFR 982.554], and need not be as elaborate as the informal hearing requirements. (Federal Register Volume 60, No. 127, p 36490).

### **Decisions Subject to Informal Review**

The PHA must give an applicant the opportunity for an informal review of a decision denying assistance [24 CFR 982.554(a)]. Denial of assistance may include any or all of the following [24 CFR 982.552(a)(2)]:

- Denying listing on the PHA waiting list
- Denying or withdrawing a voucher
- Refusing to enter into a HAP contract or approve a lease
- Refusing to process or provide assistance under portability procedures
- Denial of assistance based on an unfavorable history that may be the result of domestic violence, dating violence, sexual assault, or stalking. (See Section 3-III.G.)

Informal reviews are *not* required for the following reasons [24 CFR 982.554(c)]:

- Discretionary administrative determinations by the PHA
- General policy issues or class grievances
- A determination of the family unit size under the PHA subsidy standards
- A PHA determination not to grant approval of the tenancy
- A PHA determination that the unit is not in compliance with the HQS
- A PHA determination that the unit is not in accordance with the HQS due to family size or composition

#### HACB Policy

The HACB will only offer an informal review to applicants for whom assistance is being denied. Denial of assistance includes: denying listing on the HACB waiting list; denying or withdrawing a voucher; refusing to enter into a HAP contract or approve a lease; refusing to process or provide assistance under portability procedures.

### **Notice to the Applicant [24 CFR 982.554(a)]**

The PHA must give an applicant prompt notice of a decision denying assistance. The notice must contain a brief statement of the reasons for the PHA decision, and must also state that the applicant may request an informal review of the decision. The notice must describe how to obtain the informal review.

### **Scheduling an Informal Review**

#### HACB Policy

A request for an informal review must be made in writing and delivered to the HACB either in person or by first class mail, by the close of the business day, no later than 14 calendar days from the date of the HACB’s denial of assistance.

**Informal Review Procedures [24 CFR 982.554(b)]**

HACB Policy

The informal review must be conducted by a person other than the one who made or approved the decision under review, or a subordinate of this person.

The applicant must be provided an opportunity to present written or oral objections to the decision of the HACB.

The person conducting the review will make a recommendation to the HACB, but the HACB is responsible for making the final decision as to whether assistance should be granted or denied.

**Informal Review Decision [24 CFR 982.554(b)]**

The PHA must notify the applicant of the PHA’s final decision, including a brief statement of the reasons for the final decision.

HACB Policy

The HACB will review written objections to the decision of the HACB in rendering a decision.

In rendering a decision, the HACB will evaluate the following matters:

Whether or not the grounds for denial were stated factually in the notice to the family.

The validity of the grounds for denial of assistance. If the grounds for denial are not specified in the regulations, then the decision to deny assistance will be overturned.

The validity of the evidence. The HACB will evaluate whether the facts presented prove the grounds for denial of assistance. If the facts prove that there are grounds for denial, and the denial is required by HUD, the HACB will uphold the decision to deny assistance.

If the facts prove the grounds for denial, and the denial is discretionary, the HACB will consider the recommendation of the person conducting the informal review in making the final decision whether to deny assistance.

The HACB will notify the applicant of the final decision, including a statement explaining the reason(s) for the decision. The notice will be mailed within fourteen (14) calendar days of the informal review, to the applicant and his or her representative, if any. Via UPS.

If the decision to deny is overturned as a result of the informal review, processing for admission will resume.

**16-III.C. INFORMAL HEARINGS FOR PARTICIPANTS [24 CFR 982.555, Pub.L. 109-162]**

PHAs must offer an informal hearing for certain PHA determinations relating to the individual circumstances of a participant family. A participant is defined as a family that has been admitted to the PHA HCV program and is currently assisted in the program. The purpose of the informal



hearing is to consider whether the PHA decisions related to the family's circumstances are in accordance with the law, HUD regulations and PHA policies.

The PHA is not permitted to terminate a family's assistance until the time allowed for the family to request an informal hearing has elapsed, and any requested hearing has been completed. Termination of assistance for a participant may include any or all of the following:

- Refusing to enter into a HAP contract or approve a lease
- Terminating housing assistance payments under an outstanding HAP contract
- Refusing to process or provide assistance under portability procedures

### **Decisions Subject to Informal Hearing**

Circumstances for which the PHA must give a participant family an opportunity for an informal hearing are as follows:

- A determination of the family's annual or adjusted income, and the use of such income to compute the housing assistance payment
- A determination of the appropriate utility allowance (if any) for tenant-paid utilities from the PHA utility allowance schedule
- A determination of the family unit size under the PHA's subsidy standards
- A determination to terminate assistance for a participant family because of the family's actions or failure to act
- A determination to terminate assistance because the participant has been absent from the assisted unit for longer than the maximum period permitted under PHA Policy and HUD rules
- A determination to terminate a family's Family Self Sufficiency contract, withhold supportive services, or propose forfeiture of the family's escrow account [24 CFR 984.303(i)]
- A determination to deny admission based on an unfavorable history that may be the result of domestic violence, dating violence, sexual assault, or stalking.

Circumstances for which an informal hearing is not required are as follows:

- Discretionary administrative determinations by the PHA
- General policy issues or class grievances
- Establishment of the PHA schedule of utility allowances for families in the program
- A PHA determination not to approve an extension or suspension of a voucher term
- A PHA determination not to approve a unit or tenancy
- A PHA determination that a unit selected by the applicant is not in compliance with the HQS
- A PHA determination that the unit is not in accordance with HQS because of family size
- A determination by the PHA to exercise or not to exercise any right or remedy against an owner under a HAP contract

### HACB Policy

The HACB will only offer participants the opportunity for an informal hearing when required to by the regulations.

### **Informal Hearing Procedures**

#### ***Notice to the Family [24 CFR 982.555(e)]***

When the PHA makes a decision that is subject to informal hearing procedures, the PHA must inform the family of its right to an informal hearing at the same time that it informs the family of the decision.

For decisions related to the family's annual or adjusted income, the determination of the appropriate utility allowance, and the determination of the family unit size, the PHA must notify the family that they may ask for an explanation of the basis of the determination, and that if they do not agree with the decision, they may request an informal hearing on the decision.

For decisions related to the termination of the family's assistance, or the denial of a family's request for an exception to the PHA subsidy standards, the notice must contain a brief statement of the reasons for the decision, a statement that if the family does not agree with the decision, the family may request an informal hearing on the decision, and a statement of the deadline for the family to request an informal hearing.

### HACB Policy

In cases where the HACB makes a decision for which an informal hearing must be offered, the notice to the family will include all of the following:

- The proposed action or decision of the HACB.
- A brief statement of the reasons for the decision including the regulatory reference.
- The date the proposed action will take place.
- A statement of the family's right to an explanation of the basis for the HACB's decision.
- A statement that if the family does not agree with the decision the family may request an informal hearing of the decision.
- A deadline for the family to request the informal hearing.
- To whom the hearing request should be addressed.
- A copy of the HACB hearing procedures which includes LSNC contact information.

#### ***Scheduling an Informal Hearing [24 CFR 982.555(d)]***

When an informal hearing is required, the PHA must proceed with the hearing in a reasonably expeditious manner upon the request of the family.

### HACB Policy

A request for an informal hearing must be made in writing and delivered to the HACB either in person or by first class mail, by the close of the business day, no later than fourteen (14) calendar days from the date of the HACB decision or notice to terminate assistance.

The HACB must schedule and send written notice of the informal hearing to the family within fourteen (14) calendar days of receipt of the family's request.

The family may request to reschedule a hearing for good cause, or if it is needed as a reasonable accommodation for a person with disabilities. Good cause is defined as an unavoidable conflict, including one which seriously affects the health, safety or welfare of the family. Requests to reschedule a hearing must be made orally or in writing prior to the hearing date. At its discretion, the HACB may request documentation of the "good cause" prior to rescheduling the hearing.

If the family does not appear within 20 minutes of the scheduled time, and was unable to reschedule the hearing in advance due to the nature of the conflict, the family must contact the HACB within twenty-four (24) hours of the scheduled hearing date, excluding weekends and holidays. The HACB will reschedule the hearing only if the family can show good cause for the failure to appear, or if it is needed as a reasonable accommodation for a person with disabilities.

***Pre-Hearing Right to Discovery [24 CFR 982.555(e)]***

Participants and the PHA are permitted pre-hearing discovery rights. The family must be given the opportunity to examine before the hearing any PHA documents that are directly relevant to the hearing. The family must be allowed to copy any such documents at their own expense. If the PHA does not make the document available for examination on request of the family, the PHA may not rely on the document at the hearing.

The PHA hearing procedures may provide that the PHA must be given the opportunity to examine at the PHA offices before the hearing, any family documents that are directly relevant to the hearing. The PHA must be allowed to copy any such document at the PHA's expense. If the family does not make the document available for examination on request of the PHA, the family may not rely on the document at the hearing.

For the purpose of informal hearings, *documents* include records and regulations.

HACB Policy

The family will be allowed to copy any documents related to the hearing at a cost of \$.10 per page. The family must request discovery of HACB documents no later than 12:00 p.m. on the business day prior to the scheduled hearing date.

***Participant's Right to Bring Counsel [24 CFR 982.555(e)(3)]***

At its own expense, the family may be represented by a lawyer or other representative at the informal hearing.

***Informal Hearing Officer [24 CFR 982.555(e)(4)]***

Informal hearings will be conducted by a person or persons approved by the PHA, other than the person who made or approved the decision or a subordinate of the person who made or approved the decision.

HACB Policy

The HACB will designate a person to serve as hearing officers who is not the person who made or approved the decision or anyone subordinate to that person.

### ***Attendance at the Informal Hearing***

#### HACB Policy

Hearings may be attended by a hearing officer and the following applicable persons:

A HACB representative(s) and any witnesses for the HACB

The participant and any witnesses for the participant

The participant's counsel or other representative

Any other person approved by the HACB as a reasonable accommodation for a person with a disability.

### ***Conduct at Hearings***

The person who conducts the hearing may regulate the conduct of the hearing in accordance with the PHA hearing procedures [24 CFR 982.555(4)(ii)].

#### HACB Policy

The hearing officer is responsible to manage the order of business and to ensure that hearings are conducted in a professional and businesslike manner. Attendees are expected to comply with all hearing procedures established by the hearing officer and guidelines for conduct. Any person demonstrating disruptive, abusive or otherwise inappropriate behavior will be excused from the hearing at the discretion of the hearing officer.

### ***Evidence [24 CFR 982.555(e)(5)]***

The PHA and the family must be given the opportunity to present evidence and question any witnesses. In general, all evidence is admissible at an informal hearing. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

#### HACB Policy

Any evidence to be considered by the hearing officer must be presented at the time of the hearing. There are four categories of evidence.

**Oral evidence:** the testimony of witnesses

**Documentary evidence:** a writing which is relevant to the case, for example, a letter written to the HACB. Writings include all forms of recorded communication or representation, including letters, words, pictures, sounds, videotapes or symbols or combinations thereof.

**Demonstrative evidence:** Evidence created specifically for the hearing and presented as an illustrative aid to assist the hearing officer, such as a model, a chart or other diagram.

**Real evidence:** A tangible item relating directly to the case.

*Hearsay Evidence* is evidence of a statement that was made other than by a witness while testifying at the hearing and that is offered to prove the truth of the matter. Even though

evidence, including hearsay, is generally admissible, hearsay evidence alone cannot be used as the sole basis for the hearing officer's decision.

If either the HACB or the family fail to comply with the discovery requirements described above, the hearing officer will refuse to admit such evidence.

Other than the failure of a party to comply with discovery, the hearing officer has the authority to overrule any objections to evidence.

#### ***Hearing Officer's Decision [24 CFR 982.555(e)(6)]***

The person who conducts the hearing must issue a written decision, stating briefly the reasons for the decision. Factual determinations relating to the individual circumstances of the family must be based on a preponderance of evidence presented at the hearing. A copy of the hearing must be furnished promptly to the family.

#### **HACB Policy**

In rendering a decision, the hearing officer will consider the following matters:

**HACB Notice to the Family:** The hearing officer will determine if the reasons for the HACB decision are factually stated in the Notice.

**Discovery:** The hearing officer will determine if the HACB and the family were given the opportunity to examine any relevant documents in accordance with HACB Policy.

**HACB Evidence to Support the HACB Decision:** The evidence consists of the facts presented. Evidence is not conclusion and it is not argument. The hearing officer will evaluate the facts to determine if they support the HACB's conclusion.

**Validity of Grounds for Termination of Assistance (when applicable):** The hearing officer will determine if the termination of assistance is for one of the grounds specified in the HUD regulations and HACB policies. If the grounds for termination are not specified in the regulations or in compliance with HACB policies, then the decision of the HACB will be overturned.

The hearing officer will issue a written decision to the family and the HACB no later than fourteen (14) calendar days after the hearing. The report will contain the following information:

#### **Hearing information:**

- Name of the participant;
- Date, time and place of the hearing;
- Name of the hearing officer;
- Name of the HACB representative; and
- Name of family representative (if any).

**Background:** A brief, impartial statement of the reason for the hearing.

**Summary of the Evidence:** The hearing officer will summarize the testimony of each witness and identify any documents that a witness produced in support of his/her testimony and that are admitted into evidence.

**Findings of Fact:** The hearing officer will include all findings of fact, based on a preponderance of the evidence. *Preponderance of the evidence* is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

**Conclusions:** The hearing officer will render a conclusion derived from the facts that were found to be true by a preponderance of the evidence. The conclusion will result in a determination of whether these facts uphold the HACB's decision.

**Order:** The hearing report will include a statement of whether the HACB's decision is upheld or overturned. If it is overturned, the hearing officer will instruct the HACB to change the decision in accordance with the hearing officer's determination. In the case of termination of assistance, the hearing officer will instruct the HACB to restore the participant's program status.

#### ***Procedures for Rehearing or Further Hearing***

##### HACB Policy

The hearing officer may ask the family for additional information and/or might adjourn the hearing in order to reconvene at a later date, before reaching a decision. If the family misses an appointment or deadline ordered by the hearing officer, the action of the PHA will take effect and another hearing will not be granted.

#### ***PHA Notice of Final Decision [24 CFR 982.555(f)]***

The PHA is not bound by the decision of the hearing officer for matters in which the PHA is not required to provide an opportunity for a hearing, decisions that exceed the authority of the hearing officer, decisions that conflict with or contradict HUD regulations, requirements, or are otherwise contrary to federal, state or local laws.

If the PHA determines it is not bound by the hearing officer's decision in accordance with HUD regulations, the PHA must promptly notify the family of the determination and the reason for the determination.

##### HACB Policy

The HACB will mail a "Notice of Final Decision" including the hearing officer's report, to the participant and their representative. This notice will be sent by first-class mail, postage pre-paid with an affidavit of mailing enclosed. The participant will be mailed the original "Notice of Final Decision" and a copy of the proof of mailing. A copy of the "Notice of Final Decision" along with the original proof of mailing will be maintained in the HACB file.

### **16-III.D. HEARING AND APPEAL PROVISIONS FOR NON-CITIZENS [24 CFR 5.514]**

Denial or termination of assistance based on immigration status is subject to special hearing and notice rules. Applicants who are denied assistance due to immigration status are entitled to an informal hearing, not an informal review.

Assistance to a family may not be delayed, denied, or terminated on the basis of immigration status at any time prior to a decision under the United States Citizenship and Immigration Services (USCIS) appeal process. Assistance to a family may not be terminated or denied while the PHA hearing is pending, but assistance to an applicant may be delayed pending the completion of the informal hearing.

A decision against a family member, issued in accordance with the USCIS appeal process or the PHA informal hearing process, does not preclude the family from exercising the right, that may otherwise be available, to seek redress directly through judicial procedures.

#### **Notice of Denial or Termination of Assistance [24 CFR 5.514(d)]**

As discussed in Chapters 3 and 11, the notice of denial or termination of assistance for noncitizens must advise the family:

- That financial assistance will be denied or terminated, and provide a brief explanation of the reasons for the proposed denial or termination of assistance.
- The family may be eligible for proration of assistance.
- In the case of a participant, the criteria and procedures for obtaining relief under the provisions for preservation of families [24 CFR 5.514 and 5.518].
- That the family has a right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or explanation in support of the appeal.
- That the family has a right to request an informal hearing with the PHA either upon completion of the United States Citizenship and Immigration Services (USCIS) appeal or in lieu of the USCIS appeal.
- For applicants, assistance may not be delayed until the conclusion of the USCIS appeal process, but assistance may be delayed during the period of the informal hearing process.

#### **USCIS Appeal Process [24 CFR 5.514(e)]**

When the PHA receives notification that the USCIS secondary verification failed to confirm eligible immigration status, the PHA must notify the family of the results of the USCIS verification. The family will have 30 days from the date of the notification to request an appeal of the USCIS results. The request for appeal must be made by the family in writing directly to the USCIS. The family must provide the PHA with a copy of the written request for appeal and the proof of mailing.

##### HACB Policy

The HACB will notify the family in writing of the results of the USCIS secondary verification within fourteen (14) calendar days of receiving the results.

The family must provide the HACB with a copy of the written request for appeal and proof of mailing within fourteen (14) calendar days of sending the request to the USCIS.

The family must forward to the designated USCIS office any additional documentation or written explanation in support of the appeal. This material must include a copy of the USCIS document verification request (used to process the secondary request) or such other form specified by the USCIS, and a letter indicating that the family is requesting an appeal of the USCIS immigration status verification results.

The USCIS will notify the family, with a copy to the PHA, of its decision. When the USCIS notifies the PHA of the decision, the PHA must notify the family of its right to request an informal hearing.

#### HACB Policy

The HACB will send written notice to the family of its right to request an informal hearing within fourteen (14) calendar days of receiving notice of the USCIS decision regarding the family's immigration status.

#### **Informal Hearing Procedures for Applicants [24 CFR 5.514(f)]**

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, the family may request that the PHA provide a hearing. The request for a hearing must be made either within thirty (30) days of receipt of the PHA notice of denial, or within thirty (30) days of receipt of the USCIS appeal decision.

The informal hearing procedures for applicant families are described below.

#### ***Informal Hearing Officer***

The PHA must provide an informal hearing before an impartial individual, other than a person who made or approved the decision under review, and other than a person who is a subordinate of the person who made or approved the decision. See Section 16-III.C. for a listing of positions that serve as informal hearing officers.

#### ***Evidence***

The family must be provided the opportunity to examine and copy at the family's expense, at a reasonable time in advance of the hearing, any documents in the possession of the PHA pertaining to the family's eligibility status, or in the possession of the USCIS (as permitted by USCIS requirements), including any records and regulations that may be relevant to the hearing.

#### HACB Policy

The family will be allowed to copy any documents related to the hearing at a cost of \$.10 per page. The family must request discovery of HACB documents no later than 12:00 p.m. on the business day prior to the hearing.

The family must be provided the opportunity to present evidence and arguments in support of eligible status. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

The family must also be provided the opportunity to refute evidence relied upon by the PHA, and to confront and cross-examine all witnesses on whose testimony or information the PHA relies.



### ***Representation and Interpretive Services***

The family is entitled to be represented by an attorney or other designee, at the family's expense, and to have such person make statements on the family's behalf.

The family is entitled to request an interpreter. Upon request, the PHA will provide competent interpretation services, free of charge.

### ***Recording of the Hearing***

The PHA shall document each informal hearing by means of audio recording device. Such documentation will become part of the tenant file and record.

#### HACB Policy

The HACB will not provide a transcript of an audio recorded hearing.

### ***Hearing Decision***

The PHA must provide the family with a written final decision, based solely on the facts presented at the hearing, within fourteen (14) calendar days of the date of the informal hearing. The decision must state the basis for the decision.

### **Informal Hearing Procedures for Residents [24 CFR 5.514(f)]**

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, the family may request that the PHA provide a hearing. The request for a hearing must be made either within thirty (30) days of receipt of the PHA notice of termination, or within thirty (30) days of receipt of the USCIS appeal decision.

For the informal hearing procedures that apply to participant families whose assistance is being terminated based on immigration status, see Section 16-III.C.

### **Retention of Documents [24 CFR 5.514(h)]**

The PHA must retain for a minimum of five (5) years the following documents that may have been submitted to the PHA by the family, or provided to the PHA as part of the USCIS appeal or the PHA informal hearing process:

- The application for assistance
- The form completed by the family for income reexamination
- Photocopies of any original documents, including original USCIS documents
- The signed verification consent form
- The USCIS verification results
- The request for a USCIS appeal
- The final USCIS determination
- The request for an informal hearing
- The final informal hearing decision

## **PART IV: OWNER OR FAMILY DEBTS TO THE PHA**

### **16-IV.A. OVERVIEW**

PHAs are required to include in the administrative plan, policies concerning repayment by a family of amounts owed to the PHA [24 CFR 982.54]. This part describes the PHA's policies for recovery of monies owed to the PHA by families or owners.

#### HACB Policy

When an action or inaction of an owner or participant results in the overpayment of housing assistance, the HACB holds the owner or participant liable to return any overpayments to the HACB.

The HACB will enter into repayment agreements in accordance with the policies contained in this part as a means to recover overpayments.

When an owner or participant refuses to repay monies owed to the HACB, the HACB will utilize other available collection alternatives including, but not limited to, the following:

- Collection agencies
- Small claims court
- Civil law suit
- State income tax set-off program

### **16-IV.B. REPAYMENT POLICY**

#### **Owner Debts to the PHA**

##### HACB Policy

Any amount due to the HACB by an owner must be repaid by the owner within thirty (30) days of the HACB determination of the debt.

If the owner fails to repay the debt within the required time frame and is entitled to future HAP payments, the HACB will reduce the future HAP payments by the amount owed until the debt is paid in full.

If the owner is not entitled to future HAP payments the HACB may, in its sole discretion, offer to enter into a repayment agreement on terms prescribed by the HACB.

If the owner refuses to repay the debt, does not enter into a repayment agreement, or breaches a repayment agreement, the HACB will ban the owner from future participation in the program and pursue other modes of collection.

#### **Family Debts to the PHA**

##### HACB Policy

Any amount owed to the HACB by an HCV family must be repaid by the family. If the family is unable to repay the debt within thirty (30) days, the HACB will offer to enter into a repayment agreement in accordance with the policies below.

If the family refuses to repay the debt, does not enter into a repayment agreement, or breaches a repayment agreement, the HACB will terminate assistance in accordance with the policies in Chapter 12 and pursue other modes of collection.

### **Repayment Agreement [24 CFR 792.103]**

The term *repayment agreement* refers to a formal written document signed by a tenant or owner and provided to the PHA in which a tenant or owner acknowledges a debt in a specific amount and agrees to repay the amount due at specific time periods.

### **General Repayment Agreement Guidelines for Families**

#### ***Down Payment Requirement***

##### HACB Policy

Before executing a repayment agreement with a family, the HACB will generally require a down payment of ten (10%) percent of the total amount owed. If the family can provide evidence satisfactory to the HACB that a down payment of ten (10%) percent would impose an undue hardship, the HACB may, in its sole discretion, require a lesser percentage or waive the requirement.

#### ***Payment Thresholds***

Notice PIH 2017-12 recommends that the total amount that a family must pay each month—the family’s monthly share of rent plus the monthly debt repayment amount—should not exceed forty (40%) percent of the family’s monthly adjusted income. However, a family may already be paying forty (40%) percent or more of its monthly adjusted income in rent. Moreover, Notice PIH 2017-12 acknowledges that PHAs have the discretion to establish “thresholds and policies” for repayment agreements with families [24 CFR 982.552(c)(1)(vii)].

##### HACB Policy

The HACB has established the following thresholds for repayment of debts, any deviation must be pre-approved by HACB management:

Amounts between \$3,000 and the federal or state threshold for criminal prosecution must be repaid within 36 months.

Amounts between \$2,000 and \$2,999 must be repaid within thirty (30) months.

Amounts between \$1,000 and \$1,999 must be repaid within twenty-four (24) months.

Amounts under \$1,000 must be repaid within twelve (12) months.

If a family can provide evidence satisfactory to the HACB that the threshold applicable to the family’s debt would impose an undue hardship, the HACB may, in its sole discretion, determine that a lower monthly payment amount is reasonable. In making its determination, the HACB will consider all relevant information, including the following:

The amount owed by the family to the HACB

The reason for the debt, including whether the debt was the result of family action/inaction or circumstances beyond the family’s control

The family’s current and potential income and expenses

The family's current family share, as calculated under 24 CFR 982.515

The family's history of meeting its financial responsibilities

#### ***Execution of the Agreement***

##### HACB Policy

Any repayment agreement between the HACB and a family must be signed and dated by the HACB and by the head of household and spouse/co-head (if applicable).

#### ***Due Dates***

##### HACB Policy

All payments are due by the close of business on the 15<sup>th</sup> day of the month. If the 15<sup>th</sup> does not fall on a business day, the due date is the close of business on the first business day after the 15<sup>th</sup>.

Any amount or payment period that fall outside HACB policy for threshold amounts and due dates must be pre-approved by HACB management.

#### ***Late or Missed Payments***

##### HACB Policy

If a payment is not received by the end of the business day on the date due, and prior approval for the missed payment has not been given by the HACB, the HACB will send the family a delinquency notice giving the family fourteen (14) calendar days to make the late payment. If the payment is not received by the due date of the delinquency notice, it will be considered a breach of the agreement and the HACB will terminate assistance in accordance with the policies in Chapter 12.

If a family receives two delinquency notices in a six (6) month period or three delinquency notices for unexcused late payments in a twelve (12) month period, the repayment agreement will be considered in default, and the HACB will terminate assistance in accordance with the policies in Chapter 12.

#### ***No Offer of Repayment Agreement***

##### HACB Policy

The HACB generally will not enter into a repayment agreement with a family if there is already a repayment agreement in place with the family or if the amount owed by the family exceeds the federal or state threshold for criminal prosecution.

#### **Repayment Agreements Involving Improper Payments**

Notice PIH 2017-12 requires certain provisions to be included in any repayment agreement involving amounts owed by a family because it underreported or failed to report income:

- A reference to the items in the family briefing packet that state the family's obligation to provide true and complete information at every reexamination and the grounds on which the PHA may terminate assistance because of a family's action or failure to act

- A statement clarifying that each month the family not only must pay to the PHA the monthly payment amount specified in the agreement but must also pay to the owner the family's monthly share of the rent to owner
- A statement that the terms of the repayment agreement may be renegotiated if the family's income decreases or increases
- A statement that late or missed payments constitute default of the repayment agreement and may result in termination of assistance

#### **PART V: SECTION 8 MANAGEMENT ASSESSMENT PROGRAM (SEMAP)**

##### **16-V.A. OVERVIEW**

The Section 8 Management Assessment Program (SEMAP) is a tool that allows HUD to measure PHA performance in key areas to ensure program integrity and accountability. SEMAP scores translate into a rating for each PHA as high performing, standard, or troubled. Scores on individual SEMAP indicators, as well as overall SEMAP ratings, can affect the PHA in several ways.

- High-performing PHAs can be given a competitive advantage under notices of funding availability [24 CFR 985.103].
- PHAs with deficiencies on one or more indicators are required to correct the deficiencies and report to HUD [24 CFR 985.106].
- PHAs with an overall rating of "troubled" are subject to additional HUD oversight, including on-site reviews by HUD staff, a requirement to develop a corrective action plan, and monitoring to ensure the successful implementation of the corrective action plan. In addition, PHAs that are designated "troubled" may not use any part of the administrative fee reserve for other housing purposes [24 CFR 985.107].
- HUD may determine that a PHA's failure to correct identified SEMAP deficiencies or to prepare and implement a corrective action plan required by HUD constitutes a default under the ACC [24 CFR 985.109].

##### **16-V.B. SEMAP CERTIFICATION [24 CFR 985.101]**

PHAs must submit the HUD-required SEMAP certification form within sixty (60) calendar days after the end of its fiscal year. The certification must be approved by PHA board resolution and signed by the PHA executive director. If the PHA is a unit of local government or a state, a resolution approving the certification is not required, and the certification must be executed by the Section 8 program director.

PHAs with less than two hundred-fifty (250) voucher units are only required to be assessed every other PHA fiscal year. HUD will assess such PHAs annually if the PHA elects to have its performance assessed on an annual basis; or is designated as "troubled" [24 CFR 985.105].

Failure of a PHA to submit its SEMAP certification within the required time frame will result in an overall performance rating of "troubled."

A PHA's SEMAP certification is subject to HUD verification by an on-site confirmatory review at any time.

Upon receipt of the PHA's SEMAP certification, HUD will rate the PHA's performance under each SEMAP indicator in accordance with program requirements.

**HUD Verification Method**

Several of the SEMAP indicators are scored based on a review of a quality control sample selected for this purpose. The PHA or the Independent Auditor must select an unbiased sample that provides an adequate representation of the types of information to be assessed, in accordance with SEMAP requirements [24 CFR 985.2].

If the HUD verification method for the indicator relies on data in the Form-50058 module (formerly known as MTCS) in the PIH Information Center (PIC), and HUD determines that those data are insufficient to verify the PHA's certification on the indicator due to the PHA's failure to adequately report family data, HUD will assign a zero rating for the indicator [24 CFR 985.3].

**16-V.C. SEMAP INDICATORS [24 CFR 985.3 and form HUD-52648]**

The table below lists each of the SEMAP indicators, contains a description of each indicator, and explains the basis for points awarded under each indicator.

A PHA that expends less than \$300,000 in Federal awards and whose Section 8 programs are not audited by an independent auditor, is not be rated under SEMAP indicators 1-7.

<b>SEMAP Indicators</b>
<p><b>Indicator 1: Selection from the waiting list</b>  <b>Maximum Score: 15</b></p> <ul style="list-style-type: none"> <li>• This indicator shows whether the PHA has written policies in its administrative plan for selecting applicants from the waiting list and whether the PHA follows these policies when selecting applicants for admission from the waiting list.</li> <li>• Points are based on the percent of families that are selected from the waiting list in accordance with the PHA's written policies, according to the PHA's quality control sample.</li> </ul>
<p><b>Indicator 2: Rent reasonableness</b>  <b>Maximum Score: 20</b></p> <ul style="list-style-type: none"> <li>• This indicator shows whether the PHA has and implements a reasonable written method to determine and document for each unit leased that the rent to owner is reasonable based on current rents for comparable unassisted units</li> <li>• Points are based on the percent of units for which the PHA follows its written method to determine reasonable rent and has documented its determination that the rent to owner is reasonable, according to the PHA's quality control sample.</li> </ul>
<p><b>Indicator 3: Determination of adjusted income</b></p>

<p><b>Maximum Score: 20</b></p> <ul style="list-style-type: none"> <li>• This indicator measures whether the PHA verifies and correctly determines adjusted income for each assisted family, and where applicable, uses the appropriate utility allowances for the unit leased in determining the gross rent.</li> <li>• Points are based on the percent of files that are calculated and verified correctly, according to the PHA's quality control sample.</li> </ul>
<p><b>Indicator 4: Utility allowance schedule</b> <b>Maximum Score: 5</b></p> <ul style="list-style-type: none"> <li>• This indicator shows whether the PHA maintains an up-to-date utility allowance schedule.</li> <li>• Points are based on whether the PHA has reviewed the utility allowance schedule and adjusted it when required, according to the PHA's certification.</li> </ul>
<p><b>Indicator 5: HQS quality control inspections</b> <b>Maximum Score: 5</b></p> <ul style="list-style-type: none"> <li>• This indicator shows whether a PHA supervisor reinspects a sample of units under contract during the PHA fiscal year, which meets the minimum sample size requirements for quality control of HQS inspections.</li> </ul> <p>Points are based on whether the required quality control reinspections were completed, according to the PHA's certification.</p>
<p><b>Indicator 6: HQS enforcement</b> <b>Maximum Score: 10</b></p> <ul style="list-style-type: none"> <li>• This indicator shows whether, following each HQS inspection of a unit under contract where the unit fails to meet HQS, any cited life-threatening deficiencies are corrected within 24 hours from the inspection and all other deficiencies are corrected within no more than 30 calendar days from the inspection or any PHA-approved extension.</li> <li>• Points are based on whether the PHA corrects all HQS deficiencies in accordance with required time frames, according to the PHA's certification.</li> </ul>
<p><b>Indicator 7: Expanding housing opportunities</b> <b>Maximum Points: 5</b></p> <ul style="list-style-type: none"> <li>• Only applies to PHAs with jurisdiction in metropolitan FMR areas.</li> <li>• This indicator shows whether the PHA has adopted and implemented a written policy to encourage participation by owners of units located outside areas of poverty or minority concentration; informs voucher holders of the full range of areas where they may lease units both inside and outside the PHA's jurisdiction; and supplies a list of landlords or other parties who are willing to lease units or help families find units, including units outside areas of poverty or minority concentration.</li> <li>• Points are based on whether the PHA has adopted and implemented written policies in accordance with SEMAP requirements, according to the PHA's certification.</li> </ul>
<p><b>Indicator 8: FMR limit and payment standards</b> <b>Maximum Points: 5 points</b></p>

<ul style="list-style-type: none"> <li>• This indicator shows whether the PHA has adopted a payment standard schedule that establishes payment standard amounts by unit size for each FMR area in the PHA's jurisdiction, that are within the basic range of 90 to 110 percent of the published FMR.</li> <li>• Points are based on whether the PHA has appropriately adopted a payment standard schedule(s), according to the PHA's certification.</li> </ul>
<p><b>Indicator 9: Annual reexaminations</b>  <b>Maximum Points: 10</b></p> <ul style="list-style-type: none"> <li>• This indicator shows whether the PHA completes a reexamination for each participating family at least every 12 months.</li> <li>• Points are based on the percent of reexaminations that are more than 2 months overdue, according to data from PIC.</li> </ul>
<p><b>Indicator 10: Correct tenant rent calculations</b>  <b>Maximum Points: 5</b></p> <ul style="list-style-type: none"> <li>• This indicator shows whether the PHA correctly calculates the family's share of the rent to owner.</li> <li>• Points are based on the percent of correct calculations of family share of the rent, according to data from PIC.</li> </ul>
<p><b>Indicator 11: Pre-contract HQS inspections</b>  <b>Maximum Points: 5</b></p> <ul style="list-style-type: none"> <li>• This indicator shows whether newly leased units pass HQS inspection on or before the effective date of the assisted lease and HAP contract.</li> <li>• Points are based on the percent of newly leased units that passed HQS inspection prior to the effective date of the lease and HAP contract, according to data from PIC.</li> </ul>
<p><b>Indicator 12: Annual HQS inspections</b>  <b>Maximum Points: 10</b></p> <ul style="list-style-type: none"> <li>• This indicator shows whether the PHA inspects each unit under contract at least annually.</li> <li>• Points are based on the percent of annual HQS inspections of units under contract that are more than 2 months overdue, according to data from PIC.</li> </ul>
<p><b>Indicator 13: Lease-up</b>  <b>Maximum Points: 20 points</b></p> <ul style="list-style-type: none"> <li>• This indicator shows whether the PHA enters HAP contracts for at least 98 percent of the number of the PHA's baseline voucher units in the ACC for the calendar year ending on or before the PHA's fiscal year, or whether the PHA has expended at least 98 percent of its allocated budget authority for the same calendar year. The PHA can receive 15 points if 95 to 97 percent of vouchers are leased or budget authority utilized.</li> <li>• Points are based on utilization of vouchers and HAP expenditures as reported in the voucher management system (VMS) for the most recently completed calendar year.</li> </ul>
<p><b>Indicator 14: Family self-sufficiency (FSS) enrollment and escrow account balances</b></p>



**Maximum Points: 10**

- Only applies to PHAs with mandatory FSS programs.
- This indicator shows whether the PHA has enrolled families in the FSS program as required, and measures the percent of current FSS participants that have had increases in earned income which resulted in escrow account balances.
- Points are based on the percent of mandatory FSS slots that are filled and the percent of families with escrow account balances, according to data from PIC.

**Success Rate of Voucher Holders**

**Maximum Points: 5**

- Only applies to PHAs that have received approval to establish success rate payment standard amounts, and isn't effective until the second full PHA fiscal year following the date of HUD approval of success rate payment standard amounts.
- This indicator shows whether voucher holders were successful in leasing units with voucher assistance.
- Points are based on the percent of families that were issued vouchers, and that became participants in the voucher program.

**Deconcentration Bonus Indicator**

**Maximum Points: 5**

- Submission of data for this indicator is mandatory for a PHA using one or more payment standard amount(s) that exceed(s) 100 percent of the published FMR set at the 50 percentile rent, starting with the second full PHA fiscal year following initial use of payment standard amounts based on the FMRs set at the 50<sup>th</sup> percentile.
- Additional points are available to PHAs that have jurisdiction in metropolitan FMR areas and that choose to submit the required data.
- Points are based on whether the data that is submitted meets the requirements for bonus points.

**PART VI: RECORD KEEPING**

**16-VI.A. OVERVIEW**

The PHA must maintain complete and accurate accounts and other records for the program in accordance with HUD requirements, in a manner that permits a speedy and effective audit. All such records must be made available to HUD or the Comptroller General of the United States upon request.

In addition, the PHA must ensure that all applicant and participant files are maintained in a way that protects an individual's privacy rights.

**16-VI.B. RECORD RETENTION [24 CFR 982.158]**

During the term of each assisted lease, and for at least three (3) years thereafter, the PHA must keep:

- A copy of the executed lease;
- The HAP contract; and
- The application from the family.

In addition, the PHA must keep the following records for at least three (3) years:

- Records that provide income, racial, ethnic, gender, and disability status data on program applicants and participants;
- An application from each ineligible family and notice that the applicant is not eligible;
- HUD-required reports;
- Unit inspection reports;
- Lead-based paint records as required by 24 CFR 35, Subpart B.
- Accounts and other records supporting PHA budget and financial statements for the program;
- Records to document the basis for PHA determination that rent to owner is a reasonable rent (initially and during the term of a HAP contract); and
- Other records specified by HUD.
- Notice PIH 2014-20 requires PHAs to keep records of all complaints, investigations, notices and corrective actions relating to violations of the Fair Housing Act or the equal access final rule.

If an informal hearing to establish a family’s citizenship status is held, longer retention requirements apply for some types of documents. For specific requirements, see Section 16-III.D., Retention of Documents.

#### **16-VI.C. RECORDS MANAGEMENT**

PHAs must maintain applicant and participant files and information in accordance with the regulatory requirements described below.

##### HACB Policy

All applicant and participant information will be kept in a secure location and access will be limited to authorized HACB staff.

HACB staff will not discuss personal family information unless there is a business reason to do so. Inappropriate discussion of family information or improper disclosure of family information by staff will result in disciplinary action.

##### **Privacy Act Requirements [24 CFR 5.212 and Form-9886]**

The collection, maintenance, use, and dissemination of social security numbers (SSN), employer identification numbers (EIN), any information derived from these numbers, and income information of applicants and participants must be conducted, to the extent applicable, in compliance with the Privacy Act of 1974, and all other provisions of Federal, State, and local law.

Applicants and participants, including all adults in the household, are required to sign a consent form, HUD-9886, Authorization for Release of Information. This form incorporates the Federal

Privacy Act Statement and describes how the information collected using the form may be used, and under what conditions HUD or the PHA may release the information collected.

### **Upfront Income Verification (UIV) Records**

PHAs that access UIV data through HUD's Enterprise Income Verification (EIV) system are required to adopt and follow specific security procedures to ensure that all EIV data is protected in accordance with federal laws, regardless of the media on which the data is recorded (e.g. electronic, paper). These requirements are contained in the HUD-issued document, *Enterprise Income Verification (EIV) System, Security Procedures for Upfront Income Verification data*.

#### HACB Policy

Prior to utilizing HUD's EIV system, the HACB will adopt and implement EIV security procedures required by HUD.

### **Criminal Records**

The PHA may only disclose the criminal conviction records which the PHA receives from a law enforcement agency to officers or employees of the PHA, or to authorized representatives of the PHA who have a job-related need to have access to the information [24 CFR 5.903(e)].

The PHA must establish and implement a system of records management that ensures that any criminal record received by the PHA from a law enforcement agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the PHA action without institution of a challenge or final disposition of any such litigation [24 CFR 5.903(g)].

The PHA must establish and implement a system of records management that ensures that any sex offender registration information received by the PHA from a State or local agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the PHA action without institution of a challenge or final disposition of any such litigation. This requirement does not apply to information that is public information, or is obtained by a PHA other than under 24 CFR 5.905.

### **Medical/Disability Records**

PHAs are not permitted to inquire about the nature or extent of a person's disability. The PHA may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the PHA receives a verification document that provides such information, the PHA should not place this information in the tenant file. The PHA should destroy the document.

### **Documentation of Domestic Violence, Dating Violence, Sexual Assault, or Stalking**

For requirements and PHA policies related to management of documentation obtained from victims of domestic violence, dating violence, sexual assault, or stalking, see section 16-IX.E.

## **PART VII: REPORTING AND RECORD KEEPING FOR CHILDREN WITH ENVIRONMENTAL INTERVENTION BLOOD LEAD LEVEL**

### **16-VII.A. OVERVIEW**

The PHA has certain responsibilities relative to children with environmental intervention blood lead levels that are receiving HCV assistance. The notification, verification, and hazard reduction requirements are discussed in Chapter 8. This part deals with the reporting requirements, and data collection and record keeping responsibilities that the PHA is subject to.

#### **16-VII.B. REPORTING REQUIREMENT [24 CFR 35.1225(e); Notice PIH 2017-13]**

The owner must report the name and address of a child identified as having an environmental intervention blood lead level to the public health department within five (5) business days of being so notified by any other medical health care professional. The owner must also notify the HUD field office and the HUD Office of Lead Hazard Control and Healthy Homes (OLHCHH) of the child's address within five (5) business days. The PHA may collaborate with the owner on the notification process, such as by agreeing with the owner to provide the required notifications on the owner's behalf.

##### HACB Policy

Upon notification by the owner, the HACB will provide the public health department written notice of the name and address of any child identified as having an environmental intervention blood lead level within five (5) business days.

Upon notification by the owner, the HACB will notify the HUD field office and the HUD Office of Lead Hazard Control and Healthy Homes (OLHCHH) of the child's address within five (5) business days.

#### **16-VII.C. DATA COLLECTION AND RECORD KEEPING [24 CFR 35.1225(f)]**

At least quarterly, the PHA must attempt to obtain from the public health department(s) with a similar area of jurisdiction, the names and/or addresses of children less than six (6) years old with an identified environmental intervention blood lead level.

If the PHA obtains names and addresses of environmental intervention blood lead level children from the public health department(s), the PHA must match this information with the names and addresses of families receiving HCV assistance, unless the public health department performs such a procedure. If a match occurs, the PHA must carry out the notification, verification, and hazard reduction requirements discussed in Chapter 8, and the reporting requirement discussed above.

At least quarterly, the PHA must also report an updated list of the addresses of units receiving assistance under the HCV program to the same public health department(s), unless the public health department(s) states that it does not wish to receive such a report.

##### HACB Policy

The public health department(s) has stated they **do not** wish to receive a report of an updated list of the addresses of units receiving assistance under the HCV program, on a quarterly basis. Therefore, the HACB is not providing such a report.

### **PART VIII: DETERMINATION OF INSUFFICIENT FUNDING**

#### **16-VIII.A. OVERVIEW**

The HCV regulations allow PHAs to deny families permission to move and to terminate Housing Assistance Payments (HAP) contracts if funding under the consolidated ACC is insufficient to

support continued assistance [24 CFR 982.354(e)(1) and 982.454]. If a PHA denies a family a portability move based on insufficient funding, the PHA is required to notify the local HUD office within 10 business days [24 CFR 982.354]. Insufficient funding may also impact the PHA's ability to issue vouchers to families on the waiting list. This part discusses the methodology the PHA will use to determine whether or not the PHA has sufficient funding to issue vouchers, approve moves, and to continue subsidizing all families currently under a HAP contract.

## **16-VIII.B. METHODOLOGY**

### HACB Policy

The HACB will determine whether there is adequate funding to issue vouchers, approve moves to higher cost units and areas, and continue subsidizing all current participants by comparing the HACB's annual budget authority to the annual total HAP needs on a monthly basis. The total HAP needs for the calendar year will be projected by establishing the actual HAP costs year to date. To that figure, the HACB will add anticipated HAP expenditures for the remainder of the calendar year. Projected HAP expenditures will be calculated by multiplying the projected number of units leased per remaining months by the most current month's average HAP. The projected number of units leased per month will take into account the average monthly turnover of participant families. If the total annual HAP needs equal or exceed the annual budget authority, or if the HACB cannot support the cost of the proposed subsidy commitment (voucher issuance or move) based on the funding analysis, the HACB will be considered to have insufficient funding.

## **PART IX: THE VIOLENCE AGAINST WOMEN REAUTHORIZATION ACT (VAWA): NOTIFICATION, DOCUMENTATION, CONFIDENTIALITY**

### **16-IX.A. OVERVIEW**

The Violence Against Women Reauthorization Act of 2013 (VAWA) provides special protections for victims of domestic violence, dating violence, sexual assault and stalking who are applying for or receiving assistance under the housing choice voucher (HCV) program. If your state or local laws provide greater protection for such victims, those laws apply in conjunction with VAWA.

In addition to definitions of key terms used in VAWA, this part contains general VAWA requirements and PHA policies in three areas: notification, documentation, and confidentiality. Specific VAWA requirements and PHA policies are located primarily in the following sections: 3-I-C, "Family Breakup and Remaining Member of Tenant Family"; 3-III.G, "Prohibition against Denial of Assistance to Victims of Domestic Violence, Dating Violence, and Stalking"; 10-I-A, "Allowable Moves"; 10-I-B, "Restriction on Moves"; 12-II.E, "Terminations Related to Domestic Violence, Dating Violence or Stalking"; and 12-II.F, "Termination Notice".

### **16-IX.B. DEFINITIONS [24 CFR 5.2003, 42 USC 13925]**

As used in VAWA:

- The term *bifurcate* means, with respect to a public housing or Section 8 lease, to divide a lease as a matter of law such that certain tenants can be evicted or removed while the remaining family members' lease and occupancy rights are allowed to remain intact.
- The term *dating violence* means violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim; and where the existence of such relationship shall be determined based on a consideration of the following factors:
  - The length of the relationship
  - The type of relationship
  - The frequency of interaction between the persons involved in the relationship
- The term *domestic violence* includes felony or misdemeanor crimes of violence committed by a current or former spouse or intimate partner of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse or intimate partner, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family laws of the jurisdiction.
- The term *affiliated individual* means, with respect to a person:
  - A spouse, parent, brother or sister, or child of that individual, or an individual to whom that individual stands in the position or place of a parent; or
  - Any other individual, tenant or lawful occupant living in the household of the victim of domestic violence, dating violence, sexual assault, or stalking.
- The term *sexual assault* means:
  - Any nonconsensual sexual act proscribed by federal, tribal, or state law, including when the victim lacks the capacity to consent
- The term *stalking* means:
  - To engage in a course of conduct directed at a specific person that would cause a reasonable person to fear for his or her safety or others OR suffer substantial emotional distress.

**16-IX.C. NOTIFICATION [24 CFR 5.2005(a)]**

**Notification to Public**

The PHA adopts the following policy to help ensure that all actual and potential beneficiaries of its HCV program are aware of their rights under VAWA.

HACB Policy

The HACB will post the following information regarding VAWA in its offices and on its Web site. It will also make the information readily available to anyone who requests it.

A notice of occupancy rights under VAWA to housing choice voucher program applicants and participants who are or have been victims of domestic violence, dating violence, sexual assault, or stalking (See Exhibit 16-1)

A copy of form HUD-5382, Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking and Alternative Documentation (see Exhibit 16-2)

A copy of the PHA's emergency transfer plan (Exhibit 16-3)

A copy of HUD's Emergency Transfer Request for Certain Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking, Form HUD 5383 (Exhibit 16-4)

The National Domestic Violence Hot Line: 1-800-799-SAFE (7233) or 1-800-787-3224 (TTY) (included in Exhibits 16-1 and 16-2)

Contact information for local victim advocacy groups or service providers

**Notification to Program Applicants and Participants [24 CFR 5.2005(a)(1)]**

PHAs are required to inform program applicants and participants of their rights under VAWA, including their right to confidentiality and the limits thereof, when they are denied assistance, when they are admitted to the program, and when they are notified of an eviction or termination of housing benefits.

HACB Policy

The HACB will provide all applicants with information about VAWA at the time they request an application for housing assistance, as part of the written briefing packet, and at the time the family is admitted to the program. The HACB will also include information about VAWA in all notices of denial of assistance (see section 3-III.G).

The HACB will provide all participants with information about VAWA at the time of admission (see section 5-I.B) and at annual reexamination. The HACB will also include information about VAWA in notices of termination of assistance, as provided in section 12-II.F.

The VAWA information provided to applicants and participants will consist of the notice in Exhibit 16-1 and 16-2.

The PHA is not limited to providing VAWA information at the times specified in the above policy. If the PHA decides to provide VAWA information to a participant following an incident of domestic violence, Notice PIH 2017-08 cautions against sending the information by mail, since the abuser may be monitoring the mail. The notice recommends that in such cases the PHA make alternative delivery arrangements that will not put the victim at risk. HACB Policy

Whenever the HACB has reason to suspect that providing information about VAWA to a participant might place a victim of domestic violence at risk, it will attempt to deliver the information by hand directly to the victim or by having the victim come to an office or other space that may be safer for the individual, making reasonable accommodations as necessary. For example, the HACB may decide not to send mail regarding VAWA protections to the victim's unit if the HACB believes the perpetrator may have access to the victim's mail, unless requested by the victim.

When discussing VAWA with the victim, the HACB will take reasonable precautions to ensure that no one can overhear the conversation, such as having conversations in a private room.

The victim may, but is not required to, designate an attorney, advocate, or other secure contact for communications regarding VAWA protections.

#### **Notification to Owners and Managers**

PHAs are no longer required by regulation to notify owners and managers participating in the HCV program of their rights and obligations under VAWA, the PHA may still choose to inform them.

##### HACB Policy

The HACB will provide owners and managers with information about their rights and obligations under VAWA when they begin their participation in the program and at least annually thereafter.

The VAWA information provided to owners will consist of the notice in Exhibit 16-5 and a copy of form HUD-5382, Certification of Domestic Violence, Dating Violence, and Stalking and Alternate Documentation.

#### **16-IX.D. DOCUMENTATION [24 CFR 5.2007]**

A PHA presented with a claim for initial or continued assistance based on status as a victim of domestic violence, dating violence, sexual assault, stalking, or criminal activity related to any of these forms of abuse may—but is not required to—request that the individual making the claim document the abuse. Any request for documentation must be in writing, and the individual must be allowed at least 14 business days after receipt of the request to submit the documentation. The PHA may extend this time period at its discretion. [24 CFR 5.2007(a)]

The individual may satisfy the PHA's request by providing any one of the following three forms of documentation [24 CFR 5.2007(b)]:

- (1) A completed and signed HUD-approved certification form (HUD-5382, Certification of Domestic Violence, Dating Violence, Sexual Assault or Stalking), which must include the name of the perpetrator only if the name of the perpetrator is safe to provide and is known to the victim. The form may be filled out and submitted on behalf of the victim.
- (2) A federal, state, tribal, territorial, or local police report or court record or administrative record
- (3) Documentation signed by a person who has assisted the victim in addressing domestic violence, dating violence, sexual assault or stalking, or the effects of such abuse. This person may be an employee, agent, or volunteer of a victim service provider; an attorney; mental health professional; or a medical professional. The person signing the documentation must attest under penalty of perjury to the person's belief that the incidents in question are bona fide incidents of abuse. The victim must also sign the documentation.



The PHA may not require third-party documentation (forms 2 and 3) in addition to certification (form 1), except as specified below under “Conflicting Documentation,” nor may it require certification in addition to third-party documentation [VAWA final rule].

#### HACB Policy

Any request for documentation of domestic violence, dating violence, sexual assault or stalking will be in writing, will specify a deadline of 14 business days following receipt of the request, will describe the three forms of acceptable documentation, will provide explicit instructions on where and to whom the documentation must be submitted, and will state the consequences for failure to submit the documentation or request an extension in writing by the deadline.

The HACB may, in its discretion, extend the deadline for 10 business days. In determining whether to extend the deadline, the HACB will consider factors that may contribute to the victim’s inability to provide documentation in a timely manner, including cognitive limitations, disabilities, limited English proficiency, absence from the unit, administrative delays, the danger of further violence, and the victim’s need to address health or safety issues. Any extension granted by the HACB will be in writing.

Once the victim provides documentation, the HACB will acknowledge receipt of the documentation within 10 business days.

#### **Conflicting Documentation [24 CFR 5.2007(e)]**

In cases where the PHA receives conflicting certification documents from two or more members of a household, each claiming to be a victim and naming one or more of the other petitioning household members as the perpetrator, the PHA may determine which is the true victim by requiring each to provide acceptable third-party documentation, as described above (forms 2 and 3). The PHA may also request third-party documentation when submitted documentation contains information that conflicts with existing information already available to the PHA. Individuals have 30 calendar days to return third-party verification to the PHA. If the PHA does not receive third-party documentation, and the PHA will deny or terminate assistance as a result, the PHA must hold separate hearings for the tenants [Notice PIH 2017-08].

The PHA must honor any court orders issued to protect the victim or to address the distribution of property.

#### HACB Policy

If presented with conflicting certification documents (two or more forms HUD-5382) from members of the same household, the HACB will attempt to determine which is the true victim by requiring each of them to provide third-party documentation in accordance with 24 CFR 5.2007(e) and by following any HUD guidance on how such determinations should be made.

When requesting third-party documents, the HACB will provide contact information for local domestic violence and legal aid offices. In such cases, applicants or tenants will be given 30 calendar days from the date of the request to provide such documentation.

If the HACB does not receive third-party documentation within the required timeframe (and any extensions) the HACB will deny VAWA protections and will notify the applicant or tenant in writing of the denial. If, as a result, the applicant or tenant is denied or terminated from the program, the HACB will hold separate hearings for the applicants or tenants.

**Discretion to Require No Formal Documentation [24 CFR 5.2007(d)]**

The PHA has the discretion to provide benefits to an individual based solely on the individual's statement or other corroborating evidence—i.e., without requiring formal documentation of abuse in accordance with 24 CFR 5.2007(b). HUD recommends documentation in a confidential manner when a verbal statement or other evidence is accepted.

HACB Policy

If the HACB accepts an individual's statement or other corroborating evidence (as determined by the victim) of domestic violence, dating violence, sexual assault or stalking, the HACB will document acceptance of the statement or evidence in the individual's file.

**Failure to Provide Documentation [24 CFR 5.2007(c); 42 U.S.C. § 14043e-11(c)(2)(A)]**

In order to deny relief for protection under VAWA, a PHA must provide the individual requesting relief with a written request for documentation of abuse. If the individual fails to provide the documentation within 14 business days from the date of receipt, or such longer time as the PHA may allow, the PHA may deny relief for protection under VAWA.

**16-IX.E. CONFIDENTIALITY [24 CFR 5.2007(b)(4)]**

All information provided to the PHA regarding domestic violence, dating violence, sexual assault or stalking, including the fact that an individual is a victim of such violence or stalking, must be retained in confidence. This means that the PHA (1) may not enter the information into any shared database, (2) may not allow employees or others to access the information unless they are explicitly authorized to do so and have a need to know the information for purposes of their work, and (3) may not provide the information to any other entity or individual, except to the extent that the disclosure is (a) requested or consented to by the individual in writing, (b) required for use in an eviction proceeding, or (c) otherwise required by applicable law.

HACB Policy

If disclosure is required for use in an eviction proceeding or is otherwise required by applicable law, the HACB will inform the victim before disclosure occurs so that safety risks can be identified and addressed.

**EXHIBIT 16-1: SAMPLE NOTICE OF OCCUPANCY RIGHTS UNDER THE  
VIOLENCE AGAINST WOMEN ACT, FORM 5380**

**Housing Authority of the County of Butte<sup>1</sup>**

**Notice of Occupancy Rights under the Violence Against Women Act<sup>2</sup>**

**To all Tenants and Applicants**

The Violence Against Women Act (VAWA) provides protections for victims of domestic violence, dating violence, sexual assault, or stalking. VAWA protections are not only available to women, but are available equally to all individuals regardless of sex, gender identity, or sexual orientation.<sup>3</sup> The U.S. Department of Housing and Urban Development (HUD) is the Federal agency that oversees that the Section 8 Housing Choice Voucher Program is in compliance with VAWA. This notice explains your rights under VAWA. A HUD-approved certification form is attached to this notice. You can fill out this form to show that you are or have been a victim of domestic violence, dating violence, sexual assault, or stalking, and that you wish to use your rights under VAWA.

**Protections for Applicants**

If you otherwise qualify for assistance under the Section 8 Housing Choice Voucher Program, you cannot be denied admission or denied assistance because you are or have been a victim of domestic violence, dating violence, sexual assault, or stalking.

**Protections for Tenants**

If you are receiving assistance under the Section 8 Housing Choice Voucher Program, you may not be denied assistance, terminated from participation, or be evicted from your rental housing because you are or have been a victim of domestic violence, dating violence, sexual assault, or stalking. Also, if you or an affiliated individual of your is or has been the victim of domestic violence, dating violence, sexual assault, or stalking by a member of your household or any guest, you may not be denied rental assistance or occupancy rights under the Section 8 Housing Choice Voucher Program solely on the basis of criminal activity directly relating to that domestic violence, dating violence, sexual assault, or stalking.

Affiliated individual means your spouse, parent, brother, sister, or child, or a person to whom you stand in the place of a parent or guardian (for example, the affiliated individual is in your care, custody, or control); or any individual, tenant, or lawful occupant living in your household.

<sup>1</sup> Despite the name of this law, VAWA protection is available regardless of sex, gender identity, or sexual or sexual orientation

<sup>2</sup> Housing providers cannot discriminate on the basis of any protected characteristic, including race, color, national origin, religion, sex, familial status, disability, or age. HUD-assisted and HUD-insured housing must be made available to all otherwise eligible individuals regardless of actual or perceived sexual orientation, gender identity, or marital status.

### **Removing the Abuser or Perpetrator from the Household**

HACB may divide (bifurcate) your lease in order to evict the individual or terminate the assistance of the individual who has engaged in criminal activity (the abuser or perpetrator) directly relating to domestic violence, dating violence, sexual assault, or stalking.

If HACB chooses to remove the abuser or perpetrator, HACB may not take away the rights of eligible tenants to the unit or otherwise punish the remaining tenants. If the evicted abuser or perpetrator was the sole tenant to have established eligibility for assistance under the program, HACB must allow the tenant who is or has been a victim and other household members to remain in the unit for a period of time, in order to establish eligibility under the program or under another HUD housing program covered by VAWA or find alternative housing.

In removing the abuser or perpetrator from the household, HACB must follow Federal, State, and local eviction procedures. In order to divide a lease, HACB may, but is not required to, as you for documentation or certification of the incidence of domestic violence, dating violence, sexual assault, or stalking.

### **Moving to Another Unit**

Upon your request, HACB may permit you to move to another unit, subject to the availability of other units, and still keep your assistance. In order to approve a request, HACB may ask you to provide documentation that you are requesting to move because of an incidence of domestic violence, dating violence, sexual assault, or stalking. If the request is a request for emergency transfer, the housing provider may ask you to submit a written request or fill out a form where you certify that you meet the criteria for an emergency transfer under VAWA. The criteria are:

- (1) **You are a victim of domestic violence, dating violence, sexual assault, or stalking.**  
If your housing provider does not already have documentation that you are a victim of domestic violence, dating violence, sexual assault, or stalking, your housing provider may ask you for such documentation, as described in the documentation section below.
- (2) **You expressly request the emergency transfer.** Your housing provider may choose to require that you submit a form, or may accept another written or oral request.
- (3) **You reasonably believe you are threatened with imminent harm from further violence if you remain in your current unit.** This means you have a reason to fear that if you do not receive a transfer you would suffer violence in the very near future.

**OR**

**You are a victim of sexual assault and the assault occurred on the premises during the 90-calendar-day period before you request a transfer.** If you are a victim of sexual assault, then in addition to qualifying for an emergency transfer because you reasonably believe you are threatened with imminent harm from further violence if you remain in your unit, you may qualify for an emergency transfer if the sexual assault occurred on the premises of the property from which you are seeking your transfer, and that assault happened within the 90-calendar-day period before you expressly request the transfer.

HACB will keep confidential requests for emergency transfers by victims of domestic violence, dating violence, sexual assault, or stalking, and the location of any move by such victims and their families.

HACB's emergency transfer plan provides further information on emergency transfers, and HACB must make a copy of its emergency transfer plan available to you if you ask to see it.

**Documenting You Are or Have Been a Victim of Domestic Violence, Dating Violence, Sexual Assault or Stalking**

HACB can, but is not required to, ask you to provide documentation to "certify" that you are or have been a victim of domestic violence, dating violence, sexual assault, or stalking. Such request from HACB must be in writing, and HACB must give you at least 14 business days (Saturdays, Sundays, and Federal holidays do not count) from the day you receive the request to provide the documentation. HACB may, but does not have to, extend the deadline for the submission of documentation upon your request.

You can provide one of the following to HACB as documentation. It is your choice which of the following to submit if HACB asks you to provide documentation that you are or have been a victim of domestic violence, dating violence, sexual assault, or stalking.

- A complete HUD-approved certification form given to you by HACB with this notice, that documents an incident of domestic violence, dating violence, sexual assault, or stalking. The form will ask for your name, the date, time, and location of the incident of domestic violence, dating violence, sexual assault, or stalking, and a description of the incident. The certification form provides for including the name of the abuser or perpetrator if the name of the abuser or perpetrator is known and is safe to provide.
- A record of a Federal, State, tribal, territorial or local law enforcement agency, court, or administrative agency that documents the incident of domestic violence, dating violence, sexual assault, or stalking. Examples of such records include police reports, protective orders, and restraining orders, among others.
- A statement, which you must sign, along with the signature of an employee, agency, or volunteer of a victim service provider, an attorney, a medical professional or a mental health professional (collectively, "professional") from whom you sought assistance in addressing domestic violence, dating violence, sexual assault, or stalking, or the effects of abuse, and with the professional selected by you attesting under penalty of perjury that he or she believes that the incident or incidents of domestic violence, dating violence, sexual assault, or stalking are grounds for protection.
- Any other statement or evidence that HACB agreed to accept.

If you fail or refuse to provide one of these documents within the 14 business days, HACB does not have to provide you with the protections contained in this notice.

If HACB receives conflicting evidence that an incident of domestic violence, dating violence, sexual assault, or stalking has been committed (such as certification forms from two or more members of a household each claiming to be a victim and naming one or more of the other petitioning household members as the abuser or perpetrator), HACB has the right to request that you provide third-party documentation within thirty (30) calendar days in order to resolve the conflict. If you fail or refuse to provide third-party documentation where there is conflicting evidence, HACB does not have to provide you with the protections contained in this notice.

**Confidentiality**

HACB must keep confidential any information you provide related to the exercise of your rights under VAWA, including the fact that you are exercising your rights under VAWA.

HACB must not allow any individual administering assistance or other services on behalf of HACB (for example, employees and contractors) to have access to confidential information unless for reasons that specifically call for these individuals to have access to this information under applicable Federal, State, or local law.

HACB must not enter your information into any shared database or disclose your information to any other entity or individual. HACB, however, may disclose the information provided if:

- You give written permission to HACB to release the information on a time limited basis.
- HACB needs to use the information in an eviction or termination proceeding, such as to evict your abuser or perpetrator or terminate your abuser or perpetrator from assistance under this program.
- A law requires HACB or your landlord to release the information.

VAWA does not limit HACB's duty to honor court orders about access to or control of the property. This includes orders issued to protect a victim and orders dividing property among household members in cases where a family breaks up.

**Reasons a Tenant Eligible for Occupancy Rights under VAWA May Be Evicted or Assistance May Be Terminated**

You can be evicted and your assistance can be terminated for serious or repeated lease violations that are not related to domestic violence, dating violence, sexual assault, or stalking committed against you. However, HACB cannot hold tenants who have been victims of domestic violence, dating violence, sexual assault, or stalking to a more demanding set of rules than it applies to tenants who have not been victims of domestic violence, dating violence, sexual assault, or stalking.

The protections described in this notice might not apply, and you could be evicted and your assistance terminated, if HACB can demonstrate that not evicting you or terminating your assistance would present a real physical danger that:

- 1) Would occur within an immediate time frame, and
- 2) Could result in death or serious bodily harm to other tenants or those who work on the property.

If HACB can demonstrate the above, HACB should only terminate your assistance or evict you if there are no other actions that could be taken to reduce or eliminate the threat.

**Other Laws**

VAWA does not replace any Federal, State, or local law that provides greater protection for victims of domestic violence, dating violence, sexual assault, or stalking. You may be entitled to additional housing protections for victims of domestic violence, dating violence, sexual assault, or stalking under other Federal laws, as well as under State and local laws.

**Non-Compliance with the Requirements of this Notice**

You may report a covered housing provider's violations of these rights and seek additional assistance, if needed, by contacting or filing a complaint with U.S. Department of Housing and Urban Development, One Sansome Street, San Francisco CA 94104 or (415) 489-6400.

**For Additional Information**

You may view a copy of HUD’s final VAWA rule at <https://www.gpo.gov/fdsys/pkg/FR-2016-11-16/pdf/2016-25888.pdf>.

Additionally, HACB must make a copy of HUD’s VAWA regulations available to you if you ask to see them.

For questions regarding VAWA, please contact Doug DeSoto, Section 8 Housing Manager, Housing Authority of the County of Butte, 2039 Forest Avenue, Chico CA 95928 or (530) 895-4474 ext. 231.

For help regarding an abusive relationship, you may call the National Domestic Violence Hotline at (800) 799-7233 or, for persons with hearing impairments (800) 787-3224 (TTY). You may also contact:

Catalyst Domestic Violence Services 1-800-895-8476

Administrative Office & Drop-In Center 330 Wall Street, Suite 50 Chico, CA 95928 (530) 343-7711

Greater Oroville Family Resource & Drop-In Center 1720 Daryl Porter Way Oroville, CA 95966 (530) 532-6427

Legal Services of Northern California Office Location: 541 Normal Avenue Chico, CA 95928

Mailing Address: P.O. Box 3728 Chico, CA 95927 Voice: (530) 345-9491 Toll-free: (800) 345-9491 Fax: (530) 345-6913

For tenants who are or have been victims of stalking seeking help may visit the National Center for Victims of Crime’s Stalking Resource Center at <https://www.victimsofcrime.org/our-programs/stalking-resource-center>.

For help regarding sexual assault, you may contact:

Catalyst Domestic Violence Services 1-800-895-8476

Administrative Office & Drop-In Center 330 Wall Street, Suite 50 Chico, CA 95928 (530) 343-7711

Greater Oroville Family Resource & Drop-In Center 1720 Daryl Porter Way Oroville, CA 95966 (530) 532-6427

Legal Services of Northern California Office Location: 541 Normal Avenue Chico, CA 95928

Mailing Address: P.O. Box 3728 Chico, CA 95927 Voice: (530) 345-9491 Toll-free: (800) 345-9491 Fax: (530) 345-6913

Victims of stalking seeking help may contact:

Catalyst Domestic Violence Services 1-800-895-8476

Administrative Office & Drop-In Center 330 Wall Street, Suite 50 Chico, CA 95928 (530) 343-7711

Greater Oroville Family Resource & Drop-In Center 1720 Daryl Porter Way Oroville, CA 95966 (530) 532-6427



Legal Services of Northern California Office Location: 541 Normal Avenue Chico, CA  
95928  
Mailing Address: P.O. Box 3728 Chico, CA 95927 Voice: (530) 345-9491 Toll-free: (800)  
345-9491 Fax: (530) 345-6913

Attachment: Certification form HUD-5382

**EXHIBIT 16-2: CERTIFICATION OF DOMESTIC VIOLENCE, DATING VIOLENCE,  
SEXUAL ASSAULT, OR STALKING AND ALTERNATE DOCUMENTATION**

**FORM HUD-5382**

**CERTIFICATION OF  
DOMESTIC VIOLENCE,  
DATING VIOLENCE,  
SEXUAL ASSAULT, OR STALKING,  
AND ALTERNATE DOCUMENTATION**

**U.S. Department of Housing  
and Urban Development**

OMB Approval No. 2577-0286  
Exp. 06/30/2017

**Purpose of Form:** The Violence Against Women Act (“VAWA”) protects applicants, tenants, and program participants in certain HUD programs from being evicted, denied housing assistance, or terminated from housing assistance based on acts of domestic violence, dating violence, sexual assault, or stalking against them. Despite the name of this law, VAWA protection is available to victims of domestic violence, dating violence, sexual assault, and stalking, regardless of sex, gender identity, or sexual orientation.

**Use of This Optional Form:** If you are seeking VAWA protections from your housing provider, your housing provider may give you a written request that asks you to submit documentation about the incident or incidents of domestic violence, dating violence, sexual assault, or stalking.

In response to this request, you or someone on your behalf may complete this optional form and submit it to your housing provider, or you may submit one of the following types of third-party documentation:

- (1) A document signed by you and an employee, agent, or volunteer of a victim service provider, an attorney, or medical professional, or a mental health professional (collectively, “professional”) from whom you have sought assistance relating to domestic violence, dating violence, sexual assault, or stalking, or the effects of abuse. The document must specify, under penalty of perjury, that the professional believes the incident or incidents of domestic violence, dating violence, sexual assault, or stalking occurred and meet the definition of “domestic violence,” “dating violence,” “sexual assault,” or “stalking” in HUD’s regulations at 24 CFR 5.2003.
- (2) A record of a Federal, State, tribal, territorial or local law enforcement agency, court, or administrative agency; or
- (3) At the discretion of the housing provider, a statement or other evidence provided by the applicant or tenant.

**Submission of Documentation:** The time period to submit documentation is 14 business days from the date that you receive a written request from your housing provider asking that you provide documentation of the occurrence of domestic violence, dating violence, sexual assault, or stalking. Your housing provider may, but is not required to, extend the time period to submit the documentation, if you request an extension of the time period. If the requested information is not received within 14 business days of when you received the request for the documentation, or any extension of the date provided by your housing provider, your housing provider does not need to grant you any of the VAWA protections. Distribution or issuance of this form does not serve as a written request for certification.

**Confidentiality:** All information provided to your housing provider concerning the incident(s) of domestic violence, dating violence, sexual assault, or stalking shall be kept confidential and such details shall not be entered into any shared database. Employees of your housing provider are not to have access to these details unless to grant or deny VAWA protections to you, and such employees may not disclose this information to any other entity or individual, except to the extent that disclosure is: (i) consented to by you in writing in a time-limited release; (ii) required for use in an eviction proceeding or hearing regarding termination of assistance; or (iii) otherwise required by applicable law.

**TO BE COMPLETED BY OR ON BEHALF OF THE VICTIM OF DOMESTIC VIOLENCE,  
DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING**

1. Date the written request is received by victim: \_\_\_\_\_

2. Name of victim: \_\_\_\_\_

3. Your name (if different from victim's): \_\_\_\_\_

4. Name(s) of other family member(s) listed on the lease: \_\_\_\_\_  
\_\_\_\_\_

5. Residence of victim: \_\_\_\_\_

6. Name of the accused perpetrator (if known and can be safely disclosed): \_\_\_\_\_  
\_\_\_\_\_

7. Relationship of the accused perpetrator to the victim: \_\_\_\_\_

8. Date(s) and times(s) of incident(s) (if known): \_\_\_\_\_  
\_\_\_\_\_

10. Location of incident(s): \_\_\_\_\_

In your own words, briefly describe the incident(s):

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

This is to certify that the information provided on this form is true and correct to the best of my knowledge and recollection, and that the individual named above in Item 2 is or has been a victim of domestic violence, dating violence, sexual assault, or stalking. I acknowledge that submission of false information could jeopardize program eligibility and could be the basis for denial of admission, termination of assistance, or eviction.

Signature \_\_\_\_\_ Signed on (Date) \_\_\_\_\_

**Public Reporting Burden:** The public reporting burden for this collection of information is estimated to average 1 hour per response. This includes the time for collecting, reviewing, and reporting the data. The information provided is to be used by the housing provider to request certification that the applicant or tenant is a victim of domestic violence, dating violence, sexual assault, or stalking. The information is subject to the confidentiality requirements of VAWA. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid Office of Management and Budget control number.

**EXHIBIT 16-3: EMERGENCY TRANSFER PLAN FOR VICTIMS OF DOMESTIC  
VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING  
(HCV VERSION)**

Attachment: Certification form HUD-5382

**Housing Authority of the County of Butte  
Emergency Transfer Plan for Victims of Domestic Violence, Dating Violence, Sexual  
Assault, or Stalking  
Housing Choice Voucher Program**

**Emergency Transfers**

The Housing Authority of the County of Butte (HACB) is concerned about the safety of its tenants, and such concern extends to tenants who are victims of domestic violence, dating violence, sexual assault, or stalking. In accordance with the Violence Against Women Act (VAWA),<sup>2</sup> HACB allows tenants who are victims of domestic violence, dating violence, sexual assault, or stalking to request an emergency transfer from the tenant's current unit to another unit. The ability to request a transfer is available regardless of sex, gender identity, or sexual orientation.<sup>3</sup> The ability of HACB to honor such request for tenants currently receiving assistance, however, may depend upon a preliminary determination that the tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, and on whether HACB has another dwelling unit that is available and is safe to offer the tenant for temporary or more permanent occupancy.

This plan identifies tenants who are eligible for an emergency transfer, the documentation needed to request an emergency transfer, confidentiality protections, how an emergency transfer may occur, and guidance to tenants on safety and security. This plan is based on a model emergency transfer plan published by the U.S. Department of Housing and Urban Development (HUD), the Federal agency that oversees that the public housing and housing choice voucher (HCV) programs are in compliance with VAWA.

**Eligibility for Emergency Transfers**

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<sup>2</sup> Despite the name of this law, VAWA protection is available to all victims of domestic violence, dating violence, sexual assault, and stalking, regardless of sex, gender identity, or sexual orientation.

<sup>3</sup> Housing providers cannot discriminate on the basis of any protected characteristic, including race, color, national origin, religion, sex, familial status, disability, or age. HUD-assisted and HUD-insured housing must be made available to all otherwise eligible individuals regardless of actual or perceived sexual orientation, gender identity, or marital status.

A tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking, as provided in HUD's regulations at 24 CFR part 5, subpart L is eligible for an emergency transfer, if: the tenant reasonably believes that there is a threat of imminent harm from further violence if the tenant remains within the same unit. If the tenant is a victim of sexual assault, the tenant may also be eligible to transfer if the sexual assault occurred on the premises within the 90-calendar-day period preceding a request for an emergency transfer.

A tenant requesting an emergency transfer must expressly request the transfer in accordance with the procedures described in this plan.

Tenants who are not in good standing may still request an emergency transfer if they meet the eligibility requirements in this section.

### **Emergency Transfer Request Documentation**

To request an emergency transfer, the tenant shall notify HACB's management office and submit a written request for a transfer to the HACB at 2039 Forest Avenue, Chico, CA. HACB will provide reasonable accommodations to this policy for individuals with disabilities. The tenant's written request for an emergency transfer should include either:

1. A statement expressing that the tenant reasonably believes that there is a threat of imminent harm from further violence if the tenant were to remain in the same dwelling unit assisted under HACB's program; OR
2. A statement that the tenant was a sexual assault victim and that the sexual assault occurred on the premises during the 90-calendar-day period preceding the tenant's request for an emergency transfer.

### **Confidentiality**

HACB will keep confidential any information that the tenant submits in requesting an emergency transfer, and information about the emergency transfer, unless the tenant gives HACB written permission to release the information on a time limited basis, or disclosure of the information is required by law or required for use in an eviction proceeding or hearing regarding termination of assistance from the covered program. This includes keeping confidential the new location of the dwelling unit of the tenant, if one is provided, from the person(s) that committed an act(s) of domestic violence, dating violence, sexual assault, or stalking against the tenant. See the Notice of Occupancy Rights under the Violence Against Women Act For All Tenants for more information about HACB's responsibility to maintain the confidentiality of information related to incidents of domestic violence, dating violence, sexual assault, or stalking.

### **Emergency Transfer Timing and Availability**

HACB cannot guarantee that a transfer request will be approved or how long it will take to process a transfer request. HACB will, however, act as quickly as possible to move a tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking to another unit, subject to availability and safety of a unit. If a tenant reasonably believes a proposed transfer would not be safe, the tenant may request a transfer to a different unit. If a unit is available, the transferred tenant must agree to abide by the terms and conditions that govern occupancy in the unit to which the tenant has been transferred. HACB may be unable to transfer a tenant to a particular unit if the tenant has not or cannot establish eligibility for that unit.

If HACB has no safe and available units for which a tenant who needs an emergency is eligible, HACB will assist the tenant in identifying other housing providers who may have safe and available units to which the tenant could move. At the tenant's request, HACB will also assist tenants in contacting the local organizations offering assistance to victims of domestic violence, dating violence, sexual assault, or stalking that are attached to this plan.

### **Safety and Security of Tenants**

Pending processing of the transfer and the actual transfer, if it is approved and occurs, the tenant is urged to take all reasonable precautions to be safe.

Tenants who are or have been victims of domestic violence are encouraged to contact the National Domestic Violence Hotline at 1-800-799-7233, or a local domestic violence shelter, for assistance in creating a safety plan. For persons with hearing impairments, that hotline can be accessed by calling 1-800-787-3224 (TTY).

Tenants who have been victims of sexual assault may call the Rape, Abuse & Incest National Network's National Sexual Assault Hotline at 800-656-HOPE, or visit the online hotline at <https://ohl.rainn.org/online/>.

Tenants who are or have been victims of stalking seeking help may visit the National Center for Victims of Crime's Stalking Resource Center at <https://www.victimsofcrime.org/our-programs/stalking-resource-center>.

Local organizations offering assistance to victims of domestic violence, dating violence, sexual assault, or stalking:

Catalyst Domestic Violence Services 1-800-895-8476

Administrative Office & Drop-In Center 330 Wall Street, Suite 50 Chico, CA 95928 (530) 343-7711

Greater Oroville Family Resource & Drop-In Center 1720 Daryl Porter Way Oroville, CA 95966 (530) 532-6427

Legal Services of Northern California Office Location: 541 Normal Avenue Chico, CA 95928

Mailing Address: P.O. Box 3728 Chico, CA 95927 Voice: (530) 345-9491 Toll-free: (800) 345-9491 Fax: (530) 345-6913

**EXHIBIT 16-4: EMERGENCY TRANSFER REQUEST FOR CERTAIN VICTIMS OF  
DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING  
FORM HUD-5383**

**EMERGENCY TRANSFER  
REQUEST FOR CERTAIN  
VICTIMS OF DOMESTIC  
VIOLENCE, DATING VIOLENCE,  
SEXUAL ASSAULT, OR STALKING**

U.S. Department of Housing  
and Urban Development

OMB Approval No. 2577-0286  
Exp. 06/30/2017

**Purpose of Form:** If you are a victim of domestic violence, dating violence, sexual assault, or stalking, and you are seeking an emergency transfer, you may use this form to request an emergency transfer and certify that you meet the requirements of eligibility for an emergency transfer under the Violence Against Women Act (VAWA). Although the statutory name references women, VAWA rights and protections apply to all victims of domestic violence, dating violence, sexual assault or stalking. Using this form does not necessarily mean that you will receive an emergency transfer. See your housing provider's emergency transfer plan for more information about the availability of emergency transfers.

**The requirements you must meet are:**

**(1) You are a victim of domestic violence, dating violence, sexual assault, or stalking.**

If your housing provider does not already have documentation that you are a victim of domestic violence, dating violence, sexual assault, or stalking, your housing provider may ask you for such documentation. In response, you may submit Form HUD-5382, or any one of the other types of documentation listed on that Form.

**(2) You expressly request the emergency transfer.** Submission of this form confirms that you have expressly requested a transfer. Your housing provider may choose to require that you submit this form, or may accept another written or oral request. Please see your housing provider's emergency transfer plan for more details.

**(3) You reasonably believe you are threatened with imminent harm from further violence if you remain in your current unit.** This means you have a reason to fear that if you do not receive a transfer you would suffer violence in the very near future.

**OR**

**You are a victim of sexual assault and the assault occurred on the premises during the 90-calendar-day period before you request a transfer.** If you are a victim of sexual assault, then in addition to qualifying for an emergency transfer because you reasonably believe you are threatened with imminent harm from further violence if you remain in your unit, you may qualify for an emergency transfer if the sexual assault occurred on the premises of the property from which you are seeking your transfer, and that assault happened within the 90-calendar-day period before you submit this form or otherwise expressly request the transfer.

**Submission of Documentation:** If you have third-party documentation that demonstrates why you are eligible for an emergency transfer, you should submit that documentation to your housing provider if it is safe for you to do so. Examples of third party documentation include, but are not limited to: a letter or other documentation from a victim service provider, social worker, legal assistance provider, pastoral counselor, mental health provider, or other professional from whom you have sought assistance; a current

restraining order; a recent court order or other court records; a law enforcement report or records; communication records from the perpetrator of the violence or family members or friends of the perpetrator of the violence, including emails, voicemails, text messages, and social media posts.

**Confidentiality:** All information provided to your housing provider concerning the incident(s) of domestic violence, dating violence, sexual assault, or stalking, and concerning your request for an emergency transfer shall be kept confidential. Such details shall not be entered into any shared database. Employees of your housing provider are not to have access to these details unless to grant or deny VAWA protections or an emergency transfer to you. Such employees may not disclose this information to any other entity or individual, except to the extent that disclosure is: (i) consented to by you in writing in a time-limited release; (ii) required for use in an eviction proceeding or hearing regarding termination of assistance; or (iii) otherwise required by applicable law.

**TO BE COMPLETED BY OR ON BEHALF OF THE PERSON REQUESTING A TRANSFER**

1. Name of victim requesting an emergency transfer: \_\_\_\_\_

2. Your name (if different from victim's) \_\_\_\_\_

3. Name(s) of other family member(s) listed on the lease: \_\_\_\_\_  
\_\_\_\_\_

4. Name(s) of other family member(s) who would transfer with the victim: \_\_\_\_\_  
\_\_\_\_\_

5. Address of location from which the victim seeks to transfer: \_\_\_\_\_

6. Address or phone number for contacting the victim: \_\_\_\_\_

7. Name of the accused perpetrator (if known and can be safely disclosed): \_\_\_\_\_

8. Relationship of the accused perpetrator to the victim: \_\_\_\_\_

9. Date(s), Time(s) and location(s) of incident(s): \_\_\_\_\_  
\_\_\_\_\_

10. Is the person requesting the transfer a victim of a sexual assault that occurred in the past 90 days on the premises of the property from which the victim is seeking a transfer? If yes, skip question 11. If no, fill out question 11. \_\_\_\_\_

11. Describe why the victim believes they are threatened with imminent harm from further violence if they remain in their current unit.  
\_\_\_\_\_  
\_\_\_\_\_

12. If voluntarily provided, list any third-party documentation you are providing along with this notice: \_\_\_\_\_



This is to certify that the information provided on this form is true and correct to the best of my knowledge, and that the individual named above in Item 1 meets the requirement laid out on this form for an emergency transfer. I acknowledge that submission of false information could jeopardize program eligibility and could be the basis for denial of admission, termination of assistance, or eviction.

Signature \_\_\_\_\_ Signed on (Date) \_\_\_\_\_

**EXHIBIT 16-5: MODEL OWNER NOTIFICATION OF RIGHTS AND OBLIGATIONS**

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE  
NOTIFICATION OF YOUR RIGHTS AND OBLIGATIONS UNDER THE  
VIOLENCE AGAINST WOMEN ACT (VAWA)**

VAWA provides protections for Section 8 Housing Choice Voucher (HCV) and PBV applicants, tenants, and participants from being denied assistance on the basis or as a direct result of being a victim of domestic violence, dating violence, sexual assault and stalking.

**Purpose**

Many of VAWA's protections to victims of domestic violence, dating violence, sexual assault and stalking involve action by the public housing agency (PHA), but some situations involve action by owners of assisted housing. The purpose of this notice (herein called "Notice") is to explain your rights and obligations under VAWA, as an owner of housing assisted through HACB's HCV program. Each component of this Notice also provides citations to HUD's applicable regulations.

**Denial of Tenancy**

*Protections for applicants:* Owners cannot deny tenancy based on the applicant having been or currently being a victim of domestic violence, dating violence, sexual assault, or stalking. However, the applicant must be otherwise eligible for tenancy. (See 24 Code of Federal Regulations (CFR) 982.452(b)(1).)

**Eviction**

*Protections for HCV participants:* Incidents or threats of domestic violence, dating violence, sexual assault, or stalking will not be considered a serious or repeated lease violation by the victim, or good cause to terminate the tenancy of the victim (24 CFR 5.2005(c)). Protection also applies to criminal activity related directly to domestic violence, dating violence, sexual assault, or stalking, conducted by a member of a tenant's household or any guest or other person under the tenant's control, if the tenant or an affiliated individual of the tenant is the victim or threatened victim of such domestic violence, dating violence, sexual assault, or stalking (24 CFR 5.2005(b)(2)).

*Limitations of VAWA protections:*

- (a) Nothing in the VAWA Final Rule limits the authority of an owner, when notified of a court order, to comply with a court order with respect to (24 CFR 5.2005(d)(1)):
  - 1) The rights of access or control of property, including civil protection orders issued to protect a victim of domestic violence, dating violence, sexual assault, or stalking; or
  - 2) The distribution or possession of property among members of a household in a case.
- (b) Nothing in the VAWA Final Rule limits an owner from evicting a victim of domestic violence, dating violence, sexual assault, or stalking for a lease violation that is not premised on an act of domestic violence, dating violence, sexual assault, or stalking, as long as the owner does not subject the victim to more demanding standards than other tenants when deciding whether to evict (See 24 CFR 5.2005(d)(2).)
- (c) Nothing in the VAWA Final Rule limits an owner from evicting a tenant (including the victim of domestic violence, dating violence, sexual assault, or stalking) if the owner can demonstrate an actual and imminent threat to other tenants or those employed at or

providing services to the HCV property would be present if the tenant or lawful occupant is not evicted. (See 24 CFR 5.2005(d)(3).)

- i. In this context, words, gestures, actions, or other indicators will be considered an “actual and imminent threat” if they meet the following standards: An actual and imminent threat consists of a physical danger that is real, would occur within an immediate time frame, and could result in death or serious bodily harm. In determining whether an individual would pose an actual and imminent threat, the factors to be considered include: the duration of the risk, the nature and severity of the potential harm, the likelihood that the potential harm will occur, and the length of time before the potential harm would occur. (See 24 CFR 5.2003.)
- ii. Any eviction due to “actual and imminent threat” should be utilized by an owner only when there are no other actions that could be taken to reduce or eliminate the threat, including, but not limited to, transferring the victim to a different unit, barring the perpetrator from the property, contacting law enforcement to increase police presence or develop other plans to keep the property safe, or seeking other legal remedies to prevent the perpetrator from acting on a threat. Restrictions predicated on public safety cannot be based on stereotypes, but must be tailored to particularized concerns about individual residents. (See 24 CFR 5.2005(d)(4).)

#### **Documentation of Domestic Violence, Dating Violence, Sexual Assault or Stalking**

If an applicant or tenant requests VAWA protection based on status as a victim of domestic violence, dating violence, sexual assault, or stalking, the owner has the option to request that the victim document or provide written evidence to demonstrate that the violence occurred. However, nothing in HUD’s regulation requires a covered housing provider to request this documentation. (See CFR 5.2007(b)(3).)

If the owner chooses to request this documentation, the owner must make such request in writing. The individual may satisfy this request by providing any one document type listed under 24 CFR 5.2007(b)(1):

- a. Form HUD-55383 (Self-Certification Form); or
- b. A document: 1) Signed by an employee, agent, or volunteer of a victim service provider, an attorney, or medical professional or a mental health professional (collectively, “professional”) from whom the victim has sought assistance relating to domestic violence, dating violence, sexual assault, or stalking, or the effects of abuse; 2) Signed by the applicant or tenant; and 3) that specifies, under penalty of perjury, that the professional believes in the occurrence of the incident of domestic violence, dating violence, sexual assault, or stalking under 24 CFR 5.2003; or
- c. A record of a Federal, State, tribal, territorial or local law enforcement agency, court, or administrative agency; or
- d. At the discretion of a covered housing provider, a statement or other evidence provided by the applicant or tenant.

The owner must accept any of the above items (a – c). The owner has discretion to accept a statement or other evidence (d).

The owner is prohibited from requiring third-party documentation of the domestic violence, dating violence, sexual assault, or stalking, unless the submitted documentation contains conflicting information.

If the owner makes a written request for documentation, the owner may require submission of that documentation within 14 business days after the date that the individual received the written request for documentation (24 CFR 5.2007(a)(2)). The owner may extend this time period at its discretion. During the 14 business day period and any granted extensions of that time, no adverse actions, such as evictions or terminations, can be taken against the individual requesting VAWA protection.

Once a victim provides documentation of domestic violence, dating violence, sexual assault, or stalking, the owner is encouraged to acknowledge receipt of the documentation in a timely manner.

If the applicant or tenant fails to provide documentation that meets the criteria in 24 CFR 5.2007 within 14 business days after receiving the written request for that documentation or within the designated extension period, nothing in VAWA Final Rule may be construed to limit the authority of the covered housing provider to:

- a. Deny admission by the applicant or tenant to the housing or program;
- b. Deny admission under the covered housing program to the applicant or tenant;
- c. Terminate the participation of the tenant in the covered housing program; or
- d. Evict the tenant, or a lawful occupant that commits a violation of a lease.

An individual's failure to timely provide documentation of domestic violence, dating violence, sexual assault, or stalking does not result in a waiver of the individual's right to challenge the denial of assistance or termination, nor does it preclude the individual's ability to raise an incident of domestic violence, dating violence, sexual assault, or stalking at eviction or termination proceedings.

### **Moves**

A victim of domestic violence, dating violence, sexual assault, or stalking may move in violation of their lease if the move is required to protect their safety. If a move results in the termination of the Housing Assistance Payment Contract, the lease is automatically terminated.

### **Lease Bifurcation**

Owners may choose to bifurcate a lease, or remove a household member from a lease in order to evict, remove, terminate occupancy rights, or terminate assistance to such member who engages in criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking against an affiliated individual or other individual. (See 24 CFR 5.2009(a)). If an owner chooses to bifurcate the lease, the owner must comply with the reasonable time to establish eligibility under the covered housing program or find alternative housing following lease bifurcation provision in 24 CFR 5.2009(b). VAWA protections, including bifurcation, do not apply to guests or unreported members of a household or anyone else residing in a household who is not a tenant.

Eviction, removal, termination of occupancy rights, or termination of assistance must be effected in accordance with the procedures prescribed by federal, state, or local law for termination of leases.

To avoid unnecessary delay in the bifurcation process, HUD recommends that owners seek court-ordered eviction of the perpetrator pursuant to applicable laws. This process results in the underlying lease becoming null and void once the owner regains possession of the unit. The owner would then execute a new lease with the victim.

### **Evictions Due to “Actual and Imminent Threat” or Violence Not Premised on Abuse**

The VAWA Final Rule generally prohibits eviction on the basis or as a direct result of the fact that the applicant or tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, if the applicant or tenant otherwise qualifies for assistance, participation or occupancy. (See 24 CFR 5.2005).

However, the VAWA Final Rule does not prohibit an owner from evicting a tenant for any violation not premised on an act of domestic violence, dating violence, sexual assault, or stalking that is in question against the tenant or an affiliated individual of the tenant. Nor does the VAWA Final Rule prohibit an owner from evicting a tenant if the owner can demonstrate an actual and imminent threat to other tenants or those employed at or providing services to property of the owner would be present if that tenant or lawful occupant is not evicted or terminated from assistance. (See 5.2005(d)(2) and (3).)

In order to demonstrate an actual and imminent threat to other tenants or employees at the property, the covered housing provider must have objective evidence of words, gestures, actions, or other indicators that meet the standards in the following definition:

Actual and imminent threat refers to a physical danger that is real, would occur within an immediate time frame, and could result in death or serious bodily harm. In determining whether an individual would pose an actual and imminent threat, the factors to be considered include:

- The duration of the risk;
- The nature and severity of the potential harm;
- The likelihood that the potential harm will occur; and
- The length of time before the potential harm would occur.

(See 24 CFR 5.2003 and 5.2005(d)(2)).

### **Confidentiality**

Any information submitted to a covered housing provider under 24 CFR 5.2007, including the fact that an individual is a victim of domestic violence, dating violence, sexual assault, or stalking, must be maintained in strict confidence by the covered housing provider. (See 24 CFR 5.2007(c)).

Employees of the owner (or those within their employ, e.g., contractors) must not have access to the information unless explicitly authorized by the owner for reasons that specifically call for these individuals to have access to this information under applicable Federal, State, or local law (e.g., the information is needed by an employee to provide the VAWA protections to the victim).

The owner must not enter this information into any shared database, or disclose this information to any other entity or individual, except to the extent that disclosure is:

- a. Requested or consented to in writing by the individual (victim) in a time-limited release;
- b. Required for use in an eviction proceeding or hearing regarding termination of assistance from the covered program; or
- c. Otherwise required by applicable law.

When communicating with the victim, owners must take precautions to ensure compliance with these confidentiality requirements.

### **Service Providers**

HACB has extensive relationships with local service providers. HACB staff are available to provide referrals to shelters, counselors, and advocates. These resources are also provided in HACB Annual and 5-Year Plan, Administrative Plan, VAWA Notice of Occupancy Rights, and Emergency Transfer Plan. A list of local service providers is attached to this Notice.

**Definitions**

**Actual and imminent threat** refers to a physical danger that is real, would occur within an immediate time frame, and could result in death or serious bodily harm. In determining whether an individual would pose an actual and imminent threat, the factors to be considered include: the duration of the risk, the nature and severity of the potential harm, the likelihood that the potential harm will occur, and the length of time before the potential harm would occur.

**Affiliated individual**, with respect to an individual, means:

- (1) A spouse, parent, brother, sister, or child of that individual, or a person to whom that individual stands in the place of a parent or guardian (for example, the affiliated individual is a person in the care, custody, or control of that individual); or
- (2) Any individual, tenant, or lawful occupant living in the household of that individual.

**Bifurcate** means to divide a lease as a matter of law, subject to the permissibility of such process under the requirements of the applicable HUD-covered program and State or local law, such that certain tenants or lawful occupants can be evicted or removed and the requirements or as may be revised depending upon the eligibility for continued occupancy of the remaining tenants and lawful occupants.

**Dating violence** means violence committed by a person:

- (1) Who is or has been in a social relationship of a romantic or intimate nature with the victim; and
- (2) Where the existence of such a relationship shall be determined based on a consideration of the following factors:
  - (i) The length of the relationship;
  - (ii) The type of relationship; and
  - (iii) The frequency of interaction between the persons involved in the relationship.

**Domestic violence** includes felony or misdemeanor crimes of violence committed by a current or former spouse or intimate partner of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse or intimate partner, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person’s acts under the domestic or family violence laws of the jurisdiction. The term “spouse or intimate partner of the victim” includes a person who is or has been in a social relationship of a romantic or intimate nature with the victim, as determined by the length of the relationship, the type of the relationship, and the frequency of interaction between the persons involved in the relationship.

**Sexual assault** means any nonconsensual sexual act proscribed by Federal, tribal, or State law, including when the victim lacks capacity to consent.

**Stalking** means engaging in a course of conduct directed at a specific person that would cause a reasonable person to:

- (1) Fear for the person's individual safety or the safety of others; or
- (2) Suffer substantial emotional distress.

**VAWA** means the Violence Against Women Act of 1994, as amended (42 U.S.C. 13925 and 42 U.S.C. 14043e et seq.).

**Attached:**

Legal services and the domestic violence resources for Butte County

Form HUD-5382 Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking

HACB's VAWA Notice of Occupancy Rights

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## Chapter 17

### PROJECT-BASED VOUCHERS

#### INTRODUCTION

This chapter describes HUD regulations and PHA policies related to the project-based voucher (PBV) program in nine parts:

Part I: General Requirements. This part describes general provisions of the PBV program including maximum budget authority requirements, relocation requirements, and equal opportunity requirements.

Part II: PBV Owner Proposals. This part includes policies related to the submission and selection of owner proposals for PBV assistance. It describes the factors the PHA will consider when selecting proposals, the type of housing that is eligible to receive PBV assistance, the cap on assistance at projects receiving PBV assistance, subsidy layering requirements, site selection standards, and environmental review requirements.

Part III: Dwelling Units. This part describes requirements related to housing quality standards, the type and frequency of inspections, and housing accessibility for persons with disabilities.

Part IV: Rehabilitated and Newly Constructed Units. This part describes requirements and policies related to the development and completion of rehabilitated and newly constructed housing units that will be receiving PBV assistance.

Part V: Housing Assistance Payments Contract. This part discusses HAP contract requirements and policies including the execution, term, and termination of the HAP contract. In addition, it describes how the HAP contract may be amended and identifies provisions that may be added to the HAP contract at the PHA's discretion.

Part VI: Selection of PBV Program Participants. This part describes the requirements and policies governing how the PHA and the owner will select a family to receive PBV assistance.

Part VII: Occupancy. This part discusses occupancy requirements related to the lease, and describes under what conditions families are allowed or required to move. In addition, exceptions to the occupancy cap (which limits PBV assistance to twenty-five (25%) percent of the units in any project) are also discussed.

Part VIII: Determining Rent to Owner. This part describes how the initial rent to owner is determined, and how rent will be redetermined throughout the life of the HAP contract. Rent reasonableness requirements are also discussed.

Part IX: Payments to Owner. This part describes the types of payments owners may receive under this program.

Part X: HUD's Lead Safe Housing Pertaining to Elevated Blood Lead Levels for Project-Based Voucher Programs. This part describes requirements risk assessment and response steps for PBV program units.

Part XI: Project-Basing HUD-Veterans Affairs Supportive Housing Vouchers. This part describes implementation of project-basing HUD-VASH vouchers.

## PART I: GENERAL REQUIREMENTS

### 17-I.A. OVERVIEW [24 CFR 983.5; FR Notice 1/1/17; Notice PIH 2017-21]

The project-based voucher (PBV) program allows PHAs that already administer a tenant-based voucher program under an annual contributions contract (ACC) with HUD to take up to twenty (20%) percent of its authorized units and attach the funding to specific units rather than using it for tenant-based assistance [24 CFR 983.6]. PHAs may only operate a PBV program if doing so is consistent with the PHA's Annual Plan, and the goal of deconcentrating poverty and expanding housing and economic opportunities [42 U.S.C. 1437f(o)(13)].

#### HACB Policy

The HACB will operate a project-based voucher program using up to twenty (20%) percent of its authorized units for project-based assistance.

See Exhibit 17-1 for information on projects to which the PHA has attached PBV assistance.

PBV assistance may be attached to existing housing or newly constructed or rehabilitated housing [24 CFR 983.52]. If PBV units are already selected for project-based assistance either under an agreement to enter into HAP Contract (Agreement) or a HAP contract, the HACB is not required to reduce the number of these units if the amount-number of authorized units is subsequently reduced. However, the HACB is responsible for determining the amount of budget authority that is available for project-based vouchers and ensuring that the amount of assistance that is attached to units is within the amounts available under the ACC, regardless of whether the PHA has vouchers available for project-basing [FR Notice 1/18/17].

#### **Additional Project-Based Units [FR Notice 1/18/17; Notice PIH 2017-21]**

The PHA may project-base an additional 10 percent of its units above the 20 percent program limit. The units may be distributed amongst one, all, or a combination of the categories as long as the total number of units does not exceed the 10 percent cap. Units qualify under this exception if the units:

- Are specifically made available to house individuals and families that meet the definition of homeless under section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302) and contained in the Continuum of Care Interim Rule at 24 CFR 578.3.
- Are specifically made available to house families that are comprised of or include a veteran.
  - *Veteran* means an individual who has served in the United States Armed Forces.
- Provide supportive housing to persons with disabilities or elderly persons as defined in 24 CFR 5.403.
- Are located in a census tract with a poverty rate of 20 percent or less, as determined in the most recent American Community Survey Five-Year Estimates.
- Only units that are under a HAP contract that was first executed on or after April 18, 2017, may be covered by the 10 percent exception.

#### HACB Policy

The HACB will not set aside units above the 20 percent program limit.

#### **Units Not Subject to the PBV Program Limitation [FR Notice 1/18/17]**

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PBV units under the RAD program and HUD-VASH PBV set-aside vouchers do not count toward the 20 percent limitation when PBV assistance is attached to them.

In addition, units that were previously subject to certain federal rent restrictions or were receiving another type of long-term housing subsidy provided by HUD are not subject to the cap. The unit must be covered under a PBV HAP contract that first became effective on or after ~~4/18/17~~[April 18, 2017](#).

#### HACB Policy

The HACB will not project-base any units not subject to the 20 percent cap.

### **17-I.B. TENANT-BASED VS. PROJECT-BASED VOUCHER ASSISTANCE [24 CFR 983.2]**

Much of the tenant-based voucher program regulations also apply to the PBV program. Consequently, many of the PHA policies related to tenant-based assistance also apply to PBV assistance. The provisions of the tenant-based voucher regulations that do not apply to the PBV program are listed at 24 CFR 983.2.

#### HACB Policy

Except as otherwise noted in this chapter, or unless specifically prohibited by PBV program regulations, the HACB policies for the tenant-based voucher program contained in this administrative plan also apply to the PBV program and its participants.

### **17-I.C. RELOCATION REQUIREMENTS [24 CFR 983.7]**

Any persons displaced as a result of implementation of the PBV program must be provided relocation assistance in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA)[42 U.S.C. 4201-4655] and implementing regulations at 49 CFR part 24.

The cost of required relocation assistance may be paid with funds provided by the owner, local public funds, or funds available from other sources. PHAs may not use voucher program funds to cover relocation costs, except that PHAs may use their administrative fee reserve to pay for relocation expenses after all other program administrative expenses are satisfied, and provided that payment of the relocation benefits is consistent with state and local law. Use of the administrative fee for these purposes must also be consistent with other legal and regulatory requirements, including the requirement in 24 CFR 982.155 and other official HUD issuances.

The acquisition of real property for a PBV project is subject to the URA and 49 CFR part 24, subpart B. It is the responsibility of the PHA to ensure the owner complies with these requirements.

### **17-I.D. EQUAL OPPORTUNITY REQUIREMENTS [24 CFR 983.8]**

The PHA must comply with all equal opportunity requirements under federal law and regulations in its implementation of the PBV program. This includes the requirements and authorities cited at 24 CFR 5.105(a). In addition, the PHA must comply with the PHA Plan certification on civil rights and affirmatively furthering fair housing, submitted in accordance with 24 CFR 903.7(o).

## PART II: PBV OWNER PROPOSALS

### 17-II.A. OVERVIEW

With certain exceptions, the PHA must describe the procedures for owner submission of PBV proposals and for PHA selection of PBV proposals [24 CFR 983.51]. Before selecting a PBV proposal, the PHA must determine that the PBV proposal complies with HUD program regulations and requirements, including a determination that the property is eligible housing [24 CFR 983.53 and 983.54], complies with the cap on the number of PBV units per project [24 CFR 983.56], and meets the site selection standards [24 CFR 983.57].

### 17-II.B. OWNER PROPOSAL SELECTION PROCEDURES [24 CFR 983.51]

The PHA must select PBV proposals in accordance with the selection procedures in the PHA administrative plan. The PHA must select PBV proposals by either of the following three (3) methods.

- **PHA request for PBV Proposals.** The PHA may solicit proposals by using a request for proposals to select proposals on a competitive basis in response to the PHA request. The PHA may not limit proposals to a single site or impose restrictions that explicitly or practically preclude owner submission of proposals for PBV housing on different sites.
- **The PHA may select proposal that were previously selected based on a competition.** This may include selection of a proposal for housing assisted under a federal, state, or local government housing assistance program that was subject to a competition in accordance with the requirements of the applicable program, community development program, or supportive services program that requires competitive selection of proposals (e.g., HOME, and units for which competitively awarded LIHTCs have been provided), where the proposal has been selected in accordance with such program's competitive selection requirements within three years of the PBV proposal selection date, and the earlier competitive selection proposal did not involve any consideration that the project would receive PBV assistance. The PHA need not conduct another competition.
- **Units Selected Non-Competitively [FR Notice 1/18/17; Notice PIH 2017-21].** For certain public housing projects or sites where the PHA has an ownership interest or control and will spend a minimum amount per unit on rehabilitation or construction, the PHA may select a project non-competitively.

#### HACB Policy

HACB has discussed use of tenant-based Section 8 HCV rental assistance to support creation of new housing opportunity through development activity. The discussion has been compelled by the lack of housing inventory in the jurisdiction, now estimated at <1.5% overall, and <1% for studio- and 1-bedroom units.

The Section 8 HCV program has seen a dramatic decline in the success rate of voucher holders seeking housing. As little as a year ago, approximately 25% of voucher applicants saw success in leasing with their vouchers. Now, the expected leasing success rate has declined to a 10-12% success rate. The low success rate is attributable to the lack of housing opportunity. Consequently, participant expectations are raised and dashed,

resulting in great frustration, with the program unable to fulfill its affordable housing promise.

Given that about two thirds of those served by HACB historically are elderly and disabled, most of whom require Studio and 1-Bedroom homes, the project-basing of Section 8 vouchers appears the only viable action that will result in the capture of affordable housing inventory and opportunity, particularly for special needs populations.

#### **Solicitation and Selection of PBV Proposals [24 CFR 983.51(b) and (c)]**

PHA procedures for selecting PBV proposals must be designed and actually operated to provide broad public notice of the opportunity to offer PBV proposals for consideration by the PHA. The public notice procedures may include publication of the public notice in a local newspaper of general circulation and other means designed and actually operated to provide broad public notice. The public notice of the PHA request for PBV proposals must specify the submission deadline. Detailed application and selection information must be provided at the request of interested parties.

#### HACB Policy

#### HACB Request for Proposals for Rehabilitated and Newly Constructed Units

The HACB will advertise its request for proposals (RFP) for rehabilitated and newly constructed housing in the following newspapers and trade journals, as applicable.

- Chico Enterprise Record/Oroville Mercury Register/Paradise Post
- Gridley Herald
- Appeal Democrat (Glenn County)

In addition, the HACB will post the RFP and proposal submission and rating and ranking procedures on its electronic web site.

The HACB will publish its advertisement in the newspapers and trade journals mentioned above at least one time. The advertisement will specify the number of units the HACB estimates that it will be able to assist under the funding the HACB is making available.

In order for the proposal to be considered, the owner must submit the proposal to the HACB by the published deadline date, and the proposal must respond to all requirements as outlined in the RFP. Incomplete proposals will not be reviewed.

The HACB will rate and rank proposals for rehabilitated and newly constructed housing using the following criteria:

Owner experience and capability to build or rehabilitate housing as identified in the RFP;

Extent to which the project furthers the HACB goal of de-concentrating poverty and expanding housing and economic opportunities;

If applicable, the extent to which services for special populations are provided on site or in the immediate area for occupants of the property; and

Projects with less than twenty-five (25%) percent of the units assisted will be rated higher than projects with twenty-five (25%) percent of the units assisted. In the case of projects for occupancy by the elderly, persons with disabilities or families needing other services,

the HACB will rate partially assisted projects on the percent of units assisted. Projects with the lowest percent of assisted units will receive the highest score.

#### HACB Requests for Proposals for Existing Housing Units

The HACB will advertise its request for proposals (RFP) for existing housing in the following newspapers and trade journals, as applicable.

- Chico Enterprise Record/Oroville Mercury Register/Paradise Post
- Gridley Herald
- Appeal Democrat (Glenn County)

In addition, the HACB will post the notice inviting such proposal submission and the rating and ranking procedures on its electronic web site.

The HACB will periodically publish its advertisement in the newspapers and trade journals mentioned above for at least one day per week for three consecutive weeks. The advertisement will specify the number of units the HACB estimates that it will be able to assist under the funding the HACB is making available. Owner proposals will be accepted on a first-come first-served basis and will be evaluated using the following criteria:

Experience as an owner in the tenant-based voucher program and owner compliance with the owner's obligations under the tenant-based program;

Extent to which the project furthers the HACB goal of de-concentrating poverty and expanding housing and economic opportunities;

If applicable, extent to which services for special populations are provided on site or in the immediate area for occupants of the property; and

Extent to which units are occupied by families that are eligible to participate in the PBV program.

#### HACB Selection of Proposals Subject to a Previous Competition under a Federal, State, or Local Housing Assistance Program

The HACB will accept proposals for PBV assistance from owners that were competitively selected under another federal, state or local housing assistance program, including projects that were competitively awarded Low-Income Housing Tax Credits on an ongoing basis.

The HACB may periodically advertise that it is accepting proposals, in the following newspapers and trade journals, as applicable: Chico Enterprise Record/Oroville Mercury Register/ Paradise Post, -Gridley Herald, and/or Appeal Democrat (Glenn County).

In addition to, or in place of advertising, the HACB may also directly contact specific owners that have already been selected for Federal, state, or local housing assistance based on a previously held competition, to inform them of available PBV assistance.

Proposals will be reviewed on a first-come first-served basis. The HACB will evaluate each proposal on its merits using the following factors:

Extent to which the project furthers the HACB goal of de-concentrating poverty and expanding housing and economic opportunities; and

Extent to which the proposal complements other local activities such as the redevelopment of a public housing site under the HOPE VI program, the HOME program, CDBG activities, other development activities in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community.

**PHA-owned Units [24 CFR 983.51(e),983.59, FR Notice 1/18/17 and Notice PIH 2017-21]**

A PHA-owned unit may be assisted under the PBV program only if the HUD field office or HUD-approved independent entity reviews the selection process and determines that the PHA-owned units were appropriately selected based on the selection procedures specified in the PHA administrative plan. If the PHA selects a proposal for housing that is owned or controlled by the PHA, the PHA must identify the entity that will review the PHA proposal selection process and perform specific functions with respect to rent determinations and inspections.

In the case of PHA-owned units, the term of the HAP contract and any HAP contract renewal must be agreed upon by the PHA and a HUD-approved independent entity. In addition, housing quality standards inspections must also be conducted by an independent entity.

The independent entity that performs these program services may be the unit of general local government for the PHA jurisdiction (unless the PHA is itself the unit of general local government or an agency of such government) or another HUD-approved public or private independent entity.

HACB Policy

The HACB may submit a proposal for project-based housing that is owned or controlled by the HACB. If the proposal for HACB-owned housing is selected, the HACB will use [insert name of the entity] to review the HACB selection and to administer the PBV program. The HACB will obtain HUD approval of [insert name of entity] prior to selecting the proposal for HACB-owned housing.

The HACB may only compensate the independent entity from HACB ongoing administrative fee income (including amounts credited to the administrative fee reserve). The HACB may not use other program receipts to compensate the independent entity for its services. The HACB and independent entity may not charge the family any fee for the appraisal or the services provided by the independent entity.

**PHA Notice of Owner Selection [24 CFR 983.51(d)]**

The PHA must give prompt written notice to the party that submitted a selected proposal and must also give prompt public notice of such selection. Public notice procedures may include publication of public notice in a local newspaper of general circulation and other means designed and actually operated to provide broad public notice.

HACB Policy

Within fourteen (14) calendar days of the HACB making the selection, the HACB will notify the selected owner in writing of the owner's selection for the PBV program. The HACB will also notify in writing all owners that submitted proposals that were not selected and advise such owners of the name of the selected owner.

In addition, the HACB will publish its notice for selection of PBV proposals for one day in the same newspapers and trade journals the HACB used to solicit the proposals. The

announcement will include the name of the owner that was selected for the PBV program. The HACB will also post the notice of owner selection on its electronic web site.

The HACB will make available to any interested party its rating and ranking sheets and documents that identify the HACB basis for selecting the proposal. These documents will be available for review by the public and other interested parties for one month after publication of the notice of owner selection. The HACB will not make available sensitive owner information that is privileged, such as financial statements and similar information about the owner.

The HACB will make these documents available for review at the HACB during normal business hours. The cost for reproduction of allowable documents will be \$.10 per page.

#### **17-ILC. HOUSING TYPE [24 CFR 983.52]**

The PHA may attach PBV assistance for units in existing housing or for newly constructed or rehabilitated housing developed under and in accordance with an agreement to enter into a housing assistance payments contract that was executed prior to the start of construction. A housing unit is considered an existing unit for purposes of the PBV program, if, at the time of notice of PHA selection, the units substantially comply with HQS. Units for which new construction or rehabilitation began after the owner's proposal submission but prior to the execution of the HAP do not subsequently qualify as existing housing. Units that were newly constructed or rehabilitated in violation of program requirements also do not qualify as existing housing.

The PHA must decide what housing type, new construction, rehabilitation, or existing housing, will be used to develop project-based housing. The PHA choice of housing type must be reflected in its solicitation for proposals.

#### **17-ILD. PROHIBITION OF ASSISTANCE FOR CERTAIN UNITS**

##### **Ineligible Housing Types [24 CFR 983.53]**

The PHA may not attach or pay PBV assistance to shared housing units; units on the grounds of a penal reformatory, medical, mental, or similar public or private institution; nursing homes or facilities providing continuous psychiatric, medical, nursing services, board and care, or intermediate care (except that assistance may be provided in assisted living facilities); units that are owned or controlled by an educational institution or its affiliate and are designated for occupancy by students; manufactured homes; and transitional housing. In addition, the PHA may not attach or pay PBV assistance for a unit occupied by an owner and the PHA may not select or enter into an agreement to enter into a HAP contract or HAP contract for a unit occupied by a family ineligible for participation in the PBV program. A member of a cooperative who owns shares in the project assisted under the PBV program is not considered an owner for purposes of participation in the PBV program. Finally, PBV assistance may not be attached to units for which construction or rehabilitation has started after the proposal submission and prior to the execution of an AHAP.

##### **Subsidized Housing [24 CFR 983.54]**



A PHA may not attach or pay PBV assistance to units in any of the following types of subsidized housing:

- A public housing unit;
- A unit subsidized with any other form of Section 8 assistance;
- A unit subsidized with any governmental rent subsidy;
- A unit subsidized with any governmental subsidy that covers all or any part of the operating costs of the housing;
- A unit subsidized with Section 236 rental assistance payments (except that a PHA may attach assistance to a unit subsidized with Section 236 interest reduction payments);
- A Section 202 project for non-elderly with disabilities;
- Section 811 project-based supportive housing for persons with disabilities;
- Section 202 supportive housing for the elderly;
- A Section 101 rent supplement project;
- A unit subsidized with any form of tenant-based rental assistance;
- A unit with any other duplicative federal, state, or local housing subsidy, as determined by HUD or the PHA in accordance with HUD requirements.

**17-II.E. SUBSIDY LAYERING REQUIREMENTS [24 CFR 983.55, FR Notice 11/24/08, FR Notice 7/9/10, and FR Notice 6/25/14]**

The PHA may provide PBV assistance only in accordance with HUD subsidy layering regulations [24 CFR 4.13] and other requirements.

The subsidy layering review is intended to prevent excessive public assistance by combining (layering) housing assistance payment subsidy under the PBV program with other governmental housing assistance from federal, state, or local agencies, including assistance such as tax concessions or tax credits.

Subsidy layering requirements do not apply to existing housing. A further subsidy layering review is not required for new construction or rehabilitation if HUD's designee has conducted a review that included a review of PBV assistance in accordance with the PBV subsidy layering guidelines.

The PHA must submit the necessary documentation to HUD for a subsidy layering review. Except in cases noted above, the PHA may not enter into an agreement to enter into a HAP contract or a HAP contract until HUD, or a HUD-approved housing credit agency (HCA), has conducted any required subsidy layering review and determined that the PBV assistance is in accordance with HUD subsidy layering requirements. However, in order to satisfy applicable requirements, HCAs must conduct subsidy layering reviews in compliance with the guidelines set forth in the *Federal Register* notice published July 9, 2010.

The HAP contract must contain the owner's certification that the project has not received and will not receive (before or during the term of the HAP contract) any public assistance for acquisition, development, or operation of the housing other than assistance disclosed in the subsidy layering review in accordance with HUD requirements.

## **17-ILF. CAP ON NUMBER OF PBV UNITS IN EACH PROJECT**

### **25 Percent per Project Cap [24 CFR 983.56; FR Notice 1/18/17; Notice PIH 2017-21]**

In general, the PHA may not select a proposal to provide PBV assistance for units in a project or enter into an agreement to enter into a HAP or a HAP contract to provide PBV assistance for units in a project, if the total number of dwelling units in the project that will receive PBV assistance during the term of the PBV HAP contract is more than the greater of twenty-five (25) units or twenty-five percent (25%) of the number of dwelling units (assisted or unassisted) in the project.

### **Exceptions to 25 Percent per Project Cap [FR Notice 1/18/17; Notice PIH 2017-21]**

As of April 18, 2017, units are not counted against the 25% or 25-unit per project cap if:

- The units are exclusively for elderly families
- The units are for households eligible for supportive services available to all families receiving PBV assistance in the project
- If the project is located in a census tract with a poverty rate of 20 percent or less, as determined in the most recent American Community Survey Five-year estimates, the project cap is the greater of 25 units or 40 percent (instead of 25 percent) of the units in the project [FR Notice 7/14/17].

The Housing Opportunity Through Modernization Act of 2016 (HOTMA) eliminated the project cap exemption for projects that serve disabled families and modified the exception for supportive services. Projects where these caps were implemented prior to HOTMA (HAP contracts executed prior to ~~4/18/17~~ [April 18, 2017](#)) may continue to use the former exceptions and may renew their HAP contracts under the old requirements, unless the PHA and owner agree to change the conditions of the HAP contract. However this change may not be made if it would jeopardize an assisted family's eligibility for continued assistance in the project.

#### *Supportive Services*

PHAs must include in the PHA administrative plan the type of services offered to families for a project to qualify for the exception and the extent to which such services will be provided. As of ~~4/18/17~~ [April 18, 2017](#), the project must make supportive services available to all families receiving PBV assistance in the project, but the family does not actually have to accept and receive supportive services for the exception to apply to the unit, although the family must be eligible to receive the supportive services. It is not necessary that the services be provided at or by the project, but must be reasonably available to families receiving PBV assistance at the project and designed to help families in the project achieve self-sufficiency or live in the community as independently as possible. A PHA may not require participation in the supportive service as a condition of living in the excepted unit, although such services may be offered.

#### HACB Policy

- Excepted units will be limited to units for elderly families or eligible for supportive services available to all families receiving PBV assistance in the project.

### **Projects not Subject to a Project Cap [FR Notice 1/18/17; Notice PIH 2017-21]**

PBV units that were previously subject to certain federal rent restrictions or receiving another type of long-term housing subsidy provided by HUD are exempt from the project cap. In other words, 100 percent of the units in these projects may receive PBV assistance.

HACB Policy

The HACB does not have any PBV units that are subject to the per project cap exception.

**Promoting Partially-Assisted Projects [24 CFR 983.56(c)]**

A PHA may establish local requirements designed to promote PBV assistance in partially assisted projects. A *partially assisted project* is a project in which there are fewer units covered by a HAP contract than residential units [24 CFR 983.3].

A PHA may establish a per-project cap on the number of units that will receive PBV assistance or other project-based assistance in a multifamily project containing excepted units or in a single-family building. A PHA may also determine not to provide PBV assistance for excepted units, or the PHA may establish a per-project cap of less than twenty-five (25%) percent.

HACB Policy:

The HACB will not provide assistance for excepted units. Beyond that, the HACB will not impose any further cap on the number of PBV units assisted per project.

**17-II.G. SITE SELECTION STANDARDS**

**Compliance with PBV Goals, Civil Rights Requirements, and HQS Site Standards [24 CFR 983.57(b)]**

The PHA may not select a proposal for existing, newly constructed, or rehabilitated PBV housing on a site or enter into an agreement to enter into a HAP contract or HAP contract for units on the site, unless the PHA has determined that PBV assistance for housing at the selected site is consistent with the goal of de-concentrating poverty and expanding housing and economic opportunities. The standard for de-concentrating poverty and expanding housing and economic opportunities must be consistent with the PHA Plan under 24 CFR 903 and the PHA administrative plan.

In addition, prior to selecting a proposal, the PHA must determine that the site is suitable from the standpoint of facilitating and furthering full compliance with the applicable Civil Rights Laws, regulations, and Executive Orders, and that the site meets the HQS site and neighborhood standards at 24 CFR 982.401(1).

HACB Policy

It is the HACB goal to select sites for PBV housing that provide for de-concentrating poverty and expanding housing and economic opportunities. In complying with this goal the HACB will limit approval of sites for PBV housing in census tracts that have poverty concentrations of 20 percent or less.

However, the HACB will grant exceptions to the twenty (20%) percent standard where the HACB determines that the PBV assistance will complement other local redevelopment activities designed to de-concentrate poverty and expand housing and economic opportunities in census tracts with poverty concentrations greater than twenty (20%) percent, such as sites in:

A census tract in which the proposed PBV development will be located in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community;

A census tract where the concentration of assisted units will be or has decreased as a result of public housing demolition and HOPE VI redevelopment;

A census tract in which the proposed PBV development will be located is undergoing significant revitalization as a result of state, local, or federal dollars invested in the area;

A census tract where new market rate units are being developed where such market rate units will positively impact the poverty rate in the area;

A census tract where there has been an overall decline in the poverty rate within the past five years; or

A census tract where there are meaningful opportunities for educational and economic advancement.

#### **Existing and Rehabilitated Housing Site and Neighborhood Standards [24 CFR 983.57(d)]**

The PHA may not enter into an agreement to enter into a HAP contract nor enter into a HAP contract for existing or rehabilitated housing until it has determined that the site complies with the HUD required site and neighborhood standards. The site must:

- Be adequate in size, exposure, and contour to accommodate the number and type of units proposed;
- Have adequate utilities and streets available to service the site;
- Promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
- Be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and
- Be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

#### **New Construction Site and Neighborhood Standards [24 CFR 983.57(e)]**

In order to be selected for PBV assistance, a site for newly constructed housing must meet the following HUD required site and neighborhood standards:

- The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed;
- The site must have adequate utilities and streets available to service the site;
- The site must not be located in an area of minority concentration unless the PHA determines that sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration or that the project is necessary to meet overriding housing needs that cannot be met in that housing market area;

- The site must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.
- The site must promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
- The neighborhood must not be one that is seriously detrimental to family life or in which substandard dwellings or other undesirable conditions predominate;
- The housing must be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and
- Except for housing designed for elderly persons, the housing must be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

#### **17-II.H. ENVIRONMENTAL REVIEW [24 CFR 983.58]**

The PHA activities under the PBV program are subject to HUD environmental regulations in 24 CFR parts 50 and 58. The *responsible entity* is responsible for performing the federal environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.). The PHA may not enter into an agreement to enter into a HAP contract nor enter into a HAP contract until it has complied with the environmental review requirements.

In the case of existing housing, the responsible entity that is responsible for the environmental review under 24 CFR part 58 must determine whether or not PBV assistance is categorically excluded from review under the National Environmental Policy Act and whether or not the assistance is subject to review under the laws and authorities listed in 24 CFR 58.5.

The PHA may not enter into an agreement to enter into a HAP contract or a HAP contract with an owner, and the PHA, the owner, and its contractors may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct real property or commit or expend program or local funds for PBV activities under this part, until the environmental review is completed.

The PHA must supply all available, relevant information necessary for the responsible entity to perform any required environmental review for any site. The PHA must require the owner to carry out mitigating measures required by the responsible entity (or HUD, if applicable) as a result of the environmental review.

### **PART III: DWELLING UNITS**

#### **17-III.A. OVERVIEW**

This part identifies the special housing quality standards that apply to the PBV program, housing accessibility for persons with disabilities, and special procedures for conducting housing quality standards inspections.

#### **17-III.B. HOUSING QUALITY STANDARDS [24 CFR 983.101]**

The housing quality standards (HQS) for the tenant-based program, including those for special housing types, generally apply to the PBV program. HQS requirements for shared housing, manufactured home space rental, and the homeownership option do not apply because these housing types are not assisted under the PBV program.

The physical condition standards at 24 CFR 5.703 do not apply to the PBV program.

**Lead-based Paint [24 CFR 983.101(c)]**

The lead-based paint requirements for the tenant-based voucher program do not apply to the PBV program. Instead, The Lead-based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at 24 CFR part 35, subparts A, B, H, and R, apply to the PBV program.

**17-III.C. HOUSING ACCESSIBILITY FOR PERSONS WITH DISABILITIES**

The housing must comply with program accessibility requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8. The PHA must ensure that the percentage of accessible dwelling units complies with the requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as implemented by HUD's regulations at 24 CFR 8, subpart C.

Housing first occupied after March 13, 1991, must comply with design and construction requirements of the Fair Housing Amendments Act of 1988 and implementing regulations at 24 CFR 100.205, as applicable. (24 CFR 983.102)

**17-III.D. INSPECTING UNITS**

**Pre-selection Inspection [24 CFR 983.103(a)]**

The PHA must examine the proposed site before the proposal selection date. If the units to be assisted already exist, the PHA must inspect all the units before the proposal selection date, and must determine whether the units substantially comply with HQS. To qualify as existing housing, units must substantially comply with HQS on the proposal selection date. However, the PHA may not execute the HAP contract until the units fully comply with HQS.

**Pre-HAP Contract Inspections [24 CFR 983.103(b)]**

The PHA must inspect each contract unit before execution of the HAP contract. The PHA may not enter into a HAP contract covering a unit until the unit fully complies with HQS.

**Turnover Inspections [24 CFR 983.103(c); FR Notice 1/18/17; Notice 2017-20]**

Before providing assistance to a new family in a contract unit, the PHA must inspect the unit. The PHA may not provide assistance on behalf of the family until the unit fully complies with HQS, unless the PHA has adopted a policy to enter into a HAP contract for units that fail the initial HQS inspection as a result of only non-life threatening conditions or if the unit passed an alternative inspection.

HACB Policy

The HACB will not provide assistance in turnover units until the unit fully complies with HQS.

**Annual/Biennial Inspections [24 CFR 983.103(d); FR Notice 6/25/14]**

At least once every 24 months during the term of the HAP contract, the PHA must inspect a random sample, consisting of at least twenty percent (20%) of the contract units in each building to determine if the contract units and the premises are maintained in accordance with HQS. Turnover inspections are not counted toward meeting this inspection requirement.

HACB Policy

The HACB will inspect on an annual basis a random sample consisting of at least 20 percent of the contract units in each building to determine if the contract units and the premises are maintained in accordance with HQS.

If more than twenty percent (20%) of the sample of inspected contract units in a building fail the initial inspection, the PHA must re-inspect one hundred percent (100%) of the contract units in the building.

**Other Inspections [24 CFR 983.103(e)]**

The PHA must inspect contract units whenever needed to determine that the contract units comply with HQS and that the owner is providing maintenance, utilities, and other services in accordance with the HAP contract. The PHA must take into account complaints and any other information coming to its attention in scheduling inspections.

The PHA must conduct follow-up inspections needed to determine if the owner (or, if applicable, the family) has corrected an HQS violation, and must conduct inspections to determine the basis for exercise of contractual and other remedies for owner or family violation of HQS.

In conducting PHA supervisory quality control HQS inspections, the PHA should include a representative sample of both tenant-based and project-based units.

**Inspecting PHA-owned Units [24 CFR 983.103(f)]**

In the case of PHA-owned units, the inspections must be performed by an independent agency designated by the PHA and approved by HUD. The independent entity must furnish a copy of each inspection report to the PHA and to the HUD field office where the project is located. The PHA must take all necessary actions in response to inspection reports from the independent agency, including exercise of contractual remedies for violation of the HAP contract by the PHA-owner.

**PART IV: REHABILITATED AND NEWLY CONSTRUCTED UNITS**

**17-IV.A. OVERVIEW [24 CFR 983.151]**

There are specific requirements that apply to PBV assistance for newly constructed or rehabilitated housing that do not apply to PBV assistance in existing housing. This part describes the requirements unique to this type of assistance.

Housing selected for this type of assistance may not at a later date be selected for PBV assistance as existing housing.

**17-IV.B. AGREEMENT TO ENTER INTO HAP CONTRACT**

In order to offer PBV assistance in rehabilitated or newly constructed units, the PHA must enter into an agreement to enter into HAP contract (Agreement) with the owner of the property. The Agreement must be in the form required by HUD [24 CFR 983.152(b)]. The PHA may not enter into an Agreement if commencement of construction or rehabilitation has commenced after proposal submission [24 CFR 983.152(c)]. Construction begins when excavation or site preparation (including clearing of the land) begins for the housing. Rehabilitation begins with the physical commencement of rehabilitation activity on the housing.

In the Agreement the owner agrees to develop the PBV contract units to comply with HQS, and the PHA agrees that upon timely completion of such development in accordance with the terms of the Agreement, the PHA will enter into a HAP contract with the owner for the contract units [24 CFR 983.152(a)].

**Content of the Agreement [24 CFR 983.152(d)]**

At a minimum, the Agreement must describe the following features of the housing to be developed and assisted under the PBV program:

- Site and the location of the contract units;
- Number of contract units by area (size) and number of bedrooms and bathrooms;
- Services, maintenance, or equipment to be supplied by the owner without charges in addition to the rent;
- Utilities available to the contract units, including a specification of utility services to be paid by the owner and utility services to be paid by the tenant;
- An indication of whether or not the design and construction requirements of the Fair Housing Act and section 504 of the Rehabilitation Act of 1973 apply to units under the Agreement. If applicable, any required work item resulting from these requirements must be included in the description of work to be performed under the Agreement;
- Estimated initial rents to owner for the contract units;
- Description of the work to be performed under the Agreement. For rehabilitated units, the description must include the rehabilitation work write up and, where determined necessary by the PHA, specifications and plans. For new construction units, the description must include the working drawings and specifications.
- Any additional requirements for quality, architecture, or design over and above HQS.

**Execution of the Agreement [24 CFR 983.153]**

The Agreement must be executed promptly after PHA notice of proposal selection to the selected owner. The PHA may not enter into the Agreement if construction or rehabilitation has started after proposal submission. Generally, the PHA may not enter into the Agreement with the owner until the subsidy layering review is completed. Likewise, the PHA may not enter into the Agreement until the environmental review is completed and the PHA has received environmental approval. However, the PHA does not need to conduct a subsidy layering review in the case of a HAP contract for existing housing or if the applicable state or local agency has conducted such a review. Similarly, environmental reviews are not required for existing structures unless otherwise required by law or regulation.



#### HACB Policy

The HACB will enter into the Agreement with the owner within fourteen (14) calendar days of receiving both environmental approval and notice that subsidy layering requirements have been met, and before construction or rehabilitation work is started.

### **17-IV.C. CONDUCT OF DEVELOPMENT WORK**

#### **Labor Standards [24 CFR 983.154(b)]**

If an Agreement covers the development of nine or more contract units (whether or not completed in stages), the owner and the owner's contractors and subcontractors must pay Davis-Bacon wages to laborers and mechanics employed in the development of housing. The HUD-prescribed form of the Agreement will include the labor standards clauses required by HUD, such as those involving Davis-Bacon wage rates.

The owner, contractors, and subcontractors must also comply with the Contract Work Hours and Safety Standards Act, Department of Labor regulations in 29 CFR part 5, and other applicable federal labor relations laws and regulations. The PHA must monitor compliance with labor standards.

#### **Equal Opportunity [24 CFR 983.154(c)]**

The owner must comply with Section 3 of the Housing and Urban Development Act of 1968 and the implementing regulations at 24 CFR part 135. The owner must also comply with federal equal employment opportunity requirements.

#### **Owner Disclosure [24 CFR 983.154(d) and (e)]**

The Agreement and HAP contract must include a certification by the owner that the owner and other project principals are not on the U.S. General Services Administration list of parties excluded from federal procurement and non-procurement programs.

The owner must also disclose any possible conflict of interest that would be a violation of the Agreement, the HAP contract, or HUD regulations.

### **17-IV.D. COMPLETION OF HOUSING**

The Agreement must specify the deadlines for completion of the housing, and the owner must develop and complete the housing in accordance with these deadlines. The Agreement must also specify the deadline for submission by the owner of the required evidence of completion.

#### **Evidence of Completion [24 CFR 983.155(b)]**

At a minimum, the owner must submit the following evidence of completion to the PHA in the form and manner required by the PHA:

- Owner certification that the work has been completed in accordance with HQS and all requirements of the Agreement; and
- Owner certification that the owner has complied with labor standards and equal opportunity requirements in development of the housing.

At the PHA's discretion, the Agreement may specify additional documentation that must be submitted by the owner as evidence of housing completion.

### HACB Policy

The HACB will determine the need for the owner to submit additional documentation as evidence of housing completion on a case-by-case basis depending on the nature of the PBV project. The HACB will specify any additional documentation requirements in the Agreement to enter into HAP contract.

### **PHA Acceptance of Completed Units [24 CFR 983.156]**

Upon notice from the owner that the housing is completed, the PHA must inspect to determine if the housing has been completed in accordance with the Agreement, including compliance with HQS and any additional requirements imposed under the Agreement. The PHA must also determine if the owner has submitted all required evidence of completion.

If the work has not been completed in accordance with the Agreement, the PHA must not enter into the HAP contract.

If the PHA determines the work has been completed in accordance with the Agreement and that the owner has submitted all required evidence of completion, the PHA must submit the HAP contract for execution by the owner and must then execute the HAP contract.

## **PART V: HOUSING ASSISTANCE PAYMENTS CONTRACT (HAP)**

### **17-V.A. OVERVIEW**

The PHA must enter into a HAP contract with an owner for units that are receiving PBV assistance. The purpose of the HAP contract is to provide housing assistance payments for eligible families. Housing assistance is paid for contract units leased and occupied by eligible families during the HAP contract term. With the exception of single-family scattered-site projects, a HAP contract shall cover a single project. If multiple projects exist, each project is covered by a separate HAP contract. The HAP contract must be in the form required by HUD [24 CFR 983.202].

### **17-V.B. HAP CONTRACT REQUIREMENTS**

#### **Contract Information [24 CFR 983.203, FR Notice 11/24/08]**

The HAP contract must specify the following information:

- The total number of contract units by number of bedrooms;
- The project's name, street address, city or county, state and zip code, block and lot number (if known), and any other information necessary to clearly identify the site and the building;
- The number of contract units in each building, the location of each contract unit, the area of each contract unit, and the number of bedrooms and bathrooms in each contract unit;
- Services, maintenance, and equipment to be supplied by the owner and included in the rent to owner;
- Utilities available to the contract units, including a specification of utility services to be paid by the owner (included in rent) and utility services to be paid by the tenant;
- Features provided to comply with program accessibility requirements of Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR part 8;

- The HAP contract term;
- The number of units in any project that will exceed the twenty-five (25%) percent per project cap, which will be set-aside for occupancy by qualifying families (elderly and/or disabled families and families receiving supportive services); and
- The initial rent to owner for the first twelve (12) months of the HAP contract term.

**Execution of the HAP Contract [24 CFR 983.204]**

The PHA may not enter into a HAP contract until each contract unit has been inspected and the PHA has determined that the unit complies with the Housing Quality Standards (HQS), unless the PHA has adopted a policy to enter into a HAP contract for units that fail the initial HQS inspection as a result of only non-life-threatening conditions. For existing housing, the HAP contract must be executed promptly after the PHA selects the owner proposal and inspects the housing units. For newly constructed or rehabilitated housing the HAP contract must be executed after the PHA has inspected the completed units and has determined that the units have been completed in accordance with the agreement to enter into HAP, and the owner furnishes all required evidence of completion.

HACB Policy

For existing housing, the HAP contract will be executed within fourteen (14) calendar days of the HACB determining that all units pass HQS.

For rehabilitated or newly constructed housing, the HAP contract will be executed within 10 business days of the HACB determining that the units have been completed in accordance with the agreement to enter into HAP, all units meet HQS, and the owner has submitted all required evidence of completion.

**Term of HAP Contract [24 CFR 983.205; FR Notice 1/18/17; Notice PIH 2017-21]**

The PHA may enter into a HAP contract with an owner for an initial term of no less than one (1) year and no more than twenty (20) years for each contract unit. The length of the term of the HAP contract for any contract unit may not be less than one year, nor more than 20 years. In the case of PHA-owned units, the term of the HAP contract must be agreed upon by the PHA and the independent entity approved by HUD [24 CFR 983.59(b)(2)].

HACB Policy

The term of all PBV HAP contracts will be negotiated with the owner on a case-by-case basis.

At the time of the initial HAP contract term or any time before expiration of the HAP contract, the HACB may extend the term of the contract for an additional term of up to twenty (20) years if the HACB determines an extension is appropriate to continue providing affordable housing for low-income families. A HAP contract extension may not exceed 20 years. A PHA may provide for multiple extensions; however, in no circumstances may such extensions exceed 20 years, cumulatively. Extensions after the initial extension are allowed at the end of any extension term, provided that not more than 24 months prior to the expiration of the previous extension contract the PHA agrees to extend the term, and that such extension is appropriate to continue providing affordable housing for low-income families or to expand housing opportunities. Extensions after the initial extension term shall not begin prior to the expiration date of the previous extension term. Subsequent extensions are subject to the same limitations. All extensions must be on the form and

subject to the conditions prescribed by HUD at the time of the extension. In the case of PHA-owned units, any extension of the term of the HAP contract must be agreed upon by the PHA and the independent entity approved by HUD [24 CFR 983.59(b)(2)].

#### HACB Policy

When determining whether or not to extend an expiring PBV contract, the HACB will consider several factors including, but not limited to:

- The cost of extending the contract and the amount of available budget authority;
- The condition of the contract units;
- The owner's record of compliance with obligations under the HAP contract and lease(s);
- Whether the location of the units continues to support the goals of de-concentrating poverty and expanding housing opportunities; and
- Whether the funding could be used more appropriately for tenant-based assistance.

#### ***Termination by PHA [24 CFR 983.205(c); FR Notice 1/18/17]***

The HAP contract must provide that the term of the PHA's contractual commitment is subject to the availability of sufficient appropriated funding as determined by HUD or by the PHA in accordance with HUD instructions. For these purposes, sufficient funding means the availability of appropriations, and of funding under the ACC from such appropriations, to make full payment of housing assistance payments payable to the owner for any contract year in accordance with the terms of the HAP contract.

In times of insufficient funding, HUD requires that PHAs first take all cost-saving measures prior to failing to make payments under existing PBV HAP contracts.

If it is determined that there may not be sufficient funding to continue housing assistance payments for all contract units and for the full term of the HAP contract, the PHA may terminate the HAP contract by notice to the owner. The termination must be implemented in accordance with HUD instructions.

#### ***Termination by Owner [24 CFR 983.205(d), FR Notice 11/24/08]***

If in accordance with program requirements the amount of rent to an owner for any contract unit is reduced below the amount of the rent to owner at the beginning of the HAP contract term, the owner may terminate the HAP contract by giving notice to the PHA. In this case, families living in the contract units must be offered tenant-based assistance.

At their discretion PHAs may specify in the HAP contract that the maximum rent on a unit will not be less than the initial rent.

#### **Statutory Notice Requirements: Contract Termination or Expiration [24 CFR 983.206; FR Notice 1/18/17; Notice PIH 2017-21]**

Not less than one year before the HAP contract terminates, or if the owner refuses to renew the HAP contract, the owner must notify the PHA and assisted tenants of the termination. The notice must be provided in the form prescribed by HUD. If the owner does not give timely notice, the owner must permit the tenants in assisted units to remain in their units for the required notice period with no increase in the tenant portion of their rent, and with no eviction as a result of the

owner's inability to collect an increased tenant portion of rent. An owner may renew the terminating contract for a period of time sufficient to give tenants one-year advance notice under such terms as HUD may require.

Upon termination or expiration of the contract, a family living at the property is entitled to receive a tenant-based voucher. Tenant-based assistance would not begin until the owner's required notice period ends. The PHA must provide the family with a voucher and the family must also be given the option by the PHA and owner to remain in their unit with HCV tenant-based assistance as long as the unit complies with inspection and rent reasonableness requirements. The family must pay their total tenant payment (TTP) and any additional amount if the gross rent exceeds the applicable payment standard. The family has the right to remain in the project as long as the units are used for rental housing and are otherwise eligible for HCV assistance. The owner may not terminate the tenancy of a family that exercises its right to remain except for serious or repeated lease violations or other good cause. Families that receive a tenant-based voucher at the expiration or termination of the PBV HAP contract are not new admissions to the PHA HCB tenant-based program, and are not subject to income eligibility requirements or any other admission requirements. If the family chooses to remain in their unit with tenant-based assistance, the family may do so regardless of whether the family share would initially exceed 40 percent of the family's adjusted monthly income.

#### **Remedies for HQS Violations [24 CFR 983.208(b)]**

The PHA may not make any HAP payment to the owner for a contract unit during any period in which the unit does not comply with HQS. If the PHA determines that a contract does not comply with HQS, the PHA may exercise any of its remedies under the HAP contract, for any or all of the contract units. Available remedies include termination of housing assistance payments, abatement or reduction of housing assistance payments, reduction of contract units, and termination of the HAP contract.

##### HACB Policy

The HACB will abate and terminate PBV HAP contracts for non-compliance with HQS in accordance with the policies used in the tenant-based voucher program. These policies are contained in Section 8-II.G., Enforcing Owner Compliance.

#### **17-V.C. AMENDMENTS TO THE HAP CONTRACT**

##### **Substitution of Contract Units [24 CFR 983.207(a)]**

At the PHA's discretion and subject to all PBV requirements, the HAP contract may be amended to substitute a different unit with the same number of bedrooms in the same project for a previously covered contract unit. Before any such substitution can take place, the PHA must inspect the proposed unit and determine the reasonable rent for the unit.

##### **Addition of Contract Units [FR Notice 1/18/17; Notice PIH 2017-21]**

The PHA and owner may amend the HAP contract to add additional PBV contract units in projects that already have a HAP contract without having to fulfill the selection requirements found at 24 CFR 983.5(b) for those additional PBV units, regardless of when the HAP contract was signed. The additional PBV units, however, are still subject to the PBV program cap and individual project caps. Prior to attaching additional units without competition, the PHA must submit to the local field office information outlined in FR Notice 1/18/17. The PHA must also detail in the

administrative plan their intent to add PBV units and the rationale for adding units to the specific PBV project.

HACB Policy

The HACB will not add contract units to the HAP contract.

**17-V.D. HAP CONTRACT YEAR, ANNIVERSARY AND EXPIRATION DATES [24 CFR 983.207(b) and 983.302(e)]**

The HAP contract year is the period of twelve (12) calendar months preceding each annual anniversary of the HAP contract during the HAP contract term. The initial contract year is calculated from the first day of the first calendar month of the HAP contract term.

The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year.

There is a single annual anniversary and expiration date for all units under a particular HAP contract, even in cases where contract units are placed under the HAP contract in stages (on different dates) or units are added by amendment. The anniversary and expiration dates for all units coincide with the dates for the contract units that were originally placed under contract.

**17-V.E. OWNER RESPONSIBILITIES UNDER THE HAP [24 CFR 983.210]**

When the owner executes the HAP contract s/he certifies that at such execution and at all times during the term of the HAP contract:

- All contract units are in good condition and the owner is maintaining the premises and contract units in accordance with HQS;
- The owner is providing all services, maintenance, equipment and utilities as agreed to under the HAP contract and the leases;
- Each contract unit for which the owner is receiving HAP, is leased to an eligible family referred by the PHA, and the lease is in accordance with the HAP contract and HUD requirements;
- To the best of the owner's knowledge the family resides in the contract unit for which the owner is receiving HAP, and the unit is the family's only residence;
- The owner (including a principal or other interested party) is not the spouse, parent, child, grandparent, grandchild, sister, or brother of any member of a family residing in a contract unit;
- The amount of the HAP the owner is receiving is correct under the HAP contract;
- The rent for contract units does not exceed rents charged by the owner for comparable unassisted units;
- Except for HAP and tenant rent, the owner has not received and will not receive any other payment or consideration for rental of the contract unit;
- The family does not own or have any interest in the contract unit (does not apply to family's membership in a cooperative); and

- Repair work on the project selected as an existing project that is performed after HAP execution within such post-execution period as specified by HUD may constitute development activity, and if determined to be development activity, the repair work undertaken shall be in compliance with Davis-Bacon wage requirements.

#### **17-V.F. ADDITIONAL HAP REQUIREMENTS**

##### **Housing Quality and Design Requirements [24 CFR 983.101(e) and 983.208(a)]**

The owner is required to maintain and operate the contract units and premises in accordance with HQS, including performance of ordinary and extraordinary maintenance. The owner must provide all the services, maintenance, equipment, and utilities specified in the HAP contract with the PHA and in the lease with each assisted family. In addition, maintenance, replacement and redecoration must be in accordance with the standard practice for the building as established by the owner.

The PHA may elect to establish additional requirements for quality, architecture, or design of PBV housing. Any such additional requirements must be specified in the Agreement to enter into a HAP contract and the HAP contract. These requirements must be in addition to, not in place of, compliance with HQS.

##### HACB Policy

The HACB will identify the need for any special features on a case-by-case basis depending on the intended occupancy of the PBV project. The HACB will specify any special design standards or additional requirements in the invitation for PBV proposals, the agreement to enter into HAP contract, and the HAP contract.

##### **Vacancy Payments [24 CFR 983.352(b)]**

At the discretion of the PHA, the HAP contract may provide for vacancy payments to the owner for a PHA-determined period of vacancy extending from the beginning of the first calendar month after the move-out month for a period not exceeding two full months following the move-out month. The amount of the vacancy payment will be determined by the PHA and cannot exceed the monthly rent to owner under the assisted lease, minus any portion of the rental payment received by the owner (including amounts available from the tenant's security deposit).

##### HACB Policy

The HACB will decide on a case-by-case basis if the HACB will provide vacancy payments to the owner. The HAP contract with the owner will contain any such agreement, including the amount of the vacancy payment and the period for which the owner will qualify for these payments.

#### **PART VI: SELECTION OF PBV PROGRAM PARTICIPANTS**

##### **17-VI.A. OVERVIEW**

Many of the provisions of the tenant-based voucher regulations [24 CFR 982] also apply to the PBV program. This includes requirements related to determining eligibility and selecting applicants from the waiting list. Even with these similarities, there are requirements that are unique to the PBV program. This part describes the requirements and policies related to eligibility and admission to the PBV program.

#### **17-VI.B. ELIGIBILITY FOR PBV ASSISTANCE [24 CFR 983.251(a) and (b)]**

The PHA may select families for the PBV program from those who are participants in the PHA's tenant-based voucher program and from those who have applied for admission to the voucher program. For voucher participants, eligibility was determined at original admission to the voucher program and does not need to be re-determined at the commencement of PBV assistance. For all others, eligibility for admission must be determined at the commencement of PBV assistance.

Applicants for PBV assistance must meet the same eligibility requirements as applicants for the tenant-based voucher program. Applicants must qualify as a family as defined by HUD and the PHA, have income at or below HUD-specified income limits, and qualify on the basis of citizenship or the eligible immigration status of family members [24 CFR 982.201(a) and 24 CFR 983.2(a)]. In addition, an applicant family must provide social security information for family members [24 CFR 5.216 and 5.218] and consent to the PHA's collection and use of family information regarding income, expenses, and family composition [24 CFR 5.230]. The PHA may also not approve a tenancy if the owner (including a principal or other interested party) of the unit is the parent, child, grandparent, sister, or brother of any member of the family, unless needed as a reasonable accommodation. An applicant family must also meet HUD requirements related to current or past criminal activity.

##### HACB Policy

The HACB will determine an applicant family's eligibility for the PBV program in accordance with the policies in Chapter 3.

#### **In-Place Families [24 CFR 983.251(b)]**

An eligible family residing in a proposed PBV contract unit on the date the proposal is selected by the PHA is considered an "in-place family." These families are afforded protection from displacement under the PBV rule. If a unit to be placed under contract (either an existing unit or a unit requiring rehabilitation) is occupied by an eligible family on the date the proposal is selected, the in-place family must be placed on the PHA's waiting list. Once the family's continued eligibility is determined (the PHA may deny assistance to an in-place family for the grounds specified in 24 CFR 982.552 and 982.553), the family must be given an absolute selection preference and the PHA must refer these families to the project owner for an appropriately sized PBV unit in the project. Admission of eligible in-place families is not subject to income targeting requirements.

This regulatory protection from displacement does not apply to families that are not eligible to participate in the program on the proposal selection date.

#### **17-VI.C. ORGANIZATION OF THE WAITING LIST [24 CFR 983.251(c)]**

The PHA may establish a separate waiting list for PBV units or it may use the same waiting list for both tenant-based and PBV assistance. The PHA may also merge the PBV waiting list with a waiting list for other assisted housing programs offered by the PHA. If the PHA chooses to offer a separate waiting list for PBV assistance, the PHA must offer to place applicants who are listed on the tenant-based waiting list on the waiting list for PBV assistance.

If a PHA decides to establish a separate PBV waiting list, the PHA may use a single waiting list for the PHA's whole PBV program, or it may establish separate waiting lists for PBV units in particular projects or buildings or for sets of such units.



#### HACB Policy

The HACB will establish and manage separate waiting lists for individual projects or buildings that are receiving PBV assistance.

#### **17-VI.D. SELECTION FROM THE WAITING LIST [24 CFR 983.251(c)]**

Applicants who will occupy units with PBV assistance must be selected from the PHA's waiting list. The PHA may establish selection criteria or preferences for occupancy of particular PBV units. The PHA may place families referred by the PBV owner on its PBV waiting list.

#### **Income Targeting [24 CFR 983.251(c)(6)]**

At least seventy-five (75%) percent of the families admitted to the PHA's tenant-based and project-based voucher programs during the PHA fiscal year from the waiting list must be extremely-low income families. The income targeting requirement applies to the total of admissions to both programs.

#### **Units with Accessibility Features [24 CFR 983.251(c)(7)]**

When selecting families to occupy PBV units that have special accessibility features for persons with disabilities, the PHA must first refer families who require such features to the owner.

#### **Preferences [24 CFR 983.251(d) , FR Notice 11/24/08]**

The PHA may use the same selection preferences that are used for the tenant-based voucher program, establish selection criteria or preferences for the PBV program as a whole, or for occupancy of particular PBV developments or units. The PHA must provide an absolute selection preference for eligible in-place families as described in Section 17-VI.B. above.

The PHA may establish a selection preference for families who qualify for voluntary services, including disability-specific services, offered in conjunction with assisted units, provided that preference is consistent with the PHA plan. The PHA may not, however, grant a preference to a person with a specific disability [FR Notice 1/18/17].

In advertising such a project, the owner may advertise the project as offering services for a particular type of disability; however, the project must be open to all otherwise eligible disabled persons who may benefit from services provided in the project. In these projects, disabled residents may not be required to accept the particular services offered as a condition of occupancy.

If the PHA has projects with "excepted units" for elderly families or supportive services, the PHA must give preference to such families when referring families to these units [24 CFR 983.261(b); FR Notice 1/18/17].

#### HACB Policy

The HACB will provide a selection preference when required by the regulation (e.g., eligible in-place families, elderly families or units with supportive services or mobility impaired persons for accessible units). The HACB will not offer any additional preferences for the PBV program or for particular PBV projects or units.

#### **17-VI.E. OFFER OF PBV ASSISTANCE**

#### **Refusal of Offer [24 CFR 983.251(e)(3)]**

The PHA is prohibited from taking any of the following actions against a family who has applied for, received, or refused an offer of PBV assistance:

- Refuse to list the applicant on the waiting list for tenant-based voucher assistance;
- Deny any admission preference for which the applicant qualifies;
- Change the applicant's place on the waiting list based on preference, date, and time of application, or other factors affecting selection under the PHA's selection policy;
- Remove the applicant from the tenant-based voucher waiting list.

**Disapproval by Landlord [24 CFR 983.251(e)(2)]**

If a PBV owner rejects a family for admission to the owner's units, such rejection may not affect the family's position on the tenant-based voucher waiting list.

**Acceptance of Offer [24 CFR 983.252]**

***Family Briefing***

When a family accepts an offer for PBV assistance, the PHA must give the family an oral briefing. The briefing must include information on how the program works and the responsibilities of the family and owner. In addition to the oral briefing, the PHA must provide a briefing packet that explains how the PHA determines the total tenant payment for a family, the family obligations under the program, and applicable fair housing information.

***Persons with Disabilities***

If an applicant family's head or spouse is disabled, the PHA must assure effective communication, in accordance with 24 CFR 8.6, in conducting the oral briefing and in providing the written information packet. This may include making alternative formats available (see Chapter 2). In addition, the PHA must have a mechanism for referring a family that includes a member with a mobility impairment to an appropriate accessible PBV unit.

***Persons with Limited English Proficiency***

The PHA should take reasonable steps to assure meaningful access by persons with limited English proficiency in accordance with Title VI of the Civil Rights Act of 1964 and Executive Order 13166 (see Chapter 2).

**17-VI.F. OWNER SELECTION OF TENANTS**

The owner is responsible for developing written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low-income families and reasonably related to program eligibility and an applicant's ability to fulfill their obligations under the lease. An owner must promptly notify in writing any rejected applicant of the grounds for any rejection [24 CFR 983.253(b)].

**Leasing [24 CFR 983.253(a)]**

During the term of the HAP contract, the owner must lease contract units to eligible families that are selected and referred by the PHA from the PHA's waiting list. The contract unit leased to the family must be the appropriate size unit for the size of the family, based on the PHA's subsidy standards.

**Filling Vacancies [24 CFR 983.254(a)]**

The owner must promptly notify the PHA of any vacancy or expected vacancy in a contract unit. After receiving such notice, the PHA must make every reasonable effort to promptly refer a sufficient number of families for the owner to fill such vacancies. The PHA and the owner must make reasonable efforts to minimize the likelihood and length of any vacancy.

HACB Policy

The owner must notify the HACB in writing (mail, fax, or e-mail) within five (5) business days of learning about any vacancy or expected vacancy.

The HACB will make every reasonable effort to refer families to the owner within fourteen (14) calendar days of receiving such notice from the owner.

**Reduction in HAP Contract Units Due to Vacancies [24 CFR 983.254(b)]**

If any contract units have been vacant for one hundred twenty (120) or more days since owner notice of the vacancy, the PHA may give notice to the owner amending the HAP contract to reduce the number of contract units by subtracting the number of contract units (according to the bedroom size) that have been vacant for this period.

HACB Policy

If any contract units have been vacant for one hundred twenty (120) days, the HACB will give notice to the owner that the HAP contract will be amended to reduce the number of contract units that have been vacant for this period. The HACB will provide the notice to the owner within fourteen (14) calendar days of the one hundred twentieth (120<sup>th</sup>) day of the vacancy. The amendment to the HAP contract will be effective the first (1<sup>st</sup>) day of the month following the date of the HACB’s notice.

**17-VI.G. TENANT SCREENING [24 CFR 983.255]**

**PHA Responsibility**

The PHA is not responsible or liable to the owner or any other person for the family’s behavior or suitability for tenancy. However, the PHA may opt to screen applicants for family behavior or suitability for tenancy and may deny applicants based on such screening.

HACB Policy

The HACB will not conduct screening to determine a PBV applicant family’s suitability for tenancy.

The PHA must provide the owner with an applicant family’s current and prior address (as shown in PHA records) and the name and address (if known by the PHA) of the family’s current landlord and any prior landlords.

In addition, the PHA may offer the owner other information the PHA may have about a family, including information about the tenancy history of family members or about drug trafficking and criminal activity by family members. The PHA must provide applicant families a description of the PHA Policy on providing information to owners, and the PHA must give the same types of information to all owners.

The PHA may not disclose to the owner any confidential information provided in response to a request for documentation of domestic violence, dating violence, sexual assault, or stalking except at the written request or with the written consent of the individual providing the documentation [24 CFR 5.2007(a)(4)].

#### HACB Policy

The HACB will inform owners of their responsibility to screen prospective tenants, and will provide owners with the required known name and address information, at the time of the turnover HQS inspection or before. The HACB will not provide any additional information to the owner, such as tenancy history, criminal history, etc.

#### **Owner Responsibility**

The owner is responsible for screening and selection of the family to occupy the owner's unit. When screening families the owner may consider a family's background with respect to the following factors:

- Payment of rent and utility bills;
- Caring for a unit and premises;
- Respecting the rights of other residents to the peaceful enjoyment of their housing;
- Drug-related criminal activity or other criminal activity that is a threat to the health, safety, or property of others; and
- Compliance with other essential conditions of tenancy.

### **PART VII: OCCUPANCY**

#### **17-VII.A. OVERVIEW**

After an applicant has been selected from the waiting list, determined eligible by the PHA, referred to an owner and determined suitable by the owner, the family will sign the lease and occupancy of the unit will begin.

#### **17-VII.B. LEASE [24 CFR 983.256]**

The tenant must have legal capacity to enter a lease under state and local law. *Legal capacity* means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner.

#### **Form of Lease [24 CFR 983.256(b)]**

The tenant and the owner must enter into a written lease agreement that is signed by both parties. If an owner uses a standard lease form for rental units to unassisted tenants in the locality or premises, the same lease must be used for assisted tenants, except that the lease must include a HUD-required tenancy addendum. The tenancy addendum must include, word-for-word, all provisions required by HUD.

If the owner does not use a standard lease form for rental to unassisted tenants, the owner may use another form of lease, such as a PHA model lease.

The PHA may review the owner's lease form to determine if the lease complies with state and local law. If the PHA determines that the lease does not comply with state or local law, the PHA may decline to approve the tenancy.

#### HACB Policy

The HACB will not review the owner's lease for compliance with state or local law.

#### **Lease Requirements [24 CFR 983.256(c)]**

The lease for a PBV unit must specify all of the following information:

- The names of the owner and the tenant;
- The unit rented (address, apartment number, if any, and any other information needed to identify the leased contract unit);
- The term of the lease (initial term and any provision for renewal);
- The amount of the tenant rent to owner, which is subject to change during the term of the lease in accordance with HUD requirements;
- A specification of the services, maintenance, equipment, and utilities that will be provide by the owner; and
- The amount of any charges for food, furniture, or supportive services.

#### **Tenancy Addendum [24 CFR 983.256(d)]**

The tenancy addendum in the lease must state:

- The program tenancy requirements;
- The composition of the household as approved by the PHA (the names of family members and any PHA-approved live-in aide);
- All provisions in the HUD-required tenancy addendum must be included in the lease. The terms of the tenancy addendum prevail over other provisions of the lease.

#### **Initial Term and Lease Renewal [24 CFR 983.256(f)]**

The initial lease term must be for at least one year. The lease must provide for automatic renewal after the initial term of the lease in either successive definitive terms (e.g. month-to-month or year-to-year) or an automatic indefinite extension of the lease term. For automatic indefinite extension of the lease term, the lease terminates if any of the following occur:

- The owner terminates the lease for good cause
- The tenant terminates the lease
- The owner and tenant agree to terminate the lease
- The PHA terminates the HAP contract

- The PHA terminates assistance for the family

**Changes in the Lease [24 CFR 983.256(e)]**

If the tenant and owner agree to any change in the lease, the change must be in writing, and the owner must immediately give the PHA a copy of all changes.

The owner must notify the PHA in advance of any proposed change in the lease regarding the allocation of tenant and owner responsibilities for utilities. Such changes may only be made if approved by the PHA and in accordance with the terms of the lease relating to its amendment. The PHA must re-determine reasonable rent, in accordance with program requirements, based on any change in the allocation of the responsibility for utilities between the owner and the tenant. The re-determined reasonable rent will be used in calculation of the rent to owner from the effective date of the change.

**Owner Termination of Tenancy [24 CFR 983.257]**

With two exceptions, the owner of a PBV unit may terminate tenancy for the same reasons an owner may in the tenant-based voucher program (see Section 12-III.B. and 24 CFR 982.310). In the PBV program, terminating tenancy for “good cause” does not include doing so for a business or economic reason, or a desire to use the unit for personal or family use or other non-residential purpose.

***Tenant Absence from the Unit [24 CFR 983.256(g) and 982.312(a)]***

The lease may specify a maximum period of family absence from the unit that may be shorter than the maximum period permitted by PHA Policy. According to program requirements, the family’s assistance must be terminated if they are absent from the unit for more than one hundred eighty (180) consecutive days. . PHA termination of assistance actions due to family absence from the unit are subject to 24 CFR 981.312, except that the unit is not terminated from the HAP contract if the family is absent for longer than the maximum period permitted.

**Continuation of Housing Assistance Payments [24 CFR 982.258]**

Housing assistance payments shall continue until the tenant rent equals the rent to owner. The cessation of housing assistance payments at such point will not affect the family’s other rights under its lease, nor will such cessation preclude the resumption of payments as a result of later changes in income, rents, or other relevant circumstances if such changes occur within 180 days following the date of the last housing assistance payment by the PHA. After the 180-day period, the unit shall be removed from the HAP contract pursuant to 24 CFR 983.211.

HACB Policy

If a participating family receiving zero assistance experiences a change in circumstances that would result in a HAP payment to the owner, the family must notify the HACB of the change and request an interim reexamination before the expiration of the 180-day period.

**Security Deposits [24 CFR 983.259]**

The owner may collect a security deposit from the tenant. The PHA may prohibit security deposits in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants.

HACB Policy

The HACB will allow the owner to collect a security deposit amount the owner determines is appropriate.

When the tenant moves out of a contract unit, the owner, subject to state and local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid tenant rent, damages to the unit, or other amounts owed by the tenant under the lease.

The owner must give the tenant a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used to reimburse the owner, the owner must promptly refund the full amount of the balance to the tenant.

If the security deposit does not cover the amount owed by the tenant under the lease, the owner may seek to collect the balance from the tenant. The PHA has no liability or responsibility for payment of any amount owed by the family to the owner.

## **17-VII.C. MOVES**

### **Overcrowded, Under-Occupied, and Accessible Units [24 CFR 983.260]**

If the PHA determines that a family is occupying a wrong size unit, based on the PHA's subsidy standards, or a unit with accessibility features that the family does not require, and the unit is needed by a family that does require the features, the PHA must promptly notify the family and the owner of this determination, and the PHA must offer the family the opportunity to receive continued housing assistance in another unit.

#### HACB Policy

The HACB will notify the family and the owner of the family's need to move based on the occupancy of a wrong-size or accessible unit within fourteen (14) days of the HACB's determination. The HACB will offer the family the following types of continued assistance in the following order, based on the availability of assistance:

PBV assistance in the same building or project;

PBV assistance in another project; and

Tenant-based voucher assistance.

If the PHA offers the family a tenant-based voucher, the PHA must terminate the housing assistance payments for a wrong-sized or accessible unit at the earlier of the expiration of the term of the family's voucher (including any extension granted by the PHA) or the date upon which the family vacates the unit. If the family does not move out of the wrong-sized unit or accessible unit by the expiration of the term of the family's voucher, the PHA must remove the unit from the HAP contract.

If the PHA offers the family another form of assistance that is not a tenant-based voucher, and the family does not accept the offer, does not move out of the PBV unit within a reasonable time as determined by the PHA, or both, the PHA must terminate the housing assistance payments for the unit at the expiration of a reasonable period as determined by the PHA and remove the unit from the HAP contract.

#### HACB Policy

When the HACB offers a family another form of assistance that is not a tenant-based voucher, the family will be given thirty (30) days from the date of the offer to accept the offer and move out of the PBV unit. If the family does not move out within this thirty (30) day time frame, the HACB will terminate the housing assistance payments at the expiration of this thirty (30) day period.

The HACB may make exceptions to this thirty (30) day period if needed for reasons beyond the family's control such as death, serious illness, or other medical emergency of a family member.

**Family Right to Move [24 CFR 983.261]**

The family may terminate the lease at any time after the first year of occupancy. The family must give advance written notice to the owner in accordance with the lease and provide a copy of such notice to the PHA. If the family wishes to move with continued tenant-based assistance, the family must contact the PHA to request the rental assistance prior to providing notice to terminate the lease.

If the family terminates the lease in accordance with these requirements, the PHA is required to offer the family the opportunity for continued tenant-based assistance, in the form of a voucher or other comparable tenant-based rental assistance. If voucher or other comparable tenant-based assistance is not immediately available upon termination of the family's lease in the PBV unit, the PHA must give the family priority to receive the next available opportunity for continued tenant-based assistance.

If the family terminates the assisted lease before the end of the first year, the family relinquishes the opportunity for continued tenant-based assistance.

**Emergency Transfer under VAWA [Notice PIH 2017-08]**

Except where special consideration is needed for the project-based voucher program, the PHA will follow VAWA policies as outlined in Chapter 16 Part IX of this administrative plan, including using the Emergency Transfer Plan as the basis for PBV transfers under VAWA (Exhibit 16-4).

HUD requires that the PHA include policies that address when a victim has been living in a unit for less than a year or when a victim seeks to move sooner than a tenant-based voucher is available.

HACB Policy

When the victim of domestic violence, dating violence, sexual assault, or stalking has lived in the unit for less than one year, the HACB will provide several options for continued assistance.

The HACB will first try to transfer the participant to another PBV unit in the same development or transfer to a different development where the HACB has PBV units. The HACB will expedite the administrative processes in this case in an effort to conduct the transfer as quickly as possible.

If no units are available for an internal transfer, or if there is reasonable cause to believe that such a transfer would put the victim in jeopardy, the participant may receive continued assistance through an external transfer to either tenant-based rental assistance (HCV) or assistance in the HACB's public housing program. Such a decision will be made by the HACB based on the availability of tenant-based vouchers and/or vacancies in public



housing units. Such families must be selected from the waiting list for the applicable program. The HACB has adopted a waiting list preference for victims of domestic violence, dating violence, sexual assault, and stalking in both its HCV and public housing programs in order to expedite this process. See Section 4-III.C. of this administrative plan.

If a victim wishes to move after a year of occupancy in the unit, but no tenant-based vouchers are available, the HACB will offer the participant an internal transfer to another PBV unit in the same development or a transfer to a different development where the HACB has PBV units. The HACB will expedite the administrative processes in this case in an effort to conduct the transfer as quickly as possible.

If no units are available for an internal transfer, or if there is reasonable cause to believe that such a transfer would put the victim in jeopardy, the participant may receive continued assistance through an external transfer to the HACB's public housing program. The HACB has adopted a waiting list preference for victims of domestic violence, dating violence, sexual assault, and stalking as part of the public housing ACOP in order to expedite this process.

#### **17-VII.D. EXCEPTIONS TO THE OCCUPANCY CAP [24 CFR 983.262]**

As of April 17, 2018, the PHA may not pay housing assistance under a PBV HAP contract for more than the greater of twenty-five (25) units or twenty-five percent (25%) of the number of dwelling units in a project unless:

- The units are exclusively for elderly families
- The units are for households eligible for supportive services available to all families receiving PBV assistance in the project

If the project is located in a census tract with a poverty rate of 20 percent or less, as determined in the most recent American Community Survey Five-Year estimates, the project cap is the greater of 25 units or 40 percent (instead of 25 percent) of the units in the project [FR Notice 7/14/17].

If a family at the time of initial tenancy is receiving and while the resident of an excepted unit has received Family Self-Sufficiency (FSS) supportive services or any other service as defined by the PHA and successfully completes the FSS contract of participation or the supportive services requirement, the unit continues to count as an excepted unit for as long as the family resides in the unit. However, if the FSS family fails to successfully complete the FSS contract of participation or supportive services objective and consequently is no longer eligible for the supportive services, the family must vacate the unit within a reasonable period of time established by the PHA, and the PHA shall cease paying HAP on behalf of the family.

Further, when a family (or remaining members of a family) residing in an excepted unit no longer meets the criteria for a "qualifying family" because the family is no longer an elderly family due to a change in family composition, the PHA has the discretion to allow the family to remain in the excepted unit. If the PHA does not exercise this discretion, the family must vacate the unit within a reasonable period of time established by the PHA, and the PHA must cease paying housing assistance payments on behalf of the non-qualifying family.

Individuals in units with supportive services who choose to no longer participate in a service or who no longer qualify for services they qualified for at the time of initial occupancy cannot subsequently be denied continued housing opportunity because of this changed circumstance.

PHA or owner cannot determine that a participant's needs exceed the level of care offered by qualifying services or require that individuals be transitioned to different projects based on service needs.

If the family fails to vacate the unit within the established time, the unit must be removed from the HAP contract unless the project is partially assisted, and it is possible for the HAP contract to be amended to substitute a different unit in the building in accordance with program requirements; or the owner terminates the lease and evicts the family. The housing assistance payments for a family residing in an excepted unit that is not in compliance with its family obligations to comply with supportive services requirements must be terminated by the PHA.

The PHA may allow a family that initially qualified for occupancy of an excepted unit based on elderly family status to continue to reside in a unit, where through circumstances beyond the control of the family (e.g., death of the elderly family member or long-term or permanent hospitalization or nursing care), the elderly family member no longer resides in the unit. In this case, the unit may continue to be counted as an excepted unit for as long as the family resides in that unit. Once the family vacates the unit, in order to continue as an excepted unit under the HAP contract, the unit must be made available to and occupied by a qualified family.

#### HACB Policy

The HACB will allow families who initially qualified to live in an excepted unit to remain when circumstances change due to circumstances beyond the remaining family members' control.

In all other cases, the HACB will provide written notice to the family and owner within 14 calendar days of making the determination. The family will be given 30 days from the date of the notice to move out of the PBV unit. If the family does not move out within this 30-day time frame, the HACB will terminate the housing assistance payments at the expiration of this 30-day period.

The HACB may make exceptions to this 30-day period if needed for reasons beyond the family's control such as death, serious illness, or other medical emergency of a family member.

### **PART VIII: DETERMINING RENT TO OWNER**

#### **17-VIII.A. OVERVIEW**

The amount of the initial rent to an owner of units receiving PBV assistance is established at the beginning of the HAP contract term. Although for rehabilitated or newly constructed housing, the agreement to enter into HAP Contract (Agreement) states the estimated amount of the initial rent to owner, the actual amount of the initial rent to owner is established at the beginning of the HAP contract term.

During the term of the HAP contract, the rent to owner is re-determined at the owner's request in accordance with program requirements, and at such time that there is a five percent or greater decrease in the published FMR.

#### **17-VIII.B. RENT LIMITS [24 CFR 983.301]**

Except for certain tax credit units (discussed below), the rent to owner must not exceed the lowest of the following amounts:

- An amount determined by the PHA, not to exceed one hundred ten (110%) percent of the applicable fair market rent (or any HUD-approved exception payment standard) for the unit bedroom size minus any utility allowance;
- The reasonable rent; or
- The rent requested by the owner.

**Certain Tax Credit Units [24 CFR 983.301(c)]**

For certain tax credit units, the rent limits are determined differently than for other PBV units. Different limits apply to contract units that meet all of the following criteria:

- The contract unit receives a low-income housing tax credit under the Internal Revenue Code of 1986;
- The contract unit is not located in a qualified census tract;
- There are comparable tax credit units of the same bedroom size as the contract unit in the same project, and the comparable tax credit units do not have any form of rental assistance other than the tax credit; and
- The tax credit rent exceeds one hundred ten percent (110%) of the fair market rent or any approved exception payment standard);

For contract units that meet all of these criteria, the rent to owner must not exceed the lowest of:

- The tax credit rent minus any utility allowance;
- The reasonable rent; or
- The rent requested by the owner.

**Definitions**

A *qualified census tract* is any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least fifty (50%) percent of households have an income of less than sixty (60%) percent of Area Median Gross Income (AMGI), or where the poverty rate is at least twenty-five (25%) percent and where the census tract is designated as a qualified census tract by HUD.

*Tax credit rent* is the rent charged for comparable units of the same bedroom size in the project that also receive the low-income housing tax credit but do not have any additional rental assistance (e.g., tenant-based voucher assistance).

**Reasonable Rent [24 CFR 983.301(e) and 983.302(c)(2)]**

The PHA must determine reasonable rent in accordance with 24 CFR 983.303. The rent to owner for each contract unit may at no time exceed the reasonable rent, except in cases where the PHA has elected within the HAP contract not to reduce rents below the initial rent to owner and, upon redetermination of the rent to owner, the reasonable rent would result in a rent below the initial rent. However, the rent to owner must be reduced in the following cases:

- To correct errors in calculations in accordance with HUD requirements

- If additional housing assistance has been combined with PBV assistance after the execution of the initial HAP contract and a rent decrease is required pursuant to 24 CFR 983.55
- If a decrease in rent to owner is required based on changes in the allocation of the responsibility for utilities between owner and tenant

If the PHA has not elected within the HAP contract to establish the initial rent to owner as the rent floor, the rent to owner shall not at any time exceed the reasonable rent.

#### HACB Policy

The HACB will elect within the HAP contract not to reduce rents below the initial level, with the exception of circumstances listed in 24 CFR 983.302(c)(2). If, upon redetermination of the rent to owner, the reasonable rent would result in a rent below the initial rent, the HACB will use the higher initial rent to owner amount.

#### **Use of FMRs, Exception Payment Standards, and Utility Allowances [24 CFR 983.301(f)]**

When determining the initial rent to owner, the PHA must use the most recently published FMR in effect and the utility allowance schedule in effect at execution of the HAP contract. When re-determining the rent to owner, the PHA must use the most recently published FMR and the utility allowance schedule in effect at the time of redetermination. At its discretion, the PHA may for initial rent, use the amounts in effect at any time during the thirty (30) day period immediately before the beginning date of the HAP contract, or for redeterminations of rent, the thirty (30) day period immediately before the redetermination date.

Any HUD-approved exception payment standard amount under the tenant-based voucher program also applies to the project-based voucher program. HUD will not approve a different exception payment stand amount for use in the PBV program.

Likewise, the PHA may not establish or apply different utility allowance amounts for the PBV program. The same utility allowance schedule applies to both the tenant-based and project-based voucher programs.

#### HACB Policy

Upon written request by the owner, the HACB will consider using the FMR or utility allowances in effect during the thirty (30) day period before the start date of the HAP, or redetermination of rent. The owner must explain the need to use the previous FMRs or utility allowances and include documentation in support of the request. The HACB will review and make a decision based on the circumstances and merit of each request.

In addition to considering a written request from an owner, the HACB may decide to use the FMR or utility allowances in effect during the thirty (30) day period before the start date of the HAP, or redetermination of rent, if the HACB determines it is necessary due to HACB budgetary constraints.

#### **Use of Small Area FMRs (SAFMRs) [24 CFR 888.113(h)]**

While small area FMRs (SAFMRs) do not apply to PBV projects, PHAs that operate a tenant-based program under SAFMRs may apply SAFMRs to all future PBV HAP contracts. If the PHA

adopts this policy, it must apply to all future PBV projects and all the PHA's entire jurisdiction. The SAFMRs have been adopted, even if the PHA subsequently changes its policy.

Further, the PHA may apply SAFMRs to current PBV projects where the notice of owner selection was made on or before the effective dates of the PHA implementation, provided the owner is willing to mutually agree to doing so and the application is prospective. The PHA and owner may not subsequently choose to revert back to use of the FMRs once the SAFMRs have been adopted, even if the PHA subsequently changes its policy. If rents increase as a result of the use of SAFMRs, the rent increase may not be effective until the first anniversary of the HAP contract.

#### HACB Policy

The HACB will not apply SAFMRs to the HACB's PBV program.

#### **Redetermination of Rent [24 CFR 983.302, FR Notice 11/24/08]**

The PHA must re-determine the rent to owner upon the owner's request or when there is a ten (10%) percent or greater decrease in the published FMR.

#### ***Rent Increase***

If an owner wishes to request an increase in the rent to owner from the PHA, it must be requested at the annual anniversary of the HAP contract (see Section 17-V.D.). The request must be in writing and in the form and manner required by the PHA. The PHA may only make rent increases in accordance with the rent limits described previously. There are no provisions in the PBV program for special adjustments (e.g., adjustments that reflect increases in the actual and necessary expenses of owning and maintaining the units which have resulted from substantial general increases in real property taxes, utility rates, or similar costs).

#### HACB Policy

An owner's request for a rent increase must be submitted to the HACB sixty (60) days prior to the anniversary date of the HAP contract, and must include the new rent amount the owner is proposing.

The PHA may not approve and the owner may not receive any increase of rent to owner until and unless the owner has complied with requirements of the HAP contract, including compliance with HQS. The owner may not receive any retroactive increase of rent for any period of noncompliance.

#### ***Rent Decrease***

If there is a decrease in the rent to owner, as established in accordance with program requirements such as a change in the FMR or exception payment standard, or reasonable rent amount, the rent to owner must be decreased regardless of whether the owner requested a rent adjustment, except where the PHA has elected within the HAP contract to not reduce rents below the initial rent under the initial HAP contract.

#### ***Notice of Rent Change***

The rent to owner is re-determined by written notice by the PHA to the owner specifying the amount of the re-determined rent. The PHA notice of rent adjustment constitutes an amendment of the rent to owner specified in the HAP contract. The adjusted amount of rent to owner applies for the period of twelve (12) calendar months from the annual anniversary of the HAP contract.

#### HACB Policy

The HACB will provide the owner with at least thirty (30) days written notice of any change in the amount of rent to owner.

**PHA-owned Units [24 CFR 983.301(g)]**

For PHA-owned PBV units, the initial rent to owner and the annual redetermination of rent at the anniversary of the HAP contract are determined by the independent entity approved by HUD. The PHA must use the rent to owner established by the independent entity.

**17-VIII.C. REASONABLE RENT [24 CFR 983.303]**

At the time the initial rent is established and all times during the term of the HAP contract, the rent to owner for a contract unit may not exceed the reasonable rent for the unit as determined by the PHA, except where the PHA has elected within the HAP contract to not reduce rents below the initial rent under the initial HAP contract.

**When Rent Reasonable Determinations Are Required**

The PHA must re-determine the reasonable rent for a unit receiving PBV assistance whenever any of the following occur:

- There is a ten percent or greater decrease in the published FMR in effect sixty (60) days before the contract anniversary (for the unit sizes specified in the HAP contract) as compared with the FMR that was in effect one year before the contract anniversary date;
- The PHA approves a change in the allocation of responsibility for utilities between the owner and the tenant;
- The HAP contract is amended to substitute a different contract unit in the same building or project; or
- There is any other change that may substantially affect the reasonable rent.

**How to Determine Reasonable Rent**

The reasonable rent of a unit receiving PBV assistance must be determined by comparison to rent for other comparable unassisted units. When making this determination, the PHA must consider factors that affect market rent. Such factors include the location, quality, size, type and age of the unit, as well as the amenities, housing services maintenance, and utilities to be provided by the owner.

**Comparability Analysis**

For each unit, the comparability analysis must use at least three comparable units in the private unassisted market. This may include units in the premises or project that is receiving project-based assistance. The analysis must show how the reasonable rent was determined, including major differences between the contract units and comparable unassisted units, and must be retained by the PHA. The comparability analysis may be performed by PHA staff or by another qualified person or entity. Those who conduct these analyses or are involved in determining the housing assistance payment based on the analyses may not have any direct or indirect interest in the property.

**PHA-owned Units**

For PHA-owned units, the amount of the reasonable rent must be determined by an independent agency approved by HUD in accordance with PBV program requirements. The independent entity must provide a copy of the determination of reasonable rent for PHA-owned units to the PHA and to the HUD field office where the project is located.

**Owner Certification of Reasonable Rent**

By accepting each monthly housing assistance payment, the owner certifies that the rent to owner is not more than rent charged by the owner for other comparable unassisted units in the premises. At any time, the PHA may require the owner to submit information on rents charged by the owner for other units in the premises or elsewhere.

**17-VIII.D. EFFECT OF OTHER SUBSIDY AND RENT CONTROL**

In addition to the rent limits discussed in Section 17-VIII.B above, other restrictions may limit the amount of rent to owner in a PBV unit. In addition, certain types of subsidized housing are not even eligible to receive PBV assistance (see Section 17-II.D).

**Other Subsidy [24 CFR 983.304]**

To comply with HUD subsidy layering requirements, at the discretion of HUD or its designee, a PHA shall reduce the rent to owner because of other governmental subsidies, including tax credits or tax exemptions, grants or other subsidized funding.

For units receiving assistance under the HOME program, rents may not exceed rent limits as required by that program.

For units in any of the following types of federally subsidized projects, the rent to owner may not exceed the subsidized rent (basic rent) or tax credit rent as determined in accordance with requirements for the applicable federal program:

- An insured or non-insured Section 236 project;
- A formerly insured or non-insured Section 236 project that continues to receive Interest Reduction Payment following a decoupling action;
- A Section 221(d)(3) below market interest rate (BMIR) project;
- A Section 515 project of the Rural Housing Service;
- Any other type of federally subsidized project specified by HUD.

***Combining Subsidy***

Rent to owner may not exceed any limitation required to comply with HUD subsidy layering requirements.

**Rent Control [24 CFR 983.305]**

In addition to the rent limits set by PBV program regulations, the amount of rent to owner may also be subject to rent control or other limits under local, state, or federal law.

**PART IX: PAYMENTS TO OWNER**

**17-IX.A. HOUSING ASSISTANCE PAYMENTS [24 CFR 983.351]**

During the term of the HAP contract, the PHA must make housing assistance payments to the owner in accordance with the terms of the HAP contract. During the term of the HAP contract, payments must be made for each month that a contract unit complies with HQS and is leased to and occupied by an eligible family. The housing assistance payment must be paid to the owner on or about the first day of the month for which payment is due, unless the owner and the PHA agree on a later date.

Except for discretionary vacancy payments, the PHA may not make any housing assistance payment to the owner for any month after the month when the family moves out of the unit (even if household goods or property are left in the unit).

The amount of the housing assistance payment by the PHA is the rent to owner minus the tenant rent (total tenant payment minus the utility allowance).

In order to receive housing assistance payments, the owner must comply with all provisions of the HAP contract. Unless the owner complies with all provisions of the HAP contract, the owner does not have a right to receive housing assistance payments.

#### **17-IX.B. VACANCY PAYMENTS [24 CFR 983.352]**

If an assisted family moves out of the unit, the owner may keep the housing assistance payment for the calendar month when the family moves out. However, the owner may not keep the payment if the PHA determines that the vacancy is the owner's fault.

##### HACB Policy

If the HACB determines that the owner is responsible for a vacancy and, as a result, is not entitled to the keep the housing assistance payment, the HACB will notify the landlord of the amount of housing assistance payment that the owner must repay. The HACB will require the owner to repay the amount owed in accordance with the policies in Section 16-IV.B.

At the discretion of the PHA, the HAP contract may provide for vacancy payments to the owner. The PHA may only make vacancy payments if:

- The owner gives the PHA prompt, written notice certifying that the family has vacated the unit and identifies the date when the family moved out (to the best of the owner's knowledge);
- The owner certifies that the vacancy is not the fault of the owner and that the unit was vacant during the period for which payment is claimed;
- The owner certifies that it has taken every reasonable action to minimize the likelihood and length of vacancy; and
- The owner provides any additional information required and requested by the PHA to verify that the owner is entitled to the vacancy payment.

The owner must submit a request for vacancy payments in the form and manner required by the PHA and must provide any information or substantiation required by the PHA to determine the amount of any vacancy payment.

##### HACB Policy



If an owner's HAP contract calls for vacancy payments to be made, and the owner wishes to receive vacancy payments, the owner must have properly notified the HACB of the vacancy in accordance with the policy in Section 17-VI.F. regarding filling vacancies.

In order for a vacancy payment request to be considered, it must be made within fourteen (14) calendar days of the end of the period for which the owner is requesting the vacancy payment. The request must include the required owner certifications and the HACB may require the owner to provide documentation to support the request. If the owner does not provide the information requested by the HACB within fourteen (14) calendar days of the HACB's request, no vacancy payments will be made.

#### **17-IX.C. TENANT RENT TO OWNER [24 CFR 983.353]**

The tenant rent is the portion of the rent to owner paid by the family. The amount of tenant rent is determined by the PHA in accordance with HUD requirements. Any changes in the amount of tenant rent will be effective on the date stated in the PHA notice to the family and owner.

The family is responsible for paying the tenant rent (total tenant payment minus the utility allowance). The amount of the tenant rent determined by the PHA is the maximum amount the owner may charge the family for rental of a contract unit. The tenant rent covers all housing services, maintenance, equipment, and utilities to be provided by the owner. The owner may not demand or accept any rent payment from the tenant in excess of the tenant rent as determined by the PHA. The owner must immediately return any excess payment to the tenant.

##### **Tenant and PHA Responsibilities**

The family is not responsible for the portion of rent to owner that is covered by the housing assistance payment and the owner may not terminate the tenancy of an assisted family for nonpayment by the PHA.

Likewise, the PHA is responsible only for making the housing assistance payment to the owner in accordance with the HAP contract. The PHA is not responsible for paying tenant rent, or any other claim by the owner, including damage to the unit. The PHA may not use housing assistance payments or other program funds (including administrative fee reserves) to pay any part of the tenant rent or other claim by the owner.

##### **Utility Reimbursements**

If the amount of the utility allowance exceeds the total tenant payment, the PHA must pay the amount of such excess to the tenant as a reimbursement for tenant-paid utilities, and the tenant rent to the owner must be zero (.00).

The PHA may pay the utility reimbursement directly to the family or to the utility supplier on behalf of the family. If the PHA chooses to pay the utility supplier directly, the PHA must notify the family of the amount paid to the utility supplier.

##### HACB Policy

The HACB will make utility reimbursements to the family or directly to the utility provider.

#### **17-IX.D. OTHER FEES AND CHARGES [24 CFR 983.354]**

##### **Meals and Supportive Services**

With the exception of PBV assistance in assisted living developments, the owner may not require the tenant to pay charges for meals or supportive services. Non-payment of such charges is not grounds for termination of tenancy.

In assisted living developments receiving PBV assistance, the owner may charge for meals or supportive services. These charges may not be included in the rent to owner, nor may the value of meals and supportive services be included in the calculation of the reasonable rent. However, non-payment of such charges is grounds for termination of the lease by the owner in an assisted living development.

#### **Other Charges by Owner**

The owner may not charge extra amounts for items customarily included in rent in the locality or provided at no additional cost to unsubsidized tenants in the premises.

#### **PART X: HUD'S LEAD SAFE HOUSING PERTAINING TO ELEVATED BLOOD LEAD LEVELS FOR PROJECT-BASED VOUCHER PROGRAMS**

For project-based vouchers, when a child under 6 is identified with an EBL, the owner must take the following steps. For several steps, as described below, the PHA may wish to collaborate with the owner to expedite implementation.

The owner is responsible for:

- **Initial notification of a confirmed case to HUD:** Notifying the HUD field office and the HUD Office of Lead Hazard Control and Healthy Homes of the case – that is, the child's address – within 5 business days. The PHA may wish to collaborate with the owner on this notification process, such as by agreeing with the owner to be notified of the case by the owner and to forward the notification to the two HUD offices.
- **Initial notification of a confirmed case to public health department, when necessary:** When the owner is notified of the case by the medical health care professional other than the public health department, the owner shall notify the public health department of the name and address of the child within 5 business days. The PHA may wish to collaborate with the owner on this notification process, such as by agreeing with the owner to inform the public health department.
- **Verification of the case, when necessary:** When the owner receives information from a person who is not a medical health care provider that a case may have occurred, the owner shall immediately convey the information to the public health department, asking the department to verify the information to determine whether the child has an EBL. The PHA may wish to collaborate with the owner on this verification process, such as by agreeing with the owner to receive the information, convey the information to the public health department and ask for the department's verification, and convey the result of the verification to the owner for further action if the case is confirmed or closing out the action if not.
- **Environmental Investigation:** Within 15 calendar days, conducting an environmental investigation of the child's unit and the common areas servicing that unit in accordance with Chapter 16 of HUD *Guidelines*. The PHA wish to collaborate with the owner on this evaluation process, such as by agreeing with the owner to conduct the environmental investigation. If lead-based paint hazards are found in the child's unit (the index unit) in a multiunit property, risk assessments are to be conducted within 30 or 60 calendar days

in other covered units with a child under age 6 and the common areas servicing those units depending on the number of units.

- **Control:** The owner must control (and clear) any lead-based paint hazards identified by the environmental investigation within 30 calendar days using a certified lead-based paint abatement firm or certified lead renovation firm, including having the unit and common area pass a post-work dust clearance exam in accordance with section 35.1340. If lead-based paint hazards are found in the index unit in a multiunit property, and the risk assessments in other covered units with a child under age 6 and the common areas servicing those units identified lead-based paint hazards, control those lead-based paint hazards within 30 or 90 days depending on the number of units.
- **Notification to other residents:** As already required by the LSHR, in a multiunit property, the owner must notify all residents of lead evaluation and hazard control activities.
- **Follow-up notification:** The owner must notify the HUD Field Office of the results of the environmental investigation and then of the lead hazard control work within 10 business days of the deadline for each activity. The PHA may wish to collaborate with the owner on this notification process, such as by agreeing with the owner to be notified of the results and then forward them to the Field Office.
- **Ongoing lead-based paint maintenance:** As already required by the LSHR in sections 35.715(c) and 35.720(b), after the work passes clearance, the owner must ensure that the unit and common areas are maintained as lead-safe for continued occupancy, which includes no deteriorated paint or failed lead hazard control methods. The requirements for ongoing LBP maintenance are in section 35.1355(a).
- **Reevaluation if PBV exceeds \$5,000 per year:** As already required by the LSHR in section 35.175(c), if the PBV is more than \$5,000 per unit per year, the owner must generally conduct periodic reevaluations every two years, using a certified lead risk assessor, and respond to them. The reevaluations shall be for: deteriorated paint surfaces unless they are known not to be lead-based paint, deteriorated or failed surfaces unless they are known not to be lead-based paint, deteriorated or failed interim controls of lead-based paint hazards or encapsulation or enclosure treatments, dust-lead hazards, and soil-lead hazards in newly-bare soil. Exceptions from the reevaluation requirement are in section 35.1355(b)(1) and (4); the requirements for responding to the reevaluations are in section 35.1355(c).

The PHA is responsible for:

- **Monitoring of owner's compliance with LSHR:** Monitoring the PBV owner's compliance with the LSHR in accordance with the Housing Assistance Payments (HAP) contract between the PHA and the owner. This includes such actions as (see above) monitoring the owner's compliance in:
  - Notifying HUD of a confirmed case;
  - Notifying the public health department when any other medical health care professional notified the owner of the case;
  - Verifying the case when the owner receives information from a person who is not a medical health care provider that a case may have occurred;
  - Ensuring that any required lead hazard control (including passing clearance) is complete;

- Ensuring that residents of other units in a multiunit property were notified of lead evaluation and hazard control activities; and
- Ensuring that ongoing maintenance of paint is conducted.

The PHA may wish to collaborate with the owner on this monitoring, such as in ways described above.

- **Housing Assistance Payments Contract monitoring:** For the owner to allow the resident family to return to full occupancy of their housing unit, the owner must notify the family of the completion of work and passing of clearance. Because the PHA will be monitoring the owner’s compliance with the LSHR in accordance with the HAP contract between the PHA and the owner, the PHA may wish to collaborate with the owner on this monitoring process, such as by agreeing to have the owner inform the PHA that the lead hazard control (including passing clearance) is complete, and providing documentation.
- **Lead Hazard Control:** Ensuring the owner completes and clears the control of lead-based paint hazards identified in the Environmental Investigation of the index unit and the common areas servicing that unit. If lead-based paint hazards are found in the index unit in a multiunit property, and the risk assessments in other covered units with a child under age 6 and the common areas servicing those units identified lead-based paint hazards, control those lead-based paint hazards.
- **Ongoing monitoring:** Units with identified lead- based paint hazards must have annual re-examinations for deteriorated paint and/or failed hazard control. This can be done in conjunction with periodic HQS inspections, but not at a frequency less than annually if there was deteriorated paint or known lead-based paint hazards identified in the child’s unit or common areas servicing that unit.

The following table summarizes the responsibilities of owner for compliance when a child in the HCV program is identified with an EBLL, and the ways in which the PHA can collaborate with the owner in such a case.

Activity	Responsible Entity	
	PHA	HCV Owner
Initial notification of confirmed case to HUD	▪	√
Verification, when necessary	▪	√
Initial notification of confirmed case to public health department, when necessary	▪	√
Environmental Investigation	▪	√
Lead Hazard Control		√
Clearance after work completed	▪	√
Notification to other residents		√
Ongoing LBP Maintenance		√

Periodic Reevaluation and Response, if >\$5,000/unit/year	√	√
Monitoring of owner's compliance with LSHR and HQS	√	

\* The PHA may wish to collaborate with the owner on implementing this process, as described above.

**PART XI: PROJECT-BASING HUD-VETERANS AFFAIRS SUPPORTIVE HOUSING VOUCHERS**

**1. Purpose.** This Notice supersedes Notice PIH 2011-50 and provides guidance to PHAs that have been awarded HUD-VASH vouchers and are interested in project-basing a portion or all of those vouchers. Section k. of the *Revised Implementation of the HUD-VA Supportive Housing Program* (Operating Requirements) published in *Federal Register* (77 FR 17086) on March 23, 2012, states that the Department will consider, on a case-by-case basis, requests from a PHA to project-based HUD-VASH vouchers in accordance with 24 CFR part 983.

Proposals under all three types of PBV (new construction, rehabilitation and existing housing) will be considered under this Notice. All proposals must be submitted electronically to [Phyllis.A.Smelkinson@hud.gov](mailto:Phyllis.A.Smelkinson@hud.gov) with a copy to the Director of Public Housing in the local filed office.

Requests will not be considered unless the Veteran's Affairs Medical Center (VAMC) or Community-Based Outpatient Clinic (CBOC) has provided documentation in support of this project. The proposal cover letter accompanying the request must be signed by the PHA's Executive Director (or equivalent official) and may also be signed by the VAMC's or Veterans Integrated Service Network's (VISN) Director and the VA Network Homeless Coordinator. The VA officials may include letters of support in lieu of signing the proposal cover letter.

The review factors in Section 2 of this Notice will be considered when determining whether to approve a request received under this Notice. Final decisions regarding approval of PBV proposals will be made by HUD Headquarters and the HUD-VASH Program leadership at the VA Central Office.

**2. Review Factors.** PHAs are obligated to comply with all PBV requirements at 24 CFR part 983 in addition to the following submission requirements in order to be considered under this Notice. The following materials must be included:

- a. A statement outlining the PHA's rationale for proposing to project-base HUD-VASH vouchers rather than providing tenant based assistance.
- b. A description of challenges faced by voucher holders (and HUD-VASH voucher holders, in particular) in the local rental market, including data showing the number of HUD-VASH vouchers issued in the most recent 12-month period and the number of HUD-VASH vouchers leased up in that same timeframe (the "success rate" for HUD-VASH voucher holders). HUD will no longer consider the most recent leasing indicator under SEMAP, since the leasing of HUD-VASH vouchers is dependent on

referrals from the VAMC or CBOC, and the unit months and budget authority associated with these vouchers are not included in the SEMAP leasing indicator.

- c. For newly constructed or rehabilitated units, a construction schedule that includes the dates on which the following activities are estimated to occur: (1) execution of the Agreement to enter into a Housing Assistance Payments (AHAP) contract; (2) start of construction or rehabilitation; and (3) execution of the PBV HAP contract. There is no deadline for completion of newly constructed or rehabilitated units; however, more than 24 months between execution of the AHAP and PBV HAP contract would be considered an unreasonable amount of time and would require an explanation.

Please note that project-based HUD-VASH vouchers do not have to be withheld from issuance or “shelved” while waiting for the PBV units to be constructed or rehabilitated. Instead, the vouchers may be issued to HUD-VASH eligible families. The PHA must, however, manage its program in a manner that ensures these vouchers will be available when the PBV units approved through this Notice are completed and accepted by the PHA. For example, if a PHA is going to project-base 10 tenant-based HUD-VASH vouchers and the newly constructed units won’t be available for 18 months, then the PHA could continue to utilize those 10 vouchers until such time as it becomes necessary to hold all or a portion of them to ensure the vouchers will be available when the PBV units are completed. Having made this contractual commitment, a PHA must ensure that it has enough vouchers to fulfill its contractual obligation. While there is no requirement to shelve vouchers, a PHA (e.g., a PHA with a limited number of VASH vouchers or where VASH turnover is uncommonly low) may need to shelve some vouchers in order to meet its contractual commitments.

- d. A description of the proposed project including the following data:
  - i. Total number of units and buildings in the project;
  - ii. The proposed number of HUD-VASH PBV units and where they will be located by building if there is more than one building in the project;
  - iii. Whether or not the units are PHA-owned;
  - iv. Poverty rate of the census tract in which the project is located;
  - v. Any HUD-VASH related supportive services on or near the premises of the proposed site; and
  - vi. Accessibility of the proposed site to the VAMC or CBOC, transportation, and social and medical services.
- e. Since HUD-VASH families do not have a preference for moving from their PBV units over non HUD-VASH families in PBV units, the PHA will no longer be required to demonstrate that HUD-VASH families will be able to move from their PBV units after 12 months with or without case management. This factor has no bearing on whether or not the proposal will be approved.
- f. For all projects, a statement confirming that the project was selected in accordance with 24 CFR § 983.51, *Owner Proposal Selection Procedures*. In addition, a copy of the Request for Proposals or evidence of a proposal for housing assistance awarded under

a federal, state, or local government housing assistance, community development, or supportive services program that required competitive selection and was selected by the PHA within the past three years.

- g. A copy of the applicable sections of the PHA's PHA Plan and administrative plan that relate to the PBV proposed project. For administrative plan policies, please reference sections 2.a(1), (2), (3), (6), and (7) of Notice PIH 2011-54 (*Guidance on the Project-Based Voucher Program*). For the PHA Plan, please reference section 2.b. of that Notice.
- h. A statement from the owner confirming that s/he will serve the chronically homeless using the *Housing First* model. Information on *Housing First* is available at: [http://usich.gov/usich/resources/fact\\_sheets/the\\_housing\\_first\\_checklist\\_a\\_practical\\_tool\\_for\\_assessing\\_housing\\_first\\_in](http://usich.gov/usich/resources/fact_sheets/the_housing_first_checklist_a_practical_tool_for_assessing_housing_first_in).
- i. An email from the local HUD Field Office Public Housing Director confirming that the PHA has sufficient budget authority to proceed and has complied with 24 CFR § 983.6(d), which governs the selection of PBV proposals. The information should be submitted to HUD no later than 14 calendar days prior to the date that the PHA intends to issue the Request for Proposals or make a selection based on a previous competition in accordance with 24 CFR § 98351(b). The PHA submits the required information electronically to the HUD field office by sending an email to: [pbvsubmission@hud.gov](mailto:pbvsubmission@hud.gov). The PHA must also copy the relevant local HUD Office of Public Housing (PH) Director on its email submission. The relevant local HUD PH Director's email address can be found at the following location: [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/public\\_indian\\_housing/about/focontacts#4CPH](http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/about/focontacts#4CPH), and in the HUD Locator at <http://www5.hud.gov:63001/po/i/netlocator/>.

The subject line of the email must include the PHA number (e.g., PH 195). The body of the email must clearly identify the PHA representative that the HUD field office should contact if HUD has any questions regarding the PHA submission, and the contact information for that PHA representative. HUD will reply to the PHA's email promptly to notify the PHA if: (1) HUD determines the PHA is unable to proceed with its plans to project-base because the 20 percent limitation will be exceeded; (2) if there is a material error in the PHA's calculations; (3) if there is a need for additional information or any other issue with the PHA's submission that must be addressed; or (4) if the 20% limit is not exceeded (this acknowledgement does not imply any other HUD approval).

- 3. **Continued Assistance for Families that Move from Project-Based Units.** In accordance with CFR § 983.261(a) and the lease, the family may terminate the assisted lease any time after the first year of occupancy. In 24 CFR § 983.261(b) it is further stated that if the family has elected to terminate the lease in this manner, the PHA must offer the family the opportunity for continued tenant-based rental assistance in the form of either assistance under the voucher program or other comparable tenant-based assistance as defined in 24 CFR § 983.3. This

section states that comparable rental assistance would be a subsidy or other means to enable a family to obtain decent housing in the PHA jurisdiction renting at a gross rent that is not more than 40 percent of the family's adjusted monthly income. However, in accordance with CFR § 983.261(c), **before** providing notice to terminate the lease (with a copy to the PHA) the family must contact the PHA to request comparable tenant-based rental assistance if the family wishes to move with continued assistance. If a voucher or other comparable tenant-based rental assistance is not immediately available, the PHA must give the family priority to receive the next available opportunity for continued tenant-based rental assistance.

In accordance with section g. of the Operating Requirements, as a condition of PBV rental assistance, a HUD-VASH family must receive case management services from the VAMC or CBOC; however, a VAMC or CBOC determination that the participant family no longer requires case management is not grounds for termination of assistance. In such cases where a HUD-VASH family wishes to move from its PBV unit, at its option, the PHA may offer the family continued HCV assistance through one of its regular vouchers to free up the HUD-VASH voucher for another eligible family referred by the VAMC or CBOC.

Where case management is still required, tenant-based rental assistance will be limited to jurisdictions where VAMC or CBOC case management services are available as defined in section II.f. of the Operating Requirements and any other applicable notices.

However, to ensure that all PBV units under a housing assistance payments contract remain continuously funded, the following must be implemented when a HUD-VASH family is eligible to move from its PBV unit and there is no other comparable tenant-based rental assistance to offer the family:

- a. If a HUD-VASH tenant-based voucher is not available at the time the family wants (and is eligible) to move, the PHA could require the family to wait for a HUD-VASH tenant-based voucher for a period not to exceed 180 days;
- b. If a HUD-VASH tenant-based voucher is still not available after that period of time, the family must be allowed to move with its HUD-VASH voucher and the PHA would be required to replace the assistance in the PBV unit with one of its regular vouchers unless the PHA and owner agree to remove the unit from the HAP contract; and
- c. If after 180 days, a HUD-VASH tenant-based voucher does not become available and the PHA does not have sufficient available funding in its HCV program to attach assistance to the PBV unit, the family may be required to remain in its PBV unit until such funding becomes available. In determining if funding is insufficient, the PHA must take into consideration its available budget authority, which also includes unspent prior year HAP funds in the PHA's Net Restricted Assets account.

**4. Program Requirements.** All projects must be selected, developed and operated in accordance with PBV program requirements found at 24 CFR part 983 as well as HUD-issued directives and Notices, including this Notice and Notice PIH 2011-54 (*Guidance of*



*the Project-Based Voucher Program*). Projects must also comply with the Operating Requirements Notice, with the exception of II.d. (Initial Term of the Housing Choice Voucher) and II.e. (Initial Lease Term).

5. **PIC Reporting.** Data for project-based voucher families, including families assisted with project-based HUD-VASH vouchers, must be recorded in Section 11 (*Project Based Certificates and Vouchers*) of the Family Report (form HUD-50058). Please note that payment standards do not apply to the PBV program. Families assisted under the PBV program pay no more than their total tenant payment (TTP), which must be recorded on line 9.j of the Family Report.
6. **Environmental Review.** In accordance with 24 CFR 983.58, an environmental review is required for all PBV units including existing units. A PHA, an owner, or its contractors may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct real property or commit or expend program or local funds for PBV activities until an environmental review is completed. Specifically, no AHAP for rehabilitated or new construction units may be executed until the environmental review is complete and no housing assistance payments (HAP) contract may be executed for existing units until the environmental review is completed. As PHAs are aware, the Housing and Economic Recovery Act (HERA) added a section 8(o)(13)(M) of the U.S. Housing Act of 1937 and paragraph (ii) of that new section relieves a PHA from undertaking an environmental review for an existing structure, except to the extent such a review is otherwise required by law or regulation. This new statutory section was discussed in the Federal Register notice entitled “The Housing and Economic Recovery Act of 2008 Applicability to HUD Public Housing, Section 8 Tenant-Based Voucher and Section 8 Project-Based Voucher Programs,” published on November 24, 2008, at 73 FR 71037. In that notice, HUD advised that under 24 CFR part 58, federal environmental reviews are undertaken by a Responsible Entities (usually units of general local governments), not PHAs. In addition, any federally required environmental reviews that would be eliminated by this provision.

**EXHIBIT 17-1: PBV DEVELOPMENT INFORMATION**

(Fill out one for each development)

**Date:** [May 10, 2020]

**DEVELOPMENT INFORMATION**

**Development Name:** [Sunrise Village Senior Apartments]

**Address:** [1470 State Highway 99, Gridley, CA 95948]

**Owner Information:** [PHA-owned; Butte County Affordable Housing Development Corporation and Pacific West Communities, Inc.]

Formatted: Justified

**Property Management Company:** [Insert property management company name and contact information, or enter "None"]

**PHA-Owned:** [Yes, Pacific West Communities, Inc.]

**Mixed Finance Development:** [Enter "Yes" or "No." If yes, list other types of funding and units to which other funding applies.]

**HAP CONTRACT**

**Effective Date of Contract:** [Enter start date of HAP contract]

**HOTMA Requirements:** [Post-HOTMA.]

**Term of HAP Contract:** [20 Years]

**Expiration Date of Contract:** [Enter expiration date from HAP contract]

**PBV UNITS**

	<u>0 BR</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	<u>Total</u>
<u># of Units</u>		31	5				
<u>Initial Contract Rent</u>	\$	\$891	\$1,148	\$	\$	\$	

**Accessible Units and Features:** [Identify which units are accessible and describe accessibility features or enter “None”]

**Target Population:** [Services-qualifying senior households.]

**Excepted Units:** [Identify excepted unit types below or enter “None”]

**Supportive Services:** [Yes, see Exhibit D of HAP Contract]

**Elderly Units:** [Yes, all thirty-six (36) PBV units.]

**Disabled Units** (only for HAP contracts executed prior to April 18, 2017) [N/A]

**Are units excepted because they are located in a low-poverty census tract area?:** [No]

### **WAITING LIST AND SELECTION**

**Waiting List Type:** [Site-based waiting list]

**Preferences:** [Same as HCV; see Chapter 4]

**Preference Verification:** [Same as HCV; see Chapter 4]

**For the PBV program, is the income limit the same as the HCV program?** (Note: In mixed finance developments, other income limits may also apply.) [Same as HCV; see Chapter 3]

### **OCCUPANCY**

**Subsidy Standards:** [Same as HCV; see Chapter 5]

**Utilities:** [Enter in accordance with HAP contract Exhibit C]

**Vacancy Payments:** [Enter in accordance with HAP contract Part 1, e, 2 and Section 17-V.F. within this chapter]

**EXHIBIT 17-1: PBV DEVELOPMENT INFORMATION**

(Fill out one for each development)

**Date:** [May 10, 2020]

**DEVELOPMENT INFORMATION**

**Development Name:** [Woodward Family Apartments]

**Address:** [203 East Swift Street, Orland, CA 95963]

**Owner Information:** [Pacific West Communities, Inc.]

**Property Management Company:** [Insert property management company name and contact information, or enter "None"]

**PHA-Owned:** [No]

**Mixed Finance Development:** [Enter "Yes" or "No." If yes, list other types of funding and units to which other funding applies.]

**HAP CONTRACT**

**Effective Date of Contract:** [Enter start date of HAP contract]

**HOTMA Requirements:** [Post-HOTMA.]

**Term of HAP Contract:** [20 Years]

**Expiration Date of Contract:** [Enter expiration date from HAP contract]

**PBV UNITS**

	<b><u>0 BR</u></b>	<b><u>1 BR</u></b>	<b><u>2 BR</u></b>	<b><u>3 BR</u></b>	<b><u>4 BR</u></b>	<b><u>5 BR</u></b>	<b><u>Total</u></b>
<b><u># of Units</u></b>			13	12			
<b><u>Initial Contract Rent</u></b>	\$	\$	\$573	\$764	\$	\$	

**Accessible Units and Features:** [Identify which units are accessible and describe accessibility features or enter "None"]

**Target Population:** [None.]

**Excepted Units:** [Identify excepted unit types below or enter “None”]

**Supportive Services:** [Yes, see Exhibit D of HAP Contract]

**Elderly Units:** [No]

**Disabled Units** (only for HAP contracts executed prior to April 18, 2017) [N/A]

**Are units excepted because they are located in a low-poverty census tract area?:** [No]

### **WAITING LIST AND SELECTION**

**Waiting List Type:** [Site-based waiting list]

**Preferences:** [Same as HCV; see Chapter 4]

**Preference Verification:** [Same as HCV; see Chapter 4]

**For the PBV program, is the income limit the same as the HCV program?** (Note: In mixed finance developments, other income limits may also apply.) [Same as HCV; see Chapter 3]

### **OCCUPANCY**

**Subsidy Standards:** [Same as HCV; see Chapter 5]

**Utilities:** [Enter in accordance with HAP contract Exhibit C]

**Vacancy Payments:** [Enter in accordance with HAP contract Part 1, e, 2 and Section 17-V.F. within this chapter]

**EXHIBIT 17-1: PBV DEVELOPMENT INFORMATION**

(Fill out one for each development)

**Date:** [May 10, 2020]

**DEVELOPMENT INFORMATION**

**Development Name:** [Liberty Bell Apartments]

**Address:** [134 6<sup>th</sup> Street, Orland CA 95963]

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**Owner Information:** [Pacific West Communities, Inc.]

**Property Management Company:** [Insert property management company name and contact information, or enter "None"]

**PHA-Owned:** [No]

**Mixed Finance Development:** [Enter "Yes" or "No." If yes, list other types of funding and units to which other funding applies.]

**HAP CONTRACT**

**Effective Date of Contract:** [Enter start date of HAP contract]

**HOTMA Requirements:** [Post-HOTMA.]

**Term of HAP Contract:** [20 Years]

**Expiration Date of Contract:** [Enter expiration date from HAP contract]

**PBV UNITS**

	<b><u>0 BR</u></b>	<b><u>1 BR</u></b>	<b><u>2 BR</u></b>	<b><u>3 BR</u></b>	<b><u>4 BR</u></b>	<b><u>5 BR</u></b>	<b><u>Total</u></b>
<b><u># of Units</u></b>		26	5				
<b><u>Initial Contract Rent</u></b>	\$	\$562	\$752	\$	\$	\$	

**Accessible Units and Features:** [Identify which units are accessible and describe accessibility features or enter "None"]

**Target Population:** [Services-qualifying senior households.]

**Excepted Units:** [Identify excepted unit types below or enter “None”]

**Supportive Services:** [Yes, see Exhibit D of HAP Contract]

**Elderly Units:** [Yes, all thirty-one (31) PBV units.]

**Disabled Units** (only for HAP contracts executed prior to April 18, 2017) [N/A]

**Are units excepted because they are located in a low-poverty census tract area?:** [No]

### **WAITING LIST AND SELECTION**

**Waiting List Type:** [Site-based waiting list]

**Preferences:** [Same as HCV; see Chapter 4]

**Preference Verification:** [Same as HCV; see Chapter 4]

**For the PBV program, is the income limit the same as the HCV program?** (Note: In mixed finance developments, other income limits may also apply.) [Same as HCV; see Chapter 3]

### **OCCUPANCY**

**Subsidy Standards:** [Same as HCV; see Chapter 5]

**Utilities:** [Enter in accordance with HAP contract Exhibit C]

**Vacancy Payments:** [Enter in accordance with HAP contract Part 1, e, 2 and Section 17-V.F. within this chapter]

**EXHIBIT 17-1: PBV DEVELOPMENT INFORMATION**

(Fill out one for each development)

**Date:** [May 10, 2020]

**DEVELOPMENT INFORMATION**

**Development Name:** [Park Avenue Apartments]

**Address:** [1297 Park Avenue, Chico, CA 95928]

**Owner Information:** [JHC-Acquisitions LLC]

**Property Management Company:** [Insert property management company name and contact information, or enter "None"]

**PHA-Owned:** [No]

**Mixed Finance Development:** [Enter "Yes" or "No." If yes, list other types of funding and units to which other funding applies.]

**HAP CONTRACT**

**Effective Date of Contract:** [Enter start date of HAP contract]

**HOTMA Requirements:** [Post-HOTMA.]

**Term of HAP Contract:** [20 Years]

**Expiration Date of Contract:** [Enter expiration date from HAP contract]

**PBV UNITS**

	<b><u>0 BR</u></b>	<b><u>1 BR</u></b>	<b><u>2 BR</u></b>	<b><u>3 BR</u></b>	<b><u>4 BR</u></b>	<b><u>5 BR</u></b>	<b><u>Total</u></b>
<b><u># of Units</u></b>		43					
<b><u>Initial Contract Rent</u></b>	\$	\$751	\$	\$	\$	\$	

**Accessible Units and Features:** [Identify which units are accessible and describe accessibility features or enter "None"]



**Target Population:** [Services-qualifying households.]

**Excepted Units:** [Twenty-five (25) one-bedroom units]

**Supportive Services:** [Yes, see Exhibit D of HAP Contract]

**Elderly Units:** [No.]

**Disabled Units** (only for HAP contracts executed prior to April 18, 2017) [N/A]

**Are units excepted because they are located in a low-poverty census tract area?:** [No]

### **WAITING LIST AND SELECTION**

**Waiting List Type:** [Site-based waiting list]

**Preferences:** [Same as HCV; see Chapter 4]

**Preference Verification:** [Same as HCV; see Chapter 4]

**For the PBV program, is the income limit the same as the HCV program?** (Note: In mixed finance developments, other income limits may also apply.) [Same as HCV; see Chapter 3]

### **OCCUPANCY**

**Subsidy Standards:** [Same as HCV; see Chapter 5]

**Utilities:** [Enter in accordance with HAP contract Exhibit C]

**Vacancy Payments:** [Enter in accordance with HAP contract Part 1, e, 2 and Section 17-V.F. within this chapter]

**EXHIBIT 17-1: PBV DEVELOPMENT INFORMATION**

(Fill out one for each development)

**Date:** [May 10, 2020]

**DEVELOPMENT INFORMATION**

**Development Name:** [Creekside Place]

**Address:** [Humboldt Road and Notre Dame Boulevard, Chico CA 95928]

**Owner Information:** [Creekside Place, L.P. / Community Housing Improvement Program]

**Property Management Company:** [Insert property management company name and contact information, or enter "None"]

**PHA-Owned:** [No]

**Mixed Finance Development:** [Enter "Yes" or "No." If yes, list other types of funding and units to which other funding applies.]

**HAP CONTRACT**

**Effective Date of Contract:** [Enter start date of HAP contract]

**HOTMA Requirements:** [Post-HOTMA.]

**Term of HAP Contract:** [20 Years]

**Expiration Date of Contract:** [Enter expiration date from HAP contract]

**PBV UNITS**

	<b><u>0 BR</u></b>	<b><u>1 BR</u></b>	<b><u>2 BR</u></b>	<b><u>3 BR</u></b>	<b><u>4 BR</u></b>	<b><u>5 BR</u></b>	<b><u>Total</u></b>
<b><u># of Units</u></b>		85	15				
<b><u>Initial Contract Rent</u></b>	\$	\$707	\$911	\$	\$	\$	

**Accessible Units and Features:** [Identify which units are accessible and describe accessibility features or enter "None"]

**Target Population:** [Services-qualifying households.]

**Excepted Units:** [Identify excepted unit types below or enter “None”]

**Supportive Services:** [Yes, see Exhibit D of HAP Contract]

**Elderly Units:** [No]

**Disabled Units** (only for HAP contracts executed prior to April 18, 2017) [N/A]

**Are units excepted because they are located in a low-poverty census tract area?:** [No]

### **WAITING LIST AND SELECTION**

**Waiting List Type:** [Site-based waiting list]

**Preferences:** [Same as HCV; see Chapter 4]

**Preference Verification:** [Same as HCV; see Chapter 4]

**For the PBV program, is the income limit the same as the HCV program?** (Note: In mixed finance developments, other income limits may also apply.) [Same as HCV; see Chapter 3]

### **OCCUPANCY**

**Subsidy Standards:** [Same as HCV; see Chapter 5]

**Utilities:** [Enter in accordance with HAP contract Exhibit C]

**Vacancy Payments:** [Enter in accordance with HAP contract Part 1, e, 2 and Section 17-V.F. within this chapter]

**EXHIBIT 17-1: PBV DEVELOPMENT INFORMATION**

(Fill out one for each development)

**Date:** [May 10, 2020]

**DEVELOPMENT INFORMATION**

**Development Name:** [Base Camp Village II]

**Address:** [1700 Nelson Avenue, Oroville, CA 95965]

**Owner Information:** [Caminar]

**Property Management Company:** [Insert property management company name and contact information, or enter "None"]

**PHA-Owned:** [No]

**Mixed Finance Development:** [Enter "Yes" or "No." If yes, list other types of funding and units to which other funding applies.]

**HAP CONTRACT**

**Effective Date of Contract:** [Enter start date of HAP contract]

**HOTMA Requirements:** [Post-HOTMA.]

**Term of HAP Contract:** [20 Years]

**Expiration Date of Contract:** [Enter expiration date from HAP contract]

**PBV UNITS**

	<b><u>0 BR</u></b>	<b><u>1 BR</u></b>	<b><u>2 BR</u></b>	<b><u>3 BR</u></b>	<b><u>4 BR</u></b>	<b><u>5 BR</u></b>	<b><u>Total</u></b>
<b><u># of Units</u></b>	8	4					
<b><u>Initial Contract Rent</u></b>	\$661	\$732	\$	\$	\$	\$	

**Accessible Units and Features:** [Identify which units are accessible and describe accessibility features or enter "None"]

**Target Population:** [Services-qualifying households.]

**Excepted Units:** [Identify excepted unit types below or enter “None”]

**Supportive Services:** [Yes, see Exhibit D of HAP Contract]

**Elderly Units:** [No]

**Disabled Units** (only for HAP contracts executed prior to April 18, 2017) [N/A]

**Are units excepted because they are located in a low-poverty census tract area?:** [No]

### **WAITING LIST AND SELECTION**

**Waiting List Type:** [Site-based waiting list]

**Preferences:** [Same as HCV; see Chapter 4]

**Preference Verification:** [Same as HCV; see Chapter 4]

**For the PBV program, is the income limit the same as the HCV program?** (Note: In mixed finance developments, other income limits may also apply.) [Same as HCV; see Chapter 3]

### **OCCUPANCY**

**Subsidy Standards:** [Same as HCV; see Chapter 5]

**Utilities:** [Enter in accordance with HAP contract Exhibit C]

**Vacancy Payments:** [Enter in accordance with HAP contract Part 1, e, 2 and Section 17-V.F. within this chapter]

## Chapter 18

### PROJECT BASED VOUCHERS (PBV) UNDER THE RENTAL ASSISTANCE DEMONSTRATION (RAD) PROGRAM

#### INTRODUCTION

This chapter describes HUD regulations and PHA policies related to the Project-Based Voucher (PBV) program under the Rental Assistance Demonstration (RAD) program in eight parts:

Part I: General Requirements. This part describes general provisions of the PBV program, including maximum budget authority requirements, relocation requirements, and equal opportunity requirements.

Part II: PBV Project Selection. This part describes the cap on assistance at projects receiving PBV assistance, ownership and control, and site selection standards.

Part III: Dwelling Units. This part describes requirements related to housing quality standards, the type and frequency of inspections, and housing accessibility for persons with disabilities.

Part IV: Housing Assistance Payments Contract. This part discusses HAP contract requirements and policies including the execution and term of the HAP contract.

Part V: Selection of PBV Program Participants. This part describes the requirements and policies governing how the PHA and the owner will select a family to receive PBV assistance.

Part VI: Occupancy. This part discusses occupancy requirements related to the lease, and describes under what conditions families are allowed or required to move.

Part VII: Determining Contract Rent. This part describes how the initial rent to owner is determined, and how rent will be redetermined throughout the life of the HAP contract.

Part VIII: Payments to Owner. This part describes the types of payments owners may receive under this program.

#### PART I: GENERAL REQUIREMENTS

##### 18-I.A. OVERVIEW AND HISTORY OF THE RAD PROGRAM

The Rental Assistance Demonstration (RAD) program was authorized in 2012 in order to assess the effectiveness of converting public housing, moderate rehabilitation properties, and units under the rent supplement and rental assistance payments programs to long-term, project-based Section 8 rental assistance. The program's four primary objectives are to:

- Preserve and improve public and other assisted housing.
- Standardize the administration of the plethora of federally subsidized housing programs and rules. The conversions are intended to promote operating efficiency by using a Section 8 project-based assistance model that has proven successful and effective for over 30 years. In other words, RAD aligns eligible properties more closely with other affordable housing programs.

- Attract private market capital for property renovations. Through the use of this model, properties may be able to leverage private debt and equity to make capital repairs.
- Increase tenant mobility opportunities.
- Under the first component, a PHA with public housing units may submit an application to HUD to convert some or all of their public housing units to long-term, project-based Section 8 HAP contracts under either:
- Project-based rental assistance (PBRA) under HUD’s Office of Multifamily Housing Programs
- Project-based vouchers (PBVs) under HUD’s Office of Public and Indian Housing (PIH)

This chapter will focus on public housing conversions to the PBV program under RAD. In order to distinguish between requirements for public housing conversion under RAD and PBV units under the standard PBV program, we will refer to the standard PBV program and the RAD PBV program.

#### **18-I.B. APPLICABLE REGULATIONS**

On the whole, the regulations for both the standard and RAD PBV programs generally follow the regulations for the tenant-based HCV program found at 24 CFR Part 982. However, important parts of the tenant-based regulations do not apply to the project-based program. 24 CFR Part 983 outlines the sections of 24 CFR Part 982 that are not applicable to the project-based program.

For the RAD PBV program, Congress authorized HUD to waive certain statutory and regulatory provisions or establish alternative requirements from the standard PBV program. These provisions are identified in Notice PIH 2012-32, REV-2 (issued June 15, 2015) and Notice PIH 2012-32, REV-3 (issued January 12, 2017).

Otherwise, all regulatory and statutory requirements for the standard PBV program in 24 CFR Part 983 and Section 8(o)(13) of the Housing Act of 1937, and all applicable standing and subsequent Office of Public and Indian Housing (PIH) guidance, including related handbooks, apply to RAD PBV. This includes environmental review, Davis-Bacon, and fair housing requirements.

RAD is authorized by the Consolidated and Further Continuing Appropriations Act of 2012 (Public Law 112-55, approved November 18, 2011), as amended by the Consolidated Appropriations Act of 2014 (Public Law 113-76, approved January 17, 2014), and the Consolidated and Further Continuing Appropriations Act of 2015 (Public Law 113-235, approved December 6, 2014), and Division L, Title II, Section 237 of the Consolidated Appropriations Act (Public Law 114-113, enacted December 18, 2015) collectively, the “RAD Statute.” Requirements specific to the RAD program may be found in the following:

- Generally, public housing projects converting assistance under RAD are bound by the terms of the notice in effect at the time of closing. Notice PIH 2012-32, REV-3 is applicable to projects converting assistance through RAD, including those where a CHAP has already been issued, upon the expiration of the 30-day comment period after publication of the notice. Notice PIH 2012-32, REV-3 was published January 12, 2017.

- Notice PIH 2012-32, REV-2, RAD – Final Implementation, REV-2 is applicable to projects converting assistance through RAD upon the expiration of the 30-day comment period after publication of the Notice. PIH Notice 2012-32, REV-2 was published June 15, 2015.

**NOTE: The policies in this chapter follow Notice PIH 2012-32, REV-3. If your project falls under REV-2, applicable policies may be found in the applicable sections of the Instruction Guide for Chapter 18.**

- RAD Quick Reference Guide for Public Housing Converting to PBV Assistance (10/14)
- RAD Welcome Guide for New Awardees: RAD 1st Component (3/15)
- Notice PIH 2016-17, Rental Assistance Demonstration (RAD) Notice Regarding Fair Housing and Civil Rights Requirements and Relocation Requirements Applicable to RAD First Component – Public Housing Conversions.
  - This Notice applies to all projects that have applied for RAD conversion but have not yet converted as of November 10, 2016.
- Notice PIH 2014-17, Relocation Requirements under the RAD Program, Public Housing in the First Component.
  - This notice may apply to projects that have converted to RAD prior to November 10, 2016-, AND who have requested and received approval from HUD to be governed by this notice. See PIH Notice 2016-17, Section 1, Paragraph 1.3 for applicability.

**NOTE: The policies in this chapter follow Notice PIH 2016-17. If your project falls under PIH 2014-17, applicable policies may be found in Section 18-I.D.**

- RAD FAQs (<http://www.radresource.net/search.cfm>)

In other words, the standard PBV program follows many of the same regulations as the tenant-based HCV program, but not all of them, and the RAD PBV program follows many of the same regulations as the standard PBV program, but not all of them.

MTW agencies are able to apply activities impacting the PBV program that are approved in the MTW Plan to properties converting under RAD, provided they do not conflict with RAD requirements.

### **18-I.C. TENANT-BASED VS. PROJECT-BASED VOUCHER ASSISTANCE [24 CFR 983.2]**

Much of the tenant-based voucher program regulations also apply to the PBV program. Consequently, many of the PHA policies related to tenant-based assistance also apply to RAD PBV assistance. The provisions of the tenant-based voucher regulations that do not apply to the PBV program are listed at 24 CFR 983.2.

#### HACB Policy

Except as otherwise noted in this chapter, or unless specifically prohibited by PBV program regulations, the HACB policies for the tenant-based voucher program contained in this administrative plan also apply to the RAD PBV program and its participants. This chapter is intended to address requirements specific to the RAD PBV program only.



See Exhibit 18-1 for information on projects to which the HACB has attached PBV assistance.

#### **18-I.D. RELOCATION REQUIREMENTS [Notice PIH 2016-17]**

In some developments, in-place residents may need to be relocated as a result of properties undergoing repairs, being demolished and rebuilt, or when assistance is transferred from one site to another. RAD program rules prohibit the permanent, involuntary relocation of residents as a result of conversion. Residents that are temporarily relocated retain the right to return to the project once it has been completed.

Relocation assistance provided to residents will vary depending on the length of time relocation is required. Residents must be properly notified in advance of relocation requirements in accordance with RAD program rules and Uniform Relocation Act (URA) requirements. Sample informing notices are provided in Appendices 2–5 of Notice PIH 2014-17. A written relocation plan is required if the RAD conversion involves permanent relocation (including a move in connection with a transfer of assistance) or temporary relocation anticipated to last longer than a year. While the PHA is not required to have a written relocation plan for temporary relocation lasting one year or less, HUD strongly encourages PHAs to prepare one. Appendix II of Notice PIH 2016-17 contains recommended contents for a relocation plan.

In addition, PHAs must undertake a planning process that complies with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), although not all relocations under RAD will trigger requirements under URA. URA statute and implementing regulations may be found at 49 CFR Part 24. The obligation due to relocating residents under RAD are broader than URA relocation assistance and payments.

Any residents that may need to be temporarily relocated to facilitate rehabilitation or construction will have a right to return to either: a) a unit at the development once rehabilitation or construction is completed, provided the resident's household is not under-housed; or b) a unit in the development which provides the same major features as the resident's unit in the development prior to the implementation of the RAD conversion.

Where the transfer of assistance to a new site is warranted and approved, residents of the converting development will have the right to reside in an assisted unit at the new site once rehabilitation or construction is complete.

If the PHA's proposed plans for conversion would preclude a resident from returning to the development, the resident must be given an opportunity to comment and/or object to such plans. PHAs must alter the project plans to accommodate the resident's right to return to the development if the resident would be precluded from returning to the development.

Examples of project plans that may preclude a resident from returning to the development include, but are not limited to:

- Changes in the development's bedroom distribution that decrease the size of the units, resulting in the resident being under-housed;
- The resident cannot be accommodated in the remaining assisted units due to a reduction in the number of assisted units at the development;

- Income limit eligibility requirements associated with the LIHTC program or another program; and
- Failure to provide a reasonable accommodation, in violation of applicable law, where reasonable accommodation may include installation of accessibility features that are needed by the resident.

Residents of a development undergoing conversion that would be precluded from returning to the development may voluntarily accept a PHA or owner’s offer to permanently relocate to alternative housing, and thereby waive their right to return to the development after rehabilitation or construction is completed. In this event, the PHA must secure the resident’s written consent to a voluntary permanent relocation in lieu of returning to the development. PHAs are prohibited from employing any tactics to pressure residents into relinquishing their right to return or accepting other housing options. Additionally, a PHA may not terminate a resident’s lease if the PHA fails to obtain the resident’s consent and the resident seeks to exercise the right to return.

In the case of multi-phase RAD transactions, the resident has a right to return to the development or to other converted phases of the development that are available for occupancy at the time the resident is eligible to exercise their right of return. Generally, the resident’s right to return must be accommodated within the development associated with the resident’s original unit, however, the PHA may treat multiple converted developments on the same site as one for purposes of right to return. Should the PHA seek to have the resident exercise the right to return at a future phase, the PHA must secure the resident’s consent in writing.

Alternative housing options may involve a variety of housing options, including but not limited to:

- Transfers to public housing
- Admission to other affordable housing properties subject to the applicable program rules
- Housing choice voucher (HCV) assistance
- Homeownership programs subject to the applicable program rules
- Other options identified by the PHA

**18-I.E. EQUAL OPPORTUNITY REQUIREMENTS [24 CFR 983.8; Notice PIH 2012-32, REV-3]**

RAD conversions are governed by the same civil rights authorities that govern HUD-assisted activities in general. PHAs must comply with all applicable fair housing and civil rights laws, including but not limited to the Fair Housing Act, Title VI of the Civil Rights Act of 1964, and Section 504 of the Rehabilitation Act of 1973, when conducting relocation planning and providing relocation assistance. For example, persons with disabilities returning to the RAD project may not be turned away or placed on a waiting list due to a lack of accessible units. Their need for an accessible unit must be accommodated.

**PART II: PBV PROJECT SELECTION**

**18-II.A. OVERVIEW**

Unlike in the standard PBV program where the PHA typically selects the property through an owner proposal selection process, projects selected for assistance under RAD PBV are selected in accordance with the provisions in Notice PIH 2012-32, REV-3. Therefore, 24 CFR 983.51 does not apply since HUD selects RAD properties through a competitive selection process.

#### **18-ILB. OWNERSHIP AND CONTROL [Notice PIH 2012-32, REV-3]**

Except where permitted to facilitate the use of low-income housing tax credits, during both the initial term and renewal terms of the HAP contract, ownership must be by a public or non-profit entity. The requirement for a public or non-profit entity is satisfied if a public or non-profit entity (or entities), directly or through a wholly-owned affiliate (1) holds a fee simple interest in the property; (2) is the lessor under a ground lease with the property owner; (3) has the direct or indirect legal authority to direct the financial and legal interest of the property owner with respect to the RAD units, (4) owns 51 percent or more of the general partner interests in a limited partnership or 51 percent or more of the managing member interests in a limited liability company with all powers of a general partner or managing member, as applicable; (5) owns a lesser percentage of the general partner or managing member interests and holds certain control rights as approved by HUD; (6) owns 51 percent or more of all ownership interests in a limited partnership or limited liability company and holds certain control rights as approved by HUD; or (7) other ownership and control arrangements approved by HUD.

If low-income housing tax credits will be used, HUD may allow ownership of the property to be transferred to a tax credit entity controlled by a for-profit entity if HUD determines that the PHA preserves its interest in the property. Preservation of PHA interest in the property includes but is not limited to the following:

- The PHA, or an affiliate under its sole control, is the general partner or managing member;
- The PHA retains fee ownership and leases the real estate to the tax credit entity pursuant to a long-term ground lease;
- The PHA retains control over leasing the property and determining program eligibility;
- The PHA enters into a control agreement by which the PHA retains consent rights over certain acts of the project owner and retains certain rights over the project;
- Other means that HUD finds acceptable

#### **18-IIC. PHA-OWNED UNITS [24 CFR 983.59; FR Notice 1/18/17; Notice PIH 2017-21]**

If the project is PHA-owned, rent-setting and inspection functions set out in 24 CFR 983.59 must be conducted by an independent entity approved by HUD.

The definition of control/ownership provided under Notice PIH 2012-32, REV 3 (listed above) is used specifically to determine whether a PHA retains control over a project for purposes of HUD's requirement for ownership or control of the covered project under RAD. For purposes of determining whether an independent entity will perform certain functions for the project, the definition of PHA-owned under Notice PIH 2017-21 is used. This is the same definition used for standard PBV units. In some cases, a project may meet the RAD definition of ownership or control, but may not be considered PHA-owner for purposes of requiring an independent entity.

The independent entity that performs the program services may be the unit of general local government for the PHA jurisdiction (unless the PHA is itself the unit of general local government or an agency of such government), or another HUD-approved public or private independent entity.

The PHA may compensate the independent entity from PHA ongoing administrative fee income (including amounts credited to the administrative fee reserve). The PHA may not use other program receipts to compensate the independent entity for its services. The PHA, and the independent entity, may not charge the family any fee for the services provided by the independent entity.

#### **18-II.D. SUBSIDY LAYERING REQUIREMENTS [Notice PIH 2012-32, REV-3]**

In the case of a PHA that is converting all of its ACC units, there is no restriction on the amount of public housing funds that may be contributed to the covered project at closing; the PHA may convey all program funds to the covered projects. In order to cover the cost of administrative activities required to terminate the ACC, once it no longer has units under the ACC and has no plans to develop additional public housing, the PHA may:

- Designate that a reserve associated with the project be available to fund any public housing closeout costs (such as an operating deficit reserve or a specific PHA close-out reserve). Any funds not needed for public housing close-out costs would remain in such reserve or may be transferred to another reserve associated with the project (such as the replacement reserve). Thereafter, these funds may be used at the project pursuant to the authorized use of the applicable reserve; or
- Retain funds under the public housing program for this purpose. However, HUD will recapture any public housing funds that a PHA does not expend for closeout costs.

In the case where the PHA will continue to maintain other units in its inventory under a public housing ACC, a contribution of operating funds to the covered project that exceeds the average amount the project has held in operating reserves over the past three years will trigger a subsidy layering review under 24 CFR 4.13. Similarly, any contribution of capital funds, including Replacement Housing Factor (RHF) or Demolition Disposition Transitional Funding (DDTF), will trigger a subsidy layering review. Notwithstanding the subsidy layering review, PHAs should be mindful of how the capital funds or operating reserves used in the financing of its RAD properties may impact the physical and financial health of properties that will remain in its public housing inventory.

In addition, following execution of the HAP contract, PHAs are authorized to use operating and capital funds to make HAP payments for the remainder of the first calendar year in which the HAP contract is effective. Otherwise, a PHA may not contribute public housing program funds to the covered project unless such funding has been identified in the approved financing plan and included in the approved “sources and uses” attached to the RCC.

#### **18-II.E. PBV PERCENTAGE LIMITATION [Notice PIH 2012-32, REV-3]**

Covered projects do not count against the maximum amount of assistance a PHA may utilize for the PBV program, which under the standard PBV program is set at 20 percent of the authorized

units allocated to a PHA under the HCV program. To implement this provision, HUD is waiving section 8(o)(13)(B) of the 1937 Act as well as 24 CFR 983.6.

There is no cap on the number of units that may receive PBV assistance in a project.

**18-II.F. SITE SELECTION STANDARDS [Notice PIH 2012-32 REV-3 and Notice PIH 2016-17]**

Site selection requirements set forth in 24 CFR 983.57 apply to RAD PBV, with the exception of 983.57(b)(1) and (c)(2). HUD waives the provisions regarding deconcentration of poverty and expanding housing and economic opportunity for existing housing sites.

HUD will conduct a front-end civil rights review of the PHA's proposed site in certain circumstances. For RAD PBV conversions that involve new construction located in an area of minority concentration (whether on the existing public housing site or on a new site) HUD will determine whether it meets one of the exceptions that would allow for new construction in an area of minority concentration.

The PHA must ensure that its RAD PBV conversion, including any associated new construction, is consistent with its certification to affirmatively further fair housing and complies with civil rights laws.

**18-II.G. ENVIRONMENTAL REVIEW [Notice PIH 2012-32 REV-3]**

HUD cannot approve an applicant's financing plan submission unless and until the required environmental review has been completed for the applicant's proposed conversion project and found to meet environmental review requirements. Environmental documents must be submitted as part of the financing plan. HUD will not issue a RAD Conversion Commitment (RCC) if the project plan does not meet the environmental review requirements described in Attachment 1A of Notice PIH 2012-32, REV-3.

**PART III: DWELLING UNITS**

**18-III.A. OVERVIEW**

This part identifies the special housing quality standards that apply to the RAD PBV program, housing accessibility for persons with disabilities, and special procedures for conducting housing quality standards inspections.

**18-III.B. HOUSING QUALITY STANDARDS [24 CFR 983.101]**

The housing quality standards (HQS) for the tenant-based program generally apply to the PBV program. HQS requirements for shared housing, manufactured home space rental, and the homeownership option do not apply because these housing types are not assisted under the PBV program.

The physical condition standards at 24 CFR 5.703 do not apply to the PBV program.

**Lead-based Paint [24 CFR 983.101(c)]**

The lead-based paint requirements for the tenant-based voucher program do not apply to the PBV program. Instead, The Lead-based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the

Residential Lead-based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at 24 CFR part 35, subparts A, B, H, and R, apply to the PBV program.

### **18-III.C. HOUSING ACCESSIBILITY FOR PERSONS WITH DISABILITIES**

The housing must comply with program accessibility requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8. The PHA must ensure that the percentage of accessible dwelling units complies with the requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as implemented by HUD's regulations at 24 CFR 8, subpart C.

Housing first occupied after March 13, 1991, must comply with design and construction requirements of the Fair Housing Amendments Act of 1988 and implementing regulations at 24 CFR 100.205, as applicable. (24 CFR 983.102)

### **18-III.D. INSPECTING UNITS**

#### **Initial Inspection [Notice PIH 2012-32, REV-3]**

Under RAD, all units must meet HQS no later than the date of completion of the work as indicated in the RCC.

#### **Turnover Inspections [24 CFR 983.103(c); FR Notice 1/18/17; Notice PIH 2017-20]**

Before providing assistance to a new family in a contract unit, the PHA must inspect the unit. The PHA may not provide assistance on behalf of the family until the unit fully complies with HQS, unless the PHA has adopted a policy to enter into a HAP contract for units that fail the initial HQS inspection as a result of only non-life threatening conditions or if the unit passed an alternative inspection.

#### HACB Policy

The HACB will not provide assistance in turnover units ~~unit-until~~ the unit fully complies with HQS.

#### **Annual/Biennial Inspections [24 CFR 983.103(d) and FR Notice 6/25/14]**

At least once every 24 months during the term of the HAP contract, the PHA must inspect a random sample consisting of at least 20 percent of the contract units in each building, to determine if the contract units and the premises are maintained in accordance with HQS. Turnover inspections are not counted toward meeting this inspection requirement.

#### HACB Policy

The HACB will inspect on an annual basis a random sample consisting of at least 20 percent of the contract units in each building to determine if the contract units and the premises are maintained in accordance with HQS.

If more than 20 percent of the sample of inspected contract units in a building fail the initial inspection, the PHA must reinspect 100 percent of the contract units in the building.

**Other Inspections [24 CFR 983.103(e)]**

The PHA must inspect contract units whenever needed to determine that the contract units comply with HQS and that the owner is providing maintenance, utilities, and other services in accordance with the HAP contract. The PHA must take into account complaints and any other information coming to its attention in scheduling inspections.

The PHA must conduct follow-up inspections needed to determine if the owner (or, if applicable, the family) has corrected an HQS violation, and must conduct inspections to determine the basis for exercise of contractual and other remedies for owner or family violation of HQS.

In conducting PHA supervisory quality control HQS inspections, the PHA should include a representative sample of both tenant-based and project-based units.

**Inspecting PHA-Owned Units [24 CFR 983.103(f)]**

In the case of PHA-owned units, the inspections must be performed by an independent agency designated by the PHA and approved by HUD. The independent entity must furnish a copy of each inspection report to the PHA and to the HUD field office where the project is located. The PHA must take all necessary actions in response to inspection reports from the independent agency, including exercise of contractual remedies for violation of the HAP contract by the PHA-owner.

**PART IV: HOUSING ASSISTANCE PAYMENTS (HAP) CONTRACT**

**18-IV.A. OVERVIEW**

Public housing projects converting under RAD do not employ the PBV Agreement to Enter into a Housing Assistance Payments (AHAP) contract. Instead, following the execution of all requirements contained in the Commitment to Enter into a HAP (CHAP) contract and the RAD Conversion Commitment (RCC), a project is converted immediately to the RAD PBV HAP contract following the closing of any construction financing. Owners of public housing projects converted to PBV assistance via RAD enter into a HAP contract with the PHA that will administer the PBV assistance. Units assisted under a RAD PBV HAP contract must be subject to long-term, renewable use and affordability restrictions.

**18-IV.B. HAP CONTRACT REQUIREMENTS**

**Contract Information [PBV Quick Reference Guide (10/14)]**

The RAD PBV program uses the PBV HAP contract for new construction or rehabilitated housing (Form HUD-52530A), as modified by the RAD rider (Form HUD-52621). The distinction between “existing housing” and “rehabilitated and newly constructed housing” is overridden by RAD requirements. The RAD rider must be attached to the PBV HAP contract and effectuates the conversion of public housing to PBV under RAD PBV. The project must also have an initial RAD use agreement. All public housing RAD conversion properties financed with LIHTC are also required to include an LIHTC rider.

**Execution and Effective date of the HAP Contract [RADBlast! 7/11/16]**

RAD PBV projects do not employ an Agreement to Enter into a Housing Assistance Payments (AHAP) contract like in the standard PBV program. Rather, when the conditions of the CHAP and the RCC are met and the conversion has closed, the PHA executes the HAP contract. Project

owners may select the effective date of the HAP contract as the first day of either of the two months following the completed closing.

**Term of HAP Contract [Notice PIH 2012-32, REV-3]**

The initial term of the HAP contract may not be for less than 15 years, and may be for a term of up to 20 years upon request of the owner and with approval of the administering voucher agency. Upon expiration of the initial term of the contract, and upon each renewal term of the contract, the owner must accept each offer to renew the contract, subject to the terms and conditions applicable at the time of each offer, and further subject to the availability of appropriations for each year of each such renewal. To implement this provision, HUD is waiving section 8(o)(13)(F) of The United States Housing Act of 1937, which established a maximum term of 15 years, as well as 24 CFR 983.205(a), which governs the contract term.

**Agreement to Enter into a HAP (AHAP) Contract [Notice PIH 2012-32, REV-3]**

For public housing conversions to PBV, there will be no agreement to enter into a Housing Assistance Payments (AHAP) contract. Therefore, all regulatory references to the Agreement (AHAP), including regulations under 24 CFR Part 983 Subpart D, are waived. The definitions for proposal selection date, new construction, rehabilitation, and existing housing are not applicable.

**Mandatory Contract Renewal [Notice PIH 2012-32, REV-3]**

By statute, upon contract expiration, the agency administering the vouchers will offer, and the PHA will accept, renewal of the contract subject to the terms and conditions applicable at the time of renewal and the availability of appropriations each year for such renewal. Consequently 24 CFR 983.205(b), governing the PHA discretion to renew the contract for term of up to 15 years, will not apply.

In the event that the HAP contract is removed due to breach, non-compliance or insufficiency of appropriations, for all units previously covered under the HAP contract, new tenants must have incomes at or below 80 percent of the area median income at the time of admission and rents may not exceed 30 percent of 80 percent of median income for an appropriate size unit for the remainder of the term of the RAD use agreement.

**Remedies for HQS Violations [24 CFR 983.208(b)]**

The PHA may not make any HAP payment to the owner for a contract unit during any period in which the unit does not comply with HQS. If the PHA determines that a contract does not comply with HQS, the PHA may exercise any of its remedies under the HAP contract, for any or all of the contract units. Available remedies include termination of housing assistance payments, abatement or reduction of housing assistance payments, reduction of contract units, and termination of the HAP contract.

HACB Policy

The HACB will abate and terminate PBV HAP contracts for noncompliance with HQS in accordance with the policies used in the tenant-based voucher program. These policies are contained in Section 8-II.G., Enforcing Owner Compliance.

**18-IV.C. AMENDMENTS TO THE HAP CONTRACT**



**Floating Units [Notice PIH 2012-32, REV-3]**

In certain mixed-finance projects, the PHA may ask HUD permission to have assistance float among units within the project that are the same bedroom size. The unit to which assistance is floated must be comparable to the unit being replaced in quality and amenities.

If the PHA chooses to float units, units are not specifically identified on the HAP contract, rather the HAP contract must specify the number and type of units in the property that are RAD PBV units, including any excepted units. The property must maintain the same number and type of RAD units from the time of the initial HAP contract execution forward.

HACB Policy

The HACB will not float assistance among unoccupied units within the project.

**Reduction in HAP Contract Units [Notice PIH 2012-32, REV-3]**

Project owners are required to make available for occupancy by eligible tenants the number of assisted units under the terms of the HAP contract.

The PHA may not reduce the number of assisted units without HUD approval. Any HUD approval of a PHA’s request to reduce the number of assisted units under contract is subject to conditions that HUD may impose. MTW agencies may not alter this requirement.

If units are removed from the HAP contract because a new admission’s TTP comes to equal or exceed the gross rent for the unit and if the project is fully assisted, the PHA must reinstate the unit after the family has vacated the property. If the project is partially assisted, the PHA may substitute a different unit for the unit on the HAP contract in accordance with 24 CFR 983.207, or where “floating” units have been permitted.

**18-IV.D. HAP CONTRACT YEAR AND ANNIVERSARY DATES [24 CFR 983.302(e)]**

The HAP contract year is the period of 12 calendar months preceding each annual anniversary of the HAP contract during the HAP contract term. The initial contract year is calculated from the first day of the first calendar month of the HAP contract term.

The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year. There is a single annual anniversary date for all units under a particular HAP contract.

**18-IV.E. OWNER RESPONSIBILITIES UNDER THE HAP CONTRACT [24 CFR 983.210]**

When the owner executes the HAP contract, he or she certifies that at such execution and at all times during the term of the HAP contract:

- All contract units are in good condition and the owner is maintaining the premises and contract units in accordance with HQS;
- The owner is providing all services, maintenance, equipment, and utilities as agreed to under the HAP contract and the leases;
- Each contract unit for which the owner is receiving HAP is leased to an eligible family referred by the PHA, and the lease is in accordance with the HAP contract and HUD requirements;

- To the best of the owner’s knowledge, the family resides in the contract unit for which the owner is receiving HAP, and the unit is the family’s only residence;
- The owner (including a principal or other interested party) is not the spouse, parent, child, grandparent, grandchild, sister, or brother of any member of a family residing in a contract unit;
- The amount of the HAP the owner is receiving is correct under the HAP contract;
- The rent for contract units does not exceed rents charged by the owner for comparable unassisted units;
- Except for HAP and tenant rent, the owner has not received and will not receive any other payment or consideration for rental of the contract unit;
- The family does not own or have any interest in the contract unit (this does not apply to the family’s membership in a cooperative); and
- Repair work on the project selected as an existing project that is performed after HAP contract execution within such post-execution period as specified by HUD may constitute development activity, and if determined to be development activity, the repair work undertaken shall be in compliance with Davis-Bacon wage requirements.

**18-IV.F. VACANCY PAYMENTS [24 CFR 983.352(b)]**

At the discretion of the PHA, the HAP contract may provide for vacancy payments to the owner for a PHA-determined period of vacancy extending from the beginning of the first calendar month after the move-out month for a period not exceeding two full months following the move-out month. The amount of the vacancy payment will be determined by the PHA and cannot exceed the monthly rent to owner under the assisted lease, minus any portion of the rental payment received by the owner, including amounts available from the tenant’s security deposit.

HACB Policy

The HACB will provide vacancy payments to the owner. The HAP contract with the owner will contain the amount of the vacancy payment and the period for which the owner will qualify for these payments.

**PART V: SELECTION OF PBV PROGRAM PARTICIPANTS**

**18-V.A. OVERVIEW**

Many of the provisions of the tenant-based voucher regulations [24 CFR 982] also apply to the PBV program. This includes requirements related to determining eligibility and selecting applicants from the waiting list. Even with these similarities, there are requirements that are unique to the PBV program. This part describes the requirements and policies related to eligibility and admission to the PBV program.

**18-V.B. PROHIBITED RESCREENING OF EXISTING TENANTS UPON CONVERSION [Notice PIH 2012-32, REV-3]**

Current households cannot be excluded from occupancy at the covered project based on any rescreening, income eligibility, or income targeting provisions. Consequently, current households

will be grandfathered for application of any eligibility criteria to conditions that occurred prior to conversion but will be subject to any ongoing eligibility requirements for actions that occur after conversion. Post-conversion, the tenure of all residents of the covered project is protected pursuant to PBV requirements regarding continued occupancy unless explicitly modified by Notice PIH 2012-32, REV-3 (e.g., rent phase-in provisions). For example, a unit with a household that was over-income at time of conversion would continue to be treated as an assisted unit. Thus, 24 CFR 982.201, concerning eligibility and targeting, will not apply for current households. Once that remaining household moves out, the unit must be leased to an eligible family. Existing residents at the time of conversion may not be rescreened for citizenship status or have their social security numbers reverified.

Further, so as to facilitate the right to return to the assisted property, this provision must apply to current public housing residents of the converting project that will reside in non-RAD PBV units placed in a project that contain RAD PBV units. Such families and such contract units will otherwise be subject to all requirements of the applicable program, specifically 24 CFR 983 for non-RAD PBV.

For the RAD PBV program, *in-place family* means a family who lived in a pre-conversion property at the time assistance was converted from public housing to PBV under RAD.

#### **18-V.C. ELIGIBILITY FOR PBV ASSISTANCE [24 CFR 983.251(a) and (b)]**

Applicants for PBV assistance must meet the same eligibility requirements as applicants for the tenant-based voucher program. Applicants must qualify as a family as defined by HUD and the PHA, have income at or below HUD-specified income limits, and qualify on the basis of citizenship or the eligible immigration status of family members [24 CFR 982.201(a) and 24 CFR 983.2(a)]. In addition, an applicant family must provide social security information for family members [24 CFR 5.216 and 5.218] and consent to the PHA's collection and use of family information regarding income, expenses, and family composition [24 CFR 5.230]. The PHA may also not approve a tenancy if the owner (including a principal or other interested party) of the unit is the parent, child, grandparent, grandchild, sister, or brother of any member of the family, unless needed as a reasonable accommodation. An applicant family must also meet HUD requirements related to current or past criminal activity.

##### HACB Policy

The HACB will determine an applicant family's eligibility for the RAD PBV program in accordance with the policies in Chapter 3.

#### **18-V.D. ORGANIZATION OF THE WAITING LIST [24 CFR 983.251(c) and Notice PIH 2012-32, REV-3]**

The standard PBV regulations at 24 CFR 983.251 set out program requirements related to establishing and maintaining a voucher-wide, PBV program-wide, or site-based waiting list from which residents will be admitted. These provisions will apply unless the project is covered by a remedial order or agreement that specifies the type of waiting list and other waiting list policies.

##### HACB Policy.

The HACB will establish and manage separate waiting lists for individual projects or buildings that are receiving RAD PBV assistance. The HACB currently has waiting lists for the following RAD PBV projects:

**[Insert list of projects/buildings receiving PBV assistance for which separate waiting lists are maintained].**

For any applicants on the public housing waiting list that are likely to be ineligible for admission to a covered project converting to PBV because the household's TTP is likely to exceed the RAD gross rent, the PHA will consider transferring such household, consistent with program requirements for administration of waiting lists, to the PHA's remaining public housing waiting lists or to another voucher waiting list, in addition to transferring such household to the waiting list for the covered project.

To the extent any waiting list relies on the date and time of application, the applicants shall have priority on the waiting lists to which their application was transferred in accordance with the date and time of their application to the original waiting list.

The HACB will maintain the project-specific waiting list in accordance with all applicable civil rights and fair housing regulations found at 24 CFR 903.7(b)(2)(ii)-(iv). The HACB will provide applicants full information about each development, including an estimate of the wait time, location, occupancy, number and size of accessible units, and amenities like day care, security, transportation, and training programs at each development with a site-based waiting list. The system for selection will be consistent with all applicable civil rights and fair housing laws and regulations and may not be in conflict with any imposed or pending court order, settlement agreement, or complaint brought by HUD.

The HACB will assess any changes in racial, ethnic or disability-related tenant composition at each HACB site that may have occurred during the implementation of the site-based waiting list, based on confirmed and accurate PIC occupancy data. At least every three years, the HACB will use independent testers to assure that the site-based system is not being implemented in a discriminatory manner.

#### **18-V.E. SELECTION FROM THE WAITING LIST [24 CFR 983.251(c)]**

After conversion to RAD PBV, applicants who will occupy units with RAD PBV assistance must be selected from the PHA's waiting list. The PHA may establish selection criteria or preferences for occupancy of particular PBV units.

#### **Income Targeting [24 CFR 983.251(c)(6) and Notice PIH 2012-32, REV-3]**

At least 75 percent of the families admitted to the PHA's tenant-based and project-based voucher programs during the PHA fiscal year from the waiting list must be extremely-low income families. The income targeting requirement applies to the total of admissions to both programs.

Families in place at the time of the conversion are exempt from income targeting requirements. New admissions follow standard PBV requirements.

#### **Units with Accessibility Features [24 CFR 983.251(c)(7)]**

When selecting families to occupy PBV units that have special accessibility features for persons with disabilities, the PHA must first refer families who require such features to the owner.

### **Preferences [24 CFR 983.251(d), FR Notice 11/24/08, and Notice PIH 2012-32, REV-3]**

The PHA may use the same selection preferences that are used for the tenant-based voucher program, establish selection criteria or preferences for the PBV program as a whole, or for occupancy of particular PBV developments or units.

The PHA may establish a selection preference for families who qualify for voluntary services, including disability-specific services, offered in conjunction with assisted units, provided that preference is consistent with the PHA plan. The PHA may not, however, grant a preference to a person with a specific disability [FR Notice 1/18/17].

In advertising such a project, the owner may advertise the project as offering services for a particular type of disability; however, the project must be open to all otherwise eligible persons with disabilities who may benefit from services provided in the project. In these projects, residents with disabilities may not be required to accept the particular services offered as a condition of occupancy.

#### HACB Policy

The HACB will not offer any preferences for the PBV program or for particular PBV projects or units.

### **18-V.F. OFFER OF PBV ASSISTANCE**

#### **Refusal of Offer [24 CFR 983.251(e)(3)]**

The PHA is prohibited from taking any of the following actions against a family who has applied for, received, or refused an offer of PBV assistance:

- Refusing to list the applicant on the waiting list for tenant-based voucher assistance
- Denying any admission preference for which the applicant qualifies
- Changing the applicant's place on the waiting list based on preference, date, and time of application, or other factors affecting selection under the PHA's selection policy
- Removing the applicant from the tenant-based voucher waiting list

#### **Disapproval by Landlord [24 CFR 983.251(e)(2)]**

If a PBV owner rejects a family for admission to the owner's units, such rejection may not affect the family's position on the tenant-based voucher waiting list.

#### **Acceptance of Offer [24 CFR 983.252]**

##### ***Family Briefing***

When a family accepts an offer for PBV assistance, the PHA must give the family an oral briefing. The briefing must include information on how the program works and the responsibilities of the family and owner. In addition to the oral briefing, the PHA must provide a briefing packet that explains how the PHA determines the total tenant payment for a family, the family obligations under the program, and applicable fair housing information.

##### ***Persons with Disabilities***

If an applicant family's head or spouse is disabled, the PHA must assure effective communication, in accordance with 24 CFR 8.6, in conducting the oral briefing and in providing the written

information packet. This may include making alternative formats available (see Chapter 2). In addition, the PHA must have a mechanism for referring a family that includes a member with a mobility impairment to an appropriate accessible PBV unit.

***Persons with Limited English Proficiency***

The PHA should take reasonable steps to assure meaningful access by persons with limited English proficiency in accordance with Title VI of the Civil Rights Act of 1964 and Executive Order 13166 (see Chapter 2).

**18-V.G. OWNER SELECTION OF TENANTS**

The owner is responsible for developing written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low-income families and reasonably related to program eligibility and an applicant’s ability to fulfill their obligations under the lease. An owner must promptly notify in writing any rejected applicant of the grounds for any rejection [24 CFR 983.253(a)(2) and (a)(3)].

**Leasing [24 CFR 983.253(a)]**

During the term of the HAP contract, the owner must lease contract units to eligible families that are selected and referred by the PHA from the PHA’s waiting list. The contract unit leased to the family must be the appropriate size unit for the size of the family, based on the PHA’s subsidy standards.

**Filling Vacancies [24 CFR 983.254(a)]**

The owner must promptly notify the PHA of any vacancy or expected vacancy in a contract unit. After receiving such notice, the PHA must make every reasonable effort to promptly refer a sufficient number of families for the owner to fill such vacancies. The PHA and the owner must make reasonable efforts to minimize the likelihood and length of any vacancy.

HACB Policy

The owner must notify the HACB in writing (mail, fax, or e-mail) within five business days of learning about any vacancy or expected vacancy.

The HACB will make every reasonable effort to refer families to the owner within 10 business days of receiving such notice from the owner.

**18-V.H. TENANT SCREENING [24 CFR 983.255]**

**PHA Responsibility**

The PHA is not responsible or liable to the owner or any other person for the family’s behavior or suitability for tenancy. However, the PHA may opt to screen applicants for family behavior or suitability for tenancy and may deny applicants based on such screening.

HACB Policy

The HACB will not conduct screening to determine a PBV applicant family’s suitability for tenancy.

The PHA must provide the owner with an applicant family's current and prior address (as shown in PHA records) and the name and address (if known by the PHA) of the family's current landlord and any prior landlords.

In addition, the PHA may offer the owner other information the PHA may have about a family, including information about the tenancy history of family members or about drug trafficking and criminal activity by family members. The PHA must provide applicant families a description of the PHA policy on providing information to owners, and the PHA must give the same types of information to all owners.

The PHA may not disclose to the owner any confidential information provided in response to a request for documentation of domestic violence, dating violence, sexual assault, or stalking, except at the written request or with the written consent of the individual providing the documentation [24 CFR 5.2007(c)].

#### HACB Policy

The HACB will inform owners of their responsibility to screen prospective tenants, and will provide owners with the required known name and address information, at the time of the turnover HQS inspection or before. The HACB will not provide any additional information to the owner, such as tenancy history, criminal history, etc.

#### **Owner Responsibility**

The owner is responsible for screening and selection of the family to occupy the owner's unit. When screening families the owner may consider a family's background with respect to the following factors:

- Payment of rent and utility bills
- Caring for a unit and premises
- Respecting the rights of other residents to the peaceful enjoyment of their housing
- Drug-related criminal activity or other criminal activity that is a threat to the health, safety, or property of others
- Compliance with other essential conditions of tenancy

### **PART VI: OCCUPANCY**

#### **18-VI.A. OVERVIEW**

After an applicant has been selected from the waiting list, determined eligible by the PHA, referred to an owner, and determined suitable by the owner, the family will sign the lease and occupancy of the unit will begin.

#### **18-VI.B. LEASE [24 CFR 983.256 and Notice PIH 2012-32, REV-3]**

The tenant must have legal capacity to enter into a lease under state and local law. *Legal capacity* means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner.

The tenant and the owner must enter into a written lease agreement that is signed by both parties. The tenancy addendum must include, word-for-word, all provisions required by HUD.

**Lease Requirements [24 CFR 983.256(c) and Notice PIH 2012-32, REV-3]**

The lease for a PBV unit must specify all of the following information:

- The names of the owner and the tenant;
- The unit rented (address, apartment number, if any, and any other information needed to identify the leased contract unit);
- The term of the lease (initial term and any provision for renewal);
- The amount of the tenant rent to owner, which is subject to change during the term of the lease in accordance with HUD requirements;
- A specification of the services, maintenance, equipment, and utilities that will be provided by the owner; and
- The amount of any charges for food, furniture, or supportive services.

The PHA must include resident procedural rights for termination notification and grievance procedures in the owner's lease. These requirements are not part of the regular PBV program but are required under RAD. An example of language that may be included can be found in Attachment-1E of Notice PIH 2012-32, REV-2.

**Tenancy Addendum [24 CFR 983.256(d)]**

The tenancy addendum in the lease must state:

- The program tenancy requirements
- The composition of the household as approved by the PHA (the names of family members and any PHA-approved live-in aide)

All provisions in the HUD-required tenancy addendum must be included in the lease. The terms of the tenancy addendum prevail over other provisions of the lease.

**Initial Term and Lease Renewal [24 CFR 983.256(f) and PBV Quick Reference Guide (10/14)]**

Leases for residents who will remain in place (i.e., who will not be relocated solely as a result of conversion) must have an effective date that coincides with—and must be signed on or before—the effective date of the RAD PBV HAP contract.

The initial lease term must be for at least one year. The lease must provide for automatic renewal after the initial term of the lease in either successive definitive terms (e.g., month-to-month or year-to-year) or an automatic indefinite extension of the lease term. For automatic indefinite extension of the lease term, the lease terminates if any of the following occur:

- The owner terminates the lease for good cause
- The tenant terminates the lease
- The owner and tenant agree to terminate the lease
- The PHA terminates the HAP contract



- The PHA terminates assistance for the family

#### **Changes in the Lease [24 CFR 983.256(e)]**

If the tenant and owner agree to any change in the lease, the change must be in writing, and the owner must immediately give the PHA a copy of all changes.

The owner must notify the PHA in advance of any proposed change in the lease regarding the allocation of tenant and owner responsibilities for utilities. Such changes may only be made if approved by the PHA and in accordance with the terms of the lease relating to its amendment. The PHA must redetermine reasonable rent, in accordance with program requirements, based on any change in the allocation of the responsibility for utilities between the owner and the tenant. The redetermined reasonable rent will be used in calculation of the rent to owner from the effective date of the change.

#### **Owner Termination of Tenancy [24 CFR 983.257 and Notice PIH 2012-32, REV-3]**

With two exceptions, the owner of a PBV unit may terminate tenancy for the same reasons an owner may in the tenant-based voucher program (see Section 12-III.B. and 24 CFR 982.310). In the PBV program, terminating tenancy for “good cause” does not include doing so for a business or economic reason, or a desire to use the unit for personal or family use or other non-residential purpose.

Projects converting from public housing to PBV under RAD have additional procedural rights that do not apply to the standard PBV program. These procedural rights must be included in the owner’s lease as well as the PHA’s administrative plan. In addition to the regulations at 24 CFR 983.257 related to project owner termination of tenancy and eviction (which MTW agencies may not alter) the termination procedure for RAD conversions to PBV will require that PHAs provide adequate written notice of termination of the lease which may not be less than:

- A reasonable period of time, but not to exceed 30 days:
  - If the health or safety of other tenants, PHA employees, or persons residing in the immediate vicinity of the premises is threatened; or
  - In the event of any drug-related or violent criminal activity or any felony conviction
- 14 days in the case of nonpayment of rent
- 30 days in any other case, except that if a state or local law provides for a shorter period of time, such shorter period will apply

Unlike in the standard PBV program, residents in converted projects have the right to request an informal hearing for issues that adversely affect the resident’s rights, obligations, welfare, or status with both the PHA and the project owner. See Chapter 16 Part III: Informal Reviews and Hearings for more information.

#### ***Tenant Absence from the Unit [24 CFR 983.256(g) and 982.312(a)]***

The lease may specify a maximum period of family absence from the unit that may be shorter than the maximum period permitted by PHA policy. According to program requirements, the family’s assistance must be terminated if they are absent from the unit for more than 180 consecutive days. PHA termination of assistance actions due to family absence from the unit are subject to 24 CFR

982.312, except that the unit is not terminated from the HAP contract if the family is absent for longer than the maximum period permitted.

**Continuation of Housing Assistance Payments [24 CFR 983.258 and Notice PIH 2012-32, REV-3]**

Current residents living in the property prior to conversion are placed on and remain under the HAP contract when TTP equals or exceeds gross rent. In this case, until such time as the family's TTP falls below the gross rent, the family will pay the owner the lesser of their TTP minus the utility allowance or any applicable maximum rent under the LIHTC program. The family will continue to pay this amount until/if circumstances change and HAP is paid on their behalf. In other words, assistance may subsequently be reinstated if the tenant becomes eligible for assistance. In such cases, the resident is still considered a program participant. All of the family obligations and protections under RAD and standard PBV apply to the resident. Likewise, all requirements with respect to the unit, such as compliance with the HQS requirements, apply as long as the unit is under HAP contract.

Following conversion, the standard PBV regulations apply to any newly admitted families. For those families, housing assistance payments shall continue until the tenant rent equals the rent to owner. The cessation of housing assistance payments at such point will not affect the family's other rights under its lease, nor will such cessation preclude the resumption of payments as a result of later changes in income, rents, or other relevant circumstances if such changes occur within 180 days following the date of the last housing assistance payment by the PHA. After the 180-day period, the unit shall be removed from the HAP contract pursuant to 24 CFR 983.211.

HACB Policy

If a participating family receiving zero assistance experiences a change in circumstances that would result in a HAP payment to the owner, the family must notify the HACB of the change and request an interim reexamination before the expiration of the 180-day period.

**Security Deposits [24 CFR 983.259 and PBV Quick Reference Guide (10/14)]**

Owners are permitted to recognize security deposit amounts that have been previously provided by tenants who are in-place at the time of the RAD conversion. Otherwise the security deposit requirements for standard PBV apply.

The owner may collect a security deposit from the tenant. The PHA may prohibit security deposits in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants.

HACB Policy

The HACB will allow the owner to collect a security deposit amount the owner determines is appropriate.

When the tenant moves out of a contract unit, the owner, subject to state and local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid tenant rent, damages to the unit, or other amounts owed by the tenant under the lease.

The owner must give the tenant a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used to reimburse the owner, the owner must promptly refund the full amount of the balance to the tenant.

If the security deposit does not cover the amount owed by the tenant under the lease, the owner may seek to collect the balance from the tenant. The PHA has no liability or responsibility for payment of any amount owed by the family to the owner.

**18-VI.C. PUBLIC HOUSING FSS AND ROSS PARTICIPANTS [Notice PIH 2012-32, REV-3]**

Current PH FSS participants will continue to be eligible for FSS once their housing is converted under RAD, and PHAs will be allowed to use any PH FSS funds granted previously or pursuant to the current fiscal year (FY) PH FSS notice of funding availability (NOFA), to serve those FSS participants who live in units converted to RAD and who will as a result be moving to the HCV FSS program. A PHA must convert the PH FSS program participants at the covered project to their HCV FSS program.

Residents who were converted from the PH FSS program to the HCV FSS program through RAD may not be terminated from the HCV FSS program or have HCV assistance withheld due to the participant's failure to comply with the contract of participation. Consequently, 24 CFR 984.303(b)(5)(iii) does not apply to FSS participants in converted properties.

At the completion of the FSS grant, PHAs should follow the normal closeout procedures outlined in the grant agreement. If the PHA continues to run an FSS program that serves PH and/or HCV participants, the PHA will continue to be eligible (subject to NOFA requirements) to apply for FSS funding and may use that funding to serve PH, HCV, and PBRA participants in its FSS program.

Current Resident Opportunities and Self-Sufficiency–Service Coordinators (ROSS–SC) program grantees will be able to finish out their current ROSS–SC grants once their housing is converted under RAD. However, once the property is converted, it will no longer be eligible to be counted towards the unit count for future public housing ROSS–SC grants.

At the completion of the ROSS-SC grant, PHAs should follow the normal closeout procedures outlined in the grant agreement. Please note that ROSS-SC grantees may be a non-profit or local resident association and this consequence of a RAD conversion may impact those entities.

**18-VI.D. RESIDENT PARTICIPATION AND FUNDING [Notice PIH 2012-32, REV-2]**

Residents of covered projects converting assistance to PBVs will have the right to establish and operate a resident organization for the purpose of addressing issues related to their living environment and be eligible for resident participation funding.

**18-VI.E. MOVES**

**Overcrowded, Under-Occupied, and Accessible Units [24 CFR 983.260 and Notice PIH 2012-32, REV-3]**

All in-place tenants at the time of conversion are eligible to remain in the project. Over-housed families should be moved into appropriately sized units if such units are available in the new or rehabbed project. If appropriately sized units are not available, the existing tenants may continue

to be over-housed until an appropriately sized unit becomes available or until the tenant leaves the project. Once the unit turns over, it must be leased to an appropriately sized family.

Following conversion, the standard PBV regulations apply. If the PHA determines that a family is occupying a wrong-size unit, based on the PHA's subsidy standards, or a unit with accessibility features that the family does not require, and the unit is needed by a family that does require the features, the PHA must promptly notify the family and the owner of this determination, and the PHA must offer the family the opportunity to receive continued housing assistance in another unit.

#### HACB Policy

The HACB will notify the family and the owner of the family's need to move based on the occupancy of a wrong-size or accessible unit within 10 business days of the HACB's determination. The HACB will offer the family the following types of continued assistance in the following order, based on the availability of assistance:

PBV assistance in the same building or project

PBV assistance in another project

Tenant-based voucher assistance

If the PHA offers the family a tenant-based voucher, the PHA must terminate the housing assistance payments for a wrong-size or accessible unit at the earlier of the expiration of the term of the family's voucher, including any extension granted by the PHA, or the date upon which the family vacates the unit. If the family does not move out of the wrong-size unit or accessible unit by the expiration of the term of the family's voucher, the PHA must remove the unit from the HAP contract.

If the PHA offers the family another form of assistance that is not a tenant-based voucher, and the family does not accept the offer, does not move out of the PBV unit within a reasonable time as determined by the PHA, or both, the PHA must terminate the housing assistance payments for the unit at the expiration of a reasonable period as determined by the PHA and remove the unit from the HAP contract.

#### HACB Policy

When the HACB offers a family another form of assistance that is not a tenant-based voucher, the family will be given 30 days from the date of the offer to accept the offer and move out of the PBV unit. If the family does not move out within this 30-day time frame, the HACB will terminate the housing assistance payments at the expiration of this 30-day period.

The HACB may make exceptions to this 30-day period if needed for reasons beyond the family's control such as death, serious illness, or other medical emergency of a family member.

#### **Family Right to Move [24 CFR 983.261]**

The family may terminate the lease at any time after the first year of occupancy. The family must give advance written notice to the owner in accordance with the lease and provide a copy of such notice to the PHA.

#### **Choice Mobility [Notice PIH 2012-32, REV-3]**

If the family wishes to move with continued tenant-based assistance, the family must contact the PHA to request the rental assistance prior to providing notice to terminate the lease. If the family terminates the lease in accordance with lease requirements, the PHA is required to offer the family the opportunity for continued tenant-based assistance, in the form of a voucher or other comparable tenant-based rental assistance. If a voucher or other comparable tenant-based assistance is not immediately available, the PHA must give the family priority to receive the next available opportunity for continued tenant-based assistance.

If the family terminates the assisted lease before the end of the first year, the family relinquishes the opportunity for continued tenant-based assistance.

HACB Policy:

Prior to providing notice to the owner to terminate the lease, the family may submit a written request to the HACB for a choice mobility voucher at any time after completing the 12-month occupancy requirement.

The family will remain eligible to request a choice mobility voucher as long as they continue living at the same covered project. If a family moves from one covered project to another covered project prior to completing their 12-month occupancy requirement, their 12-month clock will reset. The family must wait 12 months from the date of move at the new property before they may request another choice mobility voucher. If a family transfers to a different unit within the same covered project, the 12-month clock does not reset.

The HACB will maintain a combined, agency-wide waiting list for all standard PBV and RAD PBV families wishing to exercise mobility after one year of tenancy. This list will be maintained separately from the tenant-based HCV list. Families on the choice mobility waiting list will be given priority over families on the tenant-based waiting list. The choice mobility waiting list will be organized by date and time of the family's written request to exercise choice mobility. The list will also identify whether families live in standard or RAD PBV units.

**Turnover Cap**

If as a result of RAD, the total number of PBV units (including RAD PBV units) administered by the PHA exceeds 20 percent of the PHA's authorized units under its HCV ACC with HUD, the PHA may establish a turnover cap. The PHA is not required to provide more than three-quarters of its turnover vouchers in any single year to the residents of covered projects. If the PHA chooses to establish a turnover cap and the cap is implemented, the PHA must create and maintain a waiting list in the order requests from eligible households were received.

HACB Policy

As a result of RAD, the total number of PBV units (including RAD PBV units) administered by the HACB exceeds 20 percent of the HACB's authorized units under its HCV ACC with HUD. Therefore, the HACB will establish a choice mobility cap. The HACB will not provide more than three-quarters of its turnover vouchers in a single year to residents of covered projects.

Families who requested a choice mobility voucher and are denied due to the cap will be given priority the following year when choice mobility vouchers are again issued since the choice mobility list will be organized by the date and time of the family's request.

#### **Emergency Transfers under VAWA [Notice PIH 2017-08]**

Except where special consideration is needed for the project-based voucher program, the PHA will follow VAWA policies as outlined in Chapter 16 Part IX of this administrative plan, including using the Emergency Transfer Plan as the basis for PBV transfers under VAWA (Exhibit 16-4).

HUD requires that the PHA include policies that address when a victim has been living in a unit for less than a year or when a victim seeks to move sooner than a tenant-based voucher is available.

##### HACB Policy

When the victim of domestic violence, dating violence, sexual assault, or stalking has lived in the unit for less than one year, the HACB will provide several options for continued assistance.

The HACB will first try to transfer the participant to another PBV unit in the same development or transfer to a different development where the HACB has PBV units. The HACB will expedite the administrative processes in this case in an effort to conduct the transfer as quickly as possible.

If no units are available for an internal transfer or if there is reasonable cause to believe that such a transfer would put the victim in jeopardy, the participant may receive continued assistance through an external transfer to either tenant-based rental assistance (HCV) or assistance in the HACB's public housing program. Such a decision will be made by the HACB based on the availability of tenant-based vouchers and/or vacancies in public housing units. Such families must be selected from the waiting list for the applicable program. The HACB has adopted a waiting list preference for victims of domestic violence, dating violence, sexual assault, and stalking in both its HCV and public housing programs in order to expedite this process. See Section 4-III.C. of this administrative plan.

If a victim wishes to move after a year of occupancy in the unit, but no tenant-based vouchers are available, the HACB will offer the participant an internal transfer to another PBV unit in the same development or a transfer to a different development where the HACB has PBV units. The HACB will expedite the administrative processes in this case in an effort to conduct the transfer as quickly as possible.

If no units are available for an internal transfer, or if there is reasonable cause to believe that such a transfer would put the victim in jeopardy, the participant may receive continued assistance through an external transfer to the HACB's public housing program. The HACB has adopted a waiting list preference for victims of domestic violence, dating violence, sexual assault, and stalking as part of the public housing ACOP in order to expedite this process.

#### **18-VI.F. REEXAMINATIONS [PBV Quick Reference Guide (10/14)]**

A family living in a unit converted from public housing to RAD PBV may retain its certification date. Unless a family's annual reexamination is due at the same time as the effective date of the

RAD PBV HAP contract, the PHA does not need to recertify tenants at the point of conversion. For each family residing in a unit undergoing conversion of assistance under RAD, the administering PHA will have to submit a form HUD-50058 reflecting the family's admission to the voucher program. The effective date of the new admission will be the same as the effective date of the RAD PBV HAP contract. The form should include the same information previously found on the public housing form 50058, including the next annual reexamination date.

#### **18-VI.G. EARNED INCOME DISALLOWANCE [Notice PIH 2012-32, REV-3]**

Tenants who are employed and are currently receiving the EID exclusion at the time of conversion will continue to receive the EID after conversion, in accordance with regulations at 24 CFR 5.617. Upon the expiration of the EID for such families, the rent adjustment will not be subject to rent phase-in; instead, the rent will automatically rise to the appropriate rent level based upon tenant income at that time.

Under the HCV program, the EID exclusion is limited to only persons with disabilities [24 CFR 5.617(b)]. In order to allow all tenants (including non-disabled persons) who are employed and currently receiving the EID at the time of conversion to continue to benefit from this exclusion in the PBV project, the provision in section 5.617(b) limiting EID to only persons with disabilities is waived. The waiver and resulting alternative requirement only applies to tenants receiving the EID at the time of conversion. No other tenant, such as tenants who at one time received the EID but are not receiving the EID exclusion at the time of conversion (e.g., due to loss of employment), tenants that move into the property following conversion, etc., is covered by this waiver.

#### **18-VI.H. RESIDENTS' PROCEDURAL RIGHTS [Notice PIH 2012-32, REV-3]**

HUD is incorporating additional termination notification requirements for public housing projects that convert assistance under RAD to PBV beyond those for the standard PBV program. In addition to the regulations at 24 CFR 983.257 related to owner termination of tenancy and eviction (which MTW agencies may not alter) the termination procedure for RAD conversions to PBV require that PHAs provide adequate written notice of termination of the lease, which is no less than:

- A reasonable period of time, but not to exceed 30 days:
  - If the health or safety of other tenants, project owner employees, or persons residing in the immediate vicinity of the premises is threatened; or
  - In the event of any drug-related or violent criminal activity or any felony conviction.
- Not less than 14 days in the case of nonpayment of rent
- Not less than 30 days in any other case, except that if a state or local law provides for a shorter period of time, such shorter period will apply

#### **18-VI.I. INFORMAL REVIEWS AND HEARINGS [Notice PIH 2012-32, REV-3]**

Unlike in the standard PBV program, residents in converted projects have the right to request an informal hearing for issues that adversely affect the resident's rights, obligations, welfare, or status with both the PHA and the project owner.

In addition to reasons for an informal hearing listed at 24 CFR 982.555(a)(1)(i)–(vi) (See 16-III.C. Informal Hearings for Participants), an opportunity for an informal hearing must be given to residents for any dispute that a resident may have with respect to an owner action in accordance with the individual’s lease or the contract administrator in accordance with RAD PBV requirements that adversely affect the resident’s rights, obligations, welfare, or status.

- For any hearing required under 24 CFR 982.555(a)(1)(i)–(vi), the contract administrator will perform the hearing, as is the current standard in the program.
- For any additional hearings required under RAD, the PHA (as owner) will perform the hearing.

An informal hearing will not be required for class grievances or for disputes between residents not involving the PHA (as owner) or contract administrator. This hearing requirement does not apply to and is not intended as a forum for initiating or negotiating policy changes between a group or groups of residents and the PHA (as owner) or contract administrator.

The PHA (as owner) must give residents notice of their ability to request an informal hearing as outlined in 24 CFR 982.555(c)(1) for informal hearings that will address circumstances that fall outside of the scope of 24 CFR 982.555(a)(1)(i)–(vi). (See Chapter 16)

The PHA (as owner) must provide an opportunity for an informal hearing before an eviction.

## **PART VII: DETERMINING CONTRACT RENT**

### **18-VII.A. INITIAL CONTRACT RENTS [Notice PIH 2012-32, REV-3]**

RAD conversions are intended to be cost-neutral, and therefore, should not exceed current public housing funding as adjusted for unit size. Since public housing units do not currently have contract rents, HUD provides an estimate of current contract rents for each PHA’s public housing units based on current funding as adjusted by bedroom size. Current funding includes operating subsidy, tenant rents, capital funds, replacement housing factor funds (RHF), and demolition disposition transitional funding (DDTF). The funding may limit the amount of initial rent for a property. A detailed explanation of the determination of current funding may be found in Attachment 1C of Notice PIH 2012-32, REV-2. Once the current funding amount is calculated, the amount is adjusted by bedroom size to determine the current funding rent. HUD uses the same bedroom adjustment factors as in the metropolitan FMR schedules where the project is located.

PHAs may adjust subsidy (and contract rents) across multiple projects as long as the PHA does not exceed the aggregate subsidy for all of the projects the PHA has submitted for conversion under RAD. This use, which HUD refers to as “bundled” rents, is permissible when a PHA submits applications for two or more projects. There is no limit to the number of projects that a PHA may bundle.

Notwithstanding the current funding level, the initial rents are set at the lower of:

- 110 percent of the fair market rent (FMR) or the PHA’s exception payment standard approved by HUD, or the alternate rent cap in a PHA’s MTW agreement
- Reasonable rent in comparison to the unassisted housing market
- An amount determined by current funding



- Adjusted through rent bundling or reconfiguration of units

**18-VII.B. ADJUSTING CONTRACT RENTS [Notice PIH 2012-32, REV-3 and PBV Quick Reference Guide (10/14)]**

Contract rents will be adjusted annually by HUD's operating cost adjustment factor (OCAF) at each anniversary of the HAP contract, subject to the availability of appropriations for each year of the contract term. As such, section 8(o)(13)(I) of the 1937 Act, and 24 CFR 983.301 and 983.302, concerning rent determinations, do not apply when adjusting rents. The rent to owner may at no time exceed the reasonable rent charged for comparable unassisted units in the private market, as determined by the contract administrator in accordance with 24 CFR 983.303.

Contract rents may not exceed the reasonable rent, with the exception that the contract rent for each unit may not be reduced below the initial contract rent under the initial HAP contract.

However, the rent to owner may fall below the initial contract rent in the following situations:

- To correct errors in calculations in accordance with HUD requirements
- If additional housing assistance has been combined with PBV assistance after the execution of the initial HAP contract and a rent decrease is required pursuant to 983.55 (prohibition of excess public assistance)
- If a decrease in rent to owner is required based on changes in the allocation of responsibility for utilities between the owner and the tenant

The contract rent adjustment will be the lesser of:

- The current contract rent increased by the operating cost adjustment factor (OCAF), which is published annually in the *Federal Register*; or
- The reasonable rent

The administering PHA (or independent entity, if the project is PHA-owned) is responsible for processing rent adjustments, at each contract anniversary date, in accordance with the prevailing OCAF.

At least 120 days before the contract anniversary date, HUD recommends that the owner submit the OCAF rent adjustment worksheet (Form HUD-9625) to the PHA administering the PBV assistance (or the independent entity). The PHA will validate the data on the form and determine whether the rent exceeds the reasonable rent charged for comparable unassisted units in the private market, in accordance with 24 CFR 983.303. If rents would be unreasonable following application of the requested OCAF, then the rent can only be increased up to the reasonable rent. The approved rent adjustment will go into effect and the new rents to owner will take effect on the date of the contract anniversary.

**Rent Decrease**

Rents must not be reduced below the initial rent except to correct errors, for additional subsidy to the property, or to realign utility responsibilities.

**18-VII.C. UTILITY ALLOWANCES [Notice PIH 2012-32, REV-3 and PBV Quick Reference Guide (10/14); Notice PIH 2018-11]**

When contract rent amounts are set initially, the amount does not include a utility allowance. In general, the utility allowances that are used on the initial HAP contract at closing are the public housing utility allowances that are in effect prior to conversion. The CHAP must be updated prior to conversion to reflect current public housing utility allowances. At its discretion, a PHA may use the FMRs and utility allowances in effect during the 30-day period immediately before the beginning date of the HAP contract. A PHA may request a waiver from HUD in order to establish a site-specific utility allowance schedule.

After conversion, the PHA may maintain a utility allowance schedule for tenant-paid utilities in accordance with standard PBV and HCV utility allowance regulations at 24 CFR 983.301(f)(2)(ii) and 24 CFR 982.517 respectively. The PHA may instead, however, apply site specific utility allowances in accordance with Notice PIH 2018-11.

#### HACB Policy

The HACB will use the HCV utility allowance schedule for the RAD developments.

### **18-VI.D. REASONABLE RENT [24 CFR 983.303]**

At the time the initial rent is established and all times during the term of the HAP contract, the rent to owner for a contract unit may not exceed the reasonable rent for the unit as determined by the PHA, except rents must not be reduced below the initial rent except to correct errors, for additional subsidy to the property, or to realign utility responsibilities.

#### **How to Determine Reasonable Rent**

The reasonable rent of a unit receiving PBV assistance must be determined by comparison to rent for other comparable unassisted units. When making this determination, the PHA must consider factors that affect market rent. Such factors include the location, quality, size, type and age of the unit, as well as the amenities, housing services maintenance, and utilities to be provided by the owner.

#### ***Comparability Analysis***

For each unit, the comparability analysis must use at least three comparable units in the private unassisted market. This may include units in the premises or project that is receiving project-based assistance. The analysis must show how the reasonable rent was determined, including major differences between the contract units and comparable unassisted units, and must be retained by the PHA. The comparability analysis may be performed by PHA staff or by another qualified person or entity. Those who conduct these analyses or are involved in determining the housing assistance payment based on the analyses may not have any direct or indirect interest in the property.

#### **PHA-Owned Units**

For PHA-owned units, the amount of the reasonable rent must be determined by an independent agency approved by HUD in accordance with PBV program requirements. The independent entity must provide a copy of the determination of reasonable rent for PHA-owned units to the PHA and to the HUD field office where the project is located.

## **PART VIII: PAYMENTS TO OWNER**

### **18-VIII.A. HOUSING ASSISTANCE PAYMENTS**

During the term of the HAP contract, the PHA must make housing assistance payments to the owner in accordance with the terms of the HAP contract. During the term of the HAP contract, payments must be made for each month that a contract unit complies with HQS and is leased to and occupied by an eligible family. The housing assistance payment must be paid to the owner on or about the first day of the month for which payment is due, unless the owner and the PHA agree on a later date.

Except for discretionary vacancy payments, the PHA may not make any housing assistance payment to the owner for any month after the month when the family moves out of the unit (even if household goods or property are left in the unit).

The amount of the housing assistance payment by the PHA is the rent to owner minus the tenant rent (total tenant payment minus the utility allowance).

In order to receive housing assistance payments, the owner must comply with all provisions of the HAP contract. Unless the owner complies with all provisions of the HAP contract, the owner does not have a right to receive housing assistance payments.

#### **18-VIII.B. VACANCY PAYMENTS [24 CFR 983.352]**

If an assisted family moves out of the unit, the owner may keep the housing assistance payment for the calendar month when the family moves out. However, the owner may not keep the payment if the PHA determines that the vacancy is the owner's fault.

##### HACB Policy

If the HACB determines that the owner is responsible for a vacancy and as a result is not entitled to the keep the housing assistance payment, the HACB will notify the landlord of the amount of housing assistance payment that the owner must repay. The HACB will require the owner to repay the amount owed in accordance with the policies in Section 16-IV.B.

At the discretion of the PHA, the HAP contract may provide for vacancy payments to the owner. The PHA may only make vacancy payments if:

- The owner gives the PHA prompt, written notice certifying that the family has vacated the unit and identifies the date when the family moved out (to the best of the owner's knowledge);
- The owner certifies that the vacancy is not the fault of the owner and that the unit was vacant during the period for which payment is claimed;
- The owner certifies that it has taken every reasonable action to minimize the likelihood and length of vacancy; and
- The owner provides any additional information required and requested by the PHA to verify that the owner is entitled to the vacancy payment.

The owner must submit a request for vacancy payments in the form and manner required by the PHA and must provide any information or substantiation required by the PHA to determine the amount of any vacancy payment.

##### HACB Policy

If an owner's HAP contract calls for vacancy payments to be made, and the owner wishes to receive vacancy payments, the owner must have properly notified the HACB of the vacancy in accordance with the policy in Section 18-V.G. regarding filling vacancies.

In order for a vacancy payment request to be considered, it must be made within 10 business days of the end of the period for which the owner is requesting the vacancy payment. The request must include the required owner certifications and the HACB may require the owner to provide documentation to support the request. If the owner does not provide the information requested by the HACB within 10 business days of the HACB's request, no vacancy payments will be made.

#### **18-VIII.C. TENANT RENT TO OWNER [24 CFR 983.353]**

The tenant rent is the portion of the rent to owner paid by the family. The amount of tenant rent is determined by the PHA in accordance with HUD requirements. Any changes in the amount of tenant rent will be effective on the date stated in the PHA notice to the family and owner.

The family is responsible for paying the tenant rent (total tenant payment minus the utility allowance). The amount of the tenant rent determined by the PHA is the maximum amount the owner may charge the family for rental of a contract unit. The tenant rent covers all housing services, maintenance, equipment, and utilities to be provided by the owner. The owner may not demand or accept any rent payment from the tenant in excess of the tenant rent as determined by the PHA. The owner must immediately return any excess payment to the tenant.

##### **Tenant and PHA Responsibilities**

The family is not responsible for the portion of rent to owner that is covered by the housing assistance payment and the owner may not terminate the tenancy of an assisted family for nonpayment by the PHA.

Likewise, the PHA is responsible only for making the housing assistance payment to the owner in accordance with the HAP contract. The PHA is not responsible for paying tenant rent, or any other claim by the owner, including damage to the unit. The PHA may not use housing assistance payments or other program funds (including administrative fee reserves) to pay any part of the tenant rent or other claim by the owner.

##### **Utility Reimbursements**

If the amount of the utility allowance exceeds the total tenant payment, the PHA must pay the amount of such excess to the tenant as a reimbursement for tenant-paid utilities, and the tenant rent to the owner must be zero.

The PHA may pay the utility reimbursement directly to the family or to the utility supplier on behalf of the family. If the PHA chooses to pay the utility supplier directly, the PHA must notify the family of the amount paid to the utility supplier.

##### HACB Policy

The HACB will make utility reimbursements directly to the utility provider.

#### **18-VIII.D. PHASE-IN OF TENANT RENT INCREASES [Notice PIH 2012-32, REV-3]**

For in-place tenants, if a tenant's monthly rent increases by more than the greater of 10 percent or \$25 purely as a result of conversion, the rent increase will be phased in over three years. To

implement this provision, HUD is waiving section 3(a)(1) of the 1937 Act, as well as 24 CFR 983.3 (definition of *total tenant payment (TTP)*) only to the extent necessary to allow for the phase-in of tenant rent increases. For families who were on EID at the time of conversion to RAD PBV, upon the expiration of the EID, the rent adjustment is not subject to rent phase-in.

#### HACB Policy

The HACB will implement a three-year phase-in for in-place families whose rent increases by more than the greater of 10 percent or \$25 as a result of the conversion as follows:

Year 1: Any recertification (interim or annual) performed prior to the second annual recertification after conversion: 33 percent of the difference between the most recently paid TTP and the calculated PBV TTP

Year 2: Year 2 annual recertification (AR) and any interim recertification (IR): 50 percent of the difference between the most recently paid TTP and the calculated PBV TTP

Year 3: Year 3 AR and all subsequent recertifications: Full calculated TTP

Once the standard TTP is equal to or less than the previous TTP, the phase-in ends and tenants will pay full TTP from that point forward.

### **18.VIII.E. OTHER FEES AND CHARGES [24 CFR 983.354]**

#### **Meals and Supportive Services**

With the exception of PBV assistance in assisted living developments, the owner may not require the tenant to pay charges for meals or supportive services. Non-payment of such charges is not grounds for termination of tenancy.

In assisted living developments receiving PBV assistance, the owner may charge for meals or supportive services. These charges may not be included in the rent to owner, nor may the value of meals and supportive services be included in the calculation of the reasonable rent. However, non-payment of such charges is grounds for termination of the lease by the owner in an assisted living development.

#### **Other Charges by Owner**

The owner may not charge extra amounts for items customarily included in rent in the locality or provided at no additional cost to unsubsidized tenants in the premises.

**EXHIBIT 18-1: PBV DEVELOPMENT INFORMATION**

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(Fill out one for each development)

**Date:** [Enter the date on which this form was completed]

**DEVELOPMENT INFORMATION**

**Development Name:** [Insert name of PBV development]

**Address:** [Insert full address of PBV development]

**Owner Information:** [Insert PBV development owner name and contact information. If development is PHA-owned, enter "PHA-owned."]

**Property Management Company:** [Insert property management company name and contact information, or enter "None"]

**PHA-Owned:** [Enter "Yes" or "No." If yes, enter name of independent entity.]

**Mixed-Finance Development:** [Enter "Yes" or "No." If yes, list other types of funding and units to which other funding applies.]

**HAP CONTRACT**

**Closing Date:** [Enter closing date of RAD conversion]

**List Which Version of Notice PIH 2012-32 Applies to the Project:** [Enter "REV-2" or "REV-3"]

**Effective Date of Contract:** [Enter start date of HAP contract]

**HOTMA Requirements:** [If HAP contract was signed prior to April 18, 2017, enter "Pre-HOTMA." If HAP contract was signed on or after April 18, 2017, enter "Post-HOTMA."]

**Term of HAP Contract:** [Enter term from HAP contract]

**Expiration Date of Contract:** [Enter expiration date from HAP contract]

**PBV UNITS**

	<b><u>0 BR</u></b>	<b><u>1 BR</u></b>	<b><u>2 BR</u></b>	<b><u>3 BR</u></b>	<b><u>4 BR</u></b>	<b><u>5 BR</u></b>	<b><u>Total</u></b>
<b><u># of Units</u></b>							

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<b><u>Initial Contract Rent</u></b>							
	\$	\$	\$	\$	\$	\$	

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**Unit Designation (Mixed-Income Projects Only):** [Enter “Fixed” or “Floating”]

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**Accessible Units and Features:** [Identify which units are accessible and describe accessibility features or enter “None”]

**Target Population:** [Describe targeted population in accordance with HAP contract or enter “None”]

**Excepted Units (Notice PIH 2012-32, REV-2 Developments Only):** [Identify excepted unit types below or enter “None”]

**Supportive Services:** [Enter “Yes, see Exhibit D of HAP contract” or enter “No”]

**Elderly Units:** [Enter “Yes” or “No.” If yes, identify which units are elderly units.]

**Disabled Units** [Enter “Yes” or “No.” If yes, identify which units are for persons with disabilities.]

**WAITING LIST AND SELECTION**

**Waiting List Type:** [Enter “Site-based waiting list,” “Combined with HCV,” “Waiting list for entire PBV program,” or “Merged with another assisted housing program”]

**Preferences:** [Enter “Same as HCV; see Chapter 4” or describe preferences offered. If different from HCV, note in Section 18.1.C. of this policy.]

**Preference Verification:** [Enter “Same as HCV; see Chapter 4” or describe for each preference listed above. If different from HCV, note in Section 18.1.C. of this policy.]

**For the PBV program, is the income limit the same as the HCV program?** (Note: In mixed-finance developments, other income limits may also apply.) [Enter “Same as HCV; see Chapter 3” or clearly describe]

**OCCUPANCY**

**Subsidy Standards:** [Enter “Same as HCV; see Chapter 5” or describe. If different from HCV, note in Section 18.1.C. of this policy.]

**Utilities:** [Enter in accordance with HAP contract Exhibit C]

**Vacancy Payments:** [Enter in accordance with HAP contract Part 1, e, 2 and Section 18-IV.F. within this chapter]



## **Chapter 19**

### **HUD-VASH**

#### **19-I.A. OVERVIEW**

The HUD-VASH program is a joint national initiative of HUD and the Department of Veterans Affairs (VA) authorized pursuant to Division K, Title II of the Consolidated Appropriations Act, 2008 (Pub. L. 110-161), and implemented by initial program guidelines issued in the May 06, 2008 Federal Register, page 25026 (Correction issued May 19, 2008 page 28863).

The HACB operates the HUD-Veterans Affairs Supportive Housing (HUD-VASH) Program. The HUD-VASH program combines HUD Housing Choice Voucher (HCV) rental assistance for homeless veterans with case management and clinical services provided by the Department of Veteran Affairs (VA) at its medical centers.

HUD allocated a specific number of HUD-VASH vouchers to the HACB. The V. A. Case Manager refers HUD-VASH eligible families to the HACB for the issuance of a HUD-VASH voucher. The HACB issues a voucher to eligible referrals on the condition that the participant will continue to receive case management services from the Veterans Administration Medical Center (VAMC).

Although HUD-VASH vouchers are administered in accordance with the Housing Choice Voucher regulations at 24 CFR part 982, the Consolidated Appropriations Act, 2008 (Pub. L. 110-161) authorized the HUD Secretary to waive, or specify alternative requirements for, any provision of any statute or regulation deemed necessary for effective delivery and administration of the HUD-VASH program.

This chapter provides the key waivers and alternative requirements as designated by the HUD Secretary for the HUD-VASH program and changes in HACB policy as may be required to implement the HUD-VASH program.

All regulations of 24 CFR part 982 apply to the HUD-VASH program unless the HUD Secretary has indicated otherwise. Throughout this chapter the designation “VAMC” shall mean the HACB’s partnering Veteran’s Affairs Medical Center(s) unless otherwise indicated.

#### **19-I.B. FAMILY ELIGIBILITY FOR THE HUD-VASH PROGRAM**

Partnering Veteran Affairs Medical Centers (VAMC) or the V. A. Case worker will refer HUD-VASH eligible families to the HACB for determination of income eligibility. Written documentation of these referrals must be maintained in the tenant file at the HACB.

#### **19-I.C. WAITING LIST AND PREFERENCES**

The HACB does not have the authority to maintain a waiting list or apply local preferences for HUD-VASH vouchers. The HUD Secretary has waived 24 CFR sections 982.202, 982.204, and 982.207 relating to applicant selection from the waiting list, cross listing of the waiting list and

opening and closing of the waiting list. 24 CFR sections 982.203, 982.205 and 982.206 regarding special admissions, cross-listing and opening and closing the waiting list also do not apply.

#### **19-I.D. SCREENING FOR CRIMINAL HISTORY**

The VAMC will screen all families in accordance with its screening criteria. The PHA does not have the authority to screen potentially eligible families or deny assistance because of criminal history for any grounds permitted under 24 CFR 982.552 and 982.553 with one exception. In accordance with 24 CFR 982.553(a)(2)(i), the HACB shall conduct criminal history screening to determine whether any member of the household is subject to a lifetime registration requirement under a state sex offender registration program. The HACB shall prohibit admission of a family if any member of the household is subject to a lifetime registration requirement under a state sex offender registration program.

#### **19-I.E. TERMINATIONS AND DENIALS**

By agreeing to participate in the HUD-VASH program, the HACB relinquishes its authority to deny assistance for any of the grounds permitted under 24 CFR 982.552 (broad authority to deny participation for violation of program requirements and for any grounds permitted under 24 CFR 982.553 except for the prohibition against registered sex offenders.

As a consequence all grounds for denial of participation including denial due to lack of citizenship, the family having committed fraud, owing money to any HACB and the like are not applicable to applicants to the HUD-VASH program.

#### **Requirements for Participants in the HUD-VASH Program**

Notwithstanding the HACB's lack of authority to deny admission to HUD-VASH applicants, all the requirements for participants in assisted housing programs and all the grounds for termination of participant families contained in Chapter 12 remain in effect. The HACB's right to disapprove a live-in aide also remains in effect.

#### **Authority to Terminate for Failure to Participate in Case Management**

As a condition of HCV rental assistance in the HUD-VASH program, a HUD-VASH family must receive case management services from the VAMC. A HUD-VASH participant family's assistance must be terminated for failure to participate in case management services without good cause as verified by the VAMC.

#### **When Case Management Is No Longer Needed**

A VAMC determination that a participant HUD-VASH family no longer requires case management services is not grounds for termination of assistance. So long as the family remains in compliance with other program regulations, it may receive continued assistance under the HUD-VASH program.

At its sole discretion, the HACB may offer a HUD-VASH family that the VAMC certifies no longer needs case management services continued housing choice voucher (HCV) assistance

through one of its regular vouchers in order to free up the HUD-VASH voucher for another HUD-VASH eligible family.

Under such circumstances, the HACB shall conduct a full criminal history check to determine whether the family should be admitted to the regular HCV in accordance with the requirements of Chapter 12, Denial or Termination of Assistance and Tenancy, of this Administrative Plan. The family must meet citizenship EIV screening, and all other requirements to be admitted to the regular HCV program.

**19-I.F. INCOME ELIGIBILITY**

The HACB will determine income eligibility for the HUD-VASH program as it does for the Housing Choice Voucher Program in accordance with 24 CFR 982.201.

**19-I.G. INCOME TARGETING**

Income targeting requirements of 24 CFR 982.201(b)(2) do not apply for HUD-VASH families. The HACB may choose to include the admission of extremely low income HUD-VASH families in its income targeting numbers for the fiscal year in which these families are admitted to the HUD-VASH program.

**19-I.H. INITIAL TERM OF THE HOUSING CHOICE VOUCHER**

HUD-VASH vouchers must have an initial search term of one hundred twenty (120) days, or such other number of days as may be designated by the Secretary of Housing and Urban Development for the HUD-VASH program. 24 CFR 982.303(a) which states that the initial search term of a voucher must be at least sixty (60) days shall not apply since the initial search term must be at least one hundred twenty (120) days.

**19-I.I. EXTENSIONS**

Extensions will be granted at the discretion of the V.A. Case Manager. These extensions will be for an additional term of sixty (60) days. The extensions must be presented in writing to the HACB and must be maintained in the tenant file.

**19-I.J. INITIAL LEASE TERM**

To provide a greater range of housing opportunities for HUD-VASH voucher holders, initial leases may be for periods of less than twelve (12) months. The HUD Secretary has waived 24 CFR 982.309(a)(2)(ii).

**19-I.K. UNITS ON GROUNDS OF A MEDICAL, MENTAL, OR SIMILAR PUBLIC OR PRIVATE INSTITUTION**

HUD-VASH families will be permitted to live on the grounds of a VAMC in units owned by the VA. The HUD Secretary has waived 24 CFR 982.352(a)(5) for this purpose only.

## **19-1.L. HUD-VASH PORTABILITY**

The HUD Secretary has made the following determinations with regard to portability in the HUD-VASH program.

### **Portability Restrictions to Be Determined by the VAMC**

HUD-VASH families must receive case management services provided by the VAMC to participate in the HUD-VASH program. HUD-VASH families may only reside in those areas that are accessible to case management services as determined by the partnering VAMC.

### **Portability Moves Where the Initial PHA's Partnering VAMC Will Provide Case Management**

If the HUD-VASH family initially leases up, or moves, under portability and the family will receive case management services from the initial PHA's partnering VAMC, the receiving PHA must process the move in accordance with the portability procedures of 24 CFR 982.355. The receiving PHA must bill the initial PHA. In these cases 24 CFR 982.355(d) is not applicable and the receiving PHA may not absorb the family.

### **Portability Moves Where the Receiving PHA's Partnering VAMC Will Provide Case Management**

If the HUD-VASH family wishes to move under portability but the initial PHA's partnering VAMC is unable to provide case management services, the initial PHA's partnering VAMC must first determine that the HUD-VASH family could be served by another VAMC that is participating in the HUD-VASH program. The receiving PHA must have a HUD-VASH voucher available for the family. The receiving PHA must absorb the family as a new admission (initial voucher), or as portability move in. Upon absorption, the initial PHA's HUD-VASH voucher will be available to lease to a new HUD-VASH eligible family. The absorbed family will count towards the number of HUD-VASH slots awarded to the receiving PHA.

## **19-1.M. TURNOVER OF HUD-VASH VOUCHERS**

In accordance with the Appropriations Act of 2008, upon turnover, HUD-VASH vouchers must be issued only to eligible families identified by the partnering VAMC. The HACB cannot use HUD-VASH vouchers for any other purpose.

## **19-1.N. SECURITY DEPOSITS**

To provide a greater range of housing opportunities for HUD-VASH voucher holders, the HACB has the authority to pay the security deposit for HUD-VASH participants. Limited funding is available for this purpose and the participant, along with the VA case worker must exhaust all other possible outside sources of funding. When all other sources of funding are unavailable, the HACB will issue the Security Deposit to the landlord and enter into a repayment agreement with the HUD-VASH participant.

**19-10. REPAYMENT AGREEMENTS FOR SECURITY DEPOSITS**

Repayment agreements between the HACB and HUD-VASH participants will be entered into when a security deposit has been paid to the landlord by the HACB. The Repayment Agreement terms will be negotiated by the VA Case Worker who will assess the participant's ability to pay. The length of the repayment agreement along with the monthly payment amount will be determined by the VA Case Worker.

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## GLOSSARY

### A. ACRONYMS USED IN THE HOUSING CHOICE VOUCHER (HCV) PROGRAM

<b>AAF</b>	Annual adjustment factor (published by HUD in the Federal Register and used to compute annual rent adjustments)
<b>ACC</b>	Annual contributions contract
<b>ADA</b>	Americans with Disabilities Act of 1990
<b>AIDS</b>	Acquired immune deficiency syndrome
<b>BR</b>	Bedroom
<b>CDBG</b>	Community Development Block Grant (Program)
<b>CFR</b>	Code of Federal Regulations (published federal rules that define and implement laws; commonly referred to as “the regulations”)
<b>CPI</b>	Consumer price index (published monthly by the Department of Labor as an inflation indicator)
<b>EID</b>	Earned income disallowance
<b>EIV</b>	Enterprise Income Verification
<b>FDIC</b>	Federal Deposit Insurance Corporation
<b>FHA</b>	Federal Housing Administration (HUD Office of Housing)
<b>FHEO</b>	Fair Housing and Equal Opportunity (HUD Office of)
<b>FICA</b>	Federal Insurance Contributions Act (established Social Security taxes)
<b>FMR</b>	Fair market rent
<b>FR</b>	Federal Register
<b>FSS</b>	Family Self-Sufficiency (Program)
<b>FY</b>	Fiscal year
<b>FYE</b>	Fiscal year end
<b>GAO</b>	Government Accountability Office
<b>GR</b>	Gross rent
<b>HA</b>	Housing authority or housing agency
<b>HAP</b>	Housing assistance payment
<b>HCV</b>	Housing choice voucher
<b>HQS</b>	Housing quality standards.
<b>HUD</b>	Department of Housing and Urban Development
<b>HUDCLIPS</b>	HUD Client Information and Policy System

<b>IG</b>	(HUD Office of) Inspector General
<b>IPA</b>	Independent public accountant
<b>IRA</b>	Individual retirement account
<b>IRS</b>	Internal Revenue Service
<b>JTPA</b>	Job Training Partnership Act
<b>LBP</b>	Lead-based paint
<b>LEP</b>	Limited English proficiency
<b>MSA</b>	Metropolitan statistical area (established by the U.S. Census Bureau)
<b>MTCS</b>	Multi-family Tenant Characteristics System (now the Form HUD-50058 submodule of the PIC system)
<b>MTW</b>	Moving to Work
<b>NOFA</b>	Notice of funding availability
<b>OGC</b>	HUD's Office of General Counsel
<b>OIG</b>	(HUD Office of) Inspector General
<b>OMB</b>	Office of Management and Budget
<b>PASS</b>	Plan to Achieve Self-Support
<b>PHA</b>	Public housing agency
<b>PIC</b>	PIH Information Center
<b>PIH</b>	(HUD Office of) Public and Indian Housing
<b>PS</b>	Payment standard
<b>QC</b>	Quality control
<b>REAC</b>	(HUD) Real Estate Assessment Center
<b>RFP</b>	Request for proposals
<b>RFTA</b>	Request for tenancy approval
<b>RIGI</b>	Regional inspector general for investigation (handles fraud and program abuse matters for HUD at the regional office level)
<b>SEMAP</b>	Section 8 Management Assessment Program
<b>SRO</b>	Single room occupancy
<b>SSA</b>	Social Security Administration
<b>SSI</b>	Supplemental security income
<b>SWICA</b>	State wage information collection agency
<b>TANF</b>	Temporary assistance for needy families
<b>TPV</b>	Tenant protection vouchers



<b>TR</b>	Tenant rent
<b>TTP</b>	Total tenant payment
<b>UA</b>	Utility allowance
<b>UFAS</b>	Uniform Federal Accessibility Standards
<b>URP</b>	Utility reimbursement payment
<b>VAWA</b>	Violence Against Women Reauthorization Act of 2013

## **B. GLOSSARY OF SUBSIDIZED HOUSING TERMS**

**Absorption.** In portability (under subpart H of this part 982): the point at which a receiving PHA stops billing the initial PHA for assistance on behalf of a portability family. The receiving PHA uses funds available under the receiving PHA consolidated ACC.

**Accessible.** The facility or portion of the facility can be approached, entered, and used by individuals with disabilities.

**Adjusted Income.** Annual income, less allowable HUD deductions and allowances.

**Administrative fee.** Fee paid by HUD to the PHA for administration of the program. See §982.152.

**Administrative plan.** The plan that describes PHA policies for administration of the tenant-based programs. The Administrative Plan and any revisions must be approved by the PHA's board and included as a supporting document to the PHA Plan. See §982.54.

**Admission.** The point when the family becomes a participant in the program. The date used for this purpose is the effective date of the first HAP contract for a family (first day of initial lease term) in a tenant-based program.

**Affiliated individual.** With respect to an individual, a spouse, parent, brother, sister, or child of that individual, or an individual to whom that individual stands in loco parentis (in the place of a parent), or any individual, tenant, or lawful occupant living in the household of that individual, or situations where an individual has guardianship over another individual who is not a child

**Amortization payment.** In a manufactured home space rental: The monthly debt service payment by the family to amortize the purchase price of the manufactured home.

**Annual.** Happening once a year.

**Annual contributions contract (ACC).** The written contract between HUD and a PHA under which HUD agrees to provide funding for a program under the 1937 Act, and the PHA agrees to comply with HUD requirements for the program.

**Annual Income.** The anticipated total income of an eligible family from all sources for the 12-month period following the date of determination of income, computed in accordance with the regulations.

**Applicant (applicant family).** A family that has applied for admission to a program but is not yet a participant in the program.

**Area Exception Rent.** An amount that exceeds the published FMR. See §982.504(b).

**"As-paid" States.** States where the welfare agency adjusts the shelter and utility component of the welfare grant in accordance with actual housing costs.

**Assets.** (See Net Family Assets.)

**Auxiliary aids.** Services or devices that enable persons with impaired sensory, manual, or speaking skills to have an equal opportunity to participate in, and enjoy the benefits of, programs or activities receiving Federal financial assistance.

**Biennial.** Happening every two years.

**Bifurcate.** With respect to public housing or Section 8 lease, to divide a lease as a matter of law such that certain tenants can be evicted or removed while the remaining family members' lease and occupancy rights are allowed to remain intact.

**Budget authority.** An amount authorized and appropriated by the Congress for payment to PHAs under the program. For each funding increment in a PHA program, budget authority is the maximum amount that may be paid by HUD to the PHA over the ACC term of the funding increment.

**Child.** A member of the family other than the family head or spouse who is under 18 years of age.

**Child care expenses.** Amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.

**Citizen.** A citizen or national of the United States.

**Co-head.** An individual in the household who is equally responsible for the lease with the head of household. A family may have a co-head or spouse but not both. A co-head never qualifies as a dependent. The co-head must have legal capacity to enter into a lease.

**Common space.** In shared housing: Space available for use by the assisted family and other occupants of the unit.

**Computer match.** The automated comparison of data bases containing records about individuals.

**Confirmatory review.** An on-site review performed by HUD to verify the management performance of a PHA.

**Consent form.** Any consent form approved by HUD to be signed by assistance applicants and participants to obtain income information from employers and SWICAs; return information from the Social Security Administration (including wages, net earnings from self-employment, and retirement income); and return information for unearned income from the IRS. Consent forms expire after a certain time and may authorize the collection of other information to determine eligibility or level of benefits.

**Congregate housing.** Housing for elderly persons or persons with disabilities that meets the HQS for congregate housing. A special housing type: see §982.606 to §982.609.

**Contiguous MSA.** In portability (under subpart H of part 982): An MSA that shares a common boundary with the MSA in which the jurisdiction of the initial PHA is located.

**Continuously assisted.** An applicant is continuously assisted under the 1937 Act if the family is already receiving assistance under any 1937 Housing Act program when the family is admitted to the voucher program.

**Contract authority.** The maximum annual payment by HUD to a PHA for a funding increment.

**Cooperative** (term includes mutual housing). Housing owned by a nonprofit corporation or association, and where a member of the corporation or association has the right to reside in a particular apartment, and to participate in management of the housing. A special housing type: see §982.619.

**Covered families.** Statutory term for families who are required to participate in a welfare agency economic self-sufficiency program and who may be subject to a welfare benefit sanction for noncompliance with this obligation. Includes families who receive welfare assistance or other public assistance under a program for which Federal, State or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for the assistance.

**Dating violence.** Violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim; and where the existence of such a relationship shall be determined based on a consideration of the following factors:

- The length of the relationship
- The type of relationship
- The frequency of interaction between the persons involved in the relationship

**Dependent.** A member of the family (except foster children and foster adults) other than the family head or spouse, who is under 18 years of age, or is a person with a disability, or is a full-time student.

**Dependent child.** In the context of the student eligibility restrictions, a dependent child of a student enrolled in an institution of higher education. The dependent child must also meet the definition of *dependent* as specified above.

**Disability assistance expenses.** Reasonable expenses that are anticipated, during the period for which annual income is computed, for attendant care and auxiliary apparatus for a disabled family member and that are necessary to enable a family member (including the disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source.

**Disabled family.** A family whose head, spouse, or sole member is a person with disabilities; or two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides.

**Disabled person.** See *person with disabilities*.

**Displaced family.** A family in which each member, or whose sole member, is a person displaced by governmental action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws.

**Domestic violence.** Felony or misdemeanor crimes committed by a current or former spouse of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected

from that person's acts under the domestic or family violence laws of the jurisdiction, or intimate partner.

**Domicile.** The legal residence of the household head or spouse as determined in accordance with State and local law.

**Drug-related criminal activity.** The illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute, or use the drug.

**Economic Self-Sufficiency Program.** Any program designed to encourage, assist, train or facilitate the economic independence of assisted families, or to provide work for such families. Can include job training, employment counseling, work placement, basic skills training, education, English proficiency, Workfare, financial or household management, apprenticeship, or any other program necessary to ready a participant to work (such as treatment for drug abuse or mental health treatment). Includes any work activities as defined in the Social Security Act (42 U.S.C. 607(d)). Also see §5.603(c).

**Elderly family.** A family whose head, spouse, or sole member is a person who is at least 62 years of age; or two or more persons who are at least 62 years of age living together; or one or more persons who are at least 62 years of age living with one or more live-in aides.

**Elderly Person.** An individual who is at least 62 years of age.

**Eligible Family.** A family that is income eligible and meets the other requirements of the Act and Part 5 of 24 CFR. See also *family*.

**Employer Identification Number (EIN).** The nine-digit taxpayer identifying number that is assigned to an individual, trust, estate, partnership, association, company, or corporation.

**Evidence of citizenship or eligible status.** The documents which must be submitted to evidence citizenship or eligible immigration status. (See §5.508(b).)

**Extremely Low Income Family.** A family whose annual income does not exceed the federal poverty level or 30 percent of the median income for the area, whichever number is higher. Area median income is determined by HUD, with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than 30 percent of median income if HUD finds such variations are necessary due to unusually high or low family incomes. (*CFR 5.603*)

**Facility.** All or any portion of buildings, structures, equipment, roads, walks, parking lots, rolling stock or other real or personal property or interest in the property.

**Fair Housing Act** means title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988

**Fair market rent (FMR).** The rent, including the cost of utilities (except telephone), as established by HUD for units of varying sizes (by number of bedrooms), that must be paid in the housing market area to rent privately owned, existing, decent, safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities. See periodic publications in the Federal Register in accordance with 24 CFR part 888.

**Family.** Includes but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status, and can be further defined in PHA policy.

- A family with or without children (the temporary absence of a child from the home due to placement in foster care is not considered in determining family composition and family size)
- An elderly family or a near-elderly family
- A displaced family
- The remaining member of a tenant family
- A single person who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family.

**Family rent to owner.** In the voucher program, the portion of rent to owner paid by the family.

**Family self-sufficiency program (FSS program).** The program established by a PHA in accordance with 24 CFR part 984 to promote self-sufficiency of assisted families, including the coordination of supportive services (42 U.S.C. 1437u).

**Family share.** The portion of rent and utilities paid by the family. For calculation of family share, see §982.515(a).

**Family unit size.** The appropriate number of bedrooms for a family, as determined by the PHA under the PHA subsidy standards.

**Federal agency.** A department of the executive branch of the federal government.

**Foster Child Care Payment.** Payment to eligible households by state, local, or private agencies appointed by the State, to administer payments for the care of foster children.

**Full-time Student.** A person who is attending school or vocational training on a full-time basis (carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended). *CFR 5.603*

**Funding increment.** Each commitment of budget authority by HUD to a PHA under the consolidated annual contributions contract for the PHA program.

**Gender identity.** Actual or perceived gender-related characteristics.

**Gross rent.** The sum of the rent to owner plus any utility allowance.

**Group home.** A dwelling unit that is licensed by a State as a group home for the exclusive residential use of two to twelve persons who are elderly or persons with disabilities (including any live-in aide). A special housing type: see §982.610 to §982.614.

**Handicap.** Any condition or characteristic that renders a person an individual with handicaps. (See *person with disabilities*).

**HAP contract.** Housing assistance payments contract. (Contract). A written contract between the PHA and an owner for the purpose of providing housing assistance payments to the owner on behalf of an eligible family.

**Head of household.** The adult member of the family who is the head of the household for purposes of determining income eligibility and rent.

**Household.** A household includes additional people other than the family who, with the PHA's permission, live in an assisted unit, such as live-in aides, foster children and foster adults.

**Housing assistance payment.** The monthly assistance payment by a PHA, which includes: (1) A payment to the owner for rent to the owner under the family's lease; and (2) An additional payment to the family if the total assistance payment exceeds the rent to owner.

**Housing agency (HA).** See *public housing agency*.

**Housing Quality Standards.** The HUD minimum quality standards for housing assisted under the voucher program.

**HUD.** The Department of Housing and Urban Development.

**Imputed Asset.** Asset disposed of for less than Fair Market Value during two years preceding examination or reexamination.

**Imputed asset income.** HUD passbook rate multiplied by the total cash value of assets. Calculation used when net family assets exceed \$5,000.

**Imputed welfare income.** An amount of annual income that is not actually received by a family as a result of a specified welfare benefit reduction, but is included in the family's annual income and therefore reflected in the family's rental contribution.

**Income.** Income from all sources of each member of the household, as determined in accordance with criteria established by HUD.

**Income For Eligibility.** Annual Income.

**Income information** means information relating to an individual's income, including:

- All employment income information known to current or previous employers or other income sources
- All information about wages, as defined in the State's unemployment compensation law, including any Social Security Number; name of the employee; quarterly wages of the employee; and the name, full address, telephone number, and, when known, Employer Identification Number of an employer reporting wages under a State unemployment compensation law
- Whether an individual is receiving, has received, or has applied for unemployment compensation, and the amount and the period received
- Unearned IRS income and self-employment, wages and retirement income
- Wage, social security, and supplemental security income data obtained from the Social Security Administration.

**Individual with handicaps.** See *persons with disabilities*.

**Initial PHA.** In portability, the term refers to both: (1) A PHA that originally selected a family that later decides to move out of the jurisdiction of the selecting PHA; and (2) A PHA that absorbed a family that later decides to move out of the jurisdiction of the absorbing PHA.

**Initial payment standard.** The payment standard at the beginning of the HAP contract term.

**Initial rent to owner.** The rent to owner at the beginning of the HAP contract term.

**Institution of higher education.** An institution of higher education as defined in 20 U.S.C. 1001 and 1002.

**Jurisdiction.** The area in which the PHA has authority under State and local law to administer the program.

**Landlord.** Either the owner of the property or his/her representative or the managing agent or his/her representative, as shall be designated by the owner.

**Lease.** A written agreement between an owner and a tenant for the leasing of a dwelling unit to the tenant. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP contract between the owner and the PHA.

**Live-in aide.** A person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who:

- Is determined to be essential to the care and well-being of the persons;
- Is not obligated for the support of the persons; and
- Would not be living in the unit except to provide the necessary supportive services.

**Living/sleeping room.** A living room may be used as sleeping (bedroom) space, but no more than two persons may occupy the space. A bedroom or living/sleeping room must have at least one window and two electrical outlets in proper operating condition. See HCV GB p. 10-6 and 24 CFR 982.401.

**Local preference.** A preference used by the PHA to select among applicant families.

**Low income family.** A family whose income does not exceed 80% of the median income for the area as determined by HUD with adjustments for smaller or larger families, except that HUD may establish income limits higher or lower than 80% for areas with unusually high or low incomes.

**Manufactured home.** A manufactured structure that is built on a permanent chassis, is designed for use as a principal place of residence, and meets the HQS. A special housing type: see §982.620 and §982.621.

**Manufactured home space.** In manufactured home space rental: A space leased by an owner to a family. A manufactured home owned and occupied by the family is located on the space. See §982.622 to §982.624.

**Medical expenses.** Medical expenses, including medical insurance premiums, that are anticipated during the period for which annual income is computed, and that are not covered by insurance. (A deduction for elderly or disabled families only.) These allowances are given when calculating adjusted income for medical expenses in excess of 3% of annual income.

**Minor.** A member of the family household other than the family head or spouse, who is under 18 years of age.

**Mixed family.** A family whose members include those with citizenship or eligible immigration status, and those without citizenship or eligible immigration status.

**Monthly adjusted income.** One twelfth of adjusted income.

**Monthly income.** One twelfth of annual income.



**Mutual housing.** Included in the definition of *cooperative*.

**National.** A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.

**Near-elderly family.** A family whose head, spouse, or sole member is a person who is at least 50 years of age but below the age of 62; or two or more persons, who are at least 50 years of age but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age of 62 living with one or more live-in aides.

**Net family assets.** (1) Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.

- In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income under §5.609.
- In determining net family assets, PHAs or owners, as applicable, shall include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefore. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

**Noncitizen.** A person who is neither a citizen nor national of the United States.

**Notice of Funding Availability (NOFA).** For budget authority that HUD distributes by competitive process, the Federal Register document that invites applications for funding. This document explains how to apply for assistance and the criteria for awarding the funding.

**Office of General Counsel (OGC).** The General Counsel of HUD.

**Overcrowded.** A unit that does not meet the following HQS space standards: (1) Provide adequate space and security for the family; and (2) Have at least one bedroom or living/sleeping room for each two persons.

**Owner.** Any person or entity with the legal right to lease or sublease a unit to a participant.

**PHA Plan.** The annual plan and the 5-year plan as adopted by the PHA and approved by HUD.

**PHA's quality control sample.** An annual sample of files or records drawn in an unbiased manner and reviewed by a PHA supervisor (or by another qualified person other than the person who performed the original work) to determine if the work documented in the files or records conforms to program requirements. For minimum sample size see CFR 985.3.

**Participant (participant family).** A family that has been admitted to the PHA program and is currently assisted in the program. The family becomes a participant on the effective date of the first HAP contract executed by the PHA for the family (first day of initial lease term).

**Payment standard.** The maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family).

**Persons with Disabilities.** *For purposes of program eligibility.* A person who has a disability as defined under the Social Security Act or Developmental Disabilities Care Act, or a person who has physical or mental impairment expected to be of long and indefinite duration and whose ability to live independently is substantially impeded by that impairment but could be improved by more suitable housing conditions. This includes persons with AIDS or conditions arising from AIDS but excludes persons whose disability is based solely on drug or alcohol dependence. *For the purposes of reasonable accommodation.* A person with a physical or mental impairment that substantially limits one or more major life activities, a person regarding as having such an impairment, or a person with a record of such an impairment.

**Portability.** Renting a dwelling unit with Section 8 housing choice voucher outside the jurisdiction of the initial PHA.

**Premises.** The building or complex in which the dwelling unit is located, including common areas and grounds.

**Previously unemployed.** With regard to the earned income disallowance, a person with disabilities who has earned, in the 12 months previous to employment, no more than would be received for 10 hours of work per week for 50 weeks at the established minimum wage.

**Private space.** In shared housing: The portion of a contract unit that is for the exclusive use of an assisted family.

**Processing entity.** The person or entity that, under any of the programs covered, is responsible for making eligibility and related determinations and any income reexamination. In the Section 8 program, the “processing entity” is the “responsible entity.”

**Project owner.** The person or entity that owns the housing project containing the assisted dwelling unit.

**Public Assistance.** Welfare or other payments to families or individuals, based on need, which are made under programs funded, separately or jointly, by Federal, state, or local governments.

**Public Housing Agency (PHA).** Any State, county, municipality, or other governmental entity or public body, or agency or instrumentality of these entities, that is authorized to engage or assist in the development or operation of low-income housing under the 1937 Act.

**Qualified family** (under the earned income disallowance). A family participating in an applicable assisted housing program or receiving HCV assistance:

- Whose annual income increases as a result of employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment;
- Whose annual income increases as a result of increased earnings by a family member who is a person with disabilities during participation in any economic self-sufficiency or other job training program; or
- Whose annual income increases, as a result of new employment or increased earnings of a family member who is a person with disabilities, during or within six months after receiving assistance, benefits or services under any state program for temporary assistance for needy families funded under Part A of Title IV of the Social Security Act, as determined by the

responsible entity in consultation with the local agencies administering temporary assistance for needy families (TANF) and Welfare-to-Work (WTW) programs. The TANF program is not limited to monthly income maintenance, but also includes such benefits and services as one-time payments, wage subsidies and transportation assistance – provided that the total amount over a six-month period is at least \$500.

**Qualified census tract.** With regard to certain tax credit units, any census tract (or equivalent geographic area defined by the Bureau of Census) in which at least 50 percent of households have an income of less than 60 percent of Area Median Gross Income (AMGI), or where the poverty rate is at least 25 percent, and where the census tract is designated as a qualified census tract by HUD.

**Reasonable rent.** A rent to owner that is not more than rent charged: (1) For comparable units in the private unassisted market; and (2) For comparable unassisted units in the premises.

**Reasonable accommodation.** A change, exception, or adjustment to a rule, policy, practice, or service to allow a person with disabilities to fully access the PHA's programs or services.

**Receiving PHA.** In portability: A PHA that receives a family selected for participation in the tenant-based program of another PHA. The receiving PHA issues a voucher and provides program assistance to the family.

**Recertification.** Sometimes called *reexamination*. The process of securing documentation of total family income used to determine the rent the tenant will pay for the next 12 months if there are no additional changes to be reported.

**Remaining Member of Tenant Family.** Person left in assisted housing who may or may not normally qualify for assistance on own circumstances (i.e., an elderly spouse dies, leaving widow age 47 who is not disabled).

**Rent to owner.** The total monthly rent payable to the owner under the lease for the unit (also known as contract rent). Rent to owner covers payment for any housing services, maintenance and utilities that the owner is required to provide and pay for.

**Residency Preference.** A PHA preference for admission of families that reside anywhere in a specified area, including families with a member who works or has been hired to work in the area (See *residency preference area*).

**Residency Preference Area.** The specified area where families must reside to qualify for a residency preference.

**Responsible entity.** For the public housing and the Section 8 tenant-based assistance, project-based voucher assistance, and moderate rehabilitation programs, the responsible entity means the PHA administering the program under an ACC with HUD. For all other Section 8 programs, the responsible entity means the Section 8 owner.

**Secretary.** The Secretary of Housing and Urban Development.

**Section 8.** Section 8 of the United States Housing Act of 1937.

**Section 8 covered programs.** All HUD programs which assist housing under Section 8 of the 1937 Act, including Section 8 assisted housing for which loans are made under section 202 of the Housing Act of 1959.

**Section 214.** Section 214 of the Housing and Community Development Act of 1980, as amended **Section 214 covered programs** is the collective term for the HUD programs to which the restrictions imposed by Section 214 apply. These programs are set forth in §5.500.

**Security Deposit.** A dollar amount (maximum set according to the regulations) which can be used for unpaid rent or damages to the owner upon termination of the lease.

**Set-up charges.** In a manufactured home space rental: Charges payable by the family for assembling, skirting and anchoring the manufactured home.

**Sexual assault.** Any nonconsensual sexual act proscribed by federal, tribal, or state law, including when the victim lacks capacity to consent (42 U.S.C. 13925(a)).

**Sexual orientation.** Homosexuality, heterosexuality or bisexuality.

**Shared housing.** A unit occupied by two or more families. The unit consists of both common space for shared use by the occupants of the unit and separate private space for each assisted family. A special housing type: see §982.615 to §982.618.

**Single person.** A person living alone or intending to live alone.

**Single room occupancy housing (SRO).** A unit that contains no sanitary facilities or food preparation facilities, or contains either, but not both, types of facilities. A special housing type: see §982.602 to §982.605.

**Social Security Number (SSN).** The nine-digit number that is assigned to a person by the Social Security Administration and that identifies the record of the person's earnings reported to the Social Security Administration. The term does not include a number with a letter as a suffix that is used to identify an auxiliary beneficiary.

**Special admission.** Admission of an applicant that is not on the PHA waiting list or without considering the applicant's waiting list position.

**Special housing types.** See subpart M of part 982. Subpart M states the special regulatory requirements for: SRO housing, congregate housing, group homes, shared housing, cooperatives (including mutual housing), and manufactured homes (including manufactured home space rental).

**Specified Welfare Benefit Reduction.** Those reductions of welfare benefits (for a covered family) that may not result in a reduction of the family rental contribution. A reduction of welfare benefits because of fraud in connection with the welfare program, or because of welfare sanction due to noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

**Spouse.** The marriage partner of the head of household.

**Stalking.** To follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate; or to place under surveillance with the intent to kill, injure, harass, or intimidate another person; and in the course of, or as a result of, such following, pursuit, surveillance, or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or to cause substantial emotional harm to (1) that person, (2) a member of the immediate family of that person, or (3) the spouse or intimate partner of that person.

**State Wage Information Collection Agency (SWICA).** The state agency, including any Indian tribal agency, receiving quarterly wage reports from employers in the state, or an alternative system that has been determined by the Secretary of Labor to be as effective and timely in providing employment-related income and eligibility information.

**Subsidy standards.** Standards established by a PHA to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions.

**Suspension.** The term on the family's voucher stops from the date the family submits a request for PHA approval of the tenancy, until the date the PHA notifies the family in writing whether the request has been approved or denied. This practice is also called "tolling".

**Tax credit rent.** With regard to certain tax credit units, the rent charged for comparable units of the same bedroom size in the building that also receive the low-income housing tax credit but do not have any additional rental assistance (e.g., tenant-based voucher assistance).

**Tenancy Addendum.** For the Housing Choice Voucher Program, the lease language required by HUD in the lease between the tenant and the owner.

**Tenant.** The person or persons (other than a live-in aide) who executes the lease as lessee of the dwelling unit.

**Tenant rent to owner.** See *family rent to owner*.

**Term of Lease.** The amount of time a tenant agrees in writing to live in a dwelling unit.

**Total Tenant Payment (TTP).** The total amount the HUD rent formula requires the tenant to pay toward rent and utilities.

**Unit.** Residential space for the private use of a family. The size of a unit is based on the number of bedrooms contained within the unit and generally ranges from zero-bedrooms to six-bedrooms.

**Utilities.** Water, electricity, gas other heating, refrigeration, cooking fuels, trash collection, and sewage services. Telephone service is not included.

**Utility allowance.** If the cost of utilities (except telephone) and other housing services for an assisted unit is not included in the tenant rent but is the responsibility of the family occupying the unit, an amount equal to the estimate made or approved by a PHA or HUD of the monthly cost of a reasonable consumption of such utilities and other services for the unit by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful living environment.

**Utility reimbursement.** In the voucher program, the portion of the housing assistance payment which exceeds the amount of rent to owner.

**Utility hook-up charge.** In a manufactured home space rental: Costs payable by a family for connecting the manufactured home to utilities such as water, gas, electrical and sewer lines.

**Very Low Income Family.** A low-income family whose annual income does not exceed 50% of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income limits higher or lower than 50% of the median income for the area on the basis of its finding that such variations are necessary because of unusually high or low family incomes. This is the income limit for the housing choice voucher program.

**Veteran.** A person who has served in the active military or naval service of the United States at any time and who shall have been discharged or released therefrom under conditions other than dishonorable.

**The Violence Against Women Reauthorization Act (VAWA) of 2013.** Prohibits denying admission to the program to an otherwise qualified applicant or terminating assistance on the basis that the applicant or program participant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking.

**Violent criminal activity.** Any illegal criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against the person or property of another.

**Voucher (Housing Choice Voucher).** A document issued by a PHA to a family selected for admission to the housing choice voucher program. This document describes the program and the procedures for PHA approval of a unit selected by the family. The voucher also states obligations of the family under the program.

**Voucher holder.** A family holding a voucher with an unexpired term (search time).

**Voucher program.** The housing choice voucher program.

**Waiting list.** A list of families organized according to HUD regulations and PHA policy who are waiting for a unit to become available.

**Waiting list admission.** An admission from the PHA waiting list.

**Welfare assistance.** Income assistance from Federal or State welfare programs, including assistance provided under TANF and general assistance. Does not include assistance directed solely to meeting housing expenses, nor programs that provide health care, child care or other services for working families. For the FSS Program (984.103(b)), “welfare assistance” includes only cash maintenance payments from Federal or State programs designed to meet a family’s ongoing basic needs, but does not include food stamps, emergency rental and utilities assistance, SSI, SSDI, or Social Security.

Housing Authority of the County of Butte - Butte County Affordable Housing Development Corporation

Development Activity May 15, 2020

	PWC-AMG/BCAHDC	City	Units	Serves	Funding		HACB PBV's	BCAHDC MOA	BCAHDC LPA prelim	Estimated Placed in Service Date	
1	Sunrise Village Apts.	Gridley	37	Seniors	MHP 4% LIHTC's	July 2020	36	√	√	December 2021	
2a	Riverbend Apts. Phase 1	Oroville	72	Family	9% Disaster LIHTC's	July 2020		√		Summer 2022	
2b	Riverbend Apts. Phase 2	Oroville	48	Family	AHSC	Feb 21 Rnd		anticipated		Summer 2022	
3	Liberty Bell Apts.	Orland	32	Seniors	HOME 4% LIHTC's	Fall 2020	31	√		October 2021	
4	Woodward Apts.	Orland	36	Family	MHP	Sep 2020	25	√	√	Summer 2022	
5	8th Street PSH	Orland	40	PSH	NPLH 9% LIHTC's	July 2021		anticipated		December 2022	
6	Mitchell Ave Apts	Oroville	37	Seniors	9% Disaster LIHTC's	July 2020		1		January 2022	
7	Ford Ave Apts	Gridley	36	Family	9% Disaster LIHTC's	July 2020		2		January 2022	
8	Deer Creek Apts	Chico	204	Family	9% Disaster LIHTC's	July 2020		3		Summer 2022	
9	Oroville PSH - Nelson	Oroville	40	PSH	TBD			anticipated		?	
AHDC/BCAHDC											
10a	North Creek Crossing Apts., Phase I	Chico	106	Family	9% Disaster LIHTC's	July 2020		4		Spring 2022	
10b	North Creek Crossing Apts., Phase II	Chico	60	Family	9% Disaster LIHTC's	2nd Round				Spring 2023	
Jamboree/BCAHDC											
11	1297 Park Ave. Apts.	Chico	58	Singles/PSH	9% Disaster LIHTC's	July 2020	43	√		Spring 2023	
CHIP											
12	Creekside Place Apts	Chico	100	Seniors	NPLH, City 9% Disaster LIHTC's	July 2020	100	n/a		Spring 2023	
			906	units				235			
Section 8 Voucher PBV Commitments											
PWC - Sunrise Village Senior Apts		Gridley		Seniors			36	(31 1-BR, 5 2-BR)			
<del>VRDC - Veterans Village</del>		<del>Chico</del>		<del>Veterans</del>		50					
Caminar - Base Camp Village II		Oroville		Homeless-Disabled			12	(8 Studio, 4 1-BR)			
CHIP Creekside Place Apts		Chico		Seniors			100	(85 1-BR, (15) 2-BR)			
Jamboree Housing - 1297 Park Ave Apts		Chico		Single-Senior-Disabled			43	(43 1-BR)			
PWC - Liberty Bell Apts		Orland		Seniors			31	(26 1-BR, 5 2-BR)			
PWC - Woodward Apts		Orland		Family			25	(12 2-BR, (13) 3-BR)			
							247	Total			

## **MEMO**

Date: May 15, 2020

To: HACB Board of Commissioners

From: Larry Guanzon, Deputy Executive Director

Subject: COVID-19 Status Report – Unpaid Rents & Rent Delayed Payment Agreements

Due to the COVID–19 pandemic, a four month “eviction moratorium” has been enacted Federally. Many households have experienced job loss and or underemployment, making it difficult to meet their monthly rental payment obligations. However, the majority of our clients have fixed incomes sources (SS, SSI, etc.), such clients including disabled and seniors. Other low income families have Section 8 benefits. So not all is doom and gloom.

The HACB is tracking rental payments at all properties, including, Public Housing, Farm Labor Housing, LIHTC Properties, Bond Properties, as well as other HACB owned properties, to see how COVID–19 is affecting rental income, and to see how many households are requesting a “Rent Delayed Payment Agreement”.

April’s numbers looked “normal” for the most part. May’s receipts will begin to tell a story. An up to date report will presented at next Thursday’s board meeting, to review April and May 2020 rent receipt dynamics.